

WORLD TRADE ORGANIZATION

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EUROPEAN COMMUNITIES - TRADE DESCRIPTION OF SCALLOPS

Request by Chile for the Establishment of a Panel

The following communication, dated 25 September 1995, from the Permanent Mission of Chile to the Chairman of the Dispute Settlement Body is circulated at the request of that delegation.

In accordance with my communication dated 14 September, I hereby inform you that on 23 September the 60-day consultation period provided for in the Understanding on Rules and Procedures Governing the Settlement of Disputes expired.

Unfortunately, despite our efforts, these consultations did not lead to a mutually satisfactory resolution of the issue arising out of the trade description of Chilean scallops on the French market.

Consequently, Chile wishes to confirm that on 27 September it will request the establishment of a panel to study the matter in the terms set forth in the note attached to my communication of 14 September 1995.¹

¹Annex to document WT/DS14/5, also annexed to this communication.

ANNEX

I have the honour to refer to the trade description of molluscs of the genus Pectinidae.

On 24 July 1995, the Government of Chile requested the European Union to hold consultations concerning the French Government Order (NOR MERP9300051 A) of 22 March 1993 and amendments thereto relating to the official names and permitted trade descriptions of molluscs of the genus Pectinidae (scallops). In accordance with Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), that request was circulated to Members of the World Trade Organization on 31 July 1995 (WT/DS14/1).

The Government of Chile requested consultations in order to find a solution to the trade description problem caused by the above-mentioned Order, which imposes the use of the trade description "pétoncle" for the pectinid mollusc of Chilean origin as from 1 January 1996. This term entails a trade injury as on the French market it is associated with a product of lower quality and price compared with the traditional description of "Coquilles St. Jacques" or "Noix de St. Jacques" under which the Chilean product was sold in that market.

Chile and the European Union held consultations in Geneva on 10 August 1995 with a view to reaching a satisfactory resolution of the matter. Previously, Chile had associated itself with the consultations held by Canada with the European Union on 19 June 1995 on this same matter.

Unfortunately, the consultations failed to settle the dispute and further consultations are not likely to be productive. In accordance with Article XXIII of GATT 1994, Article 14 of the Agreement on Technical Barriers to Trade and Articles 4 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Chile hereby requests that a panel be established at the next meeting of the Dispute Settlement Body scheduled for 27 September 1995.

Chile requests that the panel consider and find that the Order and the subsequent amendments thereto are:

- (a) inconsistent with Articles 2 and 12 of the Agreement on Technical Barriers to Trade;
- (b) inconsistent with Article III of GATT 1994;
- (c) inconsistent with Article I of GATT 1994; and
- (d) nullifying and impairing benefits accruing to Chile pursuant to the WTO.

Chile requests that the panel be established with the standard terms of reference as set out in Article 7 of the DSU. Chile further requests that this request for the establishment of a panel be included in the agenda of the meeting of the Dispute Settlement Body scheduled for 27 September 1995.