

ARGENTINA - MEASURES AFFECTING
TEXTILES, CLOTHING AND FOOTWEAR

Request for Establishment of a Panel by the European Communities

The following communication, dated 10 September 1997, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated at the request of that delegation.

My authorities have asked me to submit the following request on behalf of the European Communities and their Member States for consideration at the next meeting of the Dispute Settlement Body to be held on 25 September 1997.

On 23 April 1997 the European Communities (hereafter referred to as the EC) requested consultations with Argentina pursuant to Article XXII:1 of the General Agreement on Tariffs and Trade ("GATT 1994"), Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") and Article 7 of the Agreement on Textiles and Clothing (ATC) with regard to certain measures taken by Argentina concerning the textiles, clothing and footwear sectors.

Consultations were held with Argentina on 12 June 1997 in Geneva. These consultations have allowed a better understanding of the respective positions but have not led to a satisfactory resolution of the matter. The EC therefore now requests that a panel be established, with the standard terms of reference.

The principal measures to which the EC objects are:

- (a) the imposition of minimum specific duties on textiles and clothing products. These were originally imposed by the Ministry of Economics, Infrastructure and Public Works with Resolution No. 811/93 of 29 July 1993 and have been modified on numerous occasions, most recently by Resolution No. 597/97 of the Ministry of Economics, Infrastructure and Public Works of 14 May 1997. These measures
- cause duties to be imposed in excess of Argentina's 35% Uruguay Round binding;
 - prevent improved market access for EC textile and clothing products;
 - have not been notified to the Textiles Monitoring Body.

- (b) the imposition of minimum specific duties on footwear products similar to those that have been described above which also caused duties to be imposed in excess of Argentina's 35% Uruguay Round binding. These were originally imposed by the Ministry of Economics, Infrastructure and Public Works with Resolution No. 1696/93 of 29 July 1993, have been modified on numerous occasions and were replaced by "provisional safeguard measures", still in the form of minimum specific duties, by Resolutions 225/97 and 226/97 of the Ministry of Economics, Infrastructure and Public Works both of 14 February 1997. The EC hopes that minimum specific duties will not be reimposed and that it will not be necessary to include them in these proceedings.

The EC will in particular request that the panel consider and find that:

- (a) the measures described in point (a) above are in breach of Argentina's concessions under Article II of GATT 1994 and violate Article 7 of the ATC;
- (b) the measures described in point (b) above are in breach of Argentina's concessions under Article II of GATT 1994 if they are reimposed.

The above summary is designed to briefly describe the legal basis of the complaint sufficient to present the problem clearly but is not to be taken as restricting the arguments which the EC may develop before the panel.