

ARTICLE XXVIII:3 NEGOTIATIONS

Notification by Argentina under Article XXVIII:3

Addendum

The following communication, dated 20 December 2006, is being circulated at the request of the delegation of Argentina.

With reference to the communication from the European Communities (EC) of 30 January 2004 (document G/SECRET/20) containing the notification relating to the initiation, following the accession to the EC of ten new member States, of negotiations under Article XXIV:6 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) with a view to modifying the commitments in Schedule CXL – EC, it appears that the European Communities has concluded an agreement with the People's Republic of China approving a Community Tariff Quota for fresh or chilled garlic under tariff item 0703 20 00 following negotiations under Articles XXIV:6 and XXVIII of the GATT 1994 which have not yet been notified to the WTO.

Under that agreement, which was approved by Council Decision 2006/398/EC (published in the Official Journal of the EC on 8 June 2006) and would be implemented by Regulation (EC) 991/2006 (published in the Official Journal of the EC on 1 July 2006), the EC would be granting the People's Republic of China an increase of 20,500 tonnes in the tariff quota for garlic as from the 2006/2007 season.

Argentina submits with respect to the said concession that the EC has disregarded its initial negotiating right under Article XXVIII of the GATT 1994 and the Understanding on the Interpretation of Article XXVIII, in particular paragraph 7 thereof, and in accordance with what the EC itself recognized in the negotiations with Argentina as reflected in its communications G/SECRET/11 of 9 June 2000 and G/SECRET/11/Add.1 of 19 June 2001.

Specifically, Argentina considers that the agreement concluded between the EC and the People's Republic of China, by modifying the tariff quota for garlic, has disregarded Argentina's initial negotiating right, thereby impairing the general level of reciprocal and mutually advantageous concessions established since 2001. The agreement undermines the security and predictability of the tariff concessions which the Article XXVIII procedure and its supplementary regulations are intended to guarantee.

In view of the above considerations, the Government of the Republic of Argentina reserves its rights in this matter under the provisions of the relevant WTO Agreements, in particular the right to take the necessary measures in accordance with Article XXVIII of the GATT 1994.