

WORLD TRADE ORGANIZATION

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EUROPEAN COMMUNITIES - DUTIES ON IMPORTS OF CEREALS

Request for Consultations by Canada

The following communication dated 30 June 1995 from the Permanent Mission of Canada to the Permanent Delegation of the Commission of the European Communities in Geneva is circulated in accordance with Article 4.4 of the DSU.

The Government of Canada requests consultations with the Commission of the European Communities pursuant to Article XXIII of the General Agreement on Tariffs and Trade 1994, and Article 19 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, regarding certain regulations of the European Communities concerning cereals. These regulations include, but are not limited to, Council Regulation (EEC) No. 1766/92, Council Regulation (EC) No. 3290/94, and Council Regulation (EC) VI/2321/95.

Council regulations (EC) No. 3290/94 and (EC) No. VI/2321/95 are intended to implement some of the European Communities' Uruguay Round concessions on agriculture, including the following concession with respect to certain cereals, contained in a headnote to the European Communities' Schedule annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994;

"The Community undertakes in respect of cereals falling within the heading

- ex 1001 wheat
- 1002 rye
- 1003 barley
- ex 1005 maize, except hybrid seed, and
- ex 1007 sorghum, except hybrids for sowing

to apply a duty at a level and in a manner so that the duty-paid import price for such cereals will not be greater than the effective intervention price (or in event of a modification of the current system, the effective support price) increased by 55%.

The duty applied shall in no case exceed the duty established according to this schedule."

The regulations cited above impose a duty on wheat imports based on reference prices rather than transaction values. As a result, the duty-paid import price for Canadian wheat will be greater than the effective intervention price increased by 55% whenever the transaction value is greater than the representative price.

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Therefore, the Government of Canada is of the view that these regulations are inconsistent with the obligations of the European Communities under the General Agreement on Tariffs and Trade 1994, and the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994. The provisions of these agreements with which these regulations are inconsistent include, but are not limited to, the following:

- (i) General Agreement on Tariffs and Trade 1994, Articles II and VII;
- (ii) Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, Article 1.

In accordance with Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, the Government of Canada requests consultations with the Commission of the European Communities to discuss this matter with the intention of reaching a mutually satisfactory result. The Government of Canada welcomes any suggestions the Commission of the European Communities may wish to make concerning dates on which the consultations could take place within thirty days from the date of receipt of this request.