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**BELGIUM – ADMINISTRATION OF MEASURES
ESTABLISHING CUSTOMS DUTIES FOR RICE**

Request for Consultations by the United States

The following communication, dated 12 October 2000, from the Permanent Mission of the United States to the Permanent Mission of Belgium and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of Belgium pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article 19 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Customs Valuation Agreement), Article 14 of the Agreement on Technical Barriers to Trade, and Article 19 of the Agreement on Agriculture, with respect to the administration by Belgium of laws and regulations establishing the customs duties applicable to rice imported from the United States.

Since July 1997, Belgian customs authorities have established customs values and duties for rice by using reference prices coupled with provision for a possible rebate of tariff overcharges on rice imports so that at least in theory the duties ultimately imposed would be consistent with Belgium's commitments under Headnote 7 of the Schedule of Specific Commitments of the European Communities and their Member States LXXX, a part of the GATT 1994. It appears, however, that Belgium has failed to administer the pertinent laws and regulations in a manner that is consistent with its WTO obligations, leading to a denial of the specified duty rebates on rice imported from the United States and the assessment of duties in excess of the bound rate of duty in contravention of Article II of the GATT 1994.

In addition, Belgium's use of reference prices in the calculation of the applicable import duties would appear to be inconsistent with Article VII of the GATT 1994 and the Customs Valuation Agreement. Belgium's refusal to recognize certain widely accepted industry standards associated with the grading of rice, moreover, appears to be inconsistent with Articles 2, 3, 5, 6, 7 and 9 of the Agreement on Technical Barriers to Trade.

Belgium has also failed to administer its customs valuation determinations and its assessment of tariffs on imported rice in a transparent manner, which has produced substantial uncertainty regarding the rate of duty that will be applicable to shipments of imported rice, thereby impeding trade. Moreover, the measures by Belgian authorities appear to have been applied in a manner that discriminates against rice imported from the United States. The Belgian measures have restricted imports of rice into Belgium. Thus, the Belgian measures also appear to be inconsistent with

Belgium's obligations under GATT Articles I, X and XI, and Article 4 of the Agreement on Agriculture.

The measures of Belgium appear to be inconsistent with the following specific provisions of the identified Agreements:

1. GATT 1994, Article I, II, VII, VIII, X and XI;
2. Customs Valuation Agreement, Articles 1-6, 7, 10, 14, 16 and Annex I;
3. Agreement on Technical Barriers to Trade, Articles 2, 3, 5, 6, 7 and 9;
4. Agreement on Agriculture, Article 4.

Belgium's measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.
