

UNITED STATES - RESTRICTIONS ON IMPORTS OF SUGAR

Recourse to Article XXIII:2 by Australia

Communication from Australia

The following communication, dated 19 July 1988, has been received from the Permanent Mission of Australia.

The Government of Australia, pursuant to Article XXIII:2 of the General Agreement, wishes to refer to CONTRACTING PARTIES a request for the establishment of a panel to review United States's restrictions on sugar imports.

Council was informed last month that Australia had held consultations with the United States on this subject under the provisions of Article XXII:1 of the General Agreement. The consultations served to reinforce our view that the United States import restrictions on sugar are not consistent with the United States' obligations under the relevant provisions of the General Agreement, in particular Article XI.

The United States has maintained import quotas on sugar since 1982. Those quotas have operated in an increasingly restrictive fashion. Import levels were as high as 6.0 million short tons ten years ago; import totalled only 1.3 million short tons in 1987. The operation of the regime has adversely affected world prices. It has, moreover, led to a significant fall in sugar consumption in the United States. In our own case, Australia's quota in the United States' sugar market has declined from 232,000 short tons in 1982/83 to 58,000 short tons in 1988.

Australia has made clear to the United States, including during the Article XXII consultations, the Australian Government's serious concern about the impact of these restrictions on Australia's sugar exports to the United States, which serve to nullify and impair benefits accruing to Australia within the meaning of Article XXIII:1 of the General Agreement.

The Australian Government therefore requests the Council to establish a panel to review this matter under Article XXIII:2 of the General Agreement.