

## VI. TRADE DISPUTES AND CONSULTATIONS

### (1) Disputes and Consultations under the GATT

1. The Slovak Republic has not been a party to any dispute under the GATT or the WTO.
2. Following a notification by Austria in March 1993 that it would take emergency action under GATT Article XIX in respect of imports of cement from the Slovak Republic and certain other countries, the Slovak Republic requested Article XIX consultations with Austria on the matter.<sup>1</sup> Slovakia also requested consultations with Austria following the notification by Austria in April 1993 that it would take emergency action under GATT Article XIX in respect of imports of fertilizer from the Slovak Republic and certain other countries.<sup>2</sup> Consultations were held on these issues in June 1993 and were held again in March 1994 for fertilizer only. As a result of consultations, Slovakia agreed to limit its exports of these products to Austria. These agreements are, according to the authorities, no longer in effect.

### (2) Dispute Settlement under Other Fora

3. Disputes between Slovakia and the Czech Republic within the context of the Customs Union are to be settled by an Arbitration Commission established on an ad hoc basis for each dispute; decisions of an Arbitration Commission are binding on the parties (Chapter II(5)(i)). No disputes have been brought to a Commission. Disputes between Slovakia and the European Union in the context of their Association Agreement are to be referred to the Joint Committee, which oversees the Agreement<sup>3</sup>; in the event that a dispute cannot be resolved by the Joint Committee, an arbitration panel shall be appointed and the majority vote of the panel becomes binding on the parties.<sup>4</sup> Under the terms of the Agreement Between the EFTA States and the Slovak Republic, if an EFTA State or the Slovak Republic considers that the other party has failed to fulfil an obligation under the Agreement, it may follow the Agreement's provisions for safeguards, which require that consultations take place between the parties in the Joint Committee.<sup>5</sup> The dispute settlement provisions of the Central European Free Trade Agreement (CEFTA) and of the Free Trade Agreement Between the Slovak Republic and the Republic of Slovenia are identical to those under the Slovak-EFTA Agreement; no disputes have been brought under the Slovak-EFTA Agreement.

---

<sup>1</sup>GATT document L/6899/Add.6.

<sup>2</sup>GATT document L/7204/Add.2.

<sup>3</sup>The Joint Committee was originally established by the Agreement on Trade and Commercial and Economic Cooperation, signed between the European Economic Community and the Czech and Slovak Federal Republic in May 1990. The Joint Committee continues to oversee the Agreement pending the establishment of the Association Council provided for in the Association Agreement.

<sup>4</sup>Panels consist of one member appointed by each party and a third member appointed by the Joint Committee.

<sup>5</sup>The Joint Committee is the body that supervises and administers the Agreement (GATT document L/7041/Add.1).

## REFERENCES

Bureau of National Affairs, BNA's Eastern Europe Reporter, various issues.

Customs Union of the Czech Republic and the Slovak Republic (1994), "The Customs Union of the Czech Republic and the Slovak Republic in 1993," Bratislava.

GATT (1993), Trade Policy Review of the European Union, General Agreement on Tariffs and Trade, Geneva.

GATT (1994), "Increases in market access resulting from the Uruguay Round", News of the Uruguay Round, General Agreement on Tariffs and Trade, Geneva, April.

Hoekman, B. and P. Mavroidis (1994), "Linking Competition and Trade Policies in Central and Eastern European Countries," CEPR Policy Research Working Paper 1346, London.

IMF (1994), "Exchange Arrangements and Exchange Restrictions", International Monetary Fund, Washington, D.C.

Mikelka, E. (1995), "Foreign Direct Investment in the Slovak Republic," paper prepared for the Reform Round Table of the International Center for Economic Growth, San Francisco.

OECD (1994), Agricultural Policies, Markets and Trade in the Central and Eastern European Countries, the New Independent States, Mongolia and China: Monitoring and Outlook, 1994, Organization for Economic Cooperation and Development, Paris.

Shafik, N. (1993), "Making a Market: Coupon Privatization in the Czech and Slovak Republic," World Bank Policy Research Working Paper 1231, Central Europe Department.

WTO (1995), Trade Policy Review of the European Union, World Trade Organization, Geneva.