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POLICY OPTIONS FOR STRENGTHENING SME COMPETITIVENESS

Note by the UNCTAD secretariat

Corrigendum

Paragraph 56 should read:

Articles 8 and 9 introduced a traffic light mechanism whereby prohibited subsidies (for export or import substitution or contingent on local content) were red light, while yellow light subsidies were actionable and green light subsidies were non-actionable. The ASCM section on non-actionable subsidies has lapsed. This was the result of a decision taken by the developing countries because they thought that developed countries would use them as “safe harbours”. This has created an environment that lacks legal security, as Governments could be subject to procedural harassment, which could have a detrimental effect on public assistance for technology. Some developing country experts are recommending that the transition period be extended for developing countries on export subsidies and that technology subsidies be reclassified as “non-actionable” exclusively for developing countries. It was also suggested that it is important to negotiate special clauses for SMEs to be included in the WTO Agreements, as this sector is largely neglected in trade agreements and could be seen as a non-distortionary horizontal policy measure.