

**CHILE – PRICE BAND SYSTEM AND SAFEGUARD MEASURES  
RELATING TO CERTAIN AGRICULTURAL PRODUCTS**

Request for the Establishment of a Panel by Argentina

The following communication, dated 19 January 2001, from the Permanent Mission of Argentina to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

Pursuant to Article XXIII of the GATT 1994, Articles 4 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article 19 of the Agreement on Agriculture and Article 14 of the Agreement on Safeguards, I herewith request the establishment of a panel against the Republic of Chile in relation to the price band system, the provisional and definitive safeguard measures on imports of wheat, wheat flour and edible vegetable oils, and the extension of those measures.

**1. Price band system**

Under Law 18.525, as amended by Law 18.591 and subsequently by Law 19.546, as well as the regulations and complementary provisions and/or amendments, Chile applies a price band system which is inconsistent with various provisions of the GATT 1994 and with the Agreement on Agriculture.

The price band system does not ensure certainty in respect of market access for agricultural products and has caused Chile to breach its commitments on tariff bindings in relation to the concessions set forth in its national schedule. Argentina submits that the said legislation is inconsistent with Article II of the GATT 1994 and with Article 4 of the Agreement on Agriculture.

**2. Safeguards on imports of wheat, wheat flour and edible vegetable oils**

With respect to safeguards, Chile adopted provisional measures on 26 November 1999 which became definitive on 18 January 2000 and were extended on 25 November 2000 following the consultations with Argentina referred to below.

As stated in the request for consultations contained in document WT/DS207/1, Argentina considers the measures adopted to be inconsistent with the obligations imposed by the Agreement on Safeguards.

Argentina considers the said measures to be inconsistent, *inter alia*, with the following provisions of the Agreement on Safeguards: Article 2 (importation in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products), Article 3 (publication of a report setting forth the findings and reasoned conclusions reached on all pertinent

issues of fact and law), Article 4 (determination of threat of injury based on facts and not merely on allegation or conjecture; definition of the domestic industry affected; evaluation of all relevant factors of an objective and quantifiable nature; examination of factors other than increased imports causing injury to the domestic industry), Article 5 (application of safeguard measures only to the extent necessary to facilitate adjustment), Article 6 (determination of critical circumstances; preliminary determination that there is clear evidence of injury or threat of injury), and Article 12 (holding of consultations prior to the application or extension of a measure), as well as Article XIX.1(a) of the GATT 1994 (unforeseen developments).

On 5 October 2000, Argentina requested consultations with Chile in respect of both the price band system and the safeguard measures imposed, with a view to seeking a mutually satisfactory solution to these issues. This request was circulated to Members on 12 October 2000 (document WT/DS207/1). The consultations took place on 21 November 2000, but the parties were unable to reach any understanding.

In the light of the above circumstances, Argentina requests the establishment of a panel with the standard terms of reference. To that end, it asks that this request be included in the agenda of the meeting of the Dispute Settlement Body scheduled for 1 February 2001.

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