

**CHILE – SAFEGUARD MEASURES AND MODIFICATION
OF SCHEDULES REGARDING SUGAR**

Requests for Consultations by Colombia

The following communication, dated 17 April 2001, from the Permanent Mission of Colombia to the Permanent Mission of Chile and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My Government has instructed me to request consultations under Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).

In a communication dated 27 February 1995, the Government of Chile informed the Secretariat of the WTO that Chile had no legislation in force for the application of safeguards. This communication was notified to Members by the Secretariat in document G/SG/N/1/CHL/1, dated 26 April 1995.

On 24 August 1999, the Secretariat circulated notification G/SG/N/1/CHL/2 in which the Government of Chile submitted its new legislation concerning the investigation and imposition of safeguard measures.

On 7 February 2000, the WTO Secretariat circulated document G/SG/N/8/CHL/1 containing the communication sent by the Government of Chile notifying its finding of serious injury and its decision to apply a definitive safeguard measure on imports of a variety of products, including sugar under tariff headings 17.01.11.00, 17.01.12.00, 17.01.91.00 and 17.01.99.00.

On 10 February 2000, the WTO circulated document G/SG/N/8/CHL/1/Suppl.1, containing a copy of Decree No. 9 ("exempt procedure") of the Ministry of Finance, dated 20 January 2000, published in the Official Journal of Chile on Saturday 22 January 2000, establishing definitive safeguard measures on imports of sugar and other products in the form of an *ad valorem* surcharge determined in accordance with Chilean law.

Subsequently, on 15 November 2000, the Secretariat circulated document G/SG/N/10/CHL/1/Suppl.2 in which Chile notified that it had decided to accept the request for a one-year extension of these safeguard measures. This was followed, on 27 November, by document G/SG/N/10/CHL/1/Suppl.2/Corr.1 explaining that the Government of Chile was examining the possibility of extending the measures.

On 22 December 2000, in document G/SG/N/14/CHL/1, Chile notified the extension of the safeguard measure, stating that Exempt Decree No. 349 of the Ministry of Finance had been published on 25 November 2000.

Chile also notified its intention to modify certain concessions included in its Schedule VII under headings 17.01.11.00, 17.01.12.00, 17.01.91.00 and 17.01.99.00.

On 26 January 2001, the Government of Colombia expressed its substantial interest in the negotiation of concessions under Article XXVIII for the products classified under tariff headings 17.01.11.00 and 17.01.99.00 ("raw cane sugar", and "other", including refined sugar).

On 14 March, the Government of Chile stated that it recognized Colombia's status as Member with a substantial interest in respect of raw cane sugar classified under tariff heading 17.01.11.00. It also stated that according to the statistics available at the time of notification, Colombia did not qualify as a supplier with a substantial interest for products classified under tariff heading 17.01.99.00 ("other").

The Government of Colombia considers that the measures adopted by Chile with respect to sugar are inconsistent with its obligations under the following provisions:

1. Articles 2, 3, 4, 5, 7, 9 and 12 of the Agreement on Safeguards;
2. Articles II, XIX and XXVIII of the GATT 1994;
3. The Understanding on the Interpretation of Article XXVIII of the General Agreement on Tariffs and Trade 1994 and the Procedures for Negotiations under Article XXVIII adopted as guidelines on 10 November 1980.

In Colombia's view, the measures adopted by Chile, taken as a whole or individually, nullify or impair the benefits accruing to Colombia under the cited provisions.

The Government of Colombia reserves the right to raise additional factual and legal claims in the course of the consultations.

In the light of the above considerations, Colombia requests consultations with Chile in accordance with Article XXII of the GATT 1994, and looks forward to receiving a reply to this request from the Chilean authorities, as well as to the establishment of a mutually acceptable time and place for the initiation of consultations.

This document replaces, in its entirety, my communication of 15 March 2001, circulated by the Secretariat as document WT/DS/228/1.
