

**EUROPEAN COMMUNITIES – MEASURES AFFECTING
IMPORTS OF WINE**

Request for Consultations by Argentina

The following communication, dated 4 September 2002, from the Permanent Mission of Argentina to the Permanent Delegation of the European Commission and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

The Government of the Republic of Argentina hereby requests consultations with the European Commission pursuant to Article 14.1 of the Agreement on Technical Barriers to Trade (TBT), Article XXIII.1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 4 of the World Trade Organization (WTO) Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), regarding several EU regulations and other mandatory provisions on oenological practices and on trade in wines.

The Republic of Argentina considers that some provisions contained – although not exclusively – in the following EU regulations, as well as other policies and procedures related to the administration and the common organization of the market in wine, the establishment of authorized oenological practices and the regulation of trade between the countries of the EU and third countries, are inconsistent with the obligations of the European Union under the WTO, either on their face or as applied, as set forth in greater detail below:

- Council Regulation (EC) No. 1493/1999.
- Commission Regulation (EC) No. 883/2001.

Argentina considers that the referred regulations and measures are inconsistent with the following provisions of the Agreement on Technical Barriers to Trade of the GATT 1994, the General Agreement of Tariffs and Trade 1994 itself, and the WTO Agreement :

- Articles 2 and 12 of the Agreement on Technical Barriers to Trade;
- Articles I.1 and III.4 of the General Agreement on Tariffs and Trade (GATT 1994); and
- Article XVI.4 of the WTO Agreement.

Argentina's specific claims related to the regulations establishing the common organization of the European market for wines and to the provisions applicable to trade between the European Union and third countries on this product which include, although not exclusively, those requirements imposed in connection with the process of acidification, are as follows:

1. The European Commission established through Regulation (EC) 1493/1999 a set of requirements regarding oenological practices that are more trade restrictive than they

should and could be, creating as a consequence an unnecessary obstacle to trade, in a manner which is inconsistent with European obligations under Art. 2.2 of the Agreement on Technical Barriers to Trade. Moreover, Argentina claims that, the restriction imposed to certain wines irrespective of its origin, as a result of the enforcement and application of Regulation (EC) 1493/1999, is inconsistent too with Article 12.3 of the same Agreement.

2. For the purpose of establishing the oenological practices authorized for the process of acidification of wines, described in Annex IV of Regulation (EC) 1493/1999, the EU Commission did not take into account the Resolutions OENO 3 and 4 of 1999, and OENO 13 and 14 of 2001, acting inconsistently with its obligations under Article 2.4 of the TBT.
3. Pursuant to (the procedure established in) Article 45 of Regulation 1493/1999, the EU has signed bilateral treaties with several WTO Members, benefiting those countries with particular exceptions to the general rule contained in the aforementioned Regulation regarding the acidification of wines with malic acid. The EU has also issued the Council Regulation (EC) No. 1037/2001, providing an specific derogation to the general rule governing authorized oenological practices, for wines produced in the territory of another WTO Member. By so doing, and since those benefits have not been extended to other WTO Members, the EU has acted inconsistently with its obligations under Article 2.1 of the TBT and Article I.1 of the GATT 1994.
4. The EU has also a bilateral agreement with a Member, governing several aspects related to the trade in wine between them. Under this agreement, both parties have the possibility to export to the territory of the other party, wines acidified with malic acid. This is inconsistent with EU obligations under Article III.4 of the GATT 1994.

The Government of the Republic of Argentina reserves the right to request the production of information and documents from the EU, and to raise further factual claims and legal issues during the course of consultations.

The Government of the Republic of Argentina looks forward to receiving your reply to this request and to fixing a mutually acceptable date for consultations.
