

markets; and

(b) the views of appropriate industries and authorities.

3. Additional measures which may be implemented by the Member States may include any of the following:

(a) acceleration of measures taken to liberalise trade pursuant to other provisions of this Agreement;

(b) adoption of a common external tariff;

(c) adoption of common by-law or concessionary tariff action;

(d) exemption from the operation of anti-dumping action;

(e) joint anti-dumping action against third countries.

4. In any consideration of the need to provide assistance to an industry, a Member State shall have regard to any rationalisation which has occurred or is expected to occur in that industry in the Area. In forwarding a reference to an industry advisory body on the need to provide assistance to an industry, a Member State shall request that body to take into account such rationalisation in making its recommendations.

#### Article 14

##### Intermediate goods

1. A prejudicial situation arises in connection with intermediate goods, which are goods such as raw materials and components which are wrought into, attached to, or otherwise incorporated in the production or manufacture of other goods, when:

(a) the policies of either Member State or the application by one or both Member States of assistance or other measures enables producers or manufacturers of goods in the territory of one Member State to obtain intermediate goods at lower prices or on other more favourable terms and conditions than are available to the producers or manufacturers of like goods in the territory of the other Member State; and

(b) the extent of advantage referred to in sub-paragraph (a) of this paragraph in relation to the total cost for the production or manufacture and the sale of the relevant final goods is such that it gives rise to a trend in trade which frustrates or threatens to frustrate the achievement of equal opportunities for producers or manufacturers in both Member States.

2. Where as a result of a complaint from a domestic producer or manufacturer a Member State (hereinafter in this Article called "the first Member State") is of the opinion that a prejudicial intermediate goods situation has arisen, it shall give written notice to the other Member State.

3. The first Member State, having given notice under paragraph 2 of this Article and having quantified the disadvantage arising from the prejudicial intermediate goods situation, may within 45 days of such notice request consultations. The Member States shall thereupon commence consultations that shall include a joint examination of the situation with a view to finding a solution involving the alteration of the assistance or other measures which gave rise to the situation.

4. If the Member States do not reach a mutually acceptable solution involving the alteration of the assistance or other measures which gave rise to the prejudicial intermediate goods situation the Member States shall seek another solution that may include any one or more of the following:

- (a) adoption of a common external tariff or reduction of the difference between the tariffs which the Member States apply to imports of intermediate goods from third countries, associated with the adoption of co-ordinated measures relating to by-law or concessionary entry and drawback of duty;
- (b) variation of the proportion of applicable factory or works cost in determining under Article 3 of this Agreement whether the final goods originated in the territory of a Member State;
- (c) cancellation of any one or more measures relating to by-law entry, concessionary entry and drawback of duty granted for export purposes in connection with trade in the Area;
- (d) initiation by the other Member State of anti-dumping or countervailing action in respect of goods imported from third countries in so far as this action would be consistent with other international obligations of the other Member State and in so far as the first Member State had taken such action itself or would have taken such action had the goods from the third countries been imported in similar circumstances into its territory;
- (e) provision of production or export subsidies to the producers or manufacturers in the territory of the first Member State;
- (f) acceleration of measures taken to liberalise trade pursuant to other provisions of this Agreement;
- (g) imposition of import charges by the first Member State;
- (h) imposition of export charges by the other Member State.

5. The other Member State may at any time take action to remove or reduce the advantage enjoyed by producers or manufacturers located in its territory.

6. If, within 45 days of the request for consultations referred to in paragraph 3 of this Article, the Member States have not reached a mutually satisfactory solution and if any action taken by the other Member State to reduce the advantage enjoyed by producers or manufacturers located in its territory has failed to remove that advantage, the first Member State may take action to remove the advantage, provided that:

- (a) it shall take account of such steps as may have been taken by the other Member State to reduce the advantage; and
- (b) the action taken shall not exceed the level of disadvantage remaining at the time the action is taken.

7. Any measures applied by either Member State pursuant to this Article shall be kept under review by the Member States and shall be adjusted in the event of any relevant change of circumstances.

#### Article 15

##### Anti-dumping action