

**ARGENTINA - MEASURES AFFECTING IMPORTS OF FOOTWEAR,  
TEXTILES, APPAREL AND OTHER ITEMS**

Communication from Argentina

The following communication, dated 25 June 1998, from the Permanent Mission of Argentina to the Chairman of the Dispute Settlement Body, is circulated at the request of that delegation.

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Following the interventions of Argentina and the United States of America in the DSB meeting on 22 June 1998, related to the dispute "Argentina – Measures Affecting Footwear, Textiles, Apparel and Other Items "(WT/DS56/R, WT/DS56/AB/R and Corr.1), please find enclosed the letters that contain the agreement announced.

Enclosure 1: Letter from H.E. Mr. Juan C. Sánchez Arnau, Ambassador, Permanent Mission of Argentina, to H.E. Ms. Rita D. Hayes, Ambassador, Permanent Mission of the United States, dated 5 June 1998

I have been instructed by my authorities to submit to you Argentina's proposal on the implementation of the recommendations contained in the Panel Report (WT/DS56/R) as modified by the Appellate Body (WT/DS56/AB/R and Corr. 1) concerning the minimum specific import duties on textiles and apparel and the statistical tax. This proposal, which is attached hereto, covers both issues and forms a single whole which, in case of an agreement, could be made official through an exchange of notes.

I look forward to hearing from you on this matter.

**PROPOSAL BY ARGENTINA ON THE IMPLEMENTATION OF THE  
RECOMMENDATIONS CONTAINED IN THE REPORTS OF THE  
PANEL (WT/DS56/R) AND OF THE APPELLATE BODY  
(WT/DS56/AB/R AND CORR.1)**

**A. SPECIFIC DUTIES**

1. It is understood that a maximum limit will have to be established on all import duties charged upon clearance of goods classified under headings 51 to 63 (textiles and apparel). Such duties must not exceed 35 per cent of the declared value of the goods.

2. This will ensure and indeed guarantee fulfilment in all import transactions of the commitment assumed by Argentina in its WTO Schedule LXIV to apply import duties whose *ad valorem* equivalents do not exceed 35 per cent.

3. To this end, Argentina plans to introduce a measure in the form of a ministerial resolution establishing such a limit and instructing the Directorate-General of Customs to provide for a special procedure in the framework of the clearance procedures concerning definitive import for consumption of textiles and apparel. This procedure will be brought into force 90 days after the publication of the Ministerial Resolution.

**B. STATISTICAL TAX**

1. Argentina undertakes to apply the statistical tax at a rate of 0.5 per cent to all import transactions covered, with a maximum ceiling by range of value of each shipment imported as shown in annex hereto.

2. The total amount of the statistical tax to be collected in 1998 should be approximately US\$73.25 million. This forecast was made on the basis of estimates of the cost to the Argentine State of operating the preshipment inspection service brought into force by Decree 477/97.

3. This estimated cost was divided by the number of transactions (shipments broken down by range of value as shown in annex) resulting in the figure of 0.5 per cent, and maximum ceilings were established by range of value for each import transaction.

4. The determination of the ranges and the budget estimate (resulting in the mentioned percentage) are to be reflected in a specific article of the budget Bill for the fiscal year 1999 which the Executive will be submitting to Congress.

5. Thus, the commitment assumed by Argentina will enter into force on 1 January 1999.

Statistical tax 0.5%      1-1-99

Range	Maximum ceiling
Less than 10,000 US\$	\$ 50
Between 10,001 and 20,000 US\$	\$ 100
Between 20,001 and 30,000 US\$	\$ 200
Between 30,001 and 50,000 US\$	\$ 300
Between 50,001 and 100,000 US\$	\$ 400
More than 100,001 US\$	\$ 500

Enclosure 2: Letter from H.E. Ms. Rita D. Hayes, Ambassador, Permanent Mission of the United States to Mr. Juan C. Sánchez Arnau, Ambassador, Permanent Mission of Argentina, dated 5 June 1998

Dear Mr. Ambassador,

Thank you for your letter of 5 June which included Argentina's proposal on implementation setting forth the time and manner in which Argentina intends to implement the findings of the Panel and the Appellate Body in reports circulated as WT/DS56/R, WT/DS56/AB/R and Corr.1 and adopted by the Dispute Settlement Body on 22 April 1998. A copy of your letter and Argentina's proposal is attached hereto.

The United States agrees that the reasonable period of time for the purpose of Article 21.3 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) shall be 180 days from 22 April to conform its specific duties on textiles and apparel to the findings in the panel and Appellate Body reports and that this period shall end on 19 October 1998. The United States further agrees that the reasonable period of time for the purpose of Article 21.3 of the DSU shall be 242 days from 22 April for Argentina to conform its statistical tax to the findings in the reports and that this period shall end on 1 January 1999.

The United States believes that Argentina will have properly implemented the Panel and Appellate Body reports when it institutes appropriate measures to, and in fact does, (1) ensure that its specific duties on textiles and apparel do not exceed the equivalent of 35 per cent *ad valorem*, and (2) no longer charge an *ad valorem* statistical tax without upper limits and modify such tax to approximate the cost of rendering a service to importers.

Your letter of 5 June and Argentina's proposal on implementation indicated that Argentina will so conform its measures to the findings of the Panel and Appellate Body. To the extent that Argentina does so, the United States would be in a position to agree that Argentina has implemented the rulings and recommendations of the Dispute Settlement Body.

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