

## CHAPTER FOUR

### TRADE REMEDY PROVISIONS IN REGIONAL TRADE AGREEMENTS

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#### I. INTRODUCTION

This paper examines trade remedy provisions in regional trade agreements (RTAs). By trade remedies are meant anti-dumping, countervailing and emergency or safeguard measures. Anti-dumping and countervailing duties can be levied on exporters who engage in 'unfair' trading practices that cause material injury to domestic producers. These unfair trading practices can take the form of selling products below their 'normal' price or of benefiting from government-provided subsidies. Safeguard actions can be taken even if there is no unfair trade practice so long as imports have increased to an extent that serious injury has been suffered by domestic producers. No matter the difference in conditions under which they can be triggered, all these instruments represent internationally agreed means for a country to temporarily increase the level of trade protection received by its injured domestic industry.

Despite the extensive literature on regionalism, not a lot is known about the actual content of many of these RTAs. This is certainly true about the trade remedy provisions. This paper proposes a set of templates for analyzing the trade remedy provisions in regional trade agreements. Based on these templates, the trade remedy provisions of seventy-four existing RTAs are mapped. A major contribution then of this paper to the literature on regionalism is providing baseline information about the trade remedy rules in these agreements. Beyond this role of filling in gaps in knowledge of RTAs, the paper also probes how trade remedy rules in RTAs treat the trade of members differently from the

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trade of non-members. It will document, for example, how many RTAs have been able to abolish the use of trade remedies on intra-regional trade. It will examine whether the bar for taking trade remedy action on imports from RTA members is higher than on imports of non-members. Whereas the preferential nature of market access provisions in RTAs is well known, the discriminatory aspect of trade remedy rules in RTAs has been hardly studied at all. Since only a small number of RTAs have actually abolished trade remedy actions against RTA partners, this paper examines a number of proposed explanations for why this could be the case and complements the analysis with probit model estimates.

#### A. WHY ARE TRADE REMEDIES NEEDED?

Why do trade agreements need trade remedies? One explanation for the near universal presence of trade remedies in trade agreements is the political economy of protectionism (Tharakan, 1995). The long-term process of tariff liberalization in the post-world war II era has successfully reduced tariff rates to very low levels worldwide. But import-competing sectors would continue to have an incentive to secure protection through whatever means they can find. Although trade remedy measures are typically administered by bureaucracies which appear to be insulated from political pressure, influence can be brought to bear on them indirectly 'through the shaping of the laws and regulations' which govern their work (Finger, Hall and Nelson, 1982). One of the advantages offered by administered protection to import competing sectors is that it is inherently predisposed in their favour since it is a channel for complaints about an excess of import competition and not of its lack. By design, the trade remedy bureaucracy can only impose protection and not remove it other than that which it imposes itself.<sup>2</sup>

A second explanation sees trade remedy measures as a pragmatic tool to deal with the political demands for protection that trade liberalization provokes (Jackson, 1997). Trade liberalization may

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the positions or opinions of the WTO Secretariat nor of its members and are without prejudice to members' rights and obligations under the WTO.

<sup>2</sup> Finger, Hall and Nelson (1982), p. 454. Moore (2002, 2006) offers an excellent overview of US sunset policy.

lead to costs of adjustment. If nothing is done to manage those costs, political pressure may build up to a point where protectionist forces would be able to engineer a permanent reversal of trade liberalization. The introduction of trade remedy measures in a trade agreement may be thought of as anticipating the possibility of such difficult adjustments and the political pressure for protectionism that they give rise to and providing a means to deflate this pressure with a temporary reversal of liberalization. This implies that the depth of liberalization that can be achieved by a trade agreement *ex-ante* may depend on whether there are built-in escape clauses that allow governments to depart temporarily from their liberalization commitments under well defined and circumscribed conditions. Trade remedy measures address this need. While the use of the trade remedy measures may result in *ex-post* welfare losses during periods when the level of protection is temporarily increased, the deeper liberalization that is allowed *ex-ante* means that this could be outweighed by the long-term welfare gains.<sup>3</sup>

#### B. FREQUENCY OF TRADE REMEDY USE

Before moving on to discuss the role of trade remedies in RTAs, it may be useful to document the frequency of anti-dumping activity over the past quarter of a century and of countervailing duties and safeguards since 1995.

Firstly, it is clear that countries have a revealed preference for using anti-dumping measures compared to countervailing duties or safeguard measures. Using the notifications made by members to the WTO over the 1995-2006 period, there were nearly nine times more anti-dumping initiations (3,044) than there were countervailing duty (191) and safeguard (155) initiations combined (Table 1). Over the

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<sup>3</sup> A recent paper by Moore and Zanardi (2007) has examined whether this particular explanation for trade remedy measures can be empirically verified. They find that the evidence for a sample of 23 developing countries is not supportive of the argument that the availability of anti-dumping measures has contributed to tariff reductions. Instead, they conclude that past use of anti-dumping may have led to less trade liberalization. However, Bown and Tovar (2008) find product-level evidence of the opposite relationship in the case of India, i.e., that anti-dumping use is positively related to the size of India's product-level tariff cut.

same period, there were ten times more anti-dumping measures (1,941) than there were countervailing duty (115) and safeguard measures (78) applied.<sup>4</sup>

**Table 1: Trade remedy actions, initiations and measures; 1995-2006**

Trade contingent instrument	Initiations	Measures
Anti-dumping	3,044	1,941
Countervailing duty	191	115
Safeguard	155	78 <sup>5</sup>

*Source:* WTO Secretariat.

Until the mid-1980s, most anti-dumping actions were taken by the four traditional users (Australia, Canada, the EU and the US). Beginning in the mid-1980s, anti-dumping actions began to spread beyond the traditional users and to involve many developing countries (see Miranda, et al, 1998; Prusa, 2005; Zanardi, 2004). Charts 1A and 1B give an indication of the main trends. First, total anti-dumping initiations have continued to rise during the two decades since 1980, although there has been a significant drop in overall activity since 2001. Second, anti-dumping initiations by the traditional users have tailed off in the last decade. Third, the new users (primarily developing countries like Argentina, Brazil, India, and Mexico) have become quite active and have been responsible for much of the growth of anti-dumping activity since the mid-1990s. The new users initiate anti-dumping cases more intensively (fifteen to twenty times more frequently per dollar of imports) than historically predominant users like the US and the EU (Prusa, 2005). Lastly, anti-dumping actions by developing countries are increasingly directed at other developing countries. For the period 1995-2006, more than 70 per cent of all anti-dumping initiations by developing countries were against other developing countries.

INSERT CHARTS 1A AND 1B HERE.

<sup>4</sup> The small number of safeguard initiations and actions compared to the other trade remedy measures should be taken in some context since a safeguard action may involve multiple import sources.

<sup>5</sup> Data on safeguard measures cover only the period from 1996 to 2006.

The average annual number of countervailing duty initiations has been about sixteen per year but with an apparent decline in recent years (Charts 2A and 2B).<sup>6</sup> The bulk of all countervailing duty actions have been taken by the United States, the EU and Canada. Based on notifications to the WTO, the three WTO members accounted for nearly three-fourths of all CVD initiations during the past twelve years. More than two-thirds of all CVD initiations were directed at developing countries, with India being the most frequent target.

INSERT CHARTS 2A AND 2B HERE.

With regards to safeguards, the average annual number of initiations is about thirteen per year (Charts 3A and 3B). About seventy per cent of all safeguard initiations are taken by developing countries, principally India, Jordan, Chile and Turkey.<sup>7</sup>

INSERT CHARTS 3A AND 3B HERE.

While all discriminatory applications of trade remedies increase the trade diversion effects of an RTA, the evidence presented here highlights the particular importance of anti-dumping given the frequency with which it is applied by many developed and developing countries. RTA provisions that abolish or increase the discipline on anti-dumping actions against RTA members can have potentially damaging effects on non-members. While discriminatory anti-dumping rules in RTAs can reduce anti-dumping actions against RTA members, protectionist pressure may be diverted to non-members so that anti-dumping initiations and measures against them increase.

#### C. TRADE REMEDIES IN RTAS

Since RTAs have the objective of dismantling all barriers to intra-regional trade, one natural expectation is that RTA members will abolish the use of trade remedies against intra-bloc trade. In

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<sup>6</sup> However, it may be possible that the world is currently in the midst of a major change in how countries use CVDs. In the face of the US Department of Commerce paper decision last year overturning the practice since 1984 not to use CVDs against “non-market” economies like China, there has subsequently been a major increase in US CVD use against China. There have been a dozen or so new cases recently initiated against China, many of which bring in other exporters as well. Thus, CVD use may be on the rise if other countries follow the US lead.

fact, there are those who view the elimination of trade remedies, in particular anti-dumping actions, as a requirement under Article XXIV of GATT 1994, which deals with customs unions and free trade areas. Paragraph 8(b) of GATT Article XXIV requires WTO members, who form a preferential trade area, to 'eliminate duties and other regulations restricting trade'.<sup>8</sup> Some have interpreted the reference to 'other regulations restricting trade' to include trade remedies, and to anti-dumping actions in particular (Marceau, 1994). This view is strengthened by the fact that paragraph 8(b) of GATT Article XXIV allows, where necessary, RTA members to exclude certain GATT articles from the general requirement to 'eliminate other regulations restricting trade'.<sup>9</sup> It would have been easy to include GATT Articles VI (Anti-dumping and Countervailing Duties) and XIX (Emergency Action on Imports of Particular Products) to the excluded GATT articles, if that had been the intention of the framers of the GATT. That they are not suggest to some that RTAs which retain the use of trade remedy instruments are inconsistent with GATT rules (Marceau, 1994).

But the elimination of intra-regional tariffs may create new demands for the protective effects of trade remedies. For a government entering into a free trade agreement, import-competing sectors need to be given assurance that they have the means to protect themselves from the unanticipated consequences of the regional liberalization programme. Retaining trade remedies in the regional trade agreement serves the useful purpose of soliciting political support for the agreement. In these circumstances, trade remedies could be seen in a similar light as long transition periods, complicated rules of origin, and sensitive sectors in regional trade agreements, all of which result in a slower process of liberalization for sensitive import-competing sectors. Instead of directly cushioning the effects of the RTA by drawing out the process of tariff elimination, trade remedies achieve a different cushioning effect by

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<sup>7</sup> See Yano (2006).

<sup>8</sup> Article XXIV: 8(b) states that: 'A free-trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV and XX) are eliminated on substantially all the trade between the constituent territories in products originating in such territories.'

<sup>9</sup> The GATT articles not covered by the requirement to eliminate 'other regulations restricting trade' include Article XI (General Elimination of Quantitative Restrictions), XII (Restrictions to Safeguard the Balance of Payments), XIII (Non-discriminatory Administration of Quantitative Restrictions), XIV (Exceptions to the Rule of Non-discrimination), XV (Exchange Arrangements) and XX (General Exceptions).

specifying a set of conditions – injury to the domestic industry – under which the regional liberalization programme may be temporarily suspended or partially reversed.

While abolishing trade remedies on RTA partners' imports will most likely increase intra-bloc trade, this does not necessarily mean that it is welfare-enhancing. The ambiguity of the welfare impact stems from the well-known insight that preferential trade arrangements have both trade creation and trade diversion effects (Viner, 1950). The impetus given to intra-regional trade by the abolition of trade remedy actions on RTA partners' trade may be at the expense of cheaper sources of imports that come from non-members. Since regional trade agreements thrust us into the world of the second best, actions that look like they will lead to an increase in economic efficiency may achieve exactly the opposite effect.

The danger in fact is that as intra-regional trade expands because of falling intra-regional tariffs, administered protection becomes increasingly directed at the imports of non-members. Bhagwati (1993) and Bhagwati and Panagariya (1996) have argued that due to the 'elastic' and selective nature of administered protection, they can increase the risk of trade diversion from RTAs. Administered protection is elastic because it is 'subject to serious arbitrariness and manipulation'. So apart from discrimination introduced by preferential tariffs, the establishment of regional trade agreements can lead to more discrimination against non-members of the RTA though more frequent trade remedy actions against them.

It appears that both Bhagwati (1993) and Bhagwati and Panagariya (1996) envisioned that this increase in discrimination against non-members can take place without necessarily requiring the adoption of special RTA rules on trade remedies. The elastic and selective nature of trade remedy protection allows non-members to be targeted more frequently. But to the extent that RTAs adopt special or additional rules on trade remedy actions on members' trade, they can effectively increase the level of discrimination against non-members. This increase in discrimination can occur when RTA members abolish trade remedy actions against the trade of RTA members but not against non-

members' trade. It could occur when RTA members adopt rules that strengthen disciplines on trade remedy actions against the trade of RTA members but not against the trade of non-members. This is particularly relevant in the case of anti-dumping or countervailing measures where the actions taken are in response to unfair trade practices rather than by policies set in motion by the regional trade agreement like reductions in preferential tariffs. Unfair trade could be practiced by suppliers within as well as outside the trade bloc. But given that RTA rules on anti-dumping or countervailing measures make it impossible (if the measures are abolished by the RTA) or more difficult (if the RTA rules tighten discipline on their use) to apply against intra-bloc members, they get applied only against countries outside the bloc.

The plan for the rest of the paper is as follows. Section 2 describes the key economic characteristics of the RTAs that were included in the analysis. Section 3 begins with a review of the available literature on the role of trade remedies in trade agreements. Based on this review, a number of issues are identified which need to be reflected in the trade remedy templates. One of those issues is the possibility that trade remedies worsen the problem of trade diversion in RTAs through rules that prohibit or deter trade remedy actions against RTA partners. The section then presents the templates used in the mapping exercise and also discusses some of the limitations inherent in relying primarily on the legal text of the agreements. Section 4 discusses the results of mapping anti-dumping, countervailing duties and safeguards provisions in RTAs. The information from the mappings is used to describe general features of the trade remedy provisions and to provide answers to a few key questions. Section 5 summarizes the results and offers some conclusions.

## **II. RTAS INCLUDED IN THE MAPPING**

Seventy-four RTAs were surveyed for this paper (the list of the RTAs appears in Appendix 1). The RTAs were selected based on a number of criteria. As much as possible, they should be RTAs notified to the WTO. The sample of RTAs should be geographically diverse, involving arrangements from all major regions and should include North-North, South-South and North-South RTAs. The sample

should also include the most economically important RTAs and there should be a greater representation of the more recent generation of RTAs.

#### A. KEY ECONOMIC CHARACTERISTICS OF THE RTAS

The bulk of the seventy-four RTAs included in the survey have been notified to the WTO.<sup>10</sup> Collectively, the notified RTAs represented about 47 per cent of the total number of RTAs notified to the WTO under Article XXIV of GATT 1994 and the Enabling Clause.<sup>11</sup> The RTAs surveyed accounted for more than half of global merchandise import flows in 2005, although not all of that trade receives preferential treatment. Intra-RTA imports in 2005 for the surveyed RTAs ranged from a high of \$ 2.4 trillion (for the EU) to a low of \$ 73 million for the arrangement involving EFTA and the Former Yugoslav Republic of Macedonia. The share of intra-RTA trade was largest (61 per cent) for the EU and NAFTA (34.5 per cent) while the smallest share was for the RTA involving the EU with the Faroe Islands.

#### B. OTHER STYLIZED FACTS

Crawford and Fiorentino (2005) and Fiorentino, Verdeja and Toqueboeuf (2007) have provided a comprehensive picture of the current RTA landscape. They document the continuing increase in the number of RTAs being formed. Even countries in East Asia that have traditionally eschewed preferential trade arrangements have now become active players in regional trade negotiations. RTAs between developed and developing countries and cross-regional agreements are on the increase. Many of the patterns they have documented are apparent in the list of RTAs included in the survey. A large number of the RTAs in the sample were formed just recently. Forty came into force at the beginning of the current decade and twenty-two in the 1990s. Only four came into force in the 1980s; four in the 1970s; and four before 1970 (Chart 4). The list is also geographically diverse with RTAs from

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<sup>10</sup> Of the seventy-four RTAs included in this survey, only four have not yet been notified to the WTO as of 18 July 2007. They are the Andean Community, the Group of Three, Mexico-Northern Triangle and Mexico-Uruguay.

Europe, North America, the Caribbean, Latin America, Asia and the Pacific, Africa, and the Middle East.

INSERT CHART 4 HERE.

A large majority of the RTAs (forty-six RTAs) involve members who are a mix of developed and developing countries.<sup>12</sup> Twenty-two RTAs involve only developing countries as members while six are RTAs with developed members only (Chart 5).

INSERT CHART 5 HERE.

There is a pronounced hub-and-spoke and cross-regional pattern in the RTAs in the sample (Chart 6). The largest constellations are grouped around the EU (future accession countries, Euromed and others), EFTA and the US. But there are other active RTA players, which includes Mexico (with ten RTAs), Singapore (with six RTAs), Australia (with five RTAs), Chile (with five RTAs) and Canada (with four RTAs). The sample is dominated by free trade agreements with just a few preferential agreements of partial scope (EU-OCT, SAPTA and SPARTECA), although there is a sizeable number of customs unions (Andean Community, CACM, CARICOM, CEMAC, EU, EU-Andorra, EU-Turkey, GCC, MERCOSUR and UEMOA).

INSERT CHART 6 HERE.

The prominent hub-and-spoke and cross-regional pattern of the RTAs in the sample raises the question whether there are identifiable features in the trade remedy provisions negotiated by the hubs. It turns out that there is some evidence that the hubs were negotiating according to certain trade remedy moulds in mind. These patterns are described in Section IV which discusses the results of the mapping.

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<sup>11</sup> As of 15 April 2008, 150 RTAs in force have been notified to the WTO under either Article XXIV of GATT 1994 or the Enabling Clause of 1979. A further fifty-one RTAs in force have been notified under Article V of the General Agreement on Trade in Services (GATS).

<sup>12</sup> 'Developed countries' refer to Australia, Canada, the EU, and the members of EFTA, Japan, New Zealand and the US. All other countries are classified as developing countries.

### **III. METHODOLOGICAL APPROACH TO THE MAPPING**

#### **A. REVIEW OF PREVIOUS APPROACHES TO EXAMINING TRADE REMEDY RULES IN RTAS**

There does not appear to have been many previous attempts to systematically analyze trade remedy rules in regional trade agreements. However, the anti-dumping rules in NAFTA, and in particular, the role of bi-national panels which have the authority to review anti-dumping determinations made by national authorities has received some research attention. To what extent can the existence of such a regional institution affect the frequency of anti-dumping initiations and measures against RTA partners? The key policy concern is the extent to which RTA rules on trade remedies can lead to more discrimination with reduced trade remedy actions against RTA partners but perhaps a greater propensity to take trade remedy actions against non-members.

The economic literature suggests one important avenue through which the specific trade remedy rules in RTAs can reduce actions against imports from RTA partners. It appears that the existence of a regional body which has the power to review the determinations of national investigating authorities can reduce the incidence of trade remedy actions against intra-RTA imports.

In the case of NAFTA and the Canada-US Free Trade Agreement (CUSFTA) for example, a member state can request a review of the final anti-dumping or countervailing duty determination made by the authority of another NAFTA partner. Under Chapter 19 of NAFTA, this would be undertaken by a bi-national panel, composed of five experts designated by the concerned NAFTA members. While the scope of the review is limited to determining whether the decision of the trade remedy authority is in accordance with national laws, the panel has the authority to remand it to the concerned authority for action if it judges that the determination has not been in accord with national laws. Chapter 19 also allows NAFTA partners to request a bi-national panel review of a proposed amendment of anti-dumping or countervailing duty statutes. The creation of bi-national panels in NAFTA appears to have reflected Canadian concerns over US anti-dumping and CVD actions (Gagné, 2000; Jones, 2000). If final determinations can be subject to review not only by the courts or tribunals of the country whose

authorities imposed the measure but by a regional body as well, it may provide an additional layer of objectivity (Gagné, 2000). The existence of regional review bodies might also change the incentives for filing unfair trade petitions by reducing the likelihood of an affirmative finding of injurious unfair trade (Jones, 2000).

A number of empirical studies have tried to ascertain whether this specific provision in CUSFTA and NAFTA have had a discernible effect on the number of US trade remedy actions against NAFTA partners and on the final determinations by US authorities.

One possible test is to see whether there is a significant difference in outcome of the appeals before binational panels as opposed to national tribunals. Goldstein (1996) computes the ratio of the share of US unfair trade orders against Canada as a proportion of Canadian imports to the United States. She found that, in 1987, before the FTA, the Canadian ratio of anti-dumping orders to its share of U.S. imports was 0.83. By the close of 1990, that number had been reduced to 0.33. This reduction in unfair trade orders occurred only in Canadian trade as the same ratio computed for the European Union and Japan rose during the same period. She attributes this shift to the rulings of the binational panels. Rugman and Anderson (1997) reviewed the initial five-year period (1989-94) of the operation of CUSFTA. They noted that two thirds of Canadian appeals of US trade remedy actions before binational panels were remanded compared with one third for non-NAFTA countries before US tribunals (the Court of International Trade). Although they are critical of the bi-national panels and make a number of recommendations for improving them, given this evidence they acknowledged that Canada obtained a unique benefit from the bi-national panels under CUSFTA.

Both the Goldstein and the Rugman and Anderson papers however did not apply any statistical tests to the data. Using anti-dumping and countervailing duty filings of the US from 1980-97 and similar data of Canada for 1985-97, Jones (2000) estimated a Poisson regression with macroeconomic variables, imports, industry characteristics and an FTA dummy as regressors. He found a robust inverse relationship between the introduction of NAFTA Chapter 19 and the number of unfair trade petition

filings. He found that there was a statistically significant reduction in both US anti-dumping filings against Canada and Canadian anti-dumping filings against the US after NAFTA took effect.

Blonigen (2002) extended the study by Jones in a number of ways. First, Mexico was included in the study. Second, instead of representing Chapter 19 as a time dummy, he used the number of requests for panels and or remands, so more closely measuring the amount of Chapter 19 activity. Third, Blonigen not only examined the possible effect of Chapter 19 on the number of anti-dumping/countervailing duty filings but also on the outcome of the reviews. Unlike Jones, he found no evidence that bi-national reviews under Chapter 19 of NAFTA affected the frequency of U.S. filings or affirmative determinations against Canada and Mexico. However, he did discover some indication that cumulative remands by Chapter 19 dispute panels to review U.S. decisions against Canada have led to fewer affirmative decisions against Canada.

Thus, the mapping of RTA rules on trade remedies will need to include a provision on regional institutions which are given the authority to review decisions made by national authorities.

#### B. BENCHMARKS (TEMPLATES) USED FOR THE MAPPING

The mappings that are presented in this paper are drawn almost exclusively from the legal text of the regional trade agreements. In a small number of cases primarily involving older RTAs, the mapping has also relied on directives or decisions that were enacted subsequently, several years after the RTA came into force. The purpose of the mappings is first of all to help understand the nature of trade remedy rules. For this one needs to be able to assume that legal provisions in the RTAs coincide with actual practice. One important caveat to recognize then is the potential cleavage between the language contained in the agreements and how the provisions are actually implemented. Although the legal text controlling trade remedy practice may sometimes be similar across RTAs, there could be large variation in trade remedy practices that in turn generate differences in outcomes.

Blonigen and Prusa (2003) have emphasized the importance of the institutional process surrounding the anti-dumping investigation and determinations and argued that these have significant impacts beyond the anti-dumping duty finally observed. They pointed to the substantial discretion enjoyed by authorities in their decisions on dumping margins and injury determinations. They identified a number of differences in anti-dumping practices across countries. The level of transparency varied and seemed to be a problem for new users. Price undertakings were common in some countries but not in others. Some countries began collecting anti-dumping duties only a few days after a petition was filed although most countries waited until a preliminary injury determination was made. Some countries levied an anti-dumping duty equal to the full dumping margin while others levied a lesser amount.

There are other studies with findings consistent with this picture of significant differences in anti-dumping practices across countries. Bown (2008), for example, found substantial heterogeneity in the key determinants of anti-dumping use across the new user countries. For some countries he found that macroeconomic shocks were important; for others political economy forces were important; still yet for others there was more likely evidence of injury.

Blonigen (2003) noted that the average dumping margin calculated by the US Department of Commerce (DOC) had risen from an average of 15.5 per cent in the early 1980s to an average of 63 per cent by 2000. During the same time, the proportion of cases which the US International Trade Commission found material injury rose from 45 per cent in the early 1980s to 60 per cent by 2000. He concluded that DOC discretionary practices have played the major role in rising dumping margins. Importantly, the evolving effect of discretionary practices was due not only to increasing use of these practices over time, but apparent changes in implementation of these practices that meant a higher increase in the dumping margin whenever they were applied.

The recent survey by Horlick and Vermulst (2005) of the anti-dumping practices in ten major user countries – Australia, Brazil, China, the EU, India, Indonesia, Mexico, South Africa, Thailand and the US – showed that this problem extended to many countries. They identified a number of problem

areas: procedural issues, determination of dumping margins, injury determinations and procedural issues. They found that the increasing use of constructed normal values gave too much discretion to anti-dumping authorities in determining the existence of dumping. They reached a similar conclusion that there was too much administrative discretion in the determination of injury, injury margins and causation.

What these studies imply is that while the legal provisions on trade remedies in RTAs provide important information, they may not be enough. The institutional setting, the administrative procedures and practices will need to be examined to ascertain what part they play in determining the trade and welfare effects of trade remedy actions. However, it has not been possible to take these factors into account in this paper. While this is a concern, the mapping of these legal provisions continues to be a useful exercise and the only test of whether there is predictive power from the mapping will come from empirically grounded tests of specific hypothesis about trade remedy practice in regional trade agreements.

The RTAs included in the sample contain a large number established during or after 2000 so that it could be said, with some degree of confidence, that the templates adopted provide the best prism for understanding trade remedy rules in these agreements. At the same time, the frenetic pace of RTA negotiations suggests the need to anticipate other evolving issues around trade remedies that future work will have to map, even if there has been no need yet to confront them for the RTAs in the data set. One such issue may be the China factor – both in RTAs that it signs and also in new RTAs that other countries sign in the face of 'China-specific' WTO provisions associated with its 2001 accession. This China factor is taken up in the discussion of the anti-dumping and safeguards templates.

## **1. Anti-dumping**

A two-level template is adopted for the comparative analysis of anti-dumping provisions. In the first level of the template, the key questions that are asked are: (i) whether anti-dumping action is disallowed among the members and (ii) if specific rules on anti-dumping apply to RTA members'

trade. If specific anti-dumping rules apply to RTA members, the second level of the template maps these specific provisions of the agreement which differs from multilateral benchmarks.

(a) Level 1 elements for anti-dumping

The first level of the template classifies anti-dumping provisions in RTAs into three mutually-exclusive categories. The first category of RTAs includes those which disallow anti-dumping actions among the RTA members. The second category includes RTAs which have no such prohibition, but which at the same time, develop no specific language or provisions on anti-dumping. The final category is made up of RTAs which allow anti-dumping action and which contain specific provisions on anti-dumping.

(b) Level 2 elements for anti-dumping

Although some RTAs have quite extensive provisions on anti-dumping, much of it replicates the language of the anti-dumping agreement in the WTO (or more accurately the Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994). Thus the second-level template only maps these specific provisions where it has been possible to find a departure from benchmarks established in the anti-dumping agreement in the WTO.

The areas where it has been possible to find departures in RTA provisions are on *de minimis* dumping margins, *de minimis* dumping volumes, the lesser duty rule and the duration of final anti-dumping duties. Otherwise, there appears to be little or no significant difference between provisions in the anti-dumping agreement of the WTO and corresponding RTA provisions on determination of dumping, determination of injury, definition of domestic industry, evidence, provisional measures, price undertakings, retroactivity and notification and consultation.

Under multilateral rules, an anti-dumping investigation is to be terminated immediately if the dumping margin is found to be less than 2 per cent of the export price or if the volume of dumped imports from a particular country is less than 3 per cent of imports. RTA provisions that specify higher *de minimis*

dumping margins or higher *de minimis* volumes than the multilateral benchmarks will treat RTA partners more favourably. This is because even though exports from RTA and non-RTA sources may be found to have the same dumping margin, the investigation against the RTA member will terminate while the investigation against non-RTA sources will continue if the margin turns out to be higher than the multilateral benchmark but less than or equal to that prescribed in the RTA. Multilateral rules encourage but do not mandate the application of an anti-dumping duty that is less than the dumping margin if a lesser duty would be adequate to remove the injury to the domestic industry. A lesser duty rule or mandate in an RTA can provide an advantage to members. In the event that an anti-dumping action is taken by a country against a group of suppliers, some of which happen to be RTA members and others not, then RTA partners will face a lower anti-dumping duty even though the anti-dumping investigation might have found the same dumping margin against all suppliers. Under multilateral rules, definitive anti-dumping duties are to be terminated within five years from its imposition. Thus, RTAs that impose a shorter termination period on regional partners will give an advantage to exporters from those countries. Anti-dumping duties against exports from RTA partners will already have been phased out while exports from non-RTA partners can continue to be slapped with the duties. Some RTAs also specify a duration for provisional measures that is shorter than the four months stipulated in the anti-dumping agreement. But it is not clear whether this would necessarily treat RTA partners more favourably than non-RTA members. It might be in the interest of exporters to delay the investigative process and their preference might be for a longer rather than a shorter period that provisional measures are in effect. In fact, Article 7, paragraph 4, of the anti-dumping agreement allows national authorities to apply provisional measures up to a period of six months upon request by *exporters* representing a significant percentage of the trade involved.<sup>13</sup> Hence, this provision has not been identified as one that gives more favourable treatment to exporters from RTA partners.

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<sup>13</sup> Some reasons why exporters might prefer a longer period for provisional measures can be provided. Exporters may need more time to submit additional evidence which might influence the final outcome of the investigation. It might be that the investigators are under too much time pressure and exporters are of the view that they will be able to do a better job, that is, that anti-dumping duties might be lower, should they be given more time. It might be that exporters think that there are significant changes taking place in the domestic industry and that it will be more difficult to substantiate the allegation of injury should there be more time before the final

Besides these, the template also includes elements that are either quite unique to regional agreements or which have been highlighted in the literature on RTAs. As noted above, one important avenue through which anti-dumping rules in RTAs can affect the probability of trade remedy actions among RTA partners is through the establishment of a regional body which has the power to conduct investigations or has the authority to review or remand final determinations of national authorities. Provisions that specify a series of steps which members are first required to take to try to come to a mutually satisfactory outcome before the anti-dumping procedures are fully activated have also been included in the template.

Finally, one needs to address the possibility of China-specific provisions in RTAs. China is the most frequent target of anti-dumping initiations and measures. Over the 1995-2006 period, it was the subject of 535 anti-dumping initiations and 375 anti-dumping measures reported to the WTO, the most of any Member. As it pursues free trade agreements, it is likely to press for its partner(s) to give it market economy status or for some other commitment to rein in anti-dumping, including possibly disallowing anti-dumping in the agreement. There are two RTAs involving China in the sample – China-Hong Kong and China-Macao – and as will be discussed in Section IV, both have disallowed the use of anti-dumping clearly illustrating the importance of the issue for China. But the prohibition of anti-dumping actions will not always be feasible with potential RTA partners whereas treatment of China as a market economy may be possible. Given the limited number of Chinese RTAs in the sample, no China-specific anti-dumping provisions have been identified, unless prohibition of anti-dumping in RTAs is classified as such, so none has been introduced in the template. But future work examining anti-dumping rules in RTAs will need to keep China-specific provisions in mind for those RTAs involving China.<sup>14</sup> The template used to map the anti-dumping provisions of RTAs appears in Table 2.

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decision is taken. Finally, it might also be that the exporters believe that the final margins might be even higher and that they have consignments on their way which they would wish to clear with customs in good time.

<sup>14</sup> The recently signed New Zealand-China free trade agreement, which is the first FTA China has signed with a developed country, does not contain any China-specific provision such as for example treating it as a market economy.

**Table 2: Anti-dumping template**

Elements	
<b>1.</b>	<b>Anti-dumping actions disallowed</b>
<b>2.</b>	<b>Anti-dumping actions allowed but with no specific provisions</b>
<b>3.</b>	<b>Anti-dumping actions allowed and with specific provisions</b>
<b>a</b>	<i>Mutually acceptable solution</i>
<b>b</b>	<i>Different de minimis dumping margin</i>
<b>c</b>	<i>Different de minimis dumped volume</i>
<b>d</b>	<i>Lesser duty rule</i>
<b>e</b>	<i>Different duration of AD duty</i>
<b>f</b>	<i>Regional body/committee</i>
	- Conducts investigations and decides on AD duties
	- Reviews/remands final determinations
	- Other

## **2. Countervailing duties**

While a similar two-level template is adopted in the case of countervailing duties, one significant addition is the inclusion of information concerning the presence of a common policy or programme on subsidies and any additional disciplines that are imposed on the use of subsidies and state aid. Under multilateral rules, countervailing duties can be levied on imports which benefit from subsidies if they cause or threaten material injury to an established domestic industry, or are such as to retard materially the establishment of a domestic industry. If the RTA members have a common policy on subsidies or state aid, they may be able to dispense with the use of countervailing duties. Alternatively, if the RTA members are able to agree on additional disciplines that apply to subsidies or state aid, then it may be possible to limit the application of countervailing duties in the RTA. The additional information included in the template includes provisions abolishing export subsidies on agricultural products and disciplines that curb state aid if it distorts competition.<sup>15</sup> But absent a common subsidy policy or additional disciplines on subsidies, it is unlikely for the provisions governing countervailing duties in the RTA to depart much from multilateral rules or practice.

(a) Level 1 elements for countervailing duties

The first level classifies CVD provisions in RTAs into three mutually-exclusive categories. The first group of RTAs are those RTAs which disallow CVD actions against RTA members. The second category includes RTAs with no specific CVD provisions. And the third are those with specific CVD rules that apply to RTA members' trade.

(b) Level 2 elements for countervailing duties

The second level of the template ascertains whether RTA rules on CVDs can result in members being treated more favourably than non-members. Some RTAs have quite extensive provisions on countervailing duties. But much of the language replicates that found in the Agreement on Subsidies and Countervailing Measures of the WTO. The second-level template only maps those provisions where it has been possible to find a departure from the multilateral agreement.

Given that regional bodies established under an RTA may be given substantial authority, including the ability to conduct CVD investigations or to review and remand final determinations, information on regional institutions has been included in the template. Provisions that specify a series of steps which members are first required to take to try to come to a mutually satisfactory outcome before the CVD process fully kicks in have also been included. Otherwise, there appear to be no significant difference between provisions of the Agreement on Subsidies and Countervailing Measures of the WTO and the CVD provisions found in RTAs. The template used to map the countervailing duties provisions of RTAs appears in Table 3.

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<sup>15</sup> The WTO's Hong Kong Ministerial Conference has decided that all export subsidies on agricultural

**Table 3: Countervailing duties template**

Elements	
<b>I.</b>	<b>Subsidies</b>
	- Prohibit export subsidies on agriculture
<b>II.</b>	<b>State aid</b>
	- Incompatible if it distorts competition
<b>III.</b>	<b>Countervailing duties</b>
<b>a</b>	<i>Countervailing duties disallowed</i>
<b>b</b>	<i>Countervailing duties allowed but no specific provisions</i>
<b>c</b>	<i>Countervailing duties allowed and with specific provisions</i>
<b>1</b>	<i>Mutually acceptable solution</i>
<b>2</b>	<i>Regional body/committee</i>
	- Conducts investigations and decides on CVD duties
	- Reviews/remands final determinations
	- Other

### 3. Safeguards

One needs to distinguish between 'bilateral' and 'global' safeguard provisions in regional trading agreements.

Bilateral safeguard actions are meant to apply only to the trade of other RTA members. They provide a temporary escape hatch for RTA members when as a result of undertaking the commitments under the agreement, i.e. reducing preferential tariffs, increased imports from regional partners result in serious injury to the domestic industry. Triggering the safeguard provision in the RTA allows a member to relieve itself of its RTA obligations temporarily, with the period of relief providing the domestic industry the opportunity to adjust towards free trade. In fact, these actions are worded in that way – bilateral safeguards – in a number of RTA agreements. But even in those RTAs where this distinction is not made explicitly, the safeguard provision is clearly meant to address emergency situations that occur as a result of the preferential treatment accorded to partners' imports.

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products will be eliminated by the end of 2013.

Global safeguards refer to those actions or measures triggered by GATT Article XIX (Emergency Action on Imports of Particular Products) and the Agreement on Safeguards. Multilateral rules require that any safeguard measure be applied on a non-discriminatory basis.<sup>16</sup> But provisions on safeguards in some regional trade agreements go beyond bilateral actions and also touch on global safeguard actions. In many instances, the RTA provisions on global safeguards specify conditions under which regional partners will be excluded from multilateral safeguard actions invoked by a member.

It is possible to argue that because bilateral safeguards are responses to cuts in preferential tariffs, RTA rules that apply to them will not lead to more favourable treatment of intra-bloc members. This differs from the case of anti-dumping or countervailing duties which are triggered by unfair trade practices that are independent of the existence of the RTA. If the interest is in RTA safeguard rules that favour intra-bloc members, one should instead focus attention on the global safeguards provisions. But it may not be so easy to disentangle these issues so clearly. For example, the provision abolishing bilateral safeguards under the Treaty of Asuncion was used by Argentina to exclude MERCOSUR partners from a WTO safeguard action on footwear. Despite this, a conceptual distinction between bilateral and global safeguards will be maintained in this paper with the concern about discrimination focusing on RTA provisions on global actions. In any case, bilateral safeguards have an independent interest of their own. Thus two mappings are provided, one on RTA rules applying to bilateral actions and a second one applying to global safeguards.

(a) Level 1 elements for bilateral safeguards

The first level of the template classifies safeguard provisions in RTAs into three mutually-exclusive categories. The first category includes RTAs which disallow safeguard actions among RTA partners. The second covers RTAs which allow such actions but have no specific provisions. The third category includes those RTAs which both allow safeguard actions and have specific language governing those

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<sup>16</sup> Article 2.2 of the Agreement on Safeguards states that: 'Safeguard measures shall be applied to a product being imported irrespective of its source.'

actions. The second and more detailed level of the template involves a classification of the provisions contained in the third category of RTAs.

(b) Level 2 elements for bilateral safeguards

The level 2 template includes provisions on: conditions for the application of safeguards, investigation, mutually acceptable solution, application of safeguard measures, provisional measures, duration and review of safeguard measures, compensation (equivalent level of concession), retaliation (suspension of equivalent concessions), treatment of developing and least developed countries, existence of a regional authority, notification and consultation and dispute settlement.

Given the role of trade remedy instruments in managing regional trade liberalization, the template takes into account the existence of special safeguard provisions for products or sectors which are politically sensitive. They are special in at least two ways. Firstly, they are triggered by a different mechanism, typically involving price and/or quantity thresholds. Second, they do not require that injury to the domestic industry be demonstrated. The special safeguard provisions in the RTAs are usually applied to agricultural products and textiles and clothing, which in many countries are the most difficult sectors to liberalize. Thus, products or sectors that are difficult to liberalise at the multilateral level are also difficult to liberalise in RTAs and require special safeguard treatment. This is consistent with the findings by Estevadeordal, Shearer and Suominen in the market access chapter of this volume

As in the previous two templates, the role of regional bodies in safeguard actions is taken into account. Regional institutions could have a coordinating function, serving for example, as a clearinghouse for information on emergency action. Or regional authorities could conduct safeguard investigations and/or review safeguard measures taken by national authorities. Finally, the level 2 template include provisions that specify a series of steps which members are first required to take to try to come to a mutually satisfactory outcome before the safeguard procedures fully kick in. The template used to map the bilateral safeguard provisions of RTAs appears in Table 4A.

**Table 4A: Bilateral safeguards template**

<b>Elements</b>	
<b>1.</b>	<b>Safeguard measures disallowed</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>
<b>a</b>	<b><i>Conditions for application of safeguard</i></b>
	<i>- increasing imports causing serious injury to domestic industry</i>
	<i>- during transition period, reduction in tariffs lead to increased imports and to serious injury</i>
	<i>- other</i>
<b>b</b>	<b><i>Mutually acceptable solution</i></b>
<b>c</b>	<b><i>Investigation</i></b>
<b>d</b>	<b><i>Application of safeguard measures</i></b>
	<i>-only to the extent necessary to remedy serious injury and facilitate adjustment</i>
	<i>- suspend concessions, tariff reduction or revert to MFN</i>
	<i>- other</i>
<b>e</b>	<b><i>Provisional measures</i></b>
<b>f</b>	<b><i>Duration and review of safeguard measures</i></b>
	<i>- duration less than 4 years</i>
	<i>- not allowed beyond transition period</i>
<b>g</b>	<b><i>Maintain equivalent level of concessions (Compensation)</i></b>
<b>h</b>	<b><i>Suspension of equivalent concessions (Retaliation)</i></b>
<b>i</b>	<b><i>Regional body/committee</i></b>
	<i>-conducts investigations and decides on safeguard duties</i>
	<i>- review/remand final determinations</i>
	<i>- other</i>
<b>j</b>	<b><i>Notification and consultation</i></b>
<b>k</b>	<b><i>Special safeguards</i></b>

(c) Global Safeguards

Unlike the template used for bilateral safeguards, there is only one level in the template on global safeguards. It provides information about RTA provisions that refer to global safeguard actions, or GATT Article XIX or the Agreement on Safeguards. The more salient component of the template concerns which RTAs exclude members from global safeguard actions and the conditions under which this occurs. The stated conditions under which imports from RTA members can be excluded from a global safeguard action are if those imports do not account for a substantial share of total imports and if they do not contribute to serious injury or the threat thereof.

Most of the RTAs describe very precisely what ‘substantial share’ of total imports and ‘contribute importantly to serious injury’ mean. Imports from an RTA partner do not constitute a substantial share of total imports if that partner is not among the top five suppliers during the most recent three-year period. Imports from an RTA partner do not contribute importantly to serious injury or threat thereof if its growth rate during the period of serious injury is appreciably lower than the growth rate of total imports from all sources.

An interesting issue can sometimes arise as to whether ‘top five suppliers’ should be determined by trade volume or by trade values (Bown, 2007). In the Canada bicycles safeguard case for example, the US was exempted from the Canadian International Trade Tribunal (CITT) safeguard recommendation because it was deemed to be a small supplier.<sup>17</sup> Canada must have reasoned that the US was a small supplier by volume (it was not one of the top five) because the US had maintained a significant Canadian import market share by value (it was still number three, with over thirteen per cent of the value of sales).<sup>18</sup> The template used to map the global safeguard provisions of RTAs appears in Table 4B.

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<sup>17</sup> In the end, while the CITT recommended the imposition of a safeguard measure, the Canadian government did not implement the suggested action.

<sup>18</sup> Bown's (2007) explanation for this difference in US import share by volume and by value is that the Canadian switch to low-end bikes was moving it towards more imports by volume from China and Vietnam. At the same time, the US was switching its export product mix to Canada to more expensive, high-end mountain bikes.

**Table 4B: Global safeguards template**

Elements	
<b>1.</b>	<b>Retains rights and obligations under GATT Art. XIX/Safeguards Agreement</b>
<b>2.</b>	<b>Excludes RTA members from global actions</b>
<b>3.</b>	<b>Grounds for exclusion</b>
<i>a</i>	<i>Imports from the other Party does not account for a substantial share of total imports</i>
<i>b</i>	<i>Imports from the other Party does not contribute to serious injury or threat thereof</i>
<b>4.</b>	<b>Definitions</b>
<i>a</i>	<i>Substantial share</i> - Among the top five suppliers during the most recent three-year period - Exports jointly account for 80 per cent of total imports of importing country
<i>b</i>	<i>Contribute importantly to serious injury</i> - Growth rate of imports from a Party is lower than the growth rate of imports from all sources

(d) China Safeguard

The conditions for China's accession to the WTO included a transitional product-specific safeguard mechanism which could be applied to Chinese imports.<sup>19</sup> This transitional mechanism would be terminated only twelve years after the date of China's accession. It allows a WTO Member to impose a safeguard measure on Chinese imports if they cause or threaten to cause market disruption. It also allows a WTO Member, who considers that transitional safeguard action carried out by another WTO Member against China can cause significant deflection<sup>20</sup> of trade into its market, to also limit imports from China. The transitional safeguard mechanism has been viewed with concern by some because of the discriminatory nature of the mechanism since it is applied only to Chinese imports and because of the weakened evidentiary requirement when 'deflection' is used as the trigger (Bown and Crowley, 2007). In effect, it allows a WTO Member to free-ride off of the first country's investigation under the perceived threat of trade deflection.

<sup>19</sup> Section 16 of 'Accession of the People's Republic of China: Decision of 10 November 2001', WTO Document No. WT/L/432.

<sup>20</sup> Section 16.8 of the accession decision uses the term 'diversion' but economists prefer the term 'deflection' as in Bown and Crowley (2007). Trade diversion refers to the switch from low-cost to high-cost sources of imports as a result of preferential treatment given to the high-cost countries.

There are several ways in which the transitional safeguard mechanism may influence safeguard provisions in RTAs. China may demand from RTA partners that they curb their use of this mechanism and that this be written into the safeguard provision of the RTA. The transitional safeguard mechanism may also play a role even in those RTAs that do not involve China. One could imagine an RTA between two countries – neither of which is China – that might have provisions with how to deal with their implementation of this mechanism. They could include a provision in the RTA that allows one member to automatically use the trade deflection trigger once the other member invokes the transitional safeguard mechanism against China.

However, provisions like these were not found in the two RTAs involving China or in any of the other RTAs in the sample. Hence, the safeguard templates do not provide for a China-safeguard element. But this may nevertheless be an area of future research on RTA safeguard provisions analogous to the issue of market economy status of China in RTA anti-dumping rules discussed earlier.

#### **IV. ANALYSIS OF THE MAPPING**

##### **A. ANTI-DUMPING**

Table 5 shows the mapping of the anti-dumping provisions of the seventy-four RTAs using the two levels of the anti-dumping template. As explained in the previous section, the second-level template identifies those specific provisions which depart from multilateral benchmarks.

INSERT TABLE 5 HERE.

Only a small number (nine) of RTAs have disallowed anti-dumping. These are Canada-Chile, CER (Australia-New Zealand), China-Hong Kong, China-Macao, the European Union (EU), European Economic Area (EEA), European Free Trade Association (EFTA), EFTA-Chile and EFTA-Singapore. In the case of the EEA, the prohibition on anti-dumping applies only to intra-regional trade of goods that fall under chapters 25 to 97 of the harmonized system. In other words, anti-dumping measures

can still be taken against agricultural and fishery goods.<sup>21</sup> The Chile-Mexico FTA, which came into force in 1999, stipulated future negotiations between the partners that were expected to lead to the removal of anti-dumping actions. However, it appears that to date the negotiations to achieve this goal have not yet been successfully concluded.

Seventeen RTAs have no specific anti-dumping provisions. With the big exception of NAFTA, the RTAs entered into by the US (Australia-US, US-Bahrain, US-Chile, US-Jordan, US-Israel, US-Morocco, US-Singapore) have no specific provisions on anti-dumping. The bulk of these have been negotiated after NAFTA. One interpretation that can be put on this is that the US wants to preserve its autonomy in applying its anti-dumping procedures against RTA partners.

The large majority (forty-eight) of the RTAs contain specific language or further elaboration of anti-dumping rules that applies to partners in the RTA. It should be noted though that nine of those forty-eight RTAs only basically state that anti-dumping actions against RTA partners should adhere to GATT Article VI and the anti-dumping agreement. Thus, they could as well have been classified as RTAs with no specific provision on anti-dumping.<sup>22</sup>

Twenty-six RTAs have provisions that require an explicit process of finding a mutually acceptable solution prior to taking anti-dumping action. These RTAs primarily involve the EU, EFTA and Mexico. The provisions share a number of common features. There is a regional body (joint committee) that is established to oversee the whole RTA. When an anti-dumping investigation is initiated, the regional body is informed and attempts are made by the partners to arrive at a mutually agreed solution. If no mutually acceptable solution is found within a specified time period (usually thirty days), the action (investigation) is allowed to proceed. Provisional anti-dumping measures can be taken if delay will lead to material injury. But apart from serving as a forum for seeking a mutually

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<sup>21</sup> This is based on communication with the EFTA Secretariat.

<sup>22</sup> The nine RTAs are EU-Chile, EU-Egypt, EU-Lebanon, EU-Mexico, EU-South Africa, Korea-Chile, Mexico-Israel, SADC and US-CAFTA-Dominican Republic.

acceptable solution, the joint committee plays no central role in how the anti-dumping process or investigation affecting intra-regional trade develops.

Some RTAs increase the threshold required to apply anti-dumping duties, or in the event that a duty is applied, either reduces it below the dumping margin or shortens the applicable duration. But this turns out to involve only a handful of RTAs. Only two RTAs impose higher *de minimis* dumping margins and volume requirements. The Andean Community and the New Zealand-Singapore FTA both have *de minimis* dumping margins of five per cent. The Andean Community has a *de minimis* volume requirement of six per cent while the New-Zealand-Singapore FTA has a five percent *de minimis* volume requirement. Only one RTA - the Australia-Singapore FTA - mandates a lesser duty rule. Only three RTAs - the Andean Community, MERCOSUR and the New Zealand-Singapore FTA - limit the maximum duration of definitive anti-dumping duties below the benchmark in the anti-dumping agreement. They prescribe a maximum duration of three years.

Of the seventy-four RTAs included in the survey, five (Andean Community, Central American Common Market, CARICOM, NAFTA and UEMOA) give a role to regional bodies to conduct investigations and/or review the final determinations of national authorities. In the Andean Community, the Secretary-General of the Andean Community is given the authority to open and conduct anti-dumping investigations and decide on provisional and final anti-dumping duties. The Secretariat for Central American Economic Integration (SIECA) is the regional body given the authority to conduct anti-dumping investigations in the CACM. In the CARICOM, one of the regional organs – the Council for Trade and Development (COTED) – has the authority to conduct anti-dumping investigations, to authorize member states to apply anti-dumping measures and to keep such measures under review. The UEMOA Commission is the regional body in charge of anti-dumping in UEMOA. In the case of NAFTA, the establishment of bi-national panels can be requested by any of the members to review final anti-dumping determinations.

With the exception of NAFTA, the four other RTAs are customs unions. Some of these regional groupings have a history of relying heavily on regional institutions in the integration process. The Andean Community and the CARICOM, in particular, are composed of small member states and it could be argued that certain public goods may be better delivered by regional institutions than national ones because of the possibility of pooling expertise and resources. In the context of the current WTO negotiations for example, CARICOM countries have tabled proposals that will allow WTO Members to designate a regional body to carry out the functions necessary to implement the provisions of the Sanitary and Phytosanitary (SPS) Agreement, Technical Barriers to Trade (TBT) Agreement and the Trade-Related Intellectual Property Rights (TRIPS) Agreement. These WTO agreements have implementation obligations that seem to pose very high hurdles for developing countries, particularly for the smallest ones. This explanation has some similarity to the argument made by Andriamananjara and Schiff (1999) that a microstate's decision to form, expand, or join a regional organization is based on reduced negotiating costs and increased bargaining power, rather than on the traditional costs and benefits of trade integration. While the use of regional bodies in anti-dumping actions in these RTAs may have been intended as a device to lower the cost of public good provision, it also mitigates the ability of domestic producers to inveigle a compliant national investigating authority to find for them in dumping cases. Thus, all things being equal, an RTA that gives a role to regional institutions in conducting investigations and in final determinations may see less anti-dumping initiations and findings.

The template that was used to map anti-dumping rules in RTAs was developed to identify provisions that are likely to give better treatment to RTA partners. Those rules that were identified as giving favourable treatment of RTA partners include the abolition of anti-dumping measures on intra-RTA trade, higher *de minimis* dumping margins and volumes, the lesser duty rule, shorter duration of definitive anti-dumping duties and the establishment of regional bodies with investigative or review powers. Applying this template on the sample of RTAs, one finds that about a fourth of them have either done away entirely with anti-dumping rules, or tightened discipline on the application of anti-

dumping on RTA members or given authority to regional institutions to conduct investigations or review the findings of national authorities. While the list of RTAs with these types of provisions does not appear long, the trade covered by those RTAs is quite large. The outcome of the mapping indicates the need to be vigilant about possible discrimination arising from anti-dumping rules in RTAs.

## B. COUNTERVAILING DUTIES

The detailed mapping of the countervailing duty provisions using the two levels of the countervailing duty template is presented in Table 6. Only five RTAs have abolished countervailing duties. These RTAs are China-Hong Kong, China-Macao, European Union, EEA and EFTA. However, in the case of EFTA and the EEA, CVDs are disallowed only for products falling under chapters 25 to 97 of the Harmonized System, i.e. CVDs can be applied to agricultural and fishery products.<sup>23</sup>

INSERT TABLE 6 HERE.

The great majority of the surveyed RTAs either have no specific countervailing duty provisions (thirty RTAs) or have specific provisions on CVDs that allow the use of such measures (thirty-nine RTAs). But of those RTAs with specific provisions on CVDs, seventeen only state that all CVD actions should be in accord with GATT Article VI and the Agreement on Subsidies and Countervailing Measures. The only interesting RTA provisions are those where a mutual acceptable outcome is encouraged and where regional bodies are allowed to conduct CVD investigations or have the power to review and remand final CVD determinations. Fourteen RTAs - mostly involving EFTA and Mexico – require members to take a specified set of steps to find a mutually acceptable solution as soon as a case is initiated. Four RTAs - the Andean Community, CACM, CARICOM and NAFTA - give regional bodies investigative or review powers on CVDs. Unlike the case of anti-dumping, the CVD rules on *de minimis* and duration of measures did not differ from multilateral thresholds.

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<sup>23</sup> This is based on communication with the EFTA Secretariat.

This result suggests that there has been little tinkering with CVD rules in the sample of RTAs surveyed. There does not appear to be any ground to suppose that CVD rules in RTAs will result in better treatment of regional partners. The absence of significant departures may in turn be traced to the lack of progress at the RTA level in agreeing to additional curbs on subsidies or state aid. Information on the type of commitments made by RTA members on subsidies and state aid has been included in the template. The only quite explicit provision to be found is the prohibition or elimination of export subsidies to agricultural products in sixteen RTAs, none of which involve the EU or EFTA.<sup>24</sup> But apart from this, there is often only the quite general undertaking against state aid that distorts competition. It appears that countries have not put subsidy programmes on the table in their RTA negotiations and thus feel a continuing need for countervailing duties as a weapon to wield against such support. While it is possible to agree to a reduction or elimination of subsidies in an RTA negotiation, part of the trade benefits from that will be captured by non-members. The reluctance to give away a 'freebie' may explain why the only meaningful negotiation on further reductions in agricultural subsidies is occurring at the multilateral level.

## C. SAFEGUARDS

### 1. **Bilateral safeguards**

A detailed mapping of the bilateral safeguard provisions in RTAs appears in Table 7A. Only five RTAs (Australia-Singapore, Canada-Israel, European Union, MERCOSUR and New-Zealand-Singapore) have ruled out the use of safeguard measures against a partner's trade. In the case of MERCOSUR, Annex IV of the Treaty of Asuncion allowed the application of safeguard clauses to imports of products benefiting from the trade liberalization programme only up to 31 December

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<sup>24</sup> The RTAs which have prohibited export subsidies on agricultural products are Australia-Singapore, Australia-Thailand, Australia-US, Canada-Chile, Canada-Costa Rica, CER, Group of Three, Mexico-Chile, Mexico-Nicaragua, Mexico-Northern Triangle, Mexico-Uruguay, New Zealand-Singapore, US-Bahrain, US-CAFTA-Dominican Republic, US-Chile and US-Morocco.

1994.<sup>25</sup> Only 4 (CACM, CEMAC, EU-Andorra and GCC) have no specific safeguard provisions. The great majority of RTAs (65) surveyed have specific provisions on safeguards. Interestingly, none of the RTAs included in the survey give a role to regional institutions in conducting safeguard investigations or in reviewing findings by national authorities.

INSERT TABLE 7A HERE.

There is a clear difference between the EU and EFTA-centric RTAs and those involving the other major hubs: the US, Mexico, Chile, Australia, Singapore and Canada. In these latter RTAs, safeguard measures are imposed only during the transition period - the stipulated period for intra-RTA tariffs to be eliminated. For the most part, the safeguard measure allowed is a suspension of the process of tariff reduction or, at worst, an increase of the preferential rate to the MFN level. The RTAs limit the duration of the safeguard measure to between one to three years. The RTAs require a member to maintain an equivalent level of concession if that member imposes a safeguard measure. If no mutually acceptable compensation is agreed upon between the concerned members, the right to retaliation is not restricted.<sup>26</sup> Limiting safeguard measures to the transition period and the shorter duration of such measures can lessen the impact of safeguard actions on intra-regional trade. Further, the stronger provisions on compensation and retaliation can provide greater deterrence to the use of bilateral safeguard actions in the RTA.

Sixteen RTAs have special safeguard provisions which create a different threshold for imposing additional protective measures on certain sectors, usually agriculture and textiles and apparel. The RTAs include AFTA, Australia-Thailand, Australia-US, Canada-Chile, Canada-Costa Rica, EU-Chile, EU-South Africa, Group of Three, Korea-Chile, Mexico-Northern Triangle, NAFTA, US-Bahrain, US-CAFTA-DR, US-Chile, US-Morocco and US-Singapore. These special safeguard measures

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<sup>25</sup> As noted previously, the Treaty of Asuncion has nevertheless been the basis for Argentina's exclusion of MERCOSUR partners from global safeguard actions on footwear.

<sup>26</sup> By comparison, Article 8.3 of the Agreement on Safeguards requires that retaliation not be exercised for the first three years that a safeguard measure is in effect, provided that there has been an absolute increase in imports.

typically allow a RTA member to impose additional duties on sensitive imports, although the tariff should not exceed the MFN rate, once imports cross either a volume or price threshold. They could be imposed even without showing serious injury or threat of serious injury. Further, they normally extend beyond the transition period of the RTA. These special safeguard provisions should probably be seen as part of the portfolio of trade management instruments, which include long transition periods, sectoral carve-outs and complex and restrictive rules of origin, to mitigate the effects of the RTA on import-sensitive industries.

## **2. Global safeguards**

The threat of discrimination becomes more explicit in the RTA provisions that touch on global safeguards. Table 7B shows the mapping of the global safeguard provisions in RTAs. Twenty-nine RTAs make reference to GATT Article XIX or the Agreement on Safeguards. While most of these RTAs state that their safeguard provisions are in accord with or do not affect their members' rights and obligations under the multilateral agreements, more than half of them go on to exclude the imports of RTA partners from global safeguard actions. The stated conditions under which imports from RTA members can be excluded from a global safeguard action are if those imports do not account for a substantial share of total imports and if they do not contribute to serious injury or the threat thereof. The RTAs which exclude RTA partners from global actions include Australia-Thailand, Australia-US, Canada-Chile, Canada-Israel, EU-Chile, Group of Three, Mexico-Chile, Mexico-Israel, Mexico-Nicaragua, Mexico-Northern Triangle, Mexico-Uruguay, NAFTA, US-CAFTA-DR, US-Jordan and US-Singapore.

INSERT TABLE 7B HERE.

Most of the RTAs describe very precisely what 'substantial share' of total imports and 'contribute importantly to serious injury' mean. Imports from an RTA partner do not constitute a substantial share of total imports if that partner is not among the top five suppliers during the most recent three-year period. Imports from an RTA partner do not contribute importantly to serious injury or threat thereof

if its growth rate during the period of serious injury is appreciably lower than the growth rate of total imports from all sources.

Now, the Agreement on Safeguards requires that safeguard measures are applied to all imports irrespective of source (non-discrimination). Thus, the exclusion of RTA partners from a safeguard action poses a potential conflict between regional and multilateral rules.<sup>27</sup> This conflict has been addressed in a number of WTO dispute cases (*Argentina–Footwear*, *United States–Wheat Gluten*, *United States–Line Pipe* and *United States–Steel*). In these cases, the investigating authority had included imports from all sources in making the determination that imports were entering in such increased quantities so as to cause serious injury to the domestic industry. But instead of applying safeguard measures to all imports irrespective of their source, the country invoking the safeguard action excluded its RTA partners. In *Argentina–Footwear*, Argentina had included MERCOSUR imports in the analysis of factors contributing to injury to its domestic industry. But it excluded MERCOSUR countries from the application of the safeguard measure. In *United States–Wheat Gluten*, the US excluded Canada from the application of its safeguard action although imports of wheat gluten from Canada were included in the investigation phase. In the *United States–Line Pipe* case, the US excluded imports from its NAFTA partners from the safeguard measure. And in *United States–Steel*, the US included all sources of imports in its analysis of increasing imports, injury serious injury and the causal nexus. However, it excluded its NAFTA partners, Israel and Jordan from the application of its safeguard action. In all four cases, the Appellate Body had ruled against the WTO member which included its RTA partners in the safeguard investigation but excluded them in the application of the safeguard measure.

The key concept that underlines all these cases has been called 'parallelism'. The WTO's Appellate Body acknowledged that the word parallelism is not found in the text of the Agreement on Safeguards; however, it considered that the requirement of parallelism is found in the language used in the first and

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<sup>27</sup> Bown (2004) discusses the discriminatory protection contained in the 2002 US steel safeguard action.

second paragraphs of Article 2 of the Agreement on Safeguards.<sup>28</sup> In brief, parallelism prohibits any asymmetry in the application of safeguards measures. Regionalism is just the most relevant and prominent application of parallelism to date. In the case of RTAs, parallelism means that when a WTO Member has conducted a safeguard investigation considering imports from all sources, it cannot, subsequently, without any further analysis, exclude imports from RTA partners from the application of the resulting safeguard measure.<sup>29</sup> In order to be able to exclude imports from RTA partners, the investigating authority must establish explicitly that imports from non-RTA sources alone caused serious injury or threat of serious injury to the domestic industry. The investigating authority, in its causality analysis, should ensure that the effects of the excluded (RTA) imports are not attributed to the imports included in the safeguard measure.<sup>30</sup>

While the elaboration of the principle of parallelism by the Appellate Body in these four cases has clarified one issue, WTO jurisprudence has not provided a definitive ruling to what extent GATT Article XXIV could be relied on by a WTO member to exclude RTA partners from the application of a safeguard measure. One dispute (between the US and Korea) in which this issue was given some consideration was the *US– Line Pipe* case. There the US argued that GATT Article XXIV gave it the right to exclude its NAFTA partners from the scope of the safeguard measure. The panel accepted the US argument that the exclusion of its RTA partners from safeguard actions forms part of the required elimination of 'restrictive regulations of commerce' on 'substantially all the trade' among the free trade area members, which is a condition required by GATT Article XXIV. The panel decision was subsequently appealed by Korea. On appeal, the Appellate Body declared the ruling by the panel on Article XXIV as moot and having no legal effect.<sup>31</sup> The question whether Article XXIV of the GATT 1994 permits imports originating from an RTA partner to be exempted from a safeguard measure becomes relevant only in two circumstances. The first was when the imports from RTA members were not included in the safeguard investigation. The second was when imports from RTA members

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<sup>28</sup> See Appellate Body Report, *US –Steel*, paragraph 439.

<sup>29</sup> Appellate Body Report, *US – Steel*, paragraph 441.

<sup>30</sup> Appellate Body Report, *US – Steel*, paragraph 453.

were included in the safeguard investigation it nevertheless was established explicitly that imports from sources outside the free-trade area, alone, satisfied the conditions for the application of a safeguard measure. Since neither of these applied to the circumstances surrounding the *US – Line Pipe* case, the issue was not relevant to the case. The Appellate Body was careful to point out though that, in taking this decision, it was not ruling on the question whether Article XXIV of the GATT 1994 permits exempting imports originating in a member of a free-trade area from a safeguard measure. This decision thus leaves the question of an appeal to GATT Article XXIV still very much open.<sup>32</sup>

The provisions excluding RTA partners from global safeguard actions raises concerns about increased discrimination against non-members and trade diversion. Although WTO dispute settlement panels have ruled against excluding RTA partners from safeguard measures if imports from those RTA partners had been included in the investigation, they appeared to have done so on quite narrow grounds – on the lack of parallelism in the application of safeguard measures. It is entirely conceivable that under a different set of circumstances exclusion of RTA partners from global safeguard measures could pass muster. Future RTAs may, in the face of these WTO dispute settlement rulings, contain explicit language in their safeguard provisions that avoid being ensnared on the parallelism issue.

## **V. ABOLISHING TRADE REMEDIES**

About a sixth of the RTAs surveyed have managed to abolish the application of trade remedies on intra-regional trade. Only one RTA – the European Communities – has managed to abolish all three forms of trade remedies on members' trade. Are there any economic factors which distinguish these RTAs and which could explain why they have been able to abolish trade remedy measures against members' trade?

Perhaps the leading candidate to explain the abolition of trade remedy measures, particularly anti-dumping, is the depth of market integration envisioned in the RTA. RTAs that aim at deeper integration, going beyond the elimination of border measures, and harmonizing or even in some cases adopting common internal regulations, are more likely to do away with trade remedy measures. We

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<sup>31</sup> Appellate Body Report, *US – Line Pipe*, paragraph 199.

have already alluded to the role of a harmonized or a common subsidy policy in explaining the type of CVD provisions that can be adopted in an RTA. De Araujo, et al (2001) have argued that the implementation of common macro- and micro-economic policies in the EC reduced the social and political cost related to the removal of anti-dumping. They point in particular to the role that structural funds played in easing the need for anti-dumping as a trade adjustment measure. Wooton and Zanardi (2002) link the phasing out of anti-dumping with the creation a single market. They point as examples to the experiences of the European Communities and the European Economic Area. In their view, the elimination of anti-dumping was a necessary step to achieving a common market.

A second explanation that is sometimes provided is the adoption of a common competition policy by members of the RTA. RTAs that adopt a common competition policy may find anti-dumping to be redundant. Of course, the two explanations are not mutually exclusive since a common competition policy may not make sense until a sufficiently high level of integration is achieved. However, Hoekman (1998) dismisses the notion of a link between the adoption of a common competition policy and the abolition of anti-dumping in a RTA. He argues that the adoption of a common competition policy in a RTA is often motivated by the need to manage the result of deeper integration.<sup>33</sup> Its purpose is not to provide a substitute policy instrument so that anti-dumping measures can be abolished although of course this could be one of the consequences of having a common competition policy. Another argument against this link is that there are important differences between competition policy and anti-dumping, e.g. competition policy is often concerned with consumer protection but anti-dumping is not, which may make one instrument rather than the other more likely to be hostage to protectionist interests. So to the extent for example that anti-dumping is being used as a shield against imports, the adoption of a common competition policy need not automatically lead to the abolition of anti-dumping.

We have earlier noted the difference in how developing and developed countries use the three trade remedy instruments. For instance, developing countries have become more frequent users of anti-dumping and safeguard actions. One may therefore also need to examine what effect the development status of the members of the RTA have on the trade remedy rule adopted.

Table 8 brings together background data on those RTAs that have abolished trade remedies. The information includes level of development of RTA members, intra-RTA imports, share of intra-RTA imports, whether the RTA aims at “deeper” integration (which is explained in greater detail below),

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<sup>32</sup> See Pauwelyn (2004) for a discussion of this issue.

<sup>33</sup> Hoekman (1998) defines deep integration as consisting of explicit actions by governments to reduce the market segmenting effect of differences in national regulatory policies that pertain to products, production

the presence of a competition policy provision in the RTA and the existence of a common external tariff. We also calculate the average of these indicators for the 13 RTAs that have abolished trade remedy instruments and the other RTAs in the sample who have not. On average, those RTAs that have abolished trade remedy instruments have greater intra-RTA trade (both in value and share), are more likely to have a competition policy provision in the RTA and to achieve deeper integration. But there does not seem to be any difference in terms of the adoption of a common external tariff. RTAs which have disallowed trade remedies and RTAs which retain the instruments appear equally like to have a common external tariff.

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processes, producers and natural persons. In practice this will require decisions: (i) that a partner's policies are equivalent (mutual recognition); or (ii) to adopt a common regulatory stance in specific areas (harmonization).

**Table 8: Characteristics of RTAs that have Disallowed Trade Remedies**

RTAs	Development Level	Disallowed			Intra-RTA Imports		Common External Tariff	Competition Chapter	Integration
		AD	CVD	Safeguard	Value (\$ billion)	Share (%)			
Australia-Singapore	Mixed			■	9.9	3.1	0	1	0
Canada-Chile	Mixed	■			4.7	1.4	0	1	0
Canada-Israel	Mixed			■	3.9	1.1	0	1	0
CER	Developed	■			10.1	6.9	0	1	1
China-HK	Developing	■	■		202.4	21.1	0	0	1
China-Macao	Developing	■	■		55.4	8.4	0	0	1
EC	Developed	■	■	■	2,419.0	61.1	1	1	1
EEA	Developed	■	■		301.4	7.3	0	1	1
EFTA	Developed	■	■		1.4	0.8	0	1	1
EFTA-Chile	Mixed	■	■		0.3	0.2	0	1	0
EFTA-Singapore	Mixed	■			3.1	0.8	0	1	0
MERCOSUR	Developing			■	22.1	20.1	1	1	0
New Zealand-Singapore	Mixed			■	1.3	0.6	0	1	0
<b>Group Average</b>					<b>233.5</b>	<b>10.2</b>	<b>15.4%</b>	<b>84.6%</b>	<b>46.2%</b>
<b>Average of Other RTAs</b>					<b>28.9</b>	<b>3.1</b>	<b>13.1%</b>	<b>70.5%</b>	<b>6.6%</b>

We have conducted a more formal test of what possible explanatory variables affect the decision to abolish trade remedies using a probit model. Our explanatory variables included the development level of RTA members, vintage of the RTA (when it came into force), average volume (as well as share) of intra-RTA trade prior to the establishment of the RTA, the existence of a common external tariff, the inclusion of a competition policy provision in the RTA and, the degree of integration achieved by the members.

Now it is possible to distinguish between several forms of integration. The adoption of harmonized or common behind-the-border measures such as standards and sanitary and phytosanitary measures will be one form of deeper integration. These would cover such RTAs as the EC, EEA, EFTA and CER. For example, CER has harmonized business regulations, including competition policy, standards, customs and quarantine. Another form of deeper integration would be arrangements that allow for free or freer movement of capital and labour. This characterizes the EC, the EEA and to a certain extent EFTA. The EEA has abolished restrictions on movement of goods, people, services and capital. EFTA has opened the labour markets of its member states. Workers, the self-employed and persons with no gainful employment who otherwise have sufficient financial means, have the right of access to work, entry/exit and establishment (residence), the right to provide services for a period of up to 90 days per year and the right of equal treatment. Straddling all these RTAs is of course the EC with its single market, an *acquis communautaire* and a range of supranational institutions.

Another form of economic integration would be monetary union or the adoption of a single currency. Two RTAs in the sample have some form of monetary union, the EC and CEMAC. Although the euro has been adopted by only 15 countries of the EC, the euro zone countries account for more than half of EC GDP and trade. CEMAC groups together six central African countries which have adopted the franc as the common currency.

Yet a further form of integration would be political. Although the economic policies and political cultures of Hong Kong and Macao differ markedly from China, they are still governed by the political framework of China's "one country, two systems". Thus, it could be argued that they are integrated politically with the mainland. Following this approach, we have also considered Andorra, the Faroe Islands and the Overseas Countries and Territories (OCTs) as politically integrated with the EC.<sup>34</sup>

We have incorporated all of these different dimensions into the integration variable we employ in the probit model. The probit model we use is given by equation (1) below:

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<sup>34</sup> Andorra is a co-principality with the President of France and the Bishop of Urgell, Spain as co-princes. The Faroe Islands are part of the Kingdom of Denmark. Denmark, France and Spain are all member states of the European Union.

$$(1) \quad \Pr(y = 1) = \Phi(\beta_0 + \beta_1 share + \beta_2 cet + \beta_3 comp + \beta_4 int + \beta_5 dev + \beta_6 year)$$

where:

$y$  is a dummy variable that takes on a value of 1 if the RTA has abolished a trade remedy instrument and 0 otherwise;

$\Pr(y = 1)$  is the probability that  $y$  takes on the value 1, i.e. the RTA has abolished a particular trade remedy;

$\Phi()$  stands for the cumulative normal distribution function;

$share$  is the average value or share of intra-RTA imports during the 5-year period before the implementation of the RTA;

$cet$  is a dummy to indicate whether the members have a common external tariff;

$comp$  is a dummy variable that takes on a value of 1 if the RTA has a competition policy chapter and 0 otherwise;

$int$  is a dummy variable that takes on a value of 1 if the members have a common political system, or have established a monetary union or have liberalized movement of capital and persons or have harmonized or common behind-the-border measures;

$dev$  is an index to indicate the development level of RTA members (1 for RTAs whose members are all developing countries; 2 for RTAs whose members are a mixture of developed and developing countries and 3 for RTAs whose members are all developed countries); and

$year$  is the year in which the RTA came into force.

We present the results of the probit estimation for the 74 RTAs in the sample in Table 9A, separately for each trade remedy instrument. For anti-dumping and countervailing duties, the best result is obtained with the use of degree of integration as the explanatory variable. It best explains the pattern of anti-dumping and CVD abolition in RTAs. The existence of a common political system, or monetary union, or free movement in capital and people, or harmonized or common behind-the-border measures creates a higher likelihood of RTAs abolishing anti-dumping and countervailing duties. The dummy variable on competition provisions in the RTA was not statistically significant. In the case of safeguards, none of the variables that we used were statistically significant, although the common external tariff was on the cusp of being significant at the 10 percent level. In all three trade remedy instruments, the development status of RTA members and the vintage of the RTA were not statistically significant explanatory variables.

**Table 9A: Probit Estimation Results**

Explanatory variables	Anti-dumping	Countervailing	Safeguards
int	1.93***	2.15***	
cet			0.83
constant	-1.68***	-2.15***	-1.68
	Prob > $\chi^2 = 0.0000$	Prob > $\chi^2 = 0.0000$	Prob > $\chi^2 = 0.12$
Number of observations = 71			

Note: The three columns represent the results of using separate probit models to test what variables statistically explain the abolition of anti-dumping, countervailing duties and safeguard measures in RTAs. \*/\*\*/\*\* indicate significance at the 10%, 5% and 1% level respectively.

Finally, we ran a multinomial logit regression to take advantage of the distinct categories of RTAs that have emerged from the mapping. We observe five distinct RTA categories in trade remedy abolition. First, some RTAs (Canada-Chile, CER, and EFTA-Singapore) have abolished only anti-dumping. Second, some RTAs (Australia-Singapore, Canada-Israel, MERCOSUR and New Zealand-Singapore) have abolished only safeguards. Third, still some others (China-HK, China-Macao, EEA, EFTA and EFTA-Chile) have done away with both anti-dumping and countervailing duties. Fourth, one RTA (EC) has abolished all forms of trade remedies. Finally, the RTAs which have retained all three forms of trade remedies fall into the last category. This last group of RTAs is chosen as the baseline or comparison category. Multinomial logit estimation allows us to estimate the likelihood, and the effect of the explanatory variables on that probability, of an RTA falling into any one of these categories. Formally, the likelihood of an RTA falling into category  $j$  is given by:

$$(2) \quad \Pr(y_i = j) = \frac{\exp(\beta_0^j + \beta_1^j \text{share} + \beta_2^j \text{cet} + \beta_3^j \text{comp} + \beta_4^j \text{int} + \beta_5^j \text{dev} + \beta_6^j \text{year})}{1 + \sum_j \exp(\beta_0^j + \beta_1^j \text{share} + \beta_2^j \text{cet} + \beta_3^j \text{comp} + \beta_4^j \text{int} + \beta_5^j \text{dev} + \beta_6^j \text{year})}$$

The baseline or comparison category is given by  $j = 0$  with probability given by:

$$(3) \quad \Pr(y_i = 0) = \frac{1}{1 + \sum_j \exp(\beta_0^j + \beta_1^j \text{share} + \beta_2^j \text{cet} + \beta_3^j \text{comp} + \beta_4^j \text{int} + \beta_5^j \text{dev} + \beta_6^j \text{year})}$$

The results of the multinomial estimation are shown in Table 9B. In general, the multinomial estimates confirm the results of the probit estimations that the level of regional integration provides the best explanation for the abolition of trade remedy instruments. The degree of integration and the share of intra-RTA trade are significant in the case of RTAs that have abolished both anti-dumping and

countervailing duties; the degree of integration is also statistically significant at the 10% level in the case of RTAs that have abolished only anti-dumping. However, none of the variables included in the regressions are statistically significant in the case of RTAs which have abolished only safeguards or those that have done away with all forms of trade remedies.

**Table 9B: Multinomial Logit Estimation Results**

Independent Variables	Trade Remedy Abolished			
	Safeguards	Anti-dumping	Anti-dumping Countervailing	Anti-dumping Countervailing Safeguards
year	0.04	-0.04	0.13	-0.21
cet	2.95	-41.92	-59.99	90.67
dev	1.21	2.83	0.99	41.89
share	-3.50	-51.07	16.03*	-34.29
int	-43.69	3.92*	5.83**	4.60
constant	-74.01	80.38	-256.46	232.04

Number of observations = 71  
 Prob >  $\chi^2$  = 0.0022

Note: \* / \*\* indicate significance at the 10% and 5% level respectively.

## VI. CONCLUSIONS

Trade remedies appear to be permanent fixtures in international trade agreements. One explanation for this is that they provide governments entering into a trade agreement a useful policy tool to manage trade adjustment and the political pressure for protection that is created. They make it easier to obtain political support for the agreement. The trade agreement, in turn, makes possible a more liberal trade regime although this will be at the cost of episodic recourse to protection during economic downturns.

There is an added layer of complexity to the role of trade remedies introduced by preferential trade agreement, which by nature discriminates between members and non-members. Even without modifications to the rules governing trade remedies, their elastic and selective nature may lead to more discrimination against non-members through greater frequency of trade remedy actions against them. The adoption of RTA-specific trade remedy rules can increase this risk of discrimination, with trade remedies against RTA members being abolished outright or being subjected to greater discipline. As

in much of theory of customs unions, the welfare effects of this increased discrimination are unclear. Any increase in intra-regional trade brought about by greater discipline on trade remedy action against RTA members may simply be substituting for cheaper sources of imports from non-members.

Based on the result of this mapping, about a sixth of the RTAs surveyed have dispensed with at least one type of trade remedy. Based on the result of this mapping, about a sixth of the RTAs surveyed have dispensed with at least one type of trade remedy. What these RTAs seem to share in common is a greater level of integration (“deep” integration) as evidenced either by the adoption of common or harmonized behind-the-border policies and high shares of intra-regional trade. In addition, a number of RTAs that have adopted RTA-specific rules that have tightened discipline on the application of these remedies on RTA members.

In the case of anti-dumping for example, some specific provisions tightened discipline by increasing *de minimis* volume and dumping margin requirements, adoption of a lesser duty rule and shortening the duration for applying anti-dumping duties. The possible contribution by regional bodies to reducing action against RTA members has also been highlighted. In the EU-centred and EFTA-centred RTAs, members acting through a regional body notify and consult one another to arrive at a mutually acceptable outcome short of applying the measure. In the Andean Community, CACM, CARICOM, NAFTA and UEMOA, regional bodies have the authority to conduct their own investigations or to review conclusions reached by national bodies.

In the case of safeguards, a great concern is the exclusion of RTA partners in safeguard actions triggered by GATT Article XIX and the Agreement on Safeguards. This puts RTA rules on safeguards in conflict with the non-discriminatory principle that underlies multilateral rules on safeguard action and squarely raises the problem of trade diversion. Although WTO panels have ruled against such exclusions so far, it is not clear that future panels will do so consistently given the particular ground of parallelism on which previous decisions have been made.

In the case of CVDs, one is unable to find major innovations in CVD rules and practice by past and present RTAs. One suspects that a major reason for this is due to the absence of agreements in the RTA on meaningful or significant curbs on subsidies or state aid. Only four RTAs provide a role for regional institutions as investigating bodies or give it the power to review determinations of national authorities.

The results of the mappings suggest the need to be vigilant about increased discrimination arising from trade remedy rules in RTAs. Discrimination against non-RTA partners through more frequent trade remedy actions can arise from the elastic and selective nature of rules on trade remedies. Designing specific trade remedy rules that apply only to RTA partners increases the likelihood of discrimination. This takes place when an RTA abolishes trade remedy actions against the trade of RTA members but not against non-members' trade. It can take place when RTA members adopt rules that strengthen disciplines on trade remedy actions against the trade of RTA members but not against the trade of non-members. Finally, it can take place when RTA members are excluded from what are intended to be global trade remedy actions.

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**Table 5: Anti-Dumping Mapping**

RTA	I. Anti-dumping			II. Specific Provisions							
	Disallowed	Allowed		1. Mutually acceptable solution	2. Different de minimis dumping margin	3. Different de minimis dumped volume	4. Lesser duty rule	5. Different duration of AD duty	6. Regional body/committee		
		No specific provisions	With specific provisions						Conducts investigations	Reviews final determinations	Other
AFTA	0	1	0	0	0	0	0	0	0	0	0
ALADI	0	1	0	0	0	0	0	0	0	0	0
Andean Community	0	0	1	0	1	1	0	1	1	1	1
Australia-Singapore	0	0	1	0	0	0	1	0	0	0	0
Australia-Thailand	0	0	1	0	0	0	0	0	0	0	0
Australia-US	0	1	0	0	0	0	0	0	0	0	0
CACM	0	0	1	0	0	0	0	0	1	0	1
Canada-Chile	1	0	0	0	0	0	0	0	0	0	0
Canada-Costa Rica	0	0	1	0	0	0	0	0	0	0	0
Canada-Israel	0	1	0	0	0	0	0	0	0	0	0
CARICOM	0	0	1	0	0	0	0	0	1	1	1
CEMAC	0	1	0	0	0	0	0	0	0	0	0
CER	1	0	0	0	0	0	0	0	0	0	0
China-Hong Kong	1	0	0	0	0	0	0	0	0	0	0
China-Macao	1	0	0	0	0	0	0	0	0	0	0
COMESA	0	0	1	0	0	0	0	0	0	0	1
European Union	1	0	0	0	0	0	0	0	0	0	0
EU-Algeria	0	0	1	1	0	0	0	0	0	0	1
EU-Andorra	0	1	0	0	0	0	0	0	0	0	0
EU-Chile	0	0	1	0	0	0	0	0	0	0	0
EU-Croatia	0	0	1	1	0	0	0	0	0	0	1
EU-Egypt	0	0	1	0	0	0	0	0	0	0	0
EU-Faroe Islands	0	0	1	1	0	0	0	0	0	0	1
EU-FYROM	0	0	1	1	0	0	0	0	0	0	1
EU-Israel	0	0	1	1	0	0	0	0	0	0	1
EU-Jordan	0	0	1	1	0	0	0	0	0	0	1
EU-Lebanon	0	0	1	0	0	0	0	0	0	0	0
EU-Mexico	0	0	1	0	0	0	0	0	0	0	0
EU-Morocco	0	0	1	1	0	0	0	0	0	0	1

**Table 5: Anti-Dumping Mapping**

RTA	I. Anti-dumping			II. Specific Provisions							
	Disallowed	Allowed		1. Mutually acceptable solution	2. Different de minimis dumping margin	3. Different de minimis dumped volume	4. Lesser duty rule	5. Different duration of AD duty	6. Regional body/committee		
		No specific provisions	With specific provisions						Conducts investigations	Reviews final determinations	Other
EU-OCT	0	1	0	0	0	0	0	0	0	0	0
EU-Pal. Auth.	0	0	1	1	0	0	0	0	0	0	1
EU-South Africa	0	0	1	0	0	0	0	0	0	0	0
EU-Switz. & Liech.	0	0	1	1	0	0	0	0	0	0	1
EU-Syria	0	0	1	1	0	0	0	0	0	0	1
EU-Tunisia	0	0	1	1	0	0	0	0	0	0	1
EU-Turkey	0	0	1	1	0	0	0	0	0	0	1
EEA	1	0	0	0	0	0	0	0	0	0	0
EFTA	1	0	0	0	0	0	0	0	0	0	0
EFTA-Chile	1	0	0	0	0	0	0	0	0	0	0
EFTA-Croatia	0	0	1	1	0	0	0	0	0	0	1
EFTA-FYROM	0	0	1	1	0	0	0	0	0	0	1
EFTA-Israel	0	0	1	1	0	0	0	0	0	0	1
EFTA-Jordan	0	0	1	1	0	0	0	0	0	0	1
EFTA-Morocco	0	0	1	1	0	0	0	0	0	0	1
EFTA-Pal. Auth	0	0	1	1	0	0	0	0	0	0	1
EFTA-Singapore	1	0	0	0	0	0	0	0	0	0	0
EFTA-Tunisia	0	0	1	1	0	0	0	0	0	0	1
EFTA-Turkey	0	0	1	1	0	0	0	0	0	0	1
GCC	0	1	0	0	0	0	0	0	0	0	0
Group of 3	0	0	1	1	0	0	0	0	0	0	0
Japan-Singapore	0	1	0	0	0	0	0	0	0	0	0
Korea-Chile	0	0	1	0	0	0	0	0	0	0	0
MERCOSUR	0	0	1	0	0	0	0	1	0	0	1
Mexico-Chile	0	1	0	0	0	0	0	0	0	0	0
Mexico-EFTA	0	0	1	1	0	0	0	0	0	0	0
Mexico-Israel	0	0	1	0	0	0	0	0	0	0	0
Mexico-Japan	0	1	0	0	0	0	0	0	0	0	0
Mexico-Nicaragua	0	0	1	1	0	0	0	0	0	0	0

**Table 5: Anti-Dumping Mapping**

RTA	I. Anti-dumping			II. Specific Provisions							
	Disallowed	Allowed		1. Mutually acceptable solution	2. Different de minimis dumping margin	3. Different de minimis dumped volume	4. Lesser duty rule	5. Different duration of AD duty	6. Regional body/committee		
		No specific provisions	With specific provisions						Conducts investigations	Reviews final determinations	Other
Mexico-Northern Triangle	0	0	1	1	0	0	0	0	0	0	0
Mexico-Uruguay	0	0	1	0	0	0	0	0	0	0	0
NAFTA	0	0	1	0	0	0	0	0	0	1	0
New Zealand-Singapore	0	0	1	0	1	1	0	1	0	0	0
SADC	0	0	1	0	0	0	0	0	0	0	0
SAFTA	0	0	1	0	0	0	0	0	0	0	0
SPARTECA	0	0	1	1	0	0	0	0	0	0	0
Turkey-Israel	0	0	1	1	0	0	0	0	0	0	1
US-Bahrain	0	1	0	0	0	0	0	0	0	0	0
US-CAFTA-Dom. Rep.	0	0	1	0	0	0	0	0	0	0	0
US-Chile	0	1	0	0	0	0	0	0	0	0	0
US-Israel	0	1	0	0	0	0	0	0	0	0	0
US-Jordan	0	1	0	0	0	0	0	0	0	0	0
US-Morocco	0	1	0	0	0	0	0	0	0	0	0
US-Singapore	0	1	0	0	0	0	0	0	0	0	0
UEMOA	0	0	1	0	0	0	0	0	1	1	1

**Table 6: Countervailing Duties Mapping**

RTA	I. Subsidies	II: State Aid	III. Countervailing Duties			IV. Specific Provisions			
	<i>Prohibit export subsidies on agriculture</i>	<i>Incompatible if it distorts competition</i>	Disallowed	Allowed		1. Mutually acceptable solution	2. Regional body/committee		
				<i>No specific provisions</i>	<i>With specific provisions</i>		<i>Conducts investigations</i>	<i>Reviews final determinations</i>	<i>Other</i>
AFTA	0	0	0	1	0	0	0	0	0
ALADI	0	0	0	1	0	0	0	0	0
Andean Community	0	0	0	0	1	0	1	1	1
Australia-Singapore	1	0	0	0	1	0	0	0	0
Australia-Thailand	1	0	0	0	1	0	0	0	0
Australia-US	1	0	0	1	0	0	0	0	0
CACM	0	0	0	0	1	1	1	1	1
Canada-Chile	1	0	0	1	0	0	0	0	0
Canada-Costa Rica	1	0	0	1	0	0	0	0	0
Canada-Israel	0	0	0	0	1	0	0	0	0
CARICOM	0	0	0	0	1	0	1	1	1
CEMAC	0	0	0	1	0	0	0	0	0
CER	1	0	0	0	1	0	0	0	0
China-Hong Kong	0	0	1	0	0	0	0	0	0
China-Macao	0	0	1	0	0	0	0	0	0
COMESA	0	1	0	0	1	0	0	0	0
European Union	0	1	1	0	0	0	0	0	0
EU-Algeria	0	0	0	0	1	0	0	0	0
EU-Andorra	0	0	0	1	0	0	0	0	0
EU-Chile	0	0	0	0	1	0	0	0	0
EU-Croatia	0	1	0	0	1	0	0	0	0
EU-Egypt	0	1	0	0	1	0	0	0	0
EU-Faroe Islands	0	0	0	1	0	0	0	0	0
EU-FYROM	0	0	0	1	0	0	0	0	0
EU-Israel	0	1	0	1	0	0	0	0	0
EU-Jordan	0	1	0	1	0	0	0	0	0
EU-Lebanon	0	0	0	0	1	0	0	0	0

**Table 6: Countervailing Duties Mapping**

RTA	I. Subsidies	II: State Aid	III. Countervailing Duties			IV. Specific Provisions			
	<i>Prohibit export subsidies on agriculture</i>	<i>Incompatible if it distorts competition</i>	Disallowed	Allowed		1. Mutually acceptable solution	2. Regional body/committee		
				<i>No specific provisions</i>	<i>With specific provisions</i>		<i>Conducts investigations</i>	<i>Reviews final determinations</i>	<i>Other</i>
EU-Mexico	0	0	0	0	1	0	0	0	0
EU-Morocco	0	1	0	1	0	0	0	0	0
EU-OCT	0	0	0	1	0	0	0	0	0
EU-Pal. Auth.	0	1	0	1	0	0	0	0	0
EU-South Africa	0	1	0	0	1	0	0	0	0
EU-Switz. & Liech.	0	1	0	1	0	0	0	0	0
EU-Syria	0	0	0	0	1	0	0	0	0
EU-Tunisia	0	1	0	1	0	0	0	0	0
EU-Turkey	0	0	0	1	0	0	0	0	0
EEA	0	1	1	0	0	0	0	0	0
EFTA	0	1	1	0	0	0	0	0	0
EFTA-Chile	0	0	0	0	1	0	0	0	0
EFTA-Croatia	0	0	0	0	1	1	0	0	1
EFTA-FYROM	0	0	0	0	1	1	0	0	1
EFTA-Israel	0	1	0	0	1	1	0	0	1
EFTA-Jordan	0	0	0	0	1	1	0	0	1
EFTA-Morocco	0	1	0	0	1	1	0	0	1
EFTA-Pal. Auth	0	1	0	0	1	1	0	0	1
EFTA-Singapore	0	0	0	0	1	0	0	0	0
EFTA-Tunisia	0	0	0	0	1	1	0	0	1
EFTA-Turkey	0	1	0	0	1	1	0	0	1
GCC	0	0	0	1	0	0	0	0	0
Group of 3	1	0	0	0	1	1	0	0	0
Japan-Singapore	0	0	0	1	0	0	0	0	0
Korea-Chile	0	0	0	0	1	0	0	0	0
MERCOSUR	0	0	0	0	1	0	0	0	0
Mexico-Chile	1	0	0	1	0	0	0	0	0

**Table 6: Countervailing Duties Mapping**

RTA	I. Subsidies	II: State Aid	III. Countervailing Duties			IV. Specific Provisions			
	<i>Prohibit export subsidies on agriculture</i>	<i>Incompatible if it distorts competition</i>	Disallowed	Allowed		1. Mutually acceptable solution	2. Regional body/committee		
				<i>No specific provisions</i>	<i>With specific provisions</i>		<i>Conducts investigations</i>	<i>Reviews final determinations</i>	<i>Other</i>
Mexico-EFTA	0	0	0	0	1	1	0	0	0
Mexico-Israel	0	0	0	0	1	0	0	0	0
Mexico-Japan	0	0	0	1	0	0	0	0	0
Mexico-Nicaragua	1	0	0	0	1	1	0	0	0
Mexico-Northern Triangle	1	0	0	0	1	1	0	0	0
Mexico-Uruguay	1	0	0	0	1	1	0	0	0
NAFTA	0	0	0	0	1	0	0	1	1
New Zealand-Singapore	1	0	0	1	0	0	0	0	0
SADC	0	0	0	0	1	0	0	0	0
SAFTA	0	0	0	0	1	0	0	0	0
SPARTECA	0	0	0	1	0	0	0	0	0
Turkey-Israel	0	1	0	1	0	0	0	0	0
US-Bahrain	1	0	0	1	0	0	0	0	0
US-CAFTA-Dom. Rep.	1	0	0	0	1	0	0	0	0
US-Chile	1	0	0	0	1	0	0	0	0
US-Israel	0	0	0	1	0	0	0	0	0
US-Jordan	0	0	0	1	0	0	0	0	0
US-Morocco	1	0	0	1	0	0	0	0	0
US-Singapore	0	0	0	1	0	0	0	0	0
UEMOA	0	0	0	1	0	0	0	0	0

**Table 7A**  
**Bilateral Safeguards Template**

Elements		AFTA	ALADI	Andean Community	Australia-Singapore	Australia-Thailand	Australia-US
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>						
	- increasing imports causing serious injury to domestic industry	1	1	0	0	1	1
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	0	0	0	0	1	1
	- other	0	1	1	0	0	0
<b>b</b>	<b>Mutually acceptable solution</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d</b>	<b>Application of safeguard measures</b>						
	-only to the extent necessary to remedy serious injury and facilitate adjustment	0	0	1	0	0	0
	- suspend concessions, tariff reduction or revert to MFN	1	0	0	0	1	1
	- other	0	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>						
	- duration less than 4 years	0	1	0	0	1	1
	- not allowed beyond transition period	0	0	0	0	0	1
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>i</b>	<b>Regional body/committee</b>						
	-conducts investigations and decides on safeguard duties	0	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0	0
	- other	1	1	1	0	0	0
<b>j</b>	<b>Notification and consultation</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

**Table 7A**  
**Bilateral Safeguards Template**

Elements		CACM	Canada-Chile	Canada-Costa Rica	Canada-Israel	Caricom	CEMAC	CER
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>							
	- increasing imports causing serious injury to domestic industry	0	1	0	0	1	0	1
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	0	1	1	0	0	0	1
	- other	0	0	0	0	0	0	0
<b>b</b>	<b>Mutually acceptable solution</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>d</b>	<b>Application of safeguard measures</b>							
	-only to the extent necessary to remedy serious injury and facilitate adjustment	0	0	0	0	1	0	1
	- suspend concessions, tariff reduction or revert to MFN	0	1	1	0	0	0	1
	- other	0	0	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>							
	- duration less than 4 years	0	1	1	0	0	0	1
	- not allowed beyond transition period	0	1	1	0	0	0	0
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>i</b>	<b>Regional body/committee</b>							
	-conducts investigations and decides on safeguard duties	0	0	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0	0	0
	- other	0	0	0	0	1	0	0
<b>j</b>	<b>Notification and consultation</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





**Table 7A**  
**Bilateral Safeguards Template**

Elements		EU-Morocco	EU-OCT	EU-Pal Auth.	EU-South Africa	EU-Switz. & Liech.	EU-Syria	EU-Tunisia
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>							
	- increasing imports causing serious injury to domestic industry	1	0	1	1	1	0	1
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	0	0	0	0	0	0	0
	- other	1	1	1	0	1	1	1
<b>b</b>	<b>Mutually acceptable solution</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>c</b>	<b>Investigation</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>d</b>	<b>Application of safeguard measures</b>							
	- only to the extent necessary to remedy serious injury and facilitate adjustment	1	0	1	1	0	1	1
	- suspend concessions, tariff reduction or revert to MFN	0	1	0	1	0	0	0
	- other	0	0	0	0	1	0	0
<b>e</b>	<b>Provisional measures</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>							
	- duration less than 4 years	0	0	0	1	0	0	0
	- not allowed beyond transition period	0	0	0	0	0	0	0
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>i</b>	<b>Regional body/committee</b>							
	- conducts investigations and decides on safeguard duties	0	0	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0	0	0
	- other	1	1	1	1	1	1	1
<b>j</b>	<b>Notification and consultation</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>





**Table 7A**  
**Bilateral Safeguards Template**

Elements		Japan-Singapore	Korea-Chile	MERCOSUR	Mexico-Chile	Mexico-EFTA	Mexico-Israel	Mexico-Japan
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>							
	- increasing imports causing serious injury to domestic industry	1	0	0	0	1	0	0
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	1	0	0	1	0	1	1
	- other	0	0	0	0	1	0	0
<b>b</b>	<b>Mutually acceptable solution</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>d</b>	<b>Application of safeguard measures</b>							
	- only to the extent necessary to remedy serious injury and facilitate adjustment	1	0	0	0	1	0	0
	- suspend concessions, tariff reduction or revert to MFN	1	0	0	1	1	1	1
	- other	0	0	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>							
	- duration less than 4 years	1	0	0	1	1	1	1
	- not allowed beyond transition period	0	0	0	1	0	0	0
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>i</b>	<b>Regional body/committee</b>							
	- conducts investigations and decides on safeguard duties	0	0	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0	0	0
	- other	1	0	0	0	1	0	0
<b>j</b>	<b>Notification and consultation</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 7A**  
**Bilateral Safeguards Template**

Elements		Mexico-Nicaragua	Mexico - Northern Triangle	Mexico-Uruguay	NAFTA	New Zealand-Singapore
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>a</b>	<b>Conditions for application of safeguard</b>					
	- increasing imports causing serious injury to domestic industry	0	0	1	1	0
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	1	1	0	0	0
	- other	0	0	0	0	0
<b>b</b>	<b>Mutually acceptable solution</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d</b>	<b>Application of safeguard measures</b>					
	- only to the extent necessary to remedy serious injury and facilitate adjustment	0	0	1	0	0
	- suspend concessions, tariff reduction or revert to MFN	1	1	1	1	0
	- other	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>					
	- duration less than 4 years	1	0	1	1	0
	- not allowed beyond transition period	1	0	1	1	0
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>i</b>	<b>Regional body/committee</b>					
	- conducts investigations and decides on safeguard duties	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0
	- other	0	0	0	0	0
<b>j</b>	<b>Notification and consultation</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>

**Table 7A**  
**Bilateral Safeguards Template**

Elements		SADC	SAFTA	SPARTECA	Turkey-Israel	US-Bahrain	US-CAFTA Dom. Rep.	US-Chile
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>							
	- increasing imports causing serious injury to domestic industry	1	1	1	1	0	0	0
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	0	0	0	0	1	1	1
	- other	0	0	0	1	0	0	0
<b>b</b>	<b>Mutually acceptable solution</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d</b>	<b>Application of safeguard measures</b>							
	-only to the extent necessary to remedy serious injury and facilitate adjustment	1	0	0	1	0	0	0
	- suspend concessions, tariff reduction or revert to MFN	0	1	1	0	1	1	1
	- other	0	0	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>							
	- duration less than 4 years	0	1	0	0	1	0	1
	- not allowed beyond transition period	0	0	0	0	1	1	1
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>i</b>	<b>Regional body/committee</b>							
	-conducts investigations and decides on safeguard duties	0	0	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0	0	0
	- other	0	0	1	1	0	0	0
<b>j</b>	<b>Notification and consultation</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

**Table 7A**  
**Bilateral Safeguards Template**

Elements		US-Israel	US-Jordan	US-Morocco	US-Singapore	UEMOA
<b>1.</b>	<b>Safeguard measures disallowed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Safeguard measures allowed but with no specific provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.</b>	<b>Safeguard measures allowed and with specific provisions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>a</b>	<b>Conditions for application of safeguard</b>					
	- increasing imports causing serious injury to domestic industry	1	0	0	0	0
	- during transition period, reduction in tariffs lead to increased imports and to serious injury	0	1	1	1	0
	- other	0	0	0	0	1
<b>b</b>	<b>Mutually acceptable solution</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>c</b>	<b>Investigation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d</b>	<b>Application of safeguard measures</b>					
	-only to the extent necessary to remedy serious injury and facilitate adjustment	0	0	0	0	0
	- suspend concessions, tariff reduction or revert to MFN	1	1	1	1	0
	- other	0	0	0	0	0
<b>e</b>	<b>Provisional measures</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>f</b>	<b>Duration and review of safeguard measures</b>					
	- duration less than 4 years	0	0	1	1	0
	- not allowed beyond transition period	0	1	0	1	0
<b>g</b>	<b>Maintain equivalent level of concessions (Compensation)</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>h</b>	<b>Suspension of equivalent concessions (Retaliation)</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>i</b>	<b>Regional body/committee</b>					
	-conducts investigations and decides on safeguard duties	0	0	0	0	0
	- review/remand final determinations	0	0	0	0	0
	- other	0	0	0	0	1
<b>j</b>	<b>Notification and consultation</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>k</b>	<b>Special safeguards</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

**Table 7B: Global Safeguards Mapping**

RTA	1. Retains rights and obligations under GATT/Safeguards Agreement	2. Excludes RTA members from global actions	3. Grounds for exclusion		4. Definitions		
			<i>Imports from Party does not account for a substantial share of total imports</i>	<i>Imports from Party does not contribute to serious injury or threat thereof</i>	a. Substantial share		b. Contribute importantly to serious injury
					<i>Among the top five suppliers in most recent three-year period</i>	<i>Exports jointly account for 80 per cent of total imports</i>	<i>Growth rate of imports from a Party is lower than growth rate of total imports</i>
AFTA	0	0	0	0	0	0	0
ALADI	0	0	0	0	0	0	0
Andean Community	0	0	0	0	0	0	0
Australia-Singapore	0	0	0	0	0	0	0
Australia-Thailand	1	1	0	1	0	0	0
Australia-US	1	1	0	1	0	0	0
CACM	0	0	0	0	0	0	0
Canada-Chile	1	1	1	1	1	0	1
Canada-Costa Rica	1	0	0	0	0	0	0
Canada-Israel	1	1	1	1	1	0	1
Caricom	0	0	0	0	0	0	0
CEMAC	0	0	0	0	0	0	0
CER	0	0	0	0	0	0	0
China-Hong Kong	0	0	0	0	0	0	0
China-Macao	0	0	0	0	0	0	0
COMESA	0	0	0	0	0	0	0
European Union	0	0	0	0	0	0	0
EU-Algeria	1	0	0	0	0	0	0
EU-Andorra	0	0	0	0	0	0	0
EU-Chile	1	1	1	0	1	0	0
EU-Croatia	0	0	0	0	0	0	0
EU-Egypt	1	0	0	0	0	0	0
EU-Faroe Islands	0	0	0	0	0	0	0
EU-FYROM	0	0	0	0	0	0	0
EU-Israel	0	0	0	0	0	0	0
EU-Jordan	0	0	0	0	0	0	0

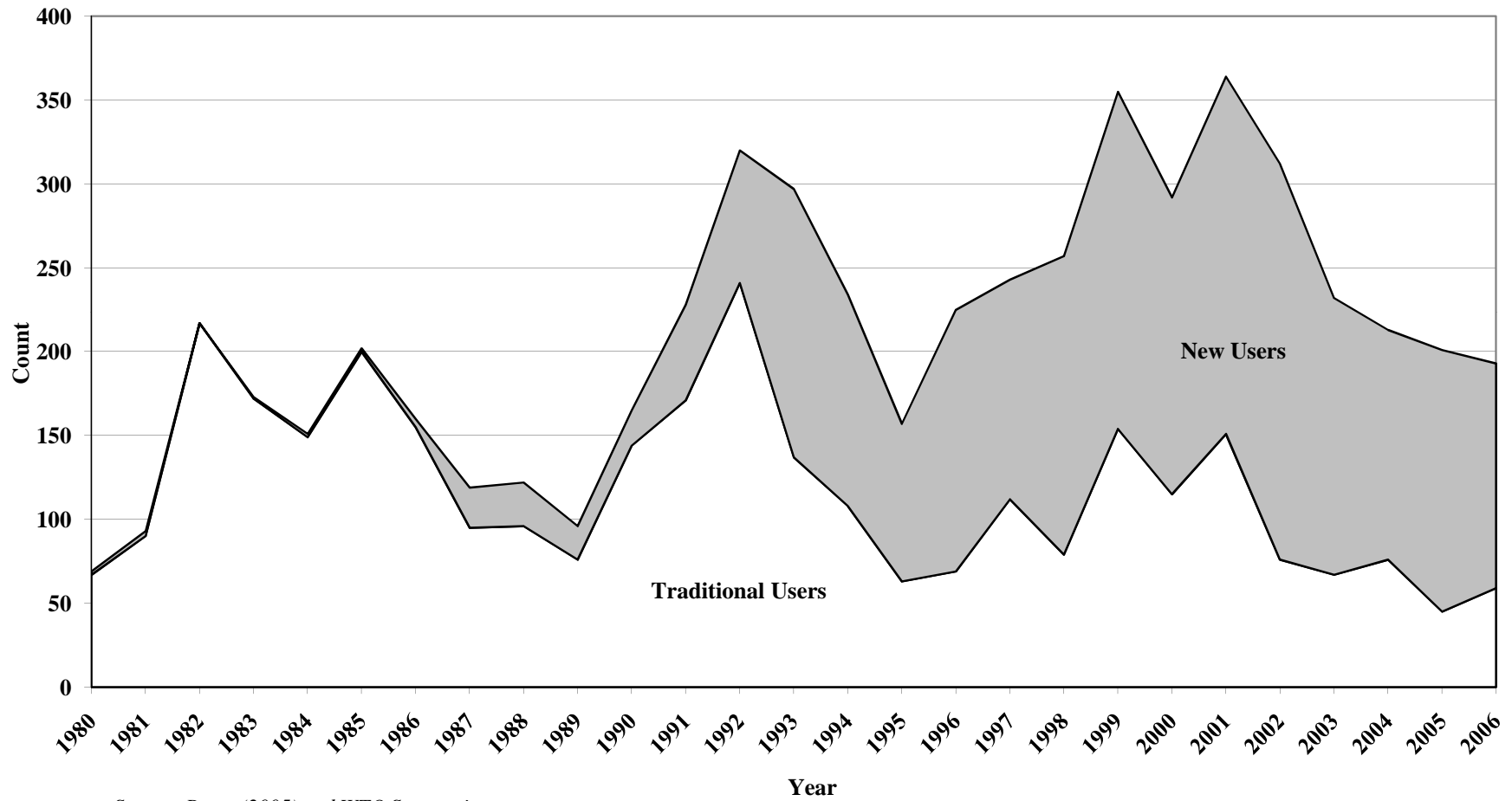
**Table 7B: Global Safeguards Mapping**

RTA	1. Retains rights and obligations under GATT/Safeguards Agreement	2. Excludes RTA members from global actions	3. Grounds for exclusion		4. Definitions		
			<i>Imports from Party does not account for a substantial share of total imports</i>	<i>Imports from Party does not contribute to serious injury or threat thereof</i>	a. Substantial share		b. Contribute importantly to serious injury
					<i>Among the top five suppliers in most recent three-year period</i>	<i>Exports jointly account for 80 per cent of total imports</i>	<i>Growth rate of imports from a Party is lower than growth rate of total imports</i>
EU-Lebanon	1	0	0	0	0	0	0
EU-Mexico	0	0	0	0	0	0	0
EU-Morocco	0	0	0	0	0	0	0
EU-OCT	0	0	0	0	0	0	0
EU-Pal. Auth.	0	0	0	0	0	0	0
EU-South Africa	1	0	0	0	0	0	0
EU-Switz. & Liech.	0	0	0	0	0	0	0
EU-Syria	0	0	0	0	0	0	0
EU-Tunisia	0	0	0	0	0	0	0
EU-Turkey	0	0	0	0	0	0	0
EEA	0	0	0	0	0	0	0
EFTA	0	0	0	0	0	0	0
EFTA-Chile	1	0	0	0	0	0	0
EFTA-Croatia	0	0	0	0	0	0	0
EFTA-FYROM	0	0	0	0	0	0	0
EFTA-Israel	0	0	0	0	0	0	0
EFTA-Jordan	0	0	0	0	0	0	0
EFTA-Morocco	0	0	0	0	0	0	0
EFTA-Pal. Auth	0	0	0	0	0	0	0
EFTA-Singapore	0	0	0	0	0	0	0
EFTA-Tunisia	1	0	0	0	0	0	0
EFTA-Turkey	0	0	0	0	0	0	0
GCC	0	0	0	0	0	0	0
Group of 3	1	1	1	1	1	0	1
Japan-Singapore	1	0	0	0	0	0	0
Korea-Chile	1	0	0	0	0	0	0

**Table 7B: Global Safeguards Mapping**

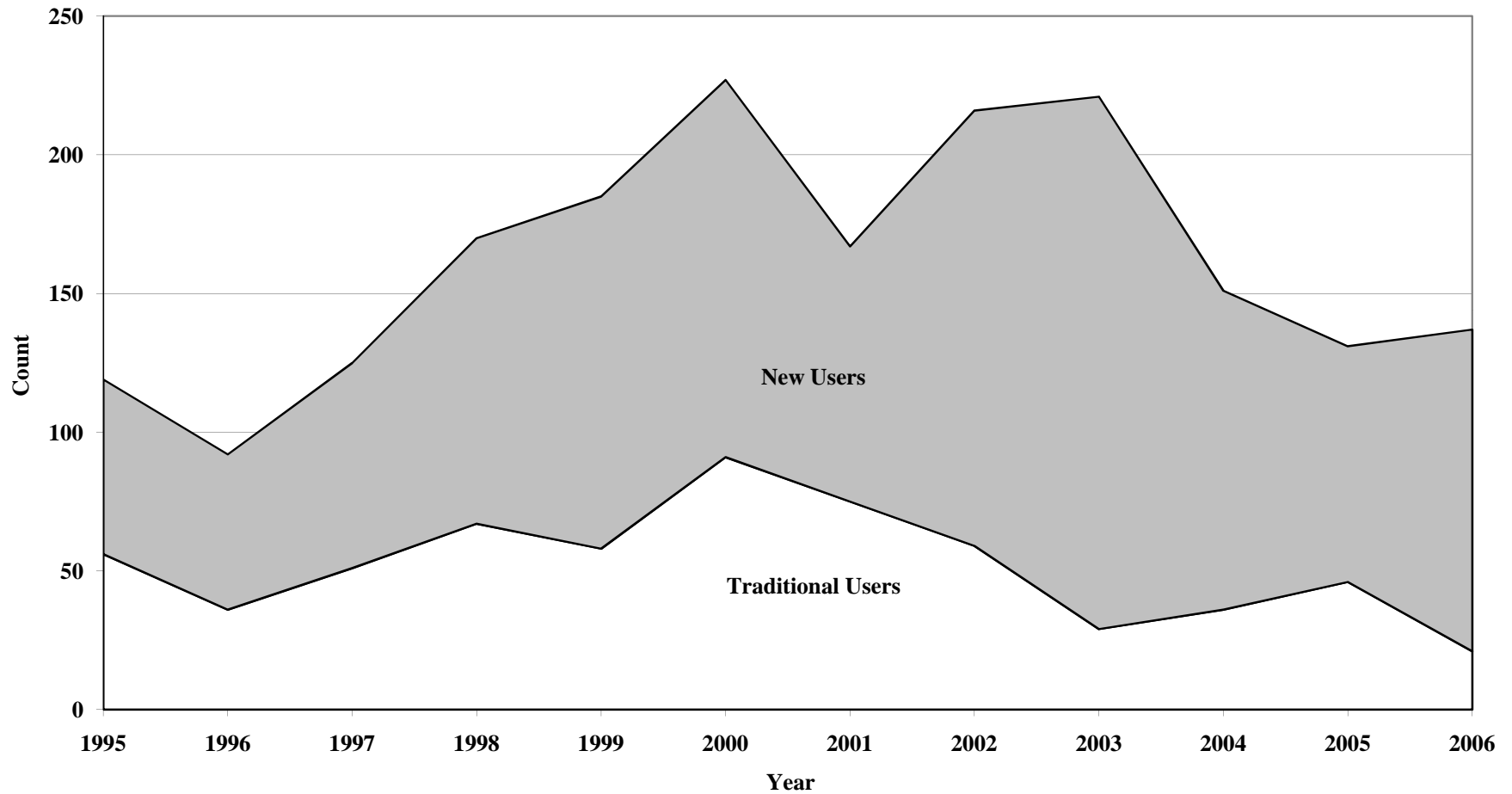
RTA	1. Retains rights and obligations under GATT/Safeguards Agreement	2. Excludes RTA members from global actions	3. Grounds for exclusion		4. Definitions		
			<i>Imports from Party does not account for a substantial share of total imports</i>	<i>Imports from Party does not contribute to serious injury or threat thereof</i>	a. Substantial share		b. Contribute importantly to serious injury
					<i>Among the top five suppliers in most recent three-year period</i>	<i>Exports jointly account for 80 per cent of total imports</i>	<i>Growth rate of imports from a Party is lower than growth rate of total imports</i>
MERCOSUR	0	0	0	0	0	0	0
Mexico-Chile	1	1	1	1	1	0	1
Mexico-EFTA	0	0	0	0	0	0	0
Mexico-Israel	1	1	1	1	1	0	1
Mexico-Japan	1	0	0	0	0	0	0
Mexico-Nicaragua	1	1	1	1	0	1	1
Mexico - Northern Triangle	1	1	1	1	0	1	1
Mexico-Uruguay	1	1	1	1	1	0	1
NAFTA	1	1	1	1	1	0	1
New Zealand-Singapore	0	0	0	0	0	0	0
SADC	0	0	0	0	0	0	0
SAFTA	0	0	0	0	0	0	0
SPARTECA	0	0	0	0	0	0	0
Turkey-Israel	0	0	0	0	0	0	0
US-Bahrain	1	0	0	0	0	0	0
US-CAFTA Dom. Rep.	1	1	0	1	0	0	0
US-Chile	1	0	0	0	0	0	0
US-Israel	0	0	0	0	0	0	0
US-Jordan	1	1	0	1	0	0	0
US-Morocco	1	0	0	0	0	0	0
US-Singapore	1	1	0	1	0	0	0
UEMOA	1	0	0	0	0	0	0

**Chart 1A: Frequency of Anti-dumping Initiations, 1980-2006**



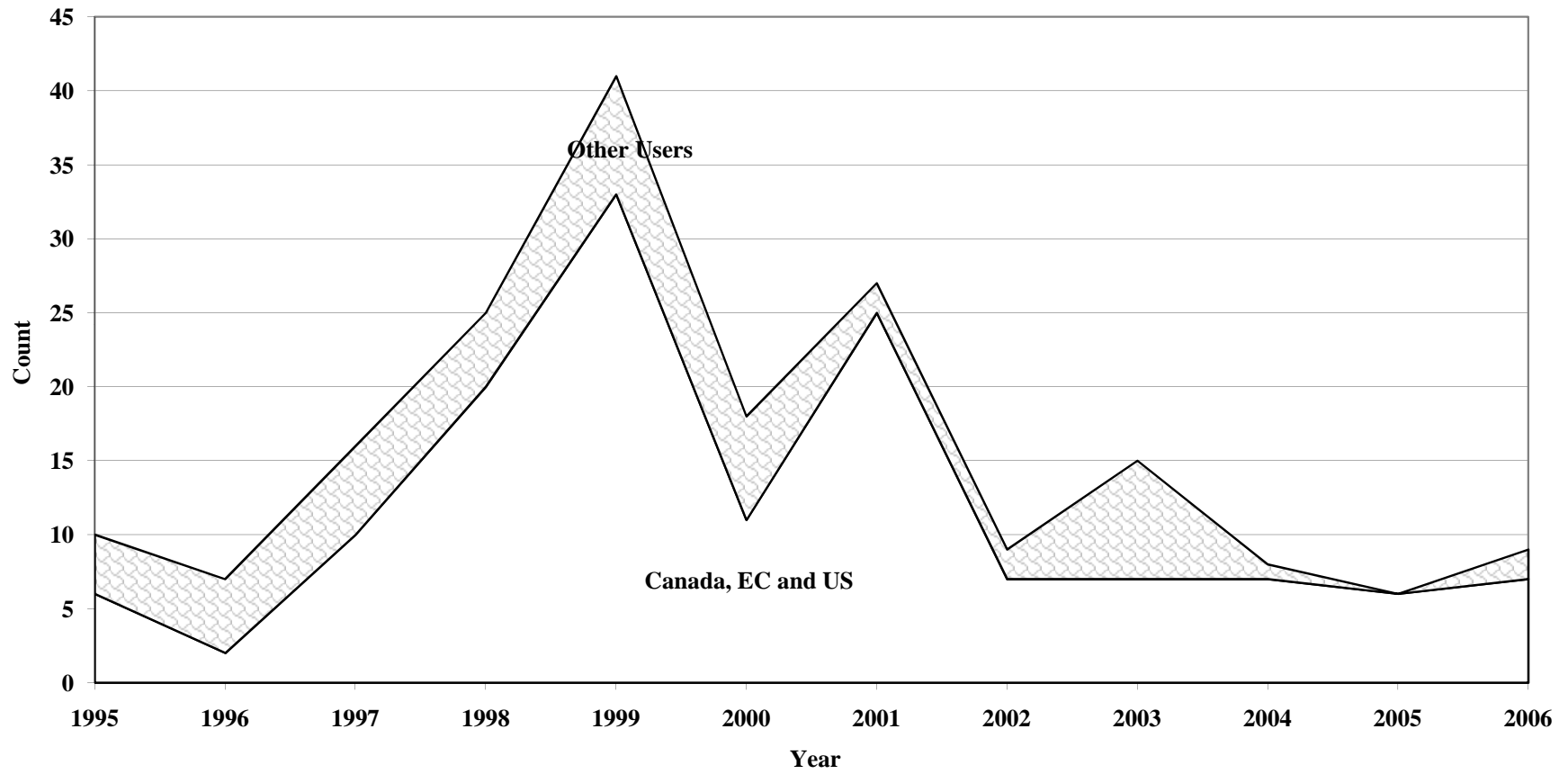
Source: Prusa (2005) and WTO Secretariat.

**Chart 1B: Frequency of Anti-Dumping Measures, 1995-2006**



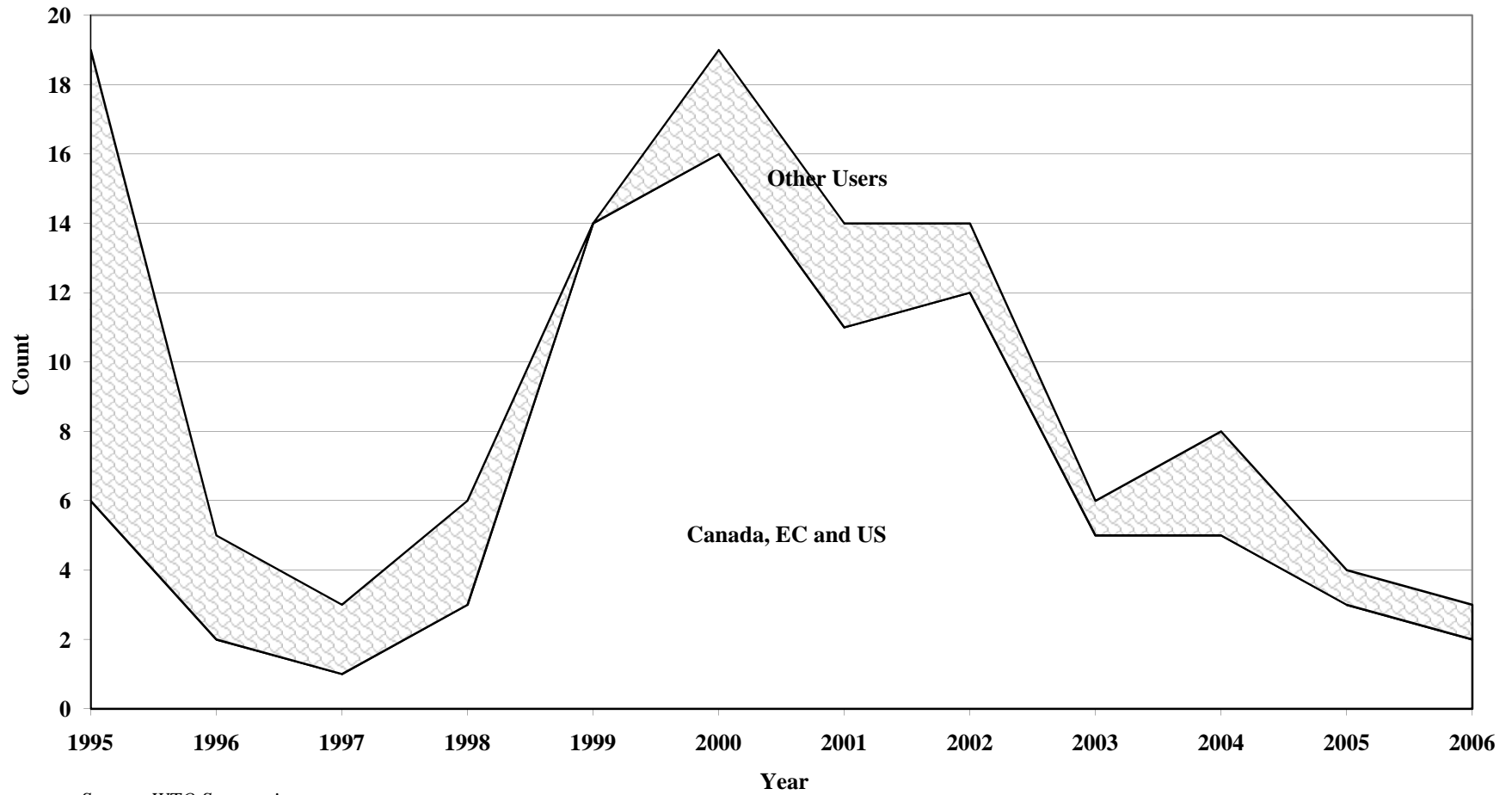
*Source: WTO Secretariat.*

**Chart 2A: Frequency of CVD Initiations, 1995-2006**



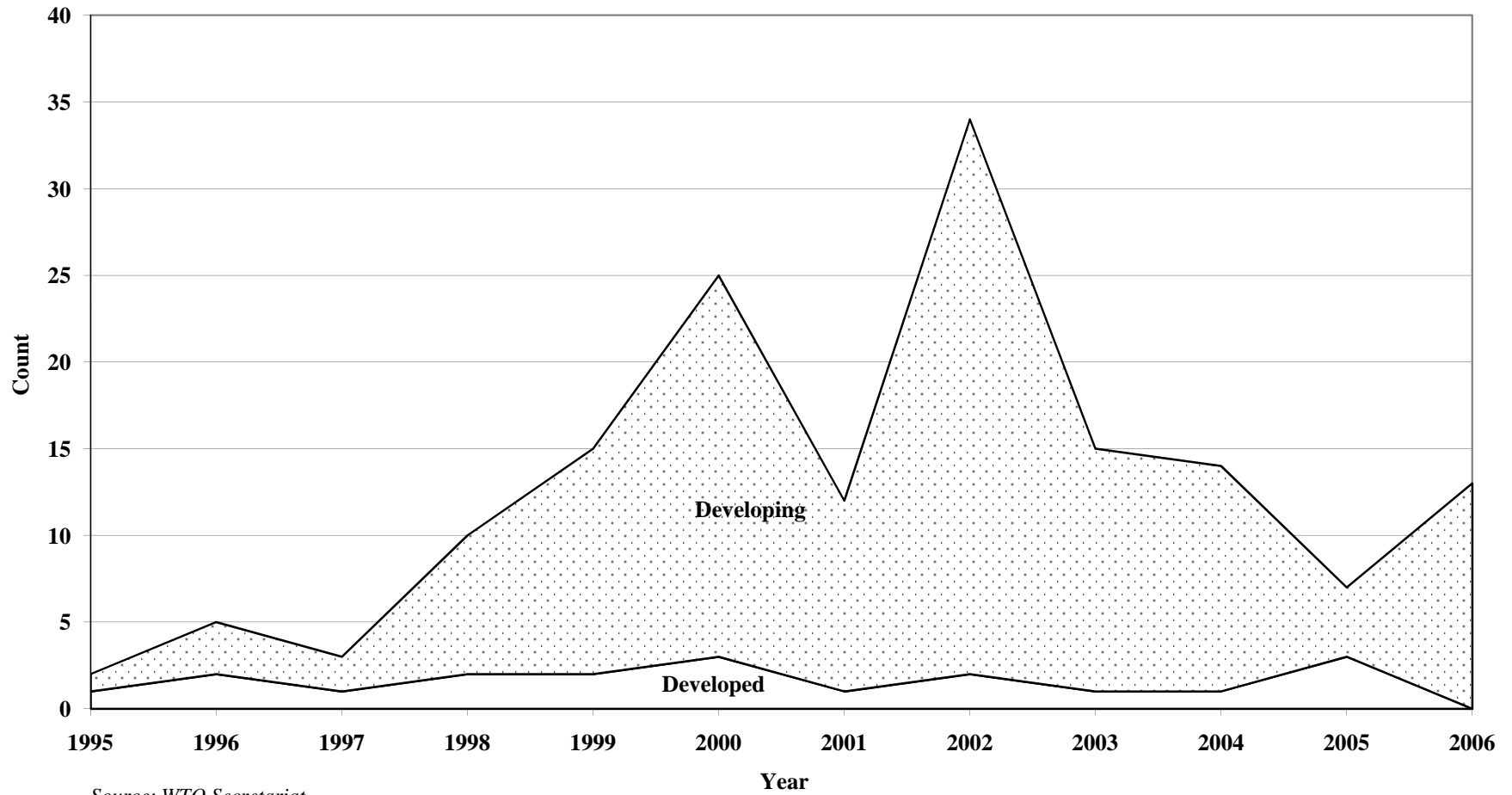
Source: WTO Secretariat.

**Chart 2B: Frequency of CVD Measures, 1995-2006**



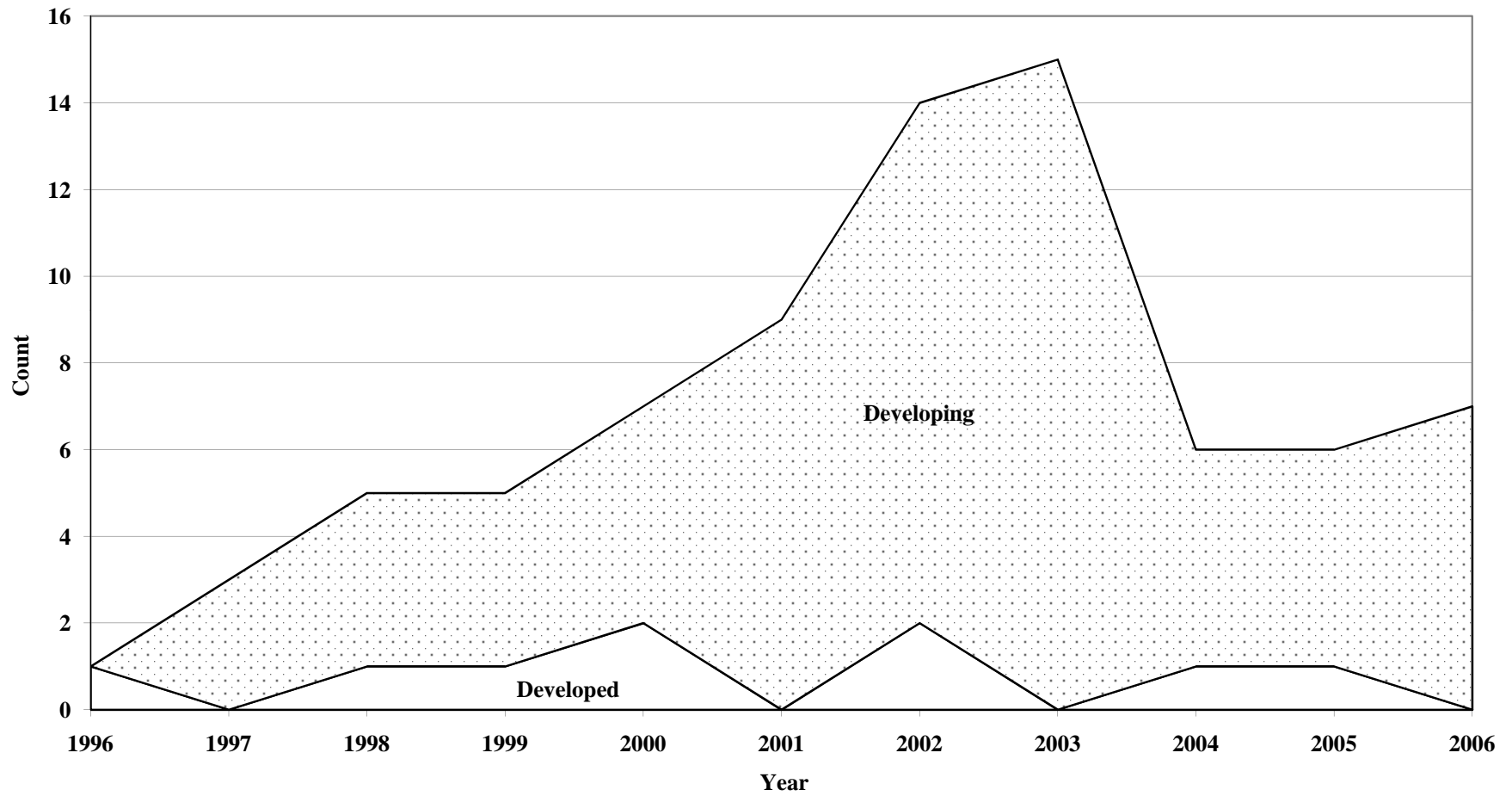
Source: WTO Secretariat.

**Chart 3A: Frequency of Safeguard Initiations, 1995-2006**



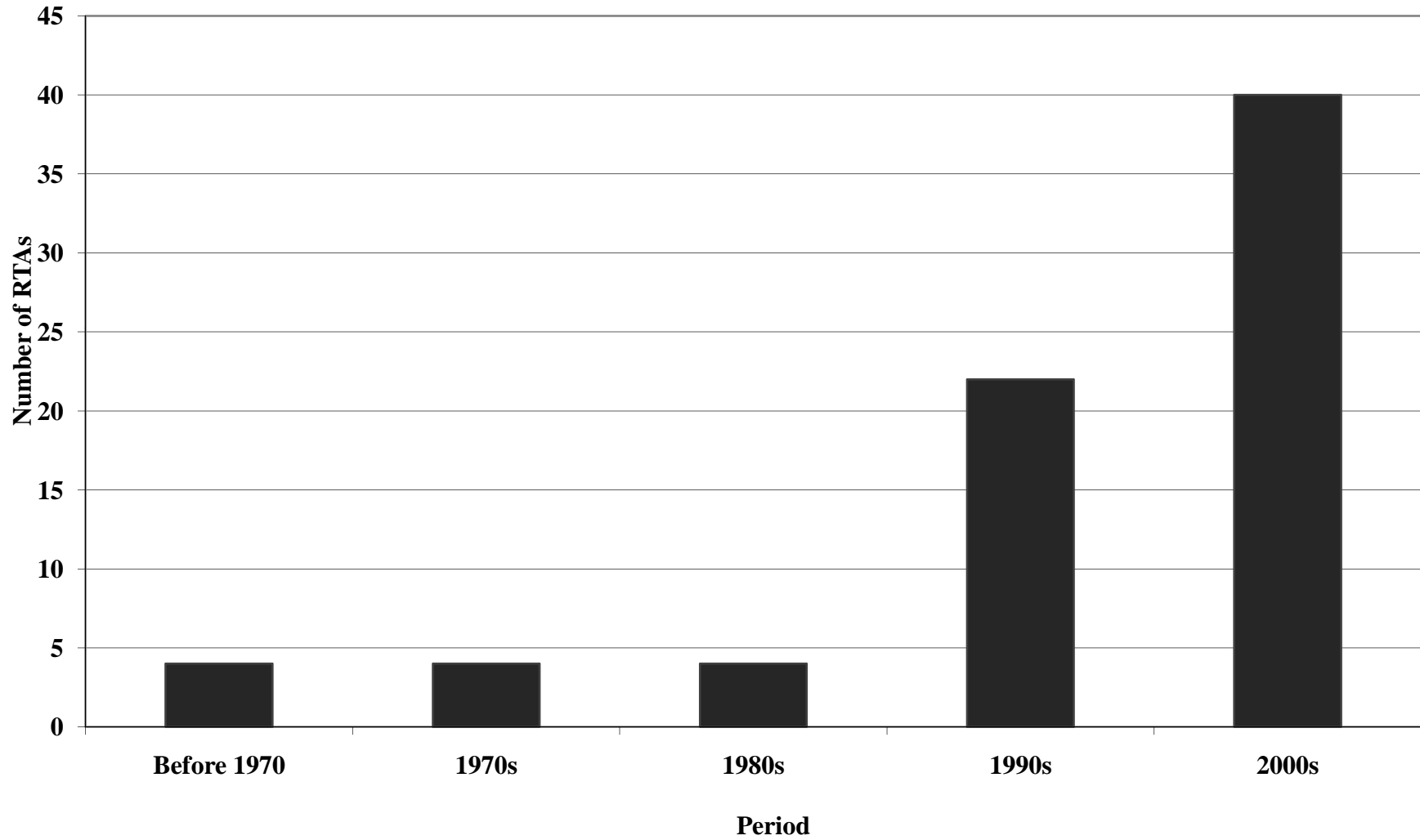
Source: WTO Secretariat.

**Chart 3B: Frequency of Safeguard Measures, 1996-2006**

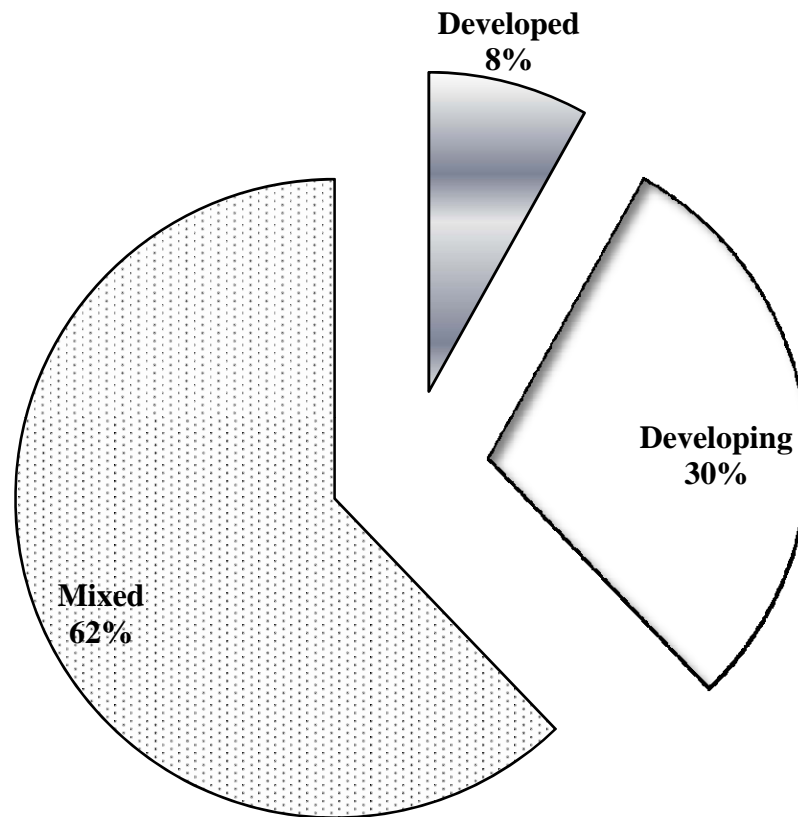


*Source: WTO Secretariat.*

**Chart 4: Number of RTAs in Sample Coming into Force, by Decade**



**Chart 5: RTAs by Level of Development of Members**



**Chart 6: Hub-and-Spoke Arrangement of RTAs in Sample**

<i>EU-Algeria</i>							
<i>EU-Andorra</i>							
<i>EU-Chile</i>							
<i>EU-Croatia</i>							
<i>EU-Egypt</i>							
<i>EU-Faroe Islands</i>							
<i>EU-FYROM</i>							
<i>EU-Israel</i>							
<i>EU-Jordan</i>	<i>EFTA-Chile</i>						
<i>EU-Lebanon</i>	<i>EFTA Croatia</i>	<i>ALADI</i>					
<i>EU-Mexico</i>	<i>EFTA-FYROM</i>	<i>Group of Three</i>					
<i>EU-Morocco</i>	<i>EFTA-Israel</i>	<i>Mexico-Chile</i>	<i>NAFTA</i>				
<i>EU-OCT</i>	<i>EFTA-Jordan</i>	<i>Mexico-EU</i>	<i>US-Australia</i>				
<i>EU-Pal Auth.</i>	<i>EFTA-Mexico</i>	<i>Mexico-EFTA</i>	<i>US-Bahrain</i>	<i>ALADI</i>			
<i>EU-South Africa</i>	<i>EFTA-Morocco</i>	<i>Mexico-Israel</i>	<i>US-CAFTA-Dom. Rep.</i>	<i>Chile-Canada</i>	<i>AFTA</i>		
<i>EU-Switz. &amp; LiEUh.</i>	<i>EFTA-Pal. Auth</i>	<i>Mexico-Japan</i>	<i>US-Chile</i>	<i>Chile-EU</i>	<i>Singapore-Australia</i>	<i>Australia-Singapore</i>	
<i>EU-Syria</i>	<i>EFTA-Singapore</i>	<i>Mexico-Nicaragua</i>	<i>US-Israel</i>	<i>Chile-EFTA</i>	<i>Singapore-EFTA</i>	<i>Australia-Thailand</i>	<i>Canada-Chile</i>
<i>EU-Tunisia</i>	<i>EFTA-Tunisia</i>	<i>Mexico - Northern Triangle</i>	<i>US-Jordan</i>	<i>Chile-Korea</i>	<i>Singapore-Japan</i>	<i>Australia-US</i>	<i>Canada-Costa Rica</i>
<i>EU-Turkey</i>	<i>EFTA-Turkey</i>	<i>Mexico-Uruguay</i>	<i>US-Morocco</i>	<i>Chile-Mexico</i>	<i>Singapore-New Zealand</i>	<i>CER</i>	<i>Canada-Israel</i>
<i>EEA</i>	<i>EEA</i>	<i>NAFTA</i>	<i>US-Singapore</i>	<i>Chile-US</i>	<i>Singapore-US</i>	<i>SPARTECA</i>	<i>NAFTA</i>
<b>EC</b>	<b>EFTA</b>	<b>Mexico</b>	<b>US</b>	<b>Chile</b>	<b>Singapore</b>	<b>Australia</b>	<b>Canada</b>