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COMPARING THE SPECIAL SAFEGUARD PROVISION (SSG) AND THE SPECIAL SAFEGUARD MECHANISM (SSM): SPECIAL AND DIFFERENTIAL TREATMENT FOR WHOM?

SYNOPSIS

The Special Safeguard Provision (SSG) in the WTO's Agreement on Agriculture is an instrument that is regularly used by a number of developed countries to protect their agricultural sector. Most developing countries do not have access to the SSG. The Special Safeguard Mechanism (SSM) has been proposed by a large number of developing countries in the Doha Round so that they too can avail of a similar and an even more effective safeguard mechanism than the SSG. Unfortunately, the conditions for the SSM have been so diluted as to make it difficult to use, and in many aspects less effective than the SSG. This paper provides a detailed comparison between the two instruments.

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I. INTRODUCTION

1. The Special Safeguard Provision (SSG) was introduced into the Agriculture negotiations during the Uruguay Round. As compared to the general Agreement on Safeguards in the General Agreement on Tariffs and Trade (GATT), which requires investigation and thus time before a safeguard can be imposed, the SSG was envisaged to be a quicker and thus more effective instrument, hence the term 'Special'.

2. The SSG was provided only to 16 developed countries and 22 developing countries, and for a selected range of agricultural products. This was because only the tariff lines for which countries had non-tariff barriers (NTBs) and which were converted to tariffs (a process known as 'tariffication') were allowed to have an SSG.

3. Thus far, it has mainly been the developed countries that have regularly used the SSG. The majority of developing countries which have access to it, have not even used it.

4. When the current agriculture negotiations commenced (even before the Doha Round), in order to protect themselves from world prices that were becoming increasingly volatile, and import surges that were flooding their markets, developing countries proposed a Special Safeguard Mechanism (SSM) for their use. The original idea was that it would be open for all developing countries and for all products, as long as the triggers for invoking the SSM have been breached.

5. 10 years into the agriculture negotiations, the provisions of the SSM unfortunately have been markedly watered down by both developed countries and exporting developing countries vying for agriculture export markets. New conditionalities have been thrown into the SSM draft texts (TN/AG/W/4/Rev.4 otherwise known as 'Rev.4' and TN/AG/W/7 otherwise known as 'W7').

6. A significant number of these conditionalities do not even exist for the SSG used by developed countries. In fact, the SSM has been watered down so considerably in the negotiations (as represented in Rev.4 and W7) that its effectiveness and hence utility for developing countries is questionable.

7. The SSM was always intended to be a more effective and useful instrument than the Special Safeguard Provision, since developing countries should receive Special and Differential Treatment. Whether this is now the case is in question. In fact, there are many aspects of the SSG which are clearly more favourable for developed countries than the clauses in the SSM for developing countries.

8. It would be a shame if the Doha negotiations finally delivered an SSM for developing countries that was worse than the existing provisions in the SSG. Developing countries should thus ensure that the SSG conditionalities are the bottomline for the SSM and as a Special and Differential Treatment provision, the SSM should be much better, easier to invoke and more effective in its remedies.

II. CONDITIONALITIES IN THE SSM AND THE QUICK COMPARISON BETWEEN THE SSG AND THE SSM

9. The lists below provide a very brief summary of the conditionalities in both the volume and price-based SSM. Written into brackets is a quick comparison between the SSM and the SSG. 'Not in SSG' means that these conditionalities do not even exist for the SSG and hence the SSG remains more favourable in those aspects.

Volume-based SSM:

- volume triggers (SSG is slightly less favourable if imports are a small part of the domestic consumption, but more favourable if imports are above 10% of domestic consumption)
- remedies (in general SSG more favourable)
- remedy caps (not in SSG)
- application of the remedy to applied, not bound tariffs (Rev.4) (not in SSG)
- distinction between the SSM remedy remaining below the pre-Doha bound tariff, or going above the pre-Doha bound tariff (not in SSG)
- limits on the number of tariff lines for which the SSM can be used in a year if the remedy goes beyond the pre-Doha bound tariff (less favourable than SSG)
- pro-rating (not in SSG)
- seasonality (SSG seasonality is of benefit to importing country, unlike in SSM)
- cross-check (not in SSG)
- exclusion of negligible trade (not in SSG)
- exclusion of preferential trade (not in SSG)
- notification procedures that are more cumbersome (SSG more favourable)

Price-based SSM

- price trigger (SSM trigger lower than in SSG i.e. SSG more favourable)
- remedy and remedy caped by pre-Doha round bound tariff (SSM remedy better, but becomes worse with the pre-Doha round bound tariff as cap)
- exclusion of price-based SSM from covering en route shipments – i.e. in reality no price-based SSM (SSG more favourable)
- no remedy on the price decline in the ad valorem (AVE) duty of the product (SSG better since developed countries use mixed or specific tariffs)
- cross-check (SSG has weaker language, so more favourable)
- seasonality (SSG seasonality is of benefit to importing country, unlike in SSM)
- exclusion of preferential trade (not in SSG)
- notification procedures that are more cumbersome (SSG more favourable

III. An Elaborated Comparison between the SSG and the SSM.

10. The analysis below is intended to provide a point-by-point comparison of the two instruments.

III.1 The Volume-based Safeguard

	SSG	SSM	Comments
No. of agricultural tariff lines available for safeguard	Depending on the member, on average 19.5%[1] EU – 31% of its total tariff lines US- 9% of tariff lines Japan – 12% Switzerland – 59% Norway – 49%	100% (or about 740 tariff lines)	SSM looks good but in effect, see conditions in row below.
% of tariff lines for which SSM may be applied <u>during a year</u>	No limits, i.e. countries can use 100% of the specified lines: 31% of tariff lines for EU (539 lines) 9% of tariff lines (189 lines) for US 12% of tariff lines (121 lines) for Japan 59% of tariff lines (961 lines) for Switzerland 49% of tariff lines (581 lines) for Norway	For remedies going above the UR bound tariff: Any number of tariff lines can avail of the SSM as long as the trigger is breached, if the remedies do not go above the pre-Doha bound tariff. <u>For remedies above the pre-Doha bound tariff</u> <u>Rev4:</u> 2-6 products (or about 48 lines for developing countries) 10 – 15% of tariff lines for SVEs 100% for LDCs. <u>W7:</u> 2.5% of total lines for any 12 month period.	SSG more favourable. SSM allows very few lines as compared to what is provided to developed countries in SSG– eg. 2.5% (for developing countries) versus 31% for EU.

[1] WTO document TN/AG/S/12, Table 2 - Scope of the Special Agricultural Safeguard

		For SVEs – text not clear.	
Data availability for Reference Period	Imports as percentage of domestic consumption for the preceding 3 years for which data are available.	Imports in the preceding 3 years. (No caveat 'for which data are available)	SSG language more favourable. Most developing countries have problems or delays with data collection. The way it is phrased in SSG 'for which data are available' should therefore also be provided for in the SSM.
Volume-based safeguard: Trigger levels and Remedies	**The volume trigger is pegged to both domestic consumption and average imports in last 3 years:** If imports make up more than 30% of domestic consumption, trigger is **105%** of average trade in last 3 years, plus difference in domestic consumption in last year. If imports make up between 10 – 30% of domestic consumption, trigger level is **110%** of average trade in last 3 years plus difference in domestic consumption in last year. If imports make up less than 10% of domestic market, trigger is **125%** of average trade in last 3 years plus difference in domestic consumption in last year. (See Annex 1 for how the calculations for the SSG trigger is done). The **remedy** is the same for all the	**Triggers are pegged to average import levels of preceding 3 years.** (Imports are *not* pegged to domestic consumption.) The trigger levels and remedies increase in tandem: Rev.4 Trigger and Remedy: **110%** trigger : 25% of current bound or 25 percentage points; **115%** trigger: 40% of current bound or 40 percentage points; **135%** trigger: 50% of current bound or 50 percentage points. Condition for application: The pre-Doha bound tariff is respected as the upper limit. If this pre-Doha bound tariff is breached, there are final remedy caps that must be respected. (see row below on 'Final Duty Cap on the Remedy). W7 (remedy going above the Uruguay Round bound tariff): For a **120 – 140% surge**, remedy is 1/3 of pre-Doha bound tariff or 8 percentage	Similarities: Both triggers take into account the last 3 years of trade. If imports are increasing, both SSG and SSM have a built-in import growth factor. The main difference here is that agricultural imports are growing much faster in developing countries than in developed countries. In the latter, the protection sensitive products receive from the outset is much higher – through TRQs and subsidies. Hence the levels of continuous import surges in developing countries are not matched in developed countries. Differences: i) The SSG is pegged to domestic consumption, the SSM is not. As imports make up a larger part of domestic consumption, triggers are easier to breach. ii) There is no differentiation in SSG about below or above the Uruguay Round bound rate since remedies are always added to the bound rate. iii) As imports increase, SSG triggers have a dampening effect on imports. This is a very positive feature and does not exist for the SSM.

	different triggers: 1/3 or 33.3% of 'the ordinary customs duty in effect'.	points, whichever is higher. **Over 140% surge**, remedy is ½ of current bound tariff or 12 percentage points, whichever is higher.	Conclusions If imports make up a smaller percentage of domestic consumption, the remedy in the SSM is better – 120% (in W7) compared to 125% trigger plus change in domestic consumption in SSG. The SSM is more advantageous if the 110% trigger (Rev.4) can be used, even for above the bound rate remedies, and if the remedies can be meaningful. However, the SSG trigger works out better if imports make up a significant part of the domestic consumption. The 105% trigger level becomes much easier to breach and the remedy of 33% of UR bound rate is better (unless domestic consumption is increasing very quickly as these increases are added to the SSG trigger – Annex 1 explains how). See Annex 2 for some hypothetical scenarios comparing SSG and SSM triggers. Since imports are continuously increasing in developing countries, it is quite possible that for net-food-importing countries, the SSG triggers are better. **One way to improve the SSM is to add to the paragraph on triggers and remedies that if imports are between 10 – 30% of domestic consumption, the trigger level can always be 110% of average trade in preceding 3 years; and if imports exceed 30% of domestic market, the trigger is 105%. The remedy is added to the UR bound tariff and should be no less than 1/3 the UR bound tariff. If the volume surge is higher, as in the SSM texts, the remedies should be better.** The only drawback is that countries need to have domestic consumption figures, although the SSG text does provide an escape clause with the phrase 'for which data are available'.
Remedy applied to bound or applied	Remedy is applied to 'the ordinary customs duty in effect'.	Rev4: Remedy added to applied tariff	The SSG language is similar to the Rev.4 language. However, applying the same language to developed and

tariffs	Since the SSG is applied to 'out-of-quota' tariffs and these are also the bound tariffs, the SSG is always applied to the bound tariffs.	<u>W7</u>: Silent on the issue. But remedies offered are very limiting especially for countries with low bound tariffs.	developing countries with different tariff structures provide different effects. Developed countries have low in-quota tariffs and very high out-of-quota tariffs which they use all the time. Developing countries, due to structural adjustment policies, tend to use low applied tariffs, rather than the higher bound tariffs. The same language would therefore penalize developing countries.
Volume-based safeguard: Final duty cap on the remedy	<u>No final cap</u> is provided. Remedy always applied to bound tariff rate, i.e. out-of-quota bound tariff rates. On average, the out-of-quota bound UR tariff for a group of OECD countries is 162%. (For the US, it is on average 90.8%, for EU it is 97.3%). The 1/3 SSG remedy is applied above this bound tariff. [2]	<u>Final capping if pre-Doha bound tariff is breached:</u> <u>Rev.4</u> 40% of current bound tariff or 40 percentage points (whichever higher) for LDCs; [20% of current bound tariff or 20 percentage points (whichever higher) for SVEs]; 15% of current bound tariff or 15 percentage points, (whichever higher) for developing countries.	SSG, with no final duty cap is more favourable. As noted above, the SSG does not have a distinction between *below* the UR bound remedy or *above* the UR bound remedy. **Such a distinction therefore should not exist in the SSM.** The tariff caps in the SSM work better for countries with high Uruguay Round bound tariffs – 1/3 or ½ of their UR tariff could therefore be effective. However, it provides countries with low bound tariffs a much lower (and possibly ineffective) remedy. If the pre-Doha Round bound tariff is the ceiling for the remedy (para 142 of Rev.4), it means that Special Products which are not subject to cuts in the Doha Round do not enjoy the SSM.
Period of application	Until the end of the year – but what is a 'year' is not predetermined. No on/off application clause. As long as the trigger has been met, the SSG can	<u>Rev 4</u>: 12 months from period of application. Seasonal products: 6 months or actual period of seasonality, whichever longer. <u>W7:</u> Max. of [4/8] months and shall not be	The 12 months provided by Rev.4 is more favourable than the SSG. However, this spillover has been limited by W7 to [2/4] months (see below).

[2] OECD 2002 'Agriculture and Trade Liberalisation : Extending the Uruguay Round Agreement', Table 1.5, p. 34.

	be applied.	reapplied thereafter until an equivalent period of months has lapsed.	
Spillover into the next year	No spillover	Rev.4 Spill over – SSM applied for 12 months for normal products; 6 months for seasonal products from the time of application. W7 SSM application limited to [4/8] months within a year and spillover for [2/4] months if invoked at the end of the year.	SSM is better in that it allows for spillovers (Rev.4 – 12 months of SSM from date of application), however, W7 SSM application period is limited, and spillover in W7 is also limited.
Definition of year	Interpretation by member. It is silent on whether it is the calendar year, marketing year or fiscal year.	Rev. 4 Interpretation by member. W7 Interpretation by member and binding once chosen.	SSG definition or Rev.4 in SSM is more favourable than W7 (SSM) since members are not bound to define the year from the outset.
Manifestly negligibility test	None	Yes Rev 4, para 133 d – where absolute level of imports is manifestly negligible in relation to domestic production and consumption, remedies would not be applied.	SSG much more favaourable.
Pro-rating	None	Rev 4. If previous SSM application leads to lower trigger volume than previous trigger volume, use the higher previous trigger volume. W7. If SSM was used in base period, the monthly average of imports net of that period of SSM application shall be used as the proxy for months when SSM was in use, unless actual trade figures are higher.	SSG much more favourable.

Cross-Check in the Volume Safeguard	None	Rev.4 None W7 The volume-based SSM 'shall not normally be applicable unless domestic price is also declining.	SSG much more favourable or Rev.4. Cross-check will have a huge impact, prohibiting the use of volume-based SSM even when triggers are breached. (When there are volume surges, there are no import price declines for 85% of cases in research on 56 countries – 2004-2007, i.e. cross check may make the volume SSM unusable for a large no. of cases).
En route shipments excluded from *volume* safeguard remedy	Yes (Price SSG *can* be applied to en route shipments)	Yes (Price SSM *cannot* be applied to en route shipments).	Same treatment for volume-based SSG and SSM. Price-based SSG more favourable than price-based SSM (see section on price-based safeguards below).
Seasonality	Seasonality defined as seasonality of *importing* country. SSG application for 12 months, same as 'normal' products. Shorter base periods and import periods can be used so that the SSG can be invoked more easily by the importer to protect domestic producers.	Seasonality understood by negotiators as seasonality of *exporting* country. Rev 4: SSM application periods shorter than for normal products (6 months or actual period of seasonality, whichever longer). W7: When applied (6 months) over two consecutive 12-month periods, it cannot be reapplied for the subsequent 12 months.	SSG much more favourable since it helps importers protect their domestic market. The SSM conditions on seasonality are facilitating exports of exporting countries.
Preferential Trade	SSG silent on MFN and preferential trade i.e. it also covers preferential trade.	Rev.4: SSM prohibited from covering preferential trade. Older version of Chair's text - Rev.1: Preferential trade covered also, if covered in calculations of base period.	SSG much more favourable compared to current SSM Rev 4 text.
Notification	i) Members to notify within 10 days of the implementation of such action	i)Rev.4 para 141. SSM to be carried out in a transparent manner, the basis upon which	The SSG is more favourable. The only area where it is less favourable than the SSM is that SSM users have 5 more days

	ii) Any member taking action shall afford any interested Members the opportunity to consult with it in respect of the conditions of application of such action.	ongoing calculations of rolling averages of import volumes and prices shall be accessible to all Members so that they can be fully informed of the basis upon which any potential action may be taken. ii)Members to notify within 15 days of the implementation of such action. iii) Any member taking action shall afford any interested Members the opportunity to consult with it…. (same language as SSG).	to provide notification. Where the SSM is burdensome is that it is asking developing countries to make all the on-going calculations accessible to all Members so that exporters can be forewarned. The same level of transparency has not been required of the SSG.

III.2 The Price-based Safeguard

	SSG (Article 5 of the Agreement on Agriculture)	**SSM (Chair's Text, TN/AG/W/4/Rev.4, December 2008)**	**Comments**
En route shipments	Price-based SSG remedy *can* be applied to en route shipments.	SSM remedy *cannot* be applied to en route shipments (para 139). At the same time, para 136 notes that the price-based SSM shall apply on a shipment-by-shipment basis.	The price-based SSG can be invoked whilst the price-based SSM cannot! **The price-based SSM cannot actually be implemented given the contradictions in the Rev 4 text. Unless the language on en route shipments pertaining to the price-based SSM in the Chair's text (Rev 4 para 139) is changed, no price-based SSM actually exists.**
Reference price	<u>Fixed reference period:</u> the average 1986 – 1988 CIF price. <u>Footnote 2 provides an important caveat:</u> 'The reference price used to invoke the provisions of this subparagraph shall, in general, be the average c.i.f. unit value of the product concerned, or otherwise shall be an appropriate price in terms of the quality of the product and its stage of processing. It shall, following its initial use, be publicly specified and available to the extent necessary to allow other Members to assess the additional duty that may be levied.'	<u>Moving reference period:</u> average monthly MFN CIF unit value of preceding 3 years	There are important differences: The <u>fixed reference period of the SSG</u> means that administratively, it is much easier for SSG users to invoke the price-based safeguard. The trigger is well known. The mechanism is implemented at customs anytime that the price declines below the trigger level. The downside is that the price of that reference period may not be useful. Some developing countries have found the price of that time (1986 -88) too low for them to trigger. The <u>moving reference period of the SSM</u> means that the trigger prices have to be calculated and recalculated yearly. This is very burdensome for developing countries and many low-income countries may simply not be able to use the instrument for this reason. However, the benefit is that the reference period will not be outdated. **It is best for countries to have a choice of either a fixed or moving reference period – they can then decide which of these to use.**

			The possible language that could be used can be along the same lines as Footnote 2 for the SSG: **The reference price used to invoke the provisions of this subparagraph shall, in general, be the average c.i.f. unit value of the product in the 3 preceding years for which data is available, or otherwise shall be an appropriate price.**
Trigger Price	The SSG is not triggered until the price drops to less than or equal to **90% of the average c.i.f. price of imports between 1986 – 1988.**	SSM is triggered when it is below **85% of the moving reference price (average import price of the last 3 years).**	SSG is triggered at 90% of the reference price. SSM is triggered at 85% of the reference price. SSG is more favourable. .
Remedy	<u>Staggered Remedy:</u> i) No remedy when price falls within 10% of the fixed reference price. ii) If price falls to between 60% -90% of reference price, remedy is 30% of the price gap between the new price and 90% of the reference price level. iii) If price falls between 40 – 60% of the reference price, remedy is 50% of the difference between the new price and 60% of the reference price, plus remedy in ii). iv) If price falls between 25% and 40% of the reference price, remedy is 70% of the difference between the new price and 40% of the reference price, plus remedy is ii) and iii). v) If price falls below 75% of the reference price, the remedy is 90% of the gap between new price and 25% of the reference price, plus remedy in ii), iii) and iv).	Remedy is 85% of the difference between the new import price and the 85% trigger price (i.e. maximum SSM remedy is 85% of the difference between new import price and 85% trigger price level). <u>Eg</u>. If average 3 year price is $100 (= reference price) The trigger price is $85. If the import price is $80, The SSM remedy is 85% of $5=4.25. New import price plus remedy =84.25. See <u>Annex 4</u> for an illustration of how the SSM remedy works. However, the remedy has to be read in conjunction with the remedy ceiling (pre-Doha bound tariff) of para 142 (see next column).	The proposed SSM remedy is better than the SSG remedy. <u>Annex 5</u> provides a graph comparing the remedies of the SSG and SSM (without taking into account para 142). **However, when read in conjunction with para 142 (pre-Doha bound tariff is the ceiling), then the SSM remedy is more constraining than the SSG, and poses major problems.** Even if para 142 is deleted, depending on the domestic price, Rev.4 may not be effective enough to allow domestic producers to compete as the remedy does not make up 100% of the price gap. **The G33 proposal calls for the remedy to make up 100% of the difference between the new import price and the reference price. This is necessary if the SSM is to be effective.**

	See Annex 3 for an illustration of how the SSG remedy works.		
Remedy ceiling	None	Yes – The pre-Doha bound tariff is respected as the upper limit (para 142).	SSG: SSG more favourable, especially when prices decline by larger amounts. With no overall remedy ceiling, **SSG remedies are progressively increasing as prices decline** more. SSM: With a remedy ceiling that is expressed in ad valorem tariff terms, the **remedy ceiling is actually progressively declining as prices decline!** See the impact of para 142 on the SSM remedy in Annex 6. Having the pre-Doha Round bound tariff as the upper ceiling for the SSM remedy is problematic in the following situations: i) When prices drop by larger amounts, the pre-Doha bound tariff remedy ceiling, although constant in duty terms, is shrinking in price terms (50% pre-Doha bound ad valorem tariff ceiling on a $100 product is $50, but when the product drops to $50, the 50% tariff ceiling drops to $25). Therefore the remedy ceiling may not affect countries when price drops are slight but will be extremely problematic when price drops are large. ii) When countries have low pre-Doha Round bound tariffs ii) When the water in the tariff (between applied and bound) is small, then the remedy allowed will only be minimal.
Specific Tariffs or Ad Valorem Tariffs (AVEs) **SSG and SSM are silent on this issue, but the different**	All tariff lines covered by SSG in developed countries are TRQ products with specific or mixed (specific and AVE) tariffs.	Most developing countries have only AVEs.	Developed countries with specific tariffs are at an advantage when prices decline. Silence in the SSG since the need to make up the price difference in the duty when import prices drop is redundant. Specific tariffs (i.e. based on quantity eg. $100 of duty per ton remains the same whether the price of the ton is $200 or has dropped to $50.)

types of tariffs used have major implications on the effectiveness of the price-based safeguard.			Silence in SSM is problematic. AVE duties in price terms drop when prices drop. This drop has to be compensated if the SSM is to be effective. Proposed solution: <u>Include the AVE duty in price terms in the definition of the 'reference price', 'trigger price' and the new 'import price'</u>, so that the remedy making up the price gap must also make up for the drop in price terms of the AVE duty.
Cross-Check	Yes, but weak, non binding language. Para 7: 'Members undertake, as far as practicable, not to take recourse to the provisions of subparagraph 1(b) [the price-based SSG] where the volume of imports of the products concerned are declining'.	Yes, stronger language, more binding language. Para 137. 'Developing country Members shall not normally take recourse to the price-based SSM where the volume of imports of the products concerned in the current year is manifestly declining, or is at a manifestly negligible level incapable of undermining the domestic price level.'	SSG cross-check language is weaker and less binding, and therefore more favourable for developing countries. The SSG language is more advantageous also because it simply is not 'practicable' to ascertain when imports arrive, shipment-by-shipment, whether overall import volumes are increasing or decreasing. That assessment can only be done at a later stage.
Seasonal products	Different reference prices for different periods may be used (para 6). Para 6 : 'For perishable and seasonal products, the conditions set out above shall be applied in such a manner as to take account of the specific characteristics of such products. In particular, shorter time periods under subparagraph 1(a) [volume-based SSG] and paragraph 4 [price-based SSG] may be used in reference to the corresponding periods in the base period and different reference prices for different periods may be used under subparagraph 1(b)	No mention of seasonal or perishable products for price-based SSM.	SSG language more favourable, allowing importers, if they choose to do so, to use difference reference prices, making the mechanism more easily accessible and the remedies more effective.

	[price-based SSG]' (square brackets added).		
Preferential Trade	Covered by SSG	Not covered by SSM	SSG much more favourable (same comments on this issue as for volume-based safeguard).
Notification	Same as above section for volume-based SSG.	Same as above section for volum- based SSM.	Same comments as above. SSG language is more favourable, the only small advantage for SSM is that countries have 5 more days to notify SSM action.

Annex 1:
How the Trigger for the Volume-based SSG is Calculated

Average imports in the 3 preceding years: 562 tons

Domestic consumption in the 3 preceding years:

Yr 1:	990 tons
Yr 2:	1000 tons
Yr 3:	1010 tons
Average :	**1000 tons**

Import penetration = 562/ 1000
= 56% of domestic market.
Therefore **base trigger is 105%** (since this is more than 30% of domestic market).

Trigger Level = (x) + (y)
= (105% x 562 tons) + (1010 tons – 1000 tons)
= 590 + 10 tons
= 600 tons.

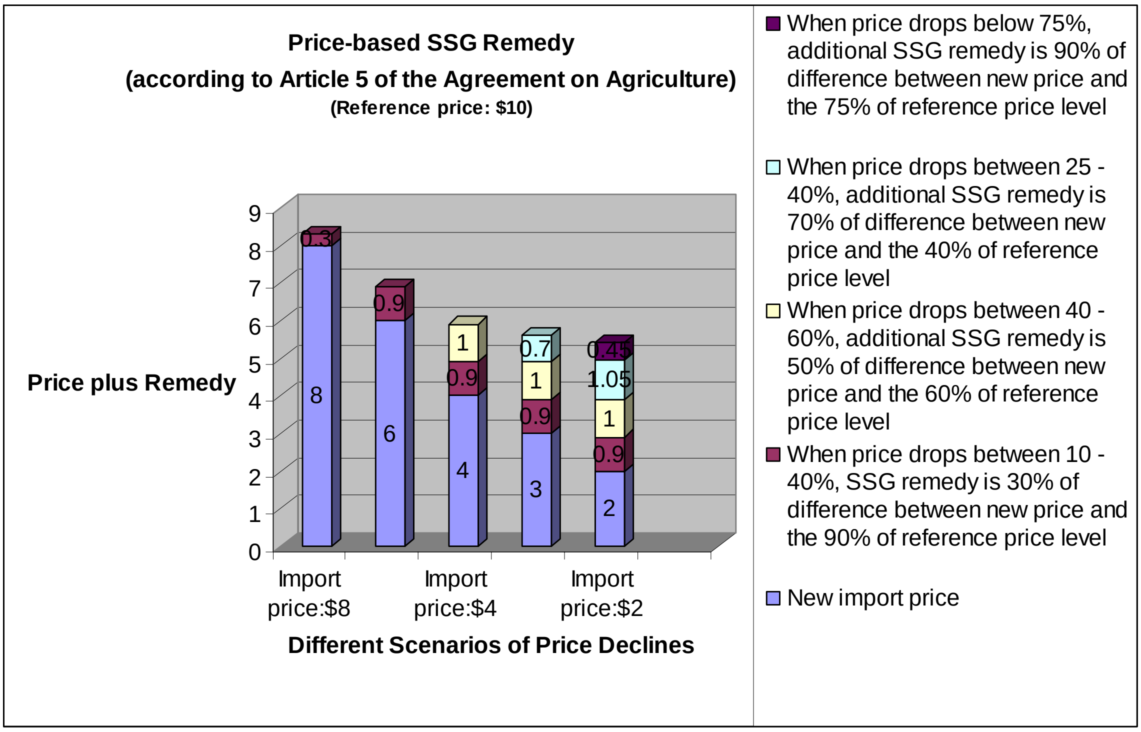
(Source: WTO Secretariat: 'Market Access: Current Provisions', power 33point presentation by D.Dixit, 9-11 September 2009).

Annex 2:
Comparing the Trigger Levels between the SSG and the SSM: Which Trigger Levels are Lower?

Using the example in Annex 1 where **average imports of 3 preceding years: 562 tons**

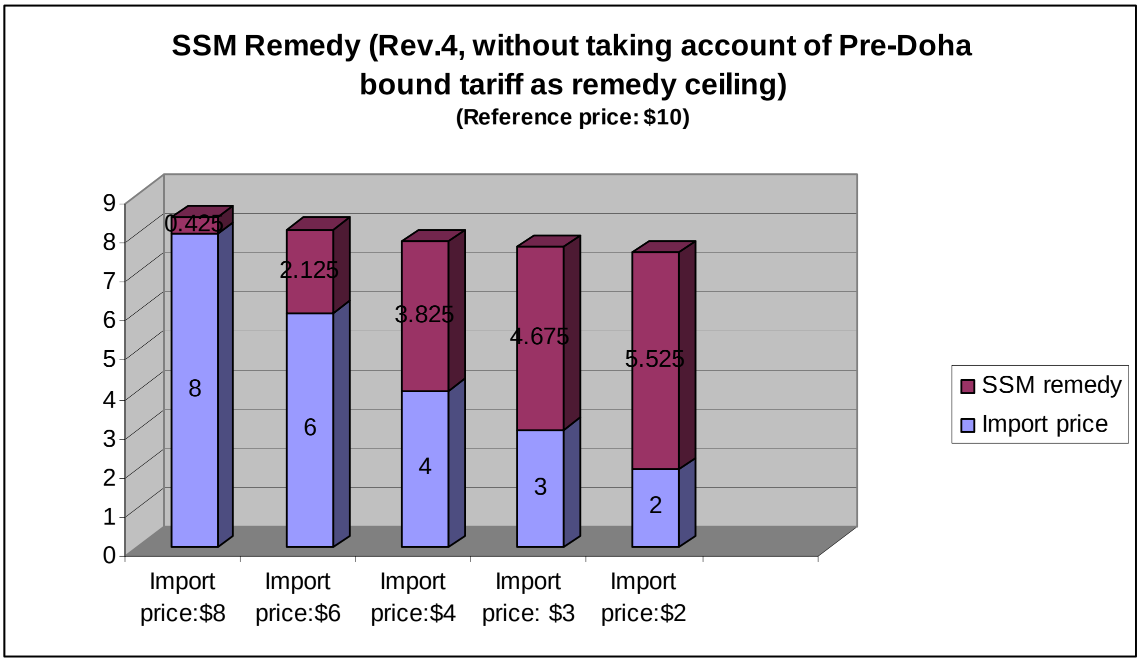
Trigger Levels	SSG	SSM
Lowest Trigger	**105%** + change in domestic consumption in last year (for which data is available) **= 590.1 tons + change in domestic consumption** (Remedy: 1/3 UR bound tariff above bound tariff).	Rev.4: **110% = 618.2 tons** (Remedy: 25% pre-Doha bound added to applied tariff, but only if within 15% pre- Doha bound ceiling).
Middle trigger	**110%** + change in domestic consumption in last year (for which data is available) **= 618.2 tons + change in domestic consumption** (Remedy: 1/3 UR bound tariff above bound tariff).	Rev. 4: **115% = 646.3 tons** (40% of pre-Doha bound added to applied tariff, but only if within 15% pre-Doha bound ceiling) W7: **120% = 674.4 tons** (Remedy: 1/3 UR bound tariff applied to the bound tariff; max 2.5% of tariff lines used in a year)
High trigger	**125%** + change in domestic consumption in last year (for which data is available) **= 702.5 + change in domestic consumption**	Rev.4: **>135% = 758.7 tons** (Remedy: 50% of pre-Doha bound rate added to applied tariff, but only if within 15% of pre Doha bound rate). W7: **>140% = 786.8 tons** (Remedy: 1/2 UR bound tariff applied to the bound tariff; max 2.5% of tariff lines used in a year)

Annex 3:
Illustration of how the SSG Remedy Works as Prices Decline

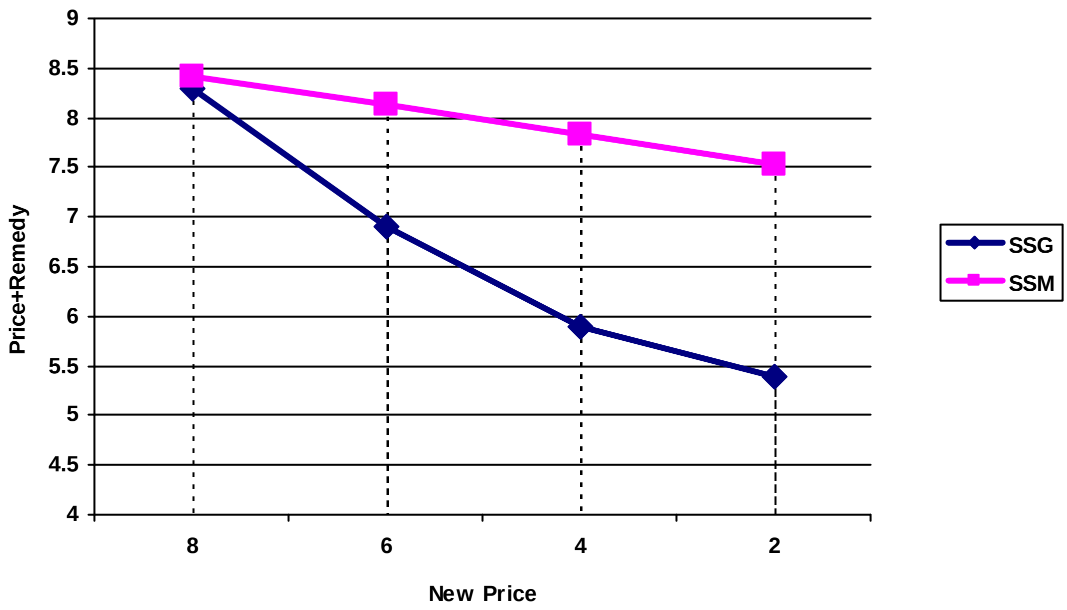


Annex 4:
Illustration of how the SSM Remedy Works (Without Taking into Account Para 142 stipulating that the Pre-Doha bound tariff is the Remedy Ceiling)

In these scenarios, it is assumed that the product has an applied duty of 0%.

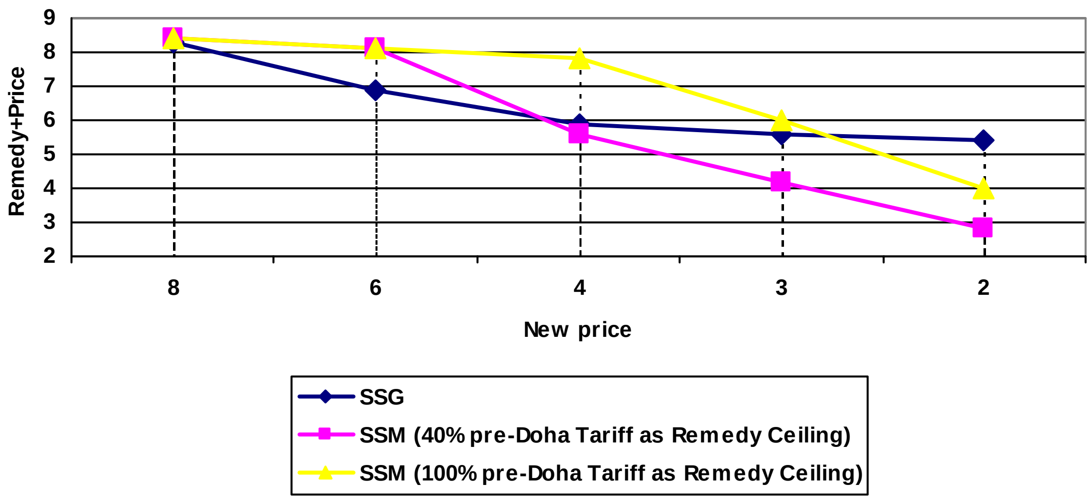


Annex 5:
Comparing the SSG and SSM: Price Declines and Remedies
(without taking SSM, Rev.4 Para 142 into account)



Annex 6:
Impact of Para 142- Pre-Doha Bound Tariff as Ceiling for SSM Remedy:
SSG and SSM Comparison Taking Into Consideration Para 142

(The scenarios below assume that the applied tariff is 0%).



READERSHIP SURVEY QUESTIONNAIRE
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SPECIAL AND DIFFERENTIAL TREATMENT FOR WHOM?

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