

ARGENTINA – MEASURES AFFECTING IMPORTS OF FOOTWEAR

Request for Consultations by the United States

The following communication, dated 1 March 1999, from the Permanent Mission of the United States to the Permanent Mission of the Republic of Argentina and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4. the DSU.

My authorities have instructed me to request consultations with the Government of Argentina, pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes and Article 14 of the Agreement on Safeguards (to the extent it incorporates by reference Article XXII of the GATT 1994), regarding certain measures implemented by Argentina affecting imports of footwear.

Specifically, in November 1998 Argentina adopted Resolution 1506 modifying Resolution 987 of 10 September 1997, which had established safeguard duties on imports of footwear from non-MERCOSUR countries. Resolution 1506 imposes a tariff-rate quota (TRQ) on such footwear imports in addition to the safeguard duties previously imposed. Moreover, Resolution 1506 postpones any liberalization of the original safeguard duty until 30 November 1999, and liberalizes the TRQ only once during the life of the measure. Argentina has not notified this measure to the Committee on Safeguards.

Based upon information received to date, the United States considers that Resolution 1506 may be inconsistent with the obligations of Argentina under the Agreement on Safeguards, in particular: (1) Article 5.1, which requires that a measure be applied only to the extent necessary to prevent or remedy serious injury and to facilitate adjustment; (2) Article 7.4, which mandates that safeguard measures over one year in duration be progressively liberalized at regular intervals; and (3) Article 12, which directs Members to notify the Committee on Safeguards of all safeguard actions and to provide adequate opportunity for prior consultations with Members having substantial export interest in the product concerned.

We look forward to receiving your reply to this request and to fixing a mutually acceptable date for consultations.
