

## **Statement of G-33, African Group, ACP and SVEs on Special Products and Special Safeguard Mechanism**

**July 27, 2008**

1. The sharp rise in global prices and the food crisis in large parts of the developing world have lent added urgency to the call of developing countries for effective safeguards in the WTO negotiations for trade liberalization in Agriculture. These safeguards are at the core of the development outcome of the Round as they involve the concerns of food security, livelihood security and rural development in developing countries. The most essential of the safeguards involve the instruments of Special Products and the Special Safeguard Mechanism.
2. It is essential that the outcome on Special Products and SSM fully reflects the concerns of developing countries. In the present context, when we are poised to complete the modalities in Agriculture, we have reviewed our position and come to the conclusion that the present G-33 positions, which have evolved considerably over the last few months, reflect a fair basis for a final settlement. Nevertheless, in a spirit of constructive engagement, we are willing to show some flexibility in order to obtain a reasonable outcome. The numbers below reflect this understanding based on the consultations among the G-33, African Group, ACP and SVEs. We would also like to emphasize that in our view, these reflect the limits of the flexibility that we can show on these issues.

### **Special Products**

3. We agree to the proposal in Para 121 for SVEs.
4. We can accept the DG's proposal of a single tier approach for SPs and 5% tariff lines with zero cuts subject to the following conditions:-
  - Overall Number: 15% as against our latest position of 18%
  - Overall Average cut: 9% as against our position of 12 % cut in the second tier for non zero cut SPs
  - For RAMs, 1 percentage point more for overall number of SPs and 1 percentage point less for overall average tariff cut.

**SSM**

- 5. Overall structure in the text should not be changed.
- 6. Triggers and remedies as in Para 124 where remedies were to stay below the UR bound levels, should remain.
- 7. Triggers for Para 134-136 where remedies would go above the UR bound levels should be the same as in Para 124
- 8. The structure of remedies for breaching the UR bound levels should be stabilized according to the following (Para 134-136)

|                            |                               |
|----------------------------|-------------------------------|
| LDCs                       | 100% or 100 percentage points |
| SVEs                       | 75% or 75percentage points    |
| Other Developing Countries | 30% or 30 percentage points   |

- 9. Number of tariff lines which can breach the Uruguay Round bound levels:

|                            |                                  |
|----------------------------|----------------------------------|
| LDCs                       | unlimited (continues as in text) |
| SVEs                       | 30%                              |
| Other Developing Countries | 7%                               |

- 10. The condition in Para 124(d) is a totally unnecessary restraint and puts the operation of Para 124 in serious jeopardy. It should be deleted.
- 11. Price trigger: 90% of the reference price.
- 12. Remedy in price-based SSM: 100% compensation of the price difference.

**Other issues in SSM:**

- 13. Triggers to be calculated on the basis of a rolling average of imports of the most recent 3 – year period for which the data are available.
- 14. Since a Member is free to raise the applied duties to the Doha Round bound levels, the requirement of additional duties applying on applied tariffs should be removed from the text.

15. Para 128 is a cross check for price based SSM. This could be accepted only on a best endeavor basis by substituting the words “shall not normally” with the words “undertake, as far as practicable, not to”, which is the language used in the SSG.
16. The exclusion of Preferential Trade from calculation of triggers is not acceptable. We are ready to show flexibility from our original position and agree to the inclusion of preferential trade in the calculation of triggers and applying the remedies to preferential partners (and vice versa).
17. The exemption of shipments en route from SSM remedies is to be applicable only in volume-based SSM and not in price-based SSM.
18. The period of remedy for all products should be 12 months, irrespective of whether the product is seasonal or not.
19. Limiting the duration of remedies to two consecutive periods is not acceptable. This condition should be withdrawn from Para 131.
20. Where the UR bound levels are breached, limiting the duration of the remedy to one period and not allowing it in the next consecutive period is not acceptable.
21. The requirement to make available ‘ongoing calculations of rolling averages’ of import volumes and prices for any ‘potential’ SSM invocations is too cumbersome for developing countries. Para 7 of the G-33 proposal meets all requirements of transparency in sufficient measure.

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