

GENERAL AGREEMENT ON

RESTRICTED

DS10/1

3 January 1990

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TARIFFS AND TRADE

Original: English

THAILAND: RESTRICTIONS ON IMPORTATION OF
AND INTERNAL TAXES ON CIGARETTES

Request for Consultation under Article XXIII:1 by
the United States

The following communication from the United States Trade Representative, dated 22 December 1989, is circulated in accordance with paragraph C.3 of the CONTRACTING PARTIES' 1989 Decision on Improvements to the GATT Dispute Settlement Rules and Procedures (L/6489).

On instructions from my authorities, I wish to convey to you the request of the United States for consultations under Article XXIII:1 of the General Agreement on Tariffs and Trade concerning the prohibition of imports of cigarettes and the discriminatory taxation system on such products maintained by the Royal Thai Government.

The United States believes that the restriction on imports of cigarettes is in clear contravention of Thailand's obligations under the General Agreement, inter alia, of Article XI. Furthermore, Thailand has recognized that the incidence of business and excise taxes on imported and domestically produced articles, including cigarettes, results in disparate treatment within the meaning of Article III of the General Agreement. (I refer to paragraph 3 of Thailand's Protocol of Accession. BISD 29th Supplement at page 3, L/5403. The extension of the time limit provided for in paragraph 3 of the Protocol will expire on June 1990. BISD 34th Supplement at page 28, L/6190). The United States believes that these actions nullify or impair benefits accruing to it under the General Agreement.

As you know, our two governments have held several bilateral consultations on these matters which have not produced a satisfactory adjustment of the situation. Accordingly, my authorities have decided to request consultations under Article XXIII:1 of the General Agreement.

We make this request pursuant to the new procedures agreed at Montreal (L/6489) and seek consultations at your earliest convenience. It would be most convenient for my authorities if we could consult in Geneva on Friday, January 26, 1990.

As provided in paragraph C.3 of the Montreal procedures, I am notifying the Director General of the GATT of this request for consultations.