

CROATIAN BAN ON ROAD TRANSIT OF CRUDE OIL AND OIL PRODUCTS

Communication from the Republic of Slovenia

The following communication, dated 22 January 2002, has been received from the Permanent Mission of the Republic of Slovenia.

The Government of Croatia adopted a measure by an administrative act, effective 16 January 2002, without prior notice, imposing a ban on the transit of oil and oil products through its territory by road (published in the Official Journal of the Republic of Croatia No.2/2002 of 8 January 2002). The Government of Slovenia believes that the measure is in direct violation of Article V of the General Agreement on Tariffs and Trade 1994, particularly, paragraphs 2, 4 and 6 of that Article. With the measure Croatia violated its terms of accession to the World Trade Organization and disrupted the normal course of international trade, causing damage to economic operators in Slovenia as well as to other economies of the region, especially in view of the vital supply links with territories depending on the regular supply of oil and oil products (for example landlocked Bosnia & Herzegovina).

The Government of Slovenia considers the measure highly disruptive to trade, and insensitive considering the geographical and political circumstances in the region. The measure imposed does not have any proper justification and is intended to provide a market advantage for the domestic industry in certain markets in the region. The measure is discriminatory in respect of the principles of national treatment regarding regulations imposed on traffic.

The Government of Slovenia has protested and raised the matter bilaterally, requesting Croatia to withdraw the measure immediately. These efforts for the time being have been unsuccessful. Slovenia would also like to reserve its rights under the WTO provisions including recourse to the WTO Dispute Settlement Mechanism.

The Government of Slovenia believes that the matter is of such nature and with such potential consequences that it should be addressed by the Council for Trade in Goods, and Members of the World Trade Organization through it:

- to be informed of the measures imposed by Croatia and of the economic and other implications;
- to hear a request by the Government of Slovenia for the measures to be repealed and the damage caused be redressed;
- to reemphasize the obligations of Croatia, as a newly acceded country, under its terms of accession and/or its obligations from the WTO agreements.

In accordance with Rule 3 and Rule 4 of the Rules of Procedure for Meetings of the Council for Trade in Goods and in accordance with Article IV:5 of the Marrakesh Agreement Establishing the World Trade Organisation, on the basis of which the Council for Trade in Goods has the duty to oversee the functioning of the multilateral trade agreements, the Government of Slovenia hereby requests that the Council place this item on its agenda at its forthcoming meeting.
