



**G-33 Coordinator Talking Points on
Special Safeguard Mechanism
Room E Meeting
18-22 February 2008**

- 1) The G-33 views the contents of the draft text on the SSM as extremely inadequate. The proposed architectures on the SSM would eventually and only provide a stringent, restrictive, burdensome, ineffective and non-operational mechanism for developing countries and LDCs.
- 2) The SSM shall be more effective, flexible, practical and operable than the existing or any possible revised SSG. Be that the product coverage, triggers and the remedies. The SSM shall not be designed with layers and multiple of limitations for developing countries and LDCs to use, which in the end would only provide an ineffective mechanism.
- 3) The SSM must be able to provide an operable and effective mechanism for all developing countries and LDCs. A new kind of differentiation of treatments on SSM among the developing countries is simply unacceptable and inappropriate. Emergency situation in all developing countries should receive equal attention as well as treatments.
- 4) The SSM is a trade measure and shall be a permanent mechanism as long as there is abnormality and imbalances in the world trading system.

- 5) Once again, the G-33 reiterates that the Group has evidently been flexible, constructive and making significant movements. The Group intends to continue to take those positive stands. However, it should also be acknowledged that no major movements or flexibilities have been demonstrated in other crucial agriculture issues, whether in the market access pillar or domestic support.

- 6) The G-33 has called for a much more balanced draft text modalities for agriculture, within and among the three pillars. In particular, the G-33 calls for a fair and balanced solution with respect to SPs and SSM as an integral part of Special and Differential Treatment, compared to Sensitive Products and SSG.

- 7) The G-33 had high expectations that a revised draft text on SSM would be somehow balanced, logical and operable. Yet, as it stands now – the draft text on SSM cannot be regarded to have accommodated these important aspects of a mechanism, which has been solely mandated for developing countries and LDCs as an integral part of Special and Differential Treatment.

- 8) The G-33 has repeatedly made it clear that the Group's proposal on SSM remains on the table with a concrete and legal text based proposal. Along this line, the G-33 appreciates and supports the text in Paragraphs 129, 134 and 139.

Paragraph by Paragraph

Para 126

- a) The G-33 welcomes and supports the first part of the paragraph where it establishes the SSM can be invoked for all products and the product scope is not limited;
- b) The second part of the paragraph contradicts or negates this universal coverage principle and therefore it is unacceptable;
- c) This restriction, in conjunction with the other restrictive propositions of SSM (in triggers and remedies of both volume-based and price-based measures) makes it virtually impossible for developing countries and LDCs to operationalize the SSM;
- d) The G-33, therefore, continues to hold the view that it is impossible to decide, in advance, what products and sections or tariff lines may be vulnerable to import surges or price depressions in any future;
- e) The scope of application of SSM will, therefore, be determined by triggers and cannot be limited, a priori, to a set of products or tariff lines.

Para 127

- a) The G-33 supports paragraph 127, with the understanding that:
 - Price based and volume based SSM shall both be available and that both shall operate independently;
 - The reference on “an anti-dumping or countervailing measure” shall be deleted since it would not be relevant and is a totally different issue. Anti-dumping and countervailing measures have clear-cut procedures and investigation in order to determine injury to domestic market which has nothing to do with the SSM. It is already clear that Members have

the right to impose it and it will fully depend on the subsidies provided by the exporting countries.

Para 128

a) The G-33 cannot accept the first sentence of this paragraph taking into account that the language of the G-33's Proposal is the appropriate and operable situation for developing countries and LDCs which is: "a rolling average of imports of a 3 years period for which data is available", as is the case for in Paragraph 130 of the price based SSM;

b) The G-33 takes note that the paragraph has recognized the concept that more serious surges would require higher remedies as well as a three stage scale of triggers and remedies. Multiple triggers and remedies are required to achieve this, however the triggers and remedies featured in the revised draft text makes the SSM useless and ineffective;

c) Therefore the whole remaining paragraph, especially the new numerical suggestions outside the G-33's positions is unacceptable. It would only provide a useless, meaningless and ineffective SSM for developing countries and LDCs.

d) Footnote 17 in this paragraph is unacceptable and should be deleted. It suggests another differentiation among the developing Members, serves another layer of limitation or restriction and that it would make developing countries and LDCs impossible to implement the SSM. It places conditions on the SSM that are clearly more onerous than the SSG;

Furthermore:

- A ceiling of a current or existing bound tariff evidently makes no sense and there is no logic in it. Any Member does not need the SSM and it is within its fundamental right to reach this kind of ceiling;

- The additional duties and percentage points is notably too low and ineffective as well as that it shall be "whichever higher";
- The base for imposing additional duty shall be bound tariff rather than applied tariff;
- The numbers of the minimum increase is too high;

Para 129

The G-33 appreciates the inclusion of the text and supports this paragraph.

Para 130

a) The G-33 rejects the suggestion of setting the trigger price at 70% of the reference price. The G-33's proposal of reference price 100%, already takes into account the normal fluctuation prices as they are based on a monthly moving average and – which would already reflect the long term trend in prices;

b) On Footnote 20, the G-33 would accept the concept if only that such obligation sets in after or following the initial use of the trigger price in line with Footnote 4 of the G-33 proposal;

c) The square brackets "MFN-sourced" should be deleted. The G-33 asks the reason and logic why it has been suggested and moreover, only to the price based SSM;

d) It would be an additional burden for developing countries and LDCs to differentiate between MFN and Non-MFN sourced price. For the G-33, the preferential trade issue is clear and resolved in Paragraph 134.

e) The G-33 appreciates that the paragraph has incorporated some important elements which is based on G-33's proposal, such as Footnote 18 and Footnote 19 of the revised draft text;

Para 131

a) The G-33 cannot accept the first sentence of this paragraph since it has only incorporated that the price based SSM remedy shall apply only on a shipment-by-shipment basis. This paragraph should have also made reference to "ad-valorem base calculation". The G-33 asks the reason why "ad-valorem base calculation" has not been incorporated;

b) The remaining sentence of the paragraph is unacceptable, because:

- The additional duty is restricted to only 50% of the difference and in addition to that, the trigger price is already suggested to be 30% lower than the monthly moving average over a recent three years period. The additional duty is further restricted through a cap, which would only make the SSM meaningless and ineffective;
- For Members to reach a Doha Bound Rate will obviously not need the SSM. Any Member has the fundamental right to raise the duties to an existing bound rate anytime they wish;
- The SSG has a 5-10% de minimis (or threshold) and the average reference price is fixed (1986-1988), which constitutes trade situations around 15-20 years ago. On the other hand, in the revised draft text - the SSM has been suggested to have a 30% threshold including a monthly moving average over a recent three years period calculation;

Para 132

a) The G-33 is of the firm position that this paragraph shall remain as a best endeavour ("as far as practicable") for developing countries and LDCs to implement;

b) The G-33 recommends that this Paragraph (with the provision of “as far as practicable”) to be integrated with Paragraph 137 as part of a transparency system of the mechanism.

Para 133

a) The G-33 views that this paragraph reflects a new kind of differentiation of treatments among the developing countries;

b) Differentiating or distinguishing poor farmers among developing countries would not be factual and appropriate;

c) SSM should be available to all developing countries including LDCs, and are all – I repeat, ALL, are entitled to the remedies that can go beyond the Uruguay Round bound level without distinguishing or having pre-condition and additional special conditions attached to it.

Para 134

The G-33 appreciates the inclusion of the text and supports this paragraph.

Para 135

The G-33 views this paragraph is slightly different than the G-33 proposal. Therefore, the G-33 is currently still consulting, in technical terms, with our capitals, particularly the respective authorities concerned with this matter.

Para 136

a) Suggestion of the duration of the remedies until the end of the year of invocation is unacceptable;

b) A period of 12 months is the G-33’s position and it shall remain.

Para 137

- a) The G-33 appreciates the inclusion of the text;
- b) The SSM shall not be more burdensome for developing Members and LDCs to implement. 15 days is limited and therefore 30 days remain the appropriate period;
- c) The G-33 cannot accept the suggestion of requiring advance information on on-going calculations of triggers, since it would be operationally difficult and burdensome;
- d) The G-33 recommends that this Paragraph (with the 30 days provision and the specific modifications) be integrated with Paragraph 132.

Para 138

- a) The SSM is a trade measure and shall be a permanent mechanism available for developing countries and LDCs, as long as there is abnormality and imbalances in the world trading system;
- b) The SSM is an integral part of Special and Differential Treatment in addressing the problems of food security, rural development and livelihood security in developing countries and LDCs, and therefore cannot be simply limited to an irrelevant implementation period such as a trade round;
- c) Stipulating any expiration would render the SSM as more restrictive than the SSG.

Para 139

The G-33 views this paragraph as relevant and supports this paragraph.