

**ARTICLE XXVIII:3 NEGOTIATIONS**

Notification by Costa Rica under Article XXVIII:3

Addendum

The following communication, dated 2 August 2006, is being circulated at the request of the delegation of Costa Rica.

The European Communities, in document G/SECRET/20, of 19 January 2004, notified the World Trade Organization and its Members of its intention to modify the tariff concessions in Schedule XCII of the Czech Republic, Schedule CXLIV of the Republic of Estonia, Schedule CVII of the Republic of Cyprus, Schedule CXLIII of the Republic of Latvia, Schedule CL of the Republic of Lithuania, Schedule LXXI of the Republic of Hungary, Schedule CXVII of the Republic of Malta, Schedule LXV of the Republic of Poland, Schedule XCVI of the Republic of Slovenia, Schedule XCIII of the Slovak Republic and Schedule CXL of the European Communities of 15. It also announced that, pending completion of the procedures under Article XXIV and Article XXVIII of the GATT 1994 and the establishment of a new Schedule valid for the European Communities of 25, the commitments in the European Communities' Schedule CXL would be fully respected.

In connection with that notification by the European Communities, Costa Rica notified its intention to withdraw equivalent concessions under Article XXVIII:3 by means of a communication dated 28 June 2006. That communication, which was circulated to Members in document G/SECRET/20/Add.2, stated on this subject that:

"Unless an agreement can be reached regarding compensation, in accordance with the rights and obligations set out in Article XXVIII:3 of the GATT 1994, Costa Rica will withdraw substantially equivalent tariff concessions on products of interest to the European Communities.

Consequently, Costa Rica hereby notifies Members that it is withdrawing the concessions in Schedule LXXXV on the tariff items listed in the attachment to this notification. Unless Costa Rica provides further notice to Members, the withdrawal of these concessions will take effect 30 days after the present notification to WTO Members."

The European Communities requested the Council for Trade in Goods, on four occasions, to extend the deadline for the withdrawal of substantially equivalent concessions under Article XXVIII:3 of the GATT 1994 (see G/L/695, G/L/695/Add.1/Rev.1, G/L/695/Add.2 and WT/GC/98). These four requests were approved by the Council for Trade in Goods and forwarded to the General Council for adoption (see WT/GC/M/88, WT/GC/M/94, WT/GC/M/96 and WT/GC/M/100). The General

Council duly agreed to extend the deadline for the withdrawal of concessions referred to in Article XXVIII:3 of the GATT 1994 from six months to 27 months (until 1 August 2006).

On 29 June 2006, the European Communities submitted a fifth request for a further six-month extension in addition to the ones previously agreed (G/L/695/Add.3). In so doing, it indicated that "the EC will not assert that WTO Members who have submitted a claim pursuant to Article XXIV:6 of GATT 1994 are precluded from withdrawing substantially equivalent concessions under Article XXVIII:3 of GATT 1994 because this withdrawal occurs later than six months after the EC's withdrawal of concessions, provided that the claiming WTO Member withdraws concessions no later than 33 months after the EC's modification of concessions." The Council for Trade in Goods approved this new extension on 12 July 2006 and agreed that, as the matter came within its competence, it did not need to be submitted to the General Council for approval.

In view of this further extension of the period established by GATT Article XXVIII:3 until 1 February 2007, Costa Rica hereby notifies that it is suspending the entry into effect of the withdrawal of substantially equivalent concessions described in document G/SECRET/20/Add.2, in order to continue negotiating adequate compensation with the European Communities. If no agreement is reached with the European Communities, Costa Rica will notify WTO Members of the new date of entry into effect of the withdrawal of substantially equivalent concessions described in document G/SECRET/20/Add.2. Finally, Costa Rica reserves all its rights in this matter, including the possibility of changing the products that would be subject to the modification or withdrawal of concessions.

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