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KOREA - MEASURES CONCERNING BOTTLED WATER

Notification of Mutually Agreed Solution

The following communication, dated 24 April 1996, from Canada and the Republic of Korea, is circulated pursuant to Article 3.6 of the DSU.

In accordance with paragraph 6 of Article 3 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, the Governments of the Republic of Korea and Canada hereby notify the Dispute Settlement Body that, with respect to the matter raised by the Government of Canada in its request for consultations with the Republic of Korea dated 8 November 1995, regarding certain laws and regulations of the Republic of Korea concerning bottled water, the parties have reached a mutually satisfactory solution as set forth in the attached notification.

We would ask you to circulate the attached notification to the Dispute Settlement Body, the Council for Trade in Goods, the Committee on Sanitary and Phytosanitary Measures, the Committee on Technical Barriers to Trade, the Committee on Market Access and the Committee on Agriculture.

The Governments of the Republic of Korea and Canada wish to notify the Dispute Settlement Body that, with respect to the matter raised by the Government of Canada in its request for consultations with the Republic of Korea dated November 8, 1995, regarding certain laws and regulations of the Republic of Korea concerning bottled water, the parties have reached a mutually satisfactory solution based on the fulfilment of the undertakings set forth in the understanding that is attached hereto as an annex.

This understanding is without prejudice to the rights or obligations of either Member under the Agreement Establishing the World Trade Organization.

ANNEX

Letter from the Republic of Korea to Canada, dated 1 April 1996

As a result of bilateral consultations between our two governments, I am writing to confirm that the following understanding has been reached on the issue of bottled water.

With respect to the issue of ozonation, the Government of the Republic of Korea will take every measure available under its authority to amend the relevant laws and regulations with a view to allowing the importation, sales and distribution of ozone-treated bottled water by January 1, 1997 if possible, but no later than April 1, 1997. Towards this objective, the Government of the Republic of Korea will:

- submit a bill to amend the Drinking Water Management Act to the regular session of the National Assembly which begins in September 1996;
- undertake to implement any required regulatory changes immediately after the passage of the bill;
- undertake to establish technical regulations on the use of ozonation in a way not to create an unnecessary obstacle to international trade; and
- provide the Government of Canada with copies of the draft of the bill and its enforcement regulations at the earliest opportunity.

In order to resolve the immediate shelf-life problems for bottled water, the Government of the Republic of Korea will make its best efforts to ensure the transparency of its procedure for an extension of shelf-life. The procedure will under normal circumstances take one month from the date the application is received with supporting materials required under the relevant Korean regulations. In this regard, upon request of the Government of Canada, the Government of the Republic of Korea will provide copies of relevant regulations and other materials necessary to help understand the procedure.

The Government of Canada and the Government of the Republic of Korea will notify the relevant bodies of the WTO that they have reached a mutually satisfactory solution based on the fulfilment of the undertakings set out in this understanding with regard to the matter raised by the Government of Canada on November 9, 1995. This letter and your letter in reply is without prejudice to the rights or obligations of either Member under the Agreement Establishing the World Trade Organization.

Letter from Canada to the Republic of Korea, dated 1 April 1996

I acknowledge receipt of your letter dated April 1, 1996, that reads as follows:

"As a result of bilateral consultations between our two governments, I am writing to confirm that the following understanding has been reached on the issue of bottled water.

With respect to the issue of ozonation, the Government of the Republic of Korea will take every measure available under its authority to amend the relevant laws and regulations with a view to allowing the importation, sales and distribution of ozone-treated bottled water by January 1, 1997 if possible, but no later than April 1, 1997. Towards this objective, the Government of the Republic of Korea will:

- submit a bill to amend the Drinking Water Management Act to the regular session of the National Assembly which begins in September 1996;
- undertake to implement any required regulatory changes immediately after the passage of the bill;
- undertake to establish technical regulations on the use of ozonation in a way not to create an unnecessary obstacle to international trade; and
- provide the Government of Canada with copies of the draft of the bill and its enforcement regulations at the earliest opportunity.

In order to resolve the immediate shelf-life problems for bottled water, the Government of the Republic of Korea will make its best efforts to ensure the transparency of its procedure for an extension of shelf life. The procedure will under normal circumstances take one month from the date the application is received with supporting materials required under the relevant Korean regulations. In this regard, upon request of the Government of Canada, the Government of the Republic of Korea will provide copies of relevant regulations and other materials necessary to help understand the procedure.

The Government of Canada and the Government of the Republic of Korea will notify the relevant bodies of the WTO that they have reached a mutually satisfactory solution based on the fulfilment of the undertakings set out in this understanding with regard to the matter raised by the Government of Canada on November 9, 1995. This letter and your letter in reply is without prejudice to the rights or obligations of either Member under the Agreement Establishing the World Trade Organization".

I am pleased to confirm that your letter reflects our mutual understanding on the issue of bottled water.

Canada also wishes to register that it views the above undertaking on shelf life as a temporary solution for this issue. Canada intends to continue to encourage Korea to adopt a manufacturer determined shelf-life system for bottled water.