

Investigation and Analysis Regarding Safeguard Measures on Agricultural Products Applied by Other Countries

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Summary

The objective of this research is to organize and analyze actual safeguard measures applied by other WTO member countries and relevant findings made by panels and the Appellate Body in the WTO.

The number of safeguard measures applied by WTO member countries per five years continued to decrease from 1980 to 1994, but began to increase from 1995 to 2002. Twenty safeguard measures on agricultural products were applied after 1995 when the Agreement of Safeguards (AS) came into effect.

According to the AS, a WTO member may apply a safeguard measure to a product only if the member has determined that such product is being imported in such large quantities that it may seriously impact the domestic industry that produces similar or directly competing products. In addition, before making such a decision, the WTO member must evaluate all relevant factors of an objective and quantifiable nature that have a bearing on the situation of the domestic industry.

In some agricultural product cases, the rate and amount of the increase in imports or the share of the domestic market taken by imports decreases. Other factors do not necessarily decrease concomitantly, and some factors are evaluated not quantitatively but only qualitatively. Moreover some factors are not evaluated at all.

In agricultural product cases, four safeguard measures were discussed at panels and the Appellate Body, and they found all the measures to be inconsistent with the AS. The measures are applied on imports of certain dairy products by Korea, wheat gluten and fresh, chilled or frozen lamb meat by the USA, and wheat, wheat flour and edible vegetable oils by Chile.

Judging from the findings made by panels and the Appellate Body, and the actual situation of the relevant factors evaluated by WTO members, before applying safeguard measures, it is essential to establish strict interpretations of similar or directly competing products and also to establish methods of quantitatively evaluating the relevant factors and of assessing the effects of increased imports.