



**TARIFF IMPLEMENTATION ISSUES – ISSUES WITH  
SPECIAL AGRICULTURAL SAFEGUARDS**

COMMUNICATION FROM THE UNITED STATES

The following communication, received on 31 March 2021, is being circulated at the request of the Delegation of the United States.

1.1. In July 2018, the United States submitted a communication to the World Trade Organization ([JOB/AG/141](#)) noting the need for more trade to improve global welfare, help producers, and address the challenges of sustainably feeding a growing world population. The communication also noted that tariffs remain much higher in the agricultural sector than in other sectors, tariff reductions have contributed to the welfare gains from trade, and locking in tariff reductions can contribute further to global welfare.

1.2. The US communication identified six areas of the market access pillar where further analysis of Members' current implementation of tariffs should be considered by Members in order to better understand Members' current tariff regimes. The areas included: (i) bound versus applied tariffs, (ii) complex tariffs, (iii) high tariffs (e.g., tariff peaks), (iv) issues with tariff rate quotas (TRQs), (v) special agricultural safeguards (SSGs), and (vi) regional/preferential trade agreements. The United States has since provided a detailed analysis on tariff treatment as it relates to bound versus applied tariffs ([JOB/AG/147](#)), complex tariffs ([JOB/AG/164](#)), tariff peaks ([JOB/AG/167](#)), and TRQs ([JOB/AG/169](#)).

1.3. While Members have generally provided greater transparency on agricultural tariffs and SSGs than on other agriculture-related issues, a number of problems related to the transparency of agricultural tariffs remain, including:

- Bound tariff schedules that are provided in outdated HS nomenclature;
- Bound tariff schedules using nomenclature that does not correspond to the nomenclature in the Member's most recent tariff schedule;
- Applied tariff schedules submitted to the WTO that are out of date;
- Applied tariff rates submitted that are in a different tariff format than the bound rate (e.g., *ad valorem* vs. *specific*);
- Absence of tariff concordance information for Members' tariff schedules;
- Lack of *ad valorem* equivalent (AVE) data for non-*ad valorem* tariffs, including complex tariffs;
- Tariffs and TRQs applied and notified at different (HS) line levels for each Member;
- Use of arbitrary letters or symbols to denote a tariff without clear explanation;
- Tariff schedules on the WTO Tariff Analysis Online database containing rates different than corresponding schedules available on Members' official publication website(s).

1.4. In this communication, the United States analyzes 33 Members' administration of special agricultural safeguards (SSGs), specifically, Members<sup>1</sup> who have designated SSGs as part of their WTO schedule of commitments. The analysis used past Member and Secretariat reports, Members' submitted tariff schedules, Member submitted notifications, and WTO tariff profiles to consider the

<sup>1</sup> For the purpose of this communication, member States of the European Union (including Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovak Republic) are referred to as a single WTO Member.

prevalence of SSGs<sup>2</sup> by Member, product group<sup>3</sup>, and development status<sup>4</sup> with particular focus on the level of additional duties triggered by SSGs.

1.5. The United States continues to urge Members to ensure that all WTO notifications are up to date and accurate. This includes notifications made through the Integrated Data Base (IDB), as well as notifications of regional trade agreements. Increased transparency will facilitate even greater Member understanding of agricultural tariffs and safeguards.

### Background: Special Agricultural Safeguard

1.6. According to the WTO, a safeguard is a contingency restriction on imports taken temporarily to deal with special circumstances such as a sudden surge in imports. Unlike other safeguards defined in the Agreement on Safeguards, Article 5 of the Agreement on Agriculture (AoA) provides an alternative agricultural safeguard that does not require a Member to demonstrate that serious injury is being caused to the domestic industry.<sup>5</sup>

1.7. The special agricultural safeguard provisions of Article 5 of the AoA allow the imposition of an additional tariff where certain criteria are met. The criteria involve either a specified surge in imports (volume trigger), or, on a shipment by shipment basis, a fall of the import price below a specified reference price (price trigger). The additional duties cannot be applied to imports taking place within tariff quotas.<sup>6</sup>

1.8. Under the volume-based SSG, any additional duty shall only be maintained until the end of the year in which it has been imposed, and may only be levied at a level which shall not exceed one third of the level of the ordinary customs duty in effect in the year in which the action is taken. The volume-based SSG contains three trigger formulas, depending on the import penetration of the domestic market (the average volume of imports over the previous three years as a percentage of average consumption over the same time period); the larger the import penetration is, the smaller the import volume that needs to be surpassed in order to trigger a safeguard (also known as a trigger level). To determine the actual trigger, Members may also take the change in consumption into account. The trigger level can be as low as 105% of the previous three-year average volume of imports (for the average volume of imports in the last three years that are greater than 30% of domestic consumption) and as high as 125% of the three-year average volume of imports (for the average volume of imports in the last three years less than or equal to 10% of domestic consumption). If no consumption data are provided, a Member implementing the safeguard may only use the 125% trigger (Table 1).

**Table 1: Volume-Based SSG Trigger Calculation for a Product<sup>7</sup>**

<b>Import Penetration</b> (Three-year-average volume of imports as % of the three-year-average volume of consumption)	<b>Trigger Base</b>	<b>Trigger</b> (Actual volume of imports needed to be surpassed in order to trigger a safeguard)
Consumption Data Not Provided	125%	1.25 x previous three-year average import volume
Less than or equal to 10%	125%	1.25 x previous three-year average import volume + change in consumption from previous year, if negative. The resulting trigger cannot be lower than 105% of the average imports.
Greater than 10% but less than or equal to 30%	110%	1.1 x previous three-year average import volume + change in consumption from previous year. The resulting trigger cannot be lower than 105% of the average imports or greater than 125% of the average imports.
Greater than 30%	105%	1.05 x previous three-year average import volume + change in consumption from previous year (if positive)

<sup>2</sup> Of particular note for analysis of SSGs is the lack of ability to compare additional duties across different types of complex tariffs due to the difficulties and complexities associated with calculating AVEs.

<sup>3</sup> This communication uses product categories first defined in the Tokyo Round and adapted for the Harmonized System in the Uruguay Round. The product group breakdown in this publication is provided in the 2019 WTO World Tariff Profiles (page 40).

<sup>4</sup> Development status is based on self-designation. Use of a Member's self-designated development status should not be taken as agreement with the self-designation.

<sup>5</sup> [https://www.wto.org/english/tratop\\_e/agric\\_e/negs\\_bkgrnd11\\_ssg\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd11_ssg_e.htm).

<sup>6</sup> [https://www.wto.org/english/tratop\\_e/agric\\_e/ag\\_intro02\\_access\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/ag_intro02_access_e.htm).

<sup>7</sup> See Paragraph 4 of Article 5 of the AoA.

1.9. Under the price-based SSG, the trigger price is defined as the average unit value (inclusive of cost of insurance and freight, or c.i.f.) during the 1986-88 base period, expressed in domestic currency. The permitted level of the additional duty depends upon the degree to which the import price falls below this trigger level. The difference between the most recent c.i.f. import price of the shipment and the trigger price must be greater than 10% of the trigger price, in order for the safeguard to become operational. In general, the greater the decline in the import price below the trigger level, the higher the duty. However, the additional duty does not completely offset the fall in the import price (Table 2).<sup>8</sup>

**Table 2: Price-Based SSG Trigger Calculation for a Product<sup>9</sup>**

<b>Trigger Level</b> (Difference between the c.i.f. import price of the shipment and the trigger price as a % of the trigger price)	<b>Additional Duty</b>
Greater than 10% but less than or equal to 40% of the trigger price	30% of the amount by which the difference exceeds 10%
Greater than 40% but less than or equal to 60% of the trigger price	50% of the amount by which the difference exceeds 40%, plus the additional duty specified above
Greater than 60% but less than or equal to 75%	70% of the amount by which the difference exceeds 60% of the trigger price, plus the additional duties specified above
Greater than 75%	90% of the amount by which the difference exceeds 75%, plus the additional duties specified above

1.10. As is the case with TRQs, SSGs are a compromise policy instrument created in the Uruguay Round as part of the "tariffication" package to provide Members that "tariffied" their agricultural products certain temporary protections against import surges. The safeguard can only be used if a Member reserved the right to do so in its schedule of commitments on agriculture, and the volume-based or price-based versions of the safeguard cannot be used concurrently for a product. It is also important to note that SSGs cannot be used on imports entering within a TRQ.<sup>10</sup>

### Analysis: SSG Coverage

1.11. Currently, 33 WTO Members reserve the right in their Goods Schedules to have recourse to the SSG with respect to designated products, subject to the relevant conditions being met.<sup>11</sup> Of those Members, 24 are self-designated as developing and the remaining nine are developed. On average, SSGs cover 16% of these WTO Members' bound agricultural schedules.<sup>12</sup> However, there are several examples in which SSGs cover more than one-third of a Members' agricultural schedule. SSGs cover 48% of Norway's bound agricultural schedule and 42% of Iceland's bound agricultural schedule. Botswana, Eswatini, Namibia, South Africa, Switzerland and Mexico, are other Members for which the SSG coverage is greater than one-third of their bound agricultural schedules.<sup>13</sup> SSGs account for less than 1% of respective bound agricultural schedules for Australia, Indonesia, Ecuador, New Zealand, Panama and Uruguay (Figure 1). The average share of SSGs in Members' bound agricultural schedules is slightly higher for developed Members than developing Members (i.e. 18.2% versus 15.4%).

<sup>8</sup> Paragraph 5 of Article 5 of the AoA.

<sup>9</sup> Ibid.

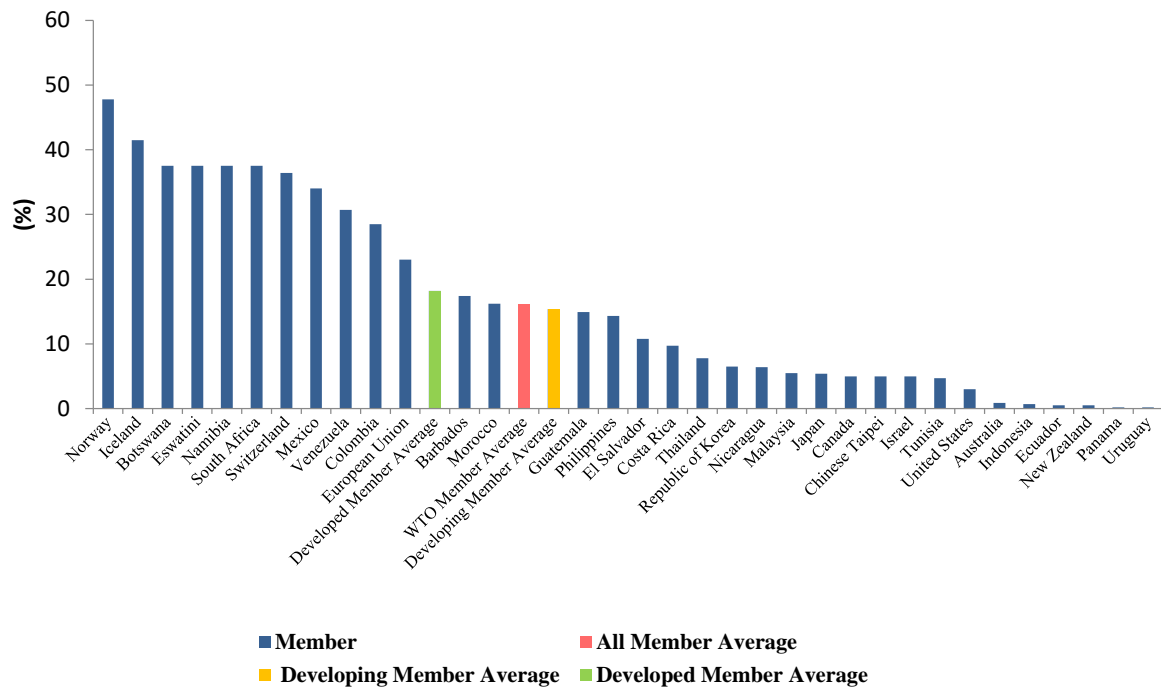
<sup>10</sup> [https://www.wto.org/english/tratop\\_e/agric\\_e/negs\\_bkgrnd11\\_ssg\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd11_ssg_e.htm).

<sup>11</sup> Members are Australia; Barbados; Botswana; Canada; Colombia; Costa Rica; Ecuador; El Salvador; Eswatini; the European Union; Guatemala; Iceland; Indonesia; Israel; Japan; Korea, Republic of; Malaysia; Mexico; Morocco; Namibia; New Zealand; Nicaragua; Norway; Panama; Philippines; South Africa; Switzerland; Chinese Taipei; Thailand; Tunisia; the United States; Uruguay and Venezuela, Bolivarian Republic of.

<sup>12</sup> 2019 World Tariff Profiles.

<sup>13</sup> Percent of HS six-digit subheadings in the schedule of agricultural concessions with at least one tariff line subject to Special Safeguards (SSG). Partial coverage is taken into account on a *pro rata* basis.

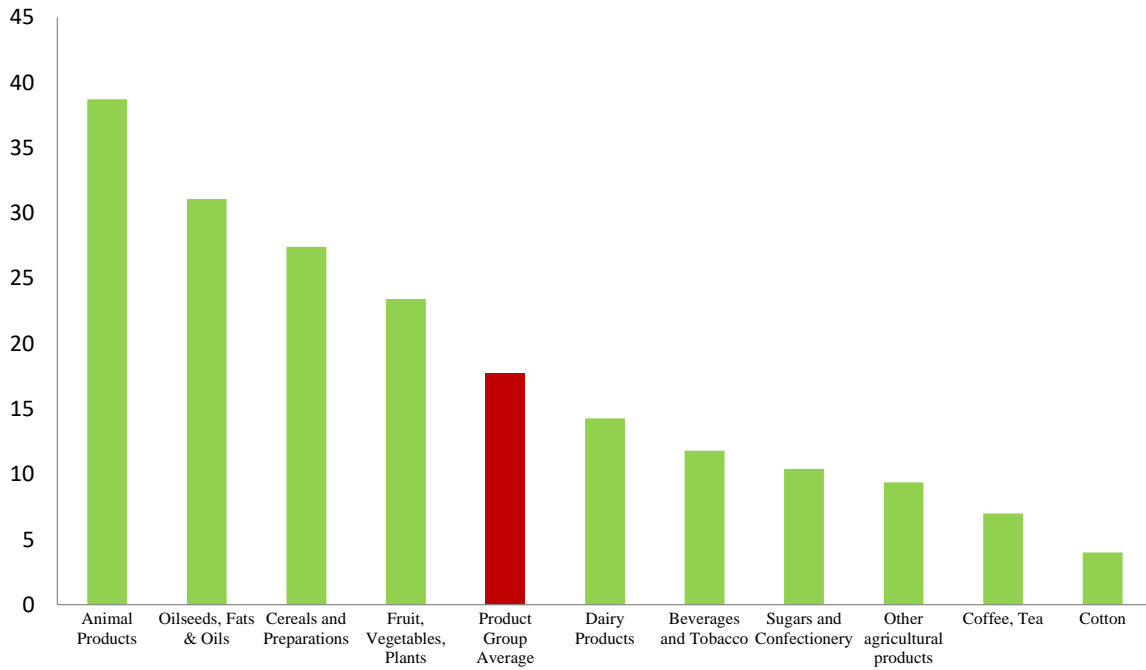
**Figure 1: Scheduled SSGs  
(HS-6 Lines as % of Bound Agricultural Tariff Schedule), 2017**



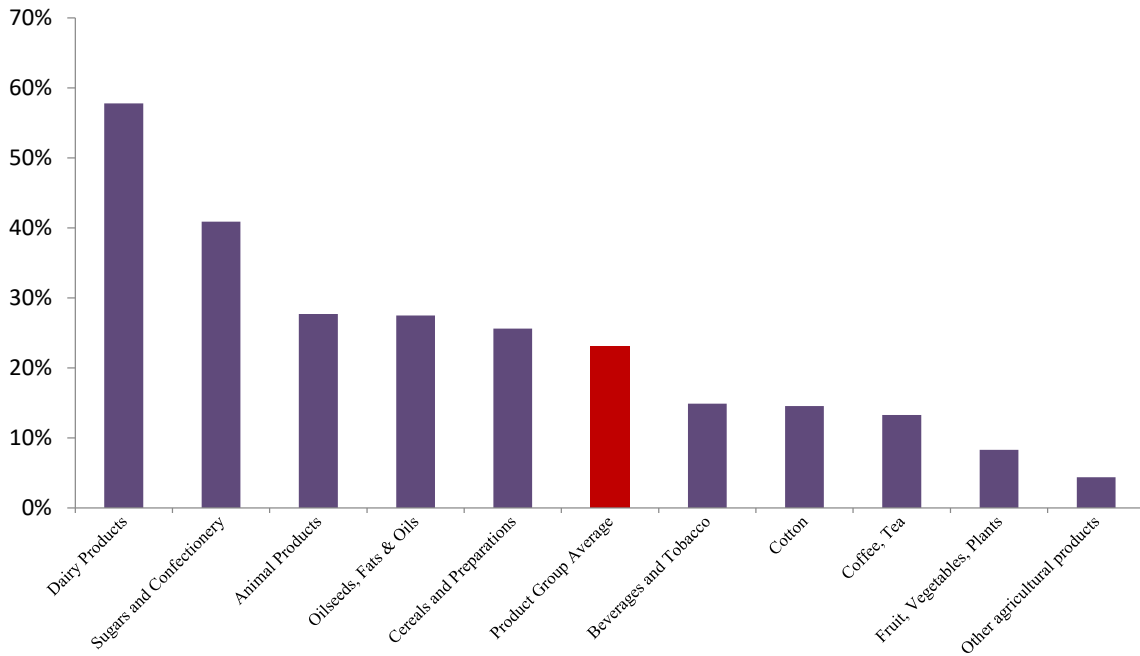
1.12. Members have recourse to SSGs for a wide variety of products with the "animal products", "oilseeds, fats, and oils", and "cereals and preparations" product groups having the greatest number of lines (at the HS-6 level) with SSG recourse.<sup>14</sup> "Cotton" products have the least number of lines with SSG recourse, followed by "coffee and tea", and "other agricultural products" (Figure 2). In relative terms (as percentage of the total number of HS-6 lines in a product group), "dairy products" have the most concentration of lines (58%) subject to an SSG recourse. "Sugar and confectionery" products also have a large share of SSG lines (41%). "Other agricultural products" and "fruits, vegetables, and plants" have the lowest share of scheduled SSGs relative to the number of product group lines (Figure 3).

<sup>14</sup> While some Members have reserved, in their Schedules, the right to apply the special safeguard provisions for products not covered by the AoA, in particular fish products, for purposes of this paper, only those products included in Annex 1 to the Agreement are considered.

**Figure 2: Scheduled SSGs**  
**(Average Number of HS-6 SSG Lines Per Product Group, 2017)**



**Figure 3: Scheduled SSGs**  
**(Average HS-6 SSG Lines as % of Product Group Lines), 2017**



### Analysis: SSG Application

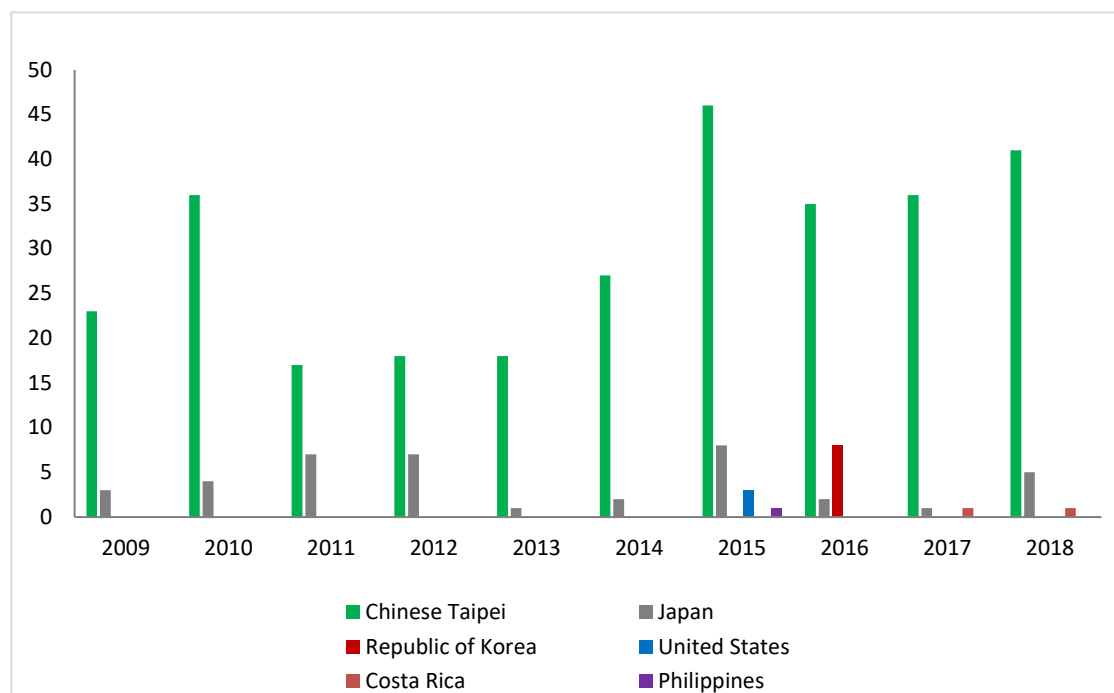
1.13. In line with the "Notification Requirements and Formats" adopted by the Committee on Agriculture ([G/AG/2](#)), all Members having reserved the right in their Schedules to use the SSG are notifying Members. Notification frequency and format are specified as follows:

- in the case of the "volume-based" special safeguard, a notification in the form of Table MA:3 should be made as far as practicable before taking such action for the first time in any year in respect of each product, and in any event within 10 days of the implementation of such action;
- in the case of the "price-based" special safeguard, a notification in the form of Table MA:4 should be submitted. Table MA:4 can be used either to provide an "up-front" notification of trigger prices or to notify, on a case-by-case basis, the first use of the price-based special safeguard for any particular product;
- an annual notification in the form of Table MA:5 should be made indicating the use of the special safeguard provisions in any year. This notification should be submitted no later than 30 days following the year in question. Where the special safeguard provisions have not been invoked in any year, a statement to such effect must be made.

1.14. The United States used analysis provided by the Secretariat ([TN/AG/S/29/Rev.1](#)) and Member notifications up to August 2020 to analyze SSG notification over the last decade. While 33 Members have scheduled the use of an SSG in the last 10 years (2009-2018), only eight Members have notified the WTO that they have taken recourse and used the safeguard. Six Members used the volume-based safeguard and seven Members used price-based safeguard (Figures 4 and 5).<sup>15</sup> Members that continue utilizing SSGs have also triggered a smaller number of HS-6 lines than to what those Members have recourse. Over the 2009-2018 period, on average, applicable Members have taken SSG action on 38% of the lines for which an SSG is scheduled (Figure 6).

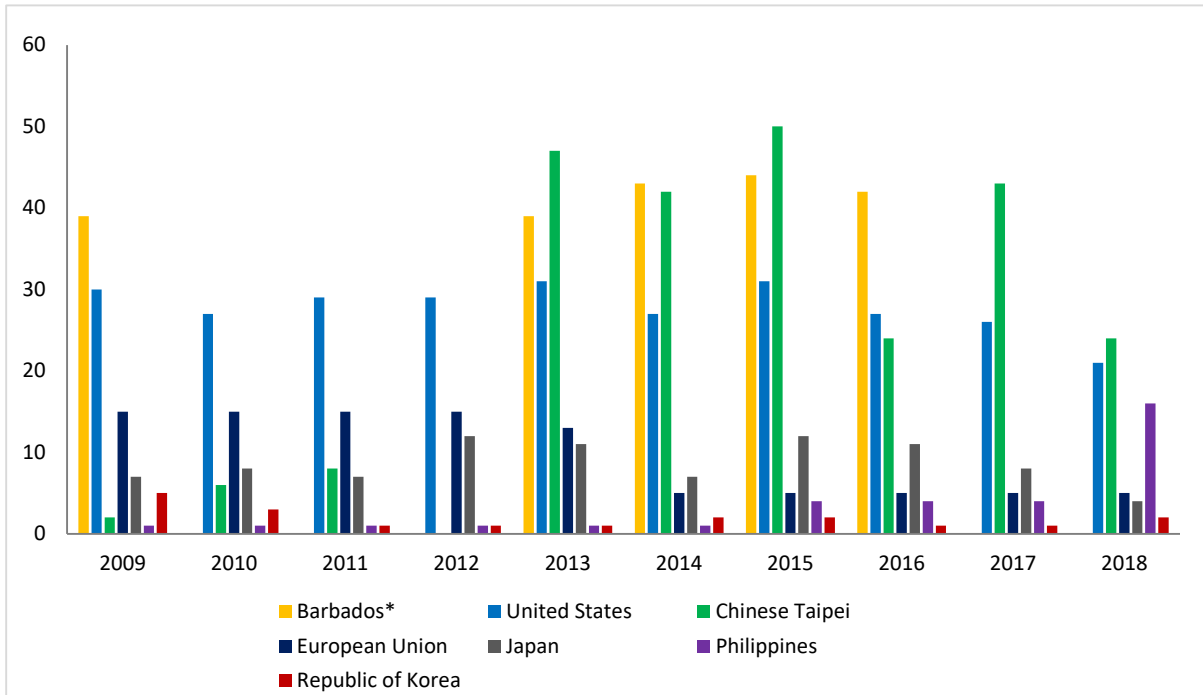
**Figure 4: Volume-Based Safeguards per Member**

**Number of HS-6 Lines Triggered**



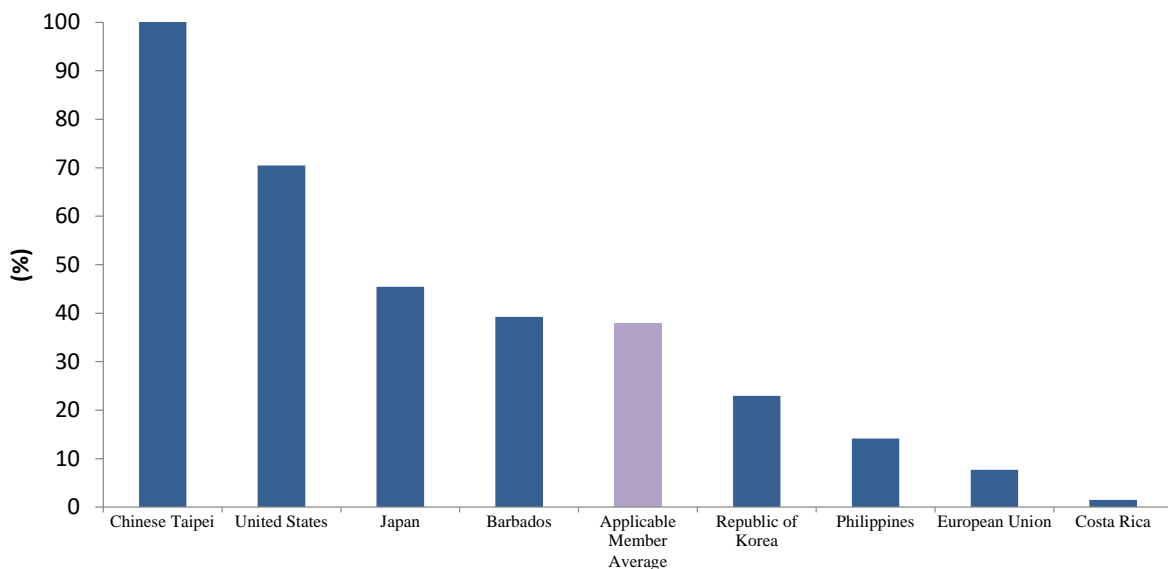
<sup>15</sup> Japan; the Philippines; Korea, Republic of; Chinese Taipei and the United States have utilized both volume-based and price-based SSGs in the 2009-2018 period.

**Figure 5: Price-Based Safeguards per Member**  
**Number of HS-6 Lines Triggered**



\* Barbados has not submitted any MA:5 notification for 2010-2012 and 2017-2018 periods.

**Figure 6: SSGs**  
**(Triggered HS-6 Lines as % of Scheduled HS-6 SSG Lines), 2009-2018**



1.15. Each year, Members notify more price-based SSG actions than volume-based SSG actions.<sup>16</sup> While the number of Members notifying the use of price-based SSGs has stayed the same, the number of Members notifying volume-based SSG and the number of HS-6 lines triggered has increased over the last few years (Table 3). Developing Members have taken an average of 51 price-based and 31 volume-based actions (HS-6 line level) per year from 2009 to 2018. Developed

<sup>16</sup> For the purposes of this submission, an "action" is defined as the number of lines, at the HS-6 level, triggered during a year. An HS-6 line triggered several times during a year will be counted as one action.

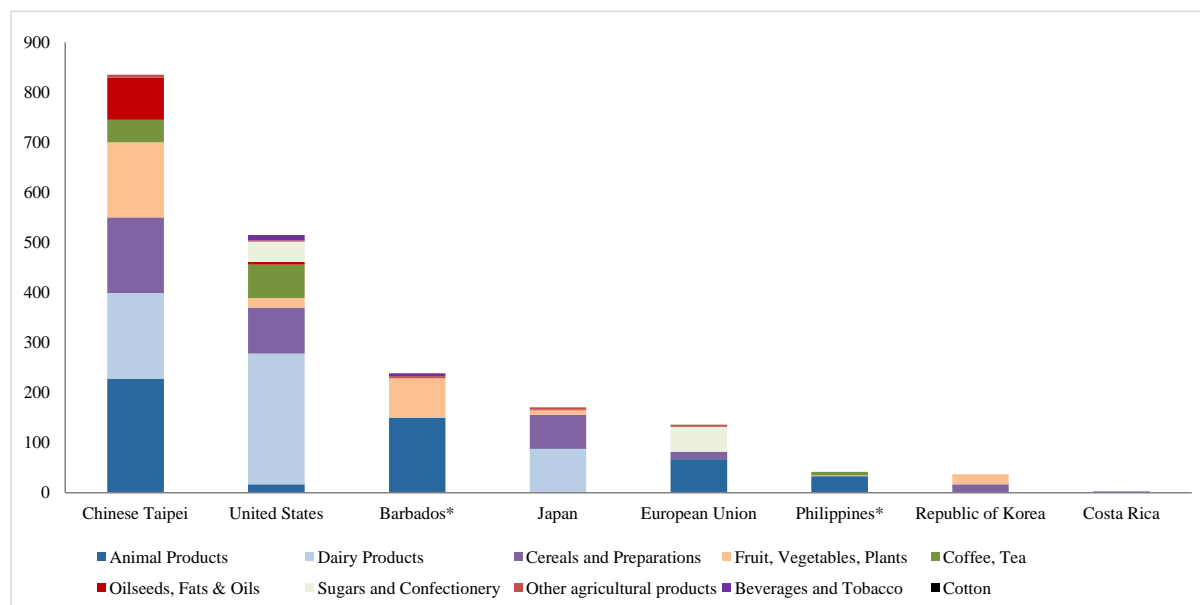
Members have taken an average of 46 price-based and 4 volume-based actions per year over the same time frame. Based on the total number of SSG actions, the Members notifying the most SSGs over the 2009-2018 period, were Barbados, Chinese Taipei and the United States (Figure 7).

**Table 3: Total Number of Actions (HS-6 lines)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Volume-Based Safeguards</b>	26	40	24	25	19	29	58	45	38	47
<b>Price-Based Safeguards</b>	99	60	61	58	143	127	148	114	87	72

1. The table only includes data from WTO notifications that were made public prior to August 2020. Notifications from the Philippines for 2018, and Barbados for 2010-2012, 2017-2018 were not available for analysis.
2. Years refer to calendar years except for the EU (marketing year) and for Japan (fiscal year). In the case of the EU, for 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, and 2018/2019 the relevant notifications state that the volume-based special safeguard was "made operational" for some products in the fruit and vegetables sector but was not "invoked".

**Figure 7: SSG Actions by Member  
(Number of HS-6 Lines for each Product Group), 2009-2018**

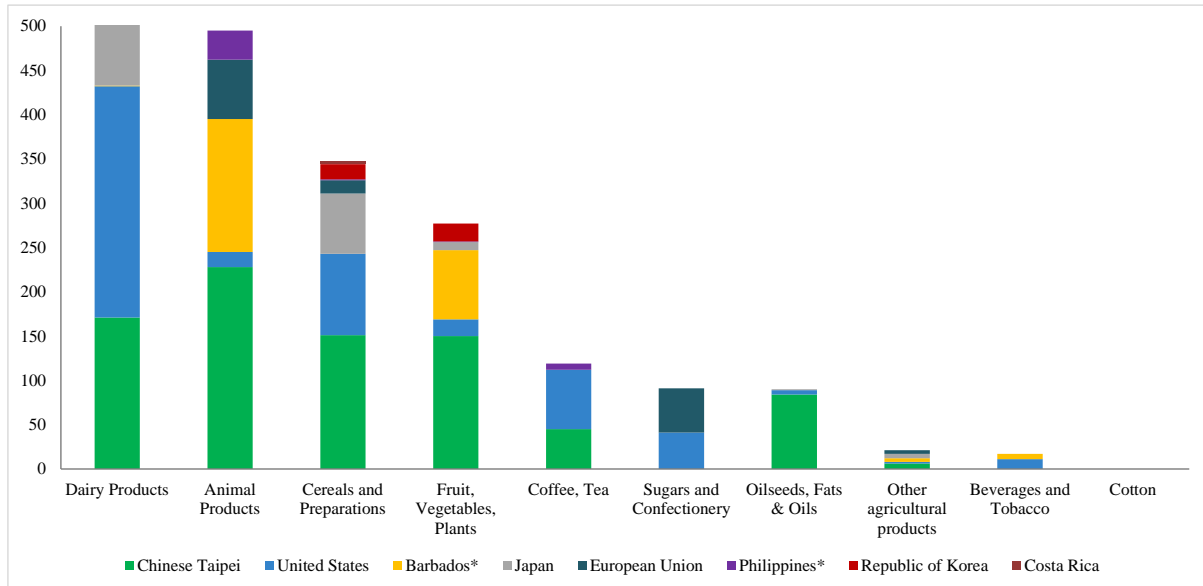


\* Barbados has not submitted any MA:5 notification for 2010-2012 and 2017-2018 periods. For 2018, MA:4 notification was used for the Philippines as an MA:5 notification was not submitted at the time of this analysis.

1.16. While Members have recourse to the SSG for a wide variety of products, between 2009 and 2018 period, "dairy products" had the highest number of safeguard actions followed by "animal products". Together these two product groups accounted for over half of all safeguard actions. "Cotton" products had no safeguard actions during the period and "beverages and tobacco" products accounted for less than a percentage point of all the actions taken in the last 10 years (Figure 8).



**Figure 8: SSG Actions by Product Group  
(Number of HS-6 Lines for each Member), 2009-2018**



\* Barbados has not submitted any MA:5 notification for 2010-2012 and 2017-2018 periods. For 2018, MA:4 notification was used for the Philippines as an MA:5 notification was not submitted at the time of this analysis.

### Analysis: SSG Trade Analysis

1.17. While the purpose of the SSG is to temporarily deal with special circumstances such as a sudden surge in imports, not all actions taken by Members in the last 10 years were directly caused by an import surge (Figure 9). As previously described, Members have the option to utilize import penetration (the three-year-average volume of imports as percentage of the three-year-average volume of consumption) to trigger the safeguard. Higher import penetration increases the likelihood an SSG may be triggered because the trigger level is lower. As import data and domestic consumption both have a role in the calculation of import penetration, the SSG could be triggered by either an increased volume of imports and/or a decline in domestic consumption.

1.18. Analysis of MA:3 notifications and respective calculations supplied by Members have shown that out of the 375 actions during the 2009-2018 period (at the HS-6 level), one-third of the actions occurred when domestic consumption decreased and import volume increased year-over-year. Another 6% of the 375 actions<sup>17</sup> occurred when both domestic consumption and import volumes decreased year-over-year.<sup>18</sup> Altogether, almost 40% (148) of the actions occurred when domestic consumption of respective products decreased.<sup>19</sup> Another 30% of the actions occurred when both domestic consumption and import volumes increased and 15% of the actions occurred when domestic consumption increased but import volume decreased year-over-year. The remaining 16% of the actions were triggered without the calculation of import penetration (Figure 9).<sup>20</sup>

1.19. Out of the 375 actions during the period, there were 155 instances (41%) where the import volume, as a percentage of the average imports in the past three-year period, was less than 125%. Since the means to trigger a volume-based SSG, without import penetration, is for import volume to exceed the preceding three-year average import volume by 125% or more, one can infer that

<sup>17</sup> There were 23 instances of HS-6 product lines that had both increased and decreased consumption and/or increased and decreased import volume during a notified year. For the purposes of this analysis, each of these lines were counted as unique thus overstating the actual number of actions.

<sup>18</sup> Import volume decrease is determined if the import volume entering during the notification period is lower than the import volume of the preceding year (Year 3).

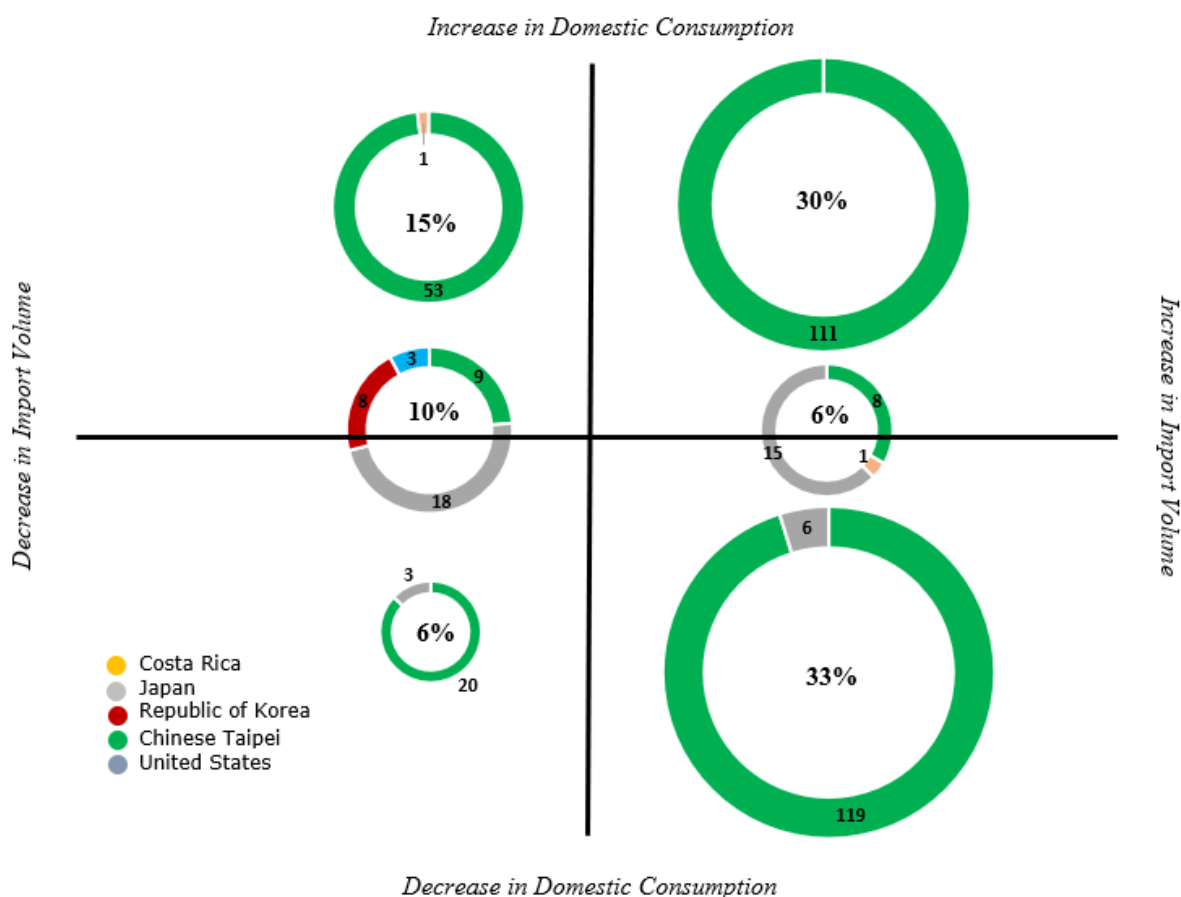
<sup>19</sup> Domestic consumption decrease is determined if consumption in Year 3 of the three preceding years is lower than consumption in Year 2.

<sup>20</sup> This includes an action by Costa Rica that provided consumption data that differs from its previous notification. The problem is further described in the following section.

domestic consumption used in the calculation was the direct cause of the products (at the HS-6 level) being triggered. It is worth pointing out that the average trigger for a volume-based SSG over the 10-year period was approximately 117%, meaning that the SSG became operational, on average, after imports surpassed 117% of the previous three-year average import volume of their respective products. Of all the triggers used during the 10-year period in question, the base trigger of 125% was used more often (58% of the time) than any other trigger base.

1.20. Unlike data provided in volume-based safeguard notifications, data provided by the majority of Members in their respective price-based notifications lack information that would allow Members to analyze important trends and effect on trade. One Member, the United States, provides notifications which include the volume of trade affected per each safeguard in the MA:5 summary. Analysis of all price-based safeguards applied by the United States between 2012 and 2018 respective to imports of the same products coming into the country has shown that, at the HS-8 level (the level at which the United States applies its SSGs), US price-based safeguards affected an average of 5% of the imports coming into respective lines.<sup>21</sup> Analysis at the HS-6 level indicates that quantities affected by the price-based SSG accounted for less than a tenth of a percentage of import volume between 2012 and 2018 when also considering similar or identical products entering in-quota.

**Figure 9: Trends in Consumption and Import Volumes for Volume-Based SSG Actions by Member, Number of Actions (HS-6, 2009-2018) and Corresponding % of All Notified Volume-Based SSG Actions**



Note: The consumption and import volumes for the previous and most recent year provided were used to place the actions in the quadrants. For example, if imports during the year of the notification were greater than the previous year, the action would fall into "Increase in Import Volume" quadrants. If consumption volume was provided by a Member, and the volume was greater in Year 3 than Year 2, the action would fall into "Increase in Domestic Consumption" quadrants.

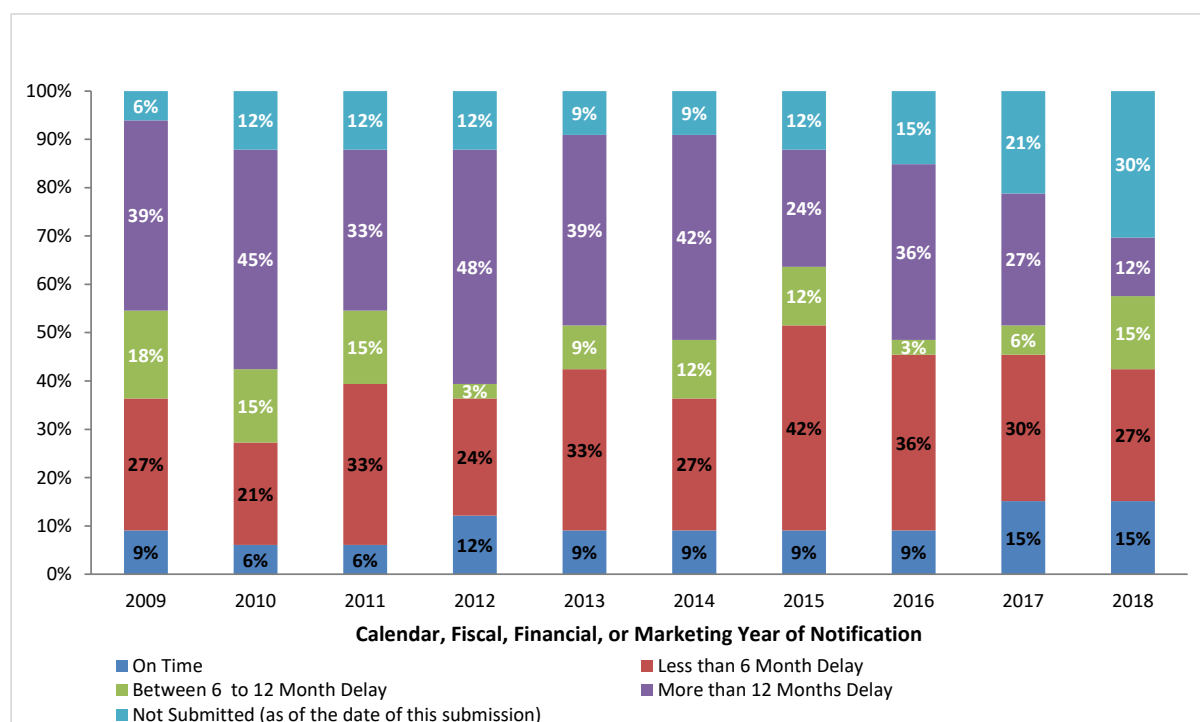
<sup>21</sup> US SSG lines are comprised of non-quota and out-of-quota lines.

## SSG Transparency Issues

1.21. The United States encountered several additional transparency issues around the utilization and administration of SSGs. First and foremost, only 23 of the 33 Members with recourse to an SSG have submitted either an annual notification in the form of MA:5 or a statement indicating non-use of the special safeguard provisions for the 2009-2018 period as set out in [G/AG/2](#). The other 10 Members have not provided a notification or statement of non-use for at least one of the years analyzed. Eswatini and the Bolivarian Republic of Venezuela have not provided any notification or statement for that time period and Namibia has only provided one notification for 2009. Only 284 notifications of the 330 (or 86% of) MA:5 notifications (or statements of non-use) that were to be submitted to the WTO Committee on Agriculture were provided.<sup>22</sup>

1.22. Another issue is the persistent delay Members take notifying SSG use or non-use. Over the 2009-2018 period, only 10% of the required MA:5 notifications were provided within the "30 days following the year in question" timeframe specified in [G/AG/2](#). Thirty per cent of the required notifications had a delay of six months or less from the timeframe specified in [G/AG/2](#). Another 46% of the required notifications were delayed by more than six months (Figure 10). Ten Members provided a timely MA:5 notification at least once over the period.<sup>23</sup> However, only one Member, Japan, managed to provide MA:5 notification within the required timeframe for each of the 10 years analyzed. The delay is also persistent in both MA:3 and MA:4 notifications with Members failing to provide notification of safeguard implementation "as far as in advance as may be practicable and in any event within 10 days of the implementation of such action".<sup>24</sup>

**Figure 10: MA:5 Notification Submission Time Frame**  
(% of all SSG submissions that were to be notified)



1.23. There has also been at least one instance between 2009 and 2018 of a Member providing an MA:5 notification summarizing a volume-based safeguard action but failing to provide an MA:3 notification outlining import details, including data on import volume, the trigger level, and the calculations that determined the safeguard trigger. The Philippines, in its MA:5 submission dated 22 March 2016 ([G/AG/N/PHL/44](#)), notified Members of a volume-based action on chicken meat and offal, prepared or preserved in airtight containers (HS Code: 16023210) from February to

<sup>22</sup> 33 Members each having to provide 1 MA:5 notification or statement of non-use each year over the 10-year period examined totals 330 notifications.

<sup>23</sup> Members are Australia; Botswana; Canada; Costa Rica; El Salvador; European Union; Japan; Korea, Republic of; Norway and Switzerland.

<sup>24</sup> Paragraph 7 of Article 5 of the AoA.

December 2015. However, the United States is not aware of any MA:3 submission by the Philippines for the 2009-2018 timeframe.

1.24. In addition to the issue of timely notifications, the United States also notes some inconsistencies in Members' notifications. Certain Members notify SSG actions at a level broader than HS-6 (e.g. HS-4 level) and it is difficult to understand the scope of these SSGs, including, what lines (at HS-6 or national tariff level) were part of these Members recourse.<sup>25</sup> There are also inconsistencies in Member's notification format and calculations. For example, Chinese Taipei used 2015, 2016, 2017 as the reference period for "imports in the 3 preceding years" to calculate the 2019 MA:3 volume-based trigger while Japan used 2016, 2017 and 2018 data for their 2019 MA:3 trigger calculations.<sup>26</sup>

1.25. Members have also not been consistent in regard to the quantities of goods affected. Currently, of the eight Members that utilize SSGs, the United States is the only Member that provides actual volumes of shipments affected in its MA:5 summary for both price and volume-based safeguards. Chinese Taipei and Barbados provide the number of shipments affected for price-based safeguards. However, the size or volume of the shipments is not disclosed nor defined. In the case of Chinese Taipei, which also utilizes volume-based SSGs, affected shipments or quantities are not provided for the volume-based SSG MA:5 summary. The Republic of Korea provides the number of "cases" affected by the price-based SSG and volume for the volume-based SSG. However, as with the term "shipments", the volume in a "case" is undefined in the notification.<sup>27</sup>

1.26. Examination of Member notifications also show that there are inconsistencies in the reporting of the domestic consumption data. Costa Rica has indicated in their 2018 MA:3 notification that consumption of husked (brown) rice (HS Code: 10062000) was 500 MT for each of the three preceding years (2015, 2016, 2017). In their notification a year prior for the same product, the consumption values for 2015 and 2016 were 473.83 MT and 489.6 MT, respectively.<sup>28</sup> There was also at least one instance of an incorrect tariff line description provided by a Member in the notification.<sup>29</sup>

## Conclusion

1.27. The United States aims to share this analysis to deepen Members' understanding of SSG utilization and notification. In its analysis, the United States has found that 33 Members have recourse to the SSG, both developing and developed Members alike, covering on average, 16% of their respective bound tariff schedules. However, less than one-third of the Members have actually taken recourse of SSGs in the last 10 years, applying the safeguard to, on average, 40% of the scheduled SSG lines. Those lines are largely made up of "animal products", "dairy products" and "cereals and preparations". Over the last 10 years, developing Members have utilized SSGs to a greater degree than developed Members.

1.28. In its assessment of Member notifications, the United States has also encountered issues with Members either failing to notify SSG use or non-use, or not notifying within the timeframe specified in [G/AG/2](#). In addition, Members that notify SSG usage lack consistency in reporting the information. These issues may cause confusion for importers and exporters of concerned products and reduces transparency for the WTO Members in reviewing utilization of the SSG in the context of the AoA. Therefore the United States encourages Members to examine these issues and discuss approaches to strengthen compliance with requirements and improve notification practices related to the SSG.

1.29. The United States also requests that the Secretariat continue to compile and publish information on SSGs, akin to the note from January 2017 ([TN/AG/S/29/Rev.1](#)), with a focus on deeper analysis of the issues identified in this submission. Likewise, the United States requests that Members ensure that all WTO notifications relevant to SSGs are up-to-date and notified.

1.30. The United States will continue its own analysis of the areas specified in the July 2018 submission ([JOB/AG/141](#)) and looks forward to constructive engagement from other Members.

<sup>25</sup> Barbados summary notification consists of HS-4 lines (0203, 0207).

<sup>26</sup> [G/AG/N/TPKM/186](#) and [G/AG/N/JPN/244](#).

<sup>27</sup> Japan, the European Union, the Philippines and Costa Rica do not provide any data on the quantity affected in their most recent MA:5 notifications.

<sup>28</sup> [G/AG/N/CRI/60](#) and [G/AG/N/CRI/68](#).

<sup>29</sup> 2015 MA:5 notification from Barbados contains incorrect description for tariff line HS Code: 2009299.