

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
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EEC-RESTRICTIONS ON IMPORTS OF APPLES

Communication from Chile and the European Community

The following communication, dated 13 June 1994, and comprising an "Agreement in the form of an exchange of letters between the European Community and the Republic of Chile on imports of apples and pears into the Community", has been received from Chile and the European Community.

In conformity with provisions of the Decision of the CONTRACTING PARTIES of 12 April 1989 concerning Improvements to the GATT Dispute Settlement Rules and Procedures, whereby mutually agreed solutions to matters raised under GATT Article XXIII must be notified to the Council, I am able to inform you that my Government and the European Union have reached an agreement which puts an end to the dispute settlement procedure initiated by the Council of Representatives at its meeting of 22 September 1993 calling for a Panel to examine the complaint by Chile against the European Economic Community concerning EEC's restrictions on imports of apples from Chile.

Attached hereto is an exchange of diplomatic letters between Chile and the European Community dated 25 May 1994.

Brussels, 25 May 1994

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

"Further to the discussions held between the European Community (hereinafter referred to as the 'Community') and the Republic of Chile (hereinafter referred to as 'Chile') concerning the access of apples and pears from Chile to the Community market, the two parties have agreed upon the following:

1. The Community shall apply the following provisions with regard to the import of apples and pears:
 - (a) The entry price for a given exporting country shall be equal to the lowest representative price, or to the weighted average of the lowest representative prices, recorded for at least 60 per cent of the quantities from the exporting country concerned which are marketed on all representative markets for which prices are available;
 - (b) the countervailing charge will be withdrawn if there are no prices below the reference price for four consecutive working days in respect of the exporting country concerned;
 - (c) as regards the abolition of a countervailing charge, if only insignificant sales take place for a day, it shall be deemed that no sales have taken place on that day.

 2. The Community also commits itself to the following:
 - (a) The Community will reduce by 50 per cent the ad valorem base rate of duties indicated in its final Uruguay Round schedule for imported apples and pears, respecting the entry price, during the period 1 April to 31 July. This reduction will be made in the instalments provided for in the schedule;
 - (b) the Community shall reduce autonomously by 50 per cent, for the period 1 April to 30 June, the ad valorem customs duties for imports of apples and pears imported below the entry price;
 - (c) when implementing the results of the Uruguay Round, the Community shall add the following lines to subheading 0808.10.99 for the period 1 April to 30 June in respect of its attached Annex on Apples:

-	not less than ECU 56.4, but less than 57.7:	6% + ECU 6.3
-	not less than ECU 55.2 but less than 56.4:	6% + ECU 7.5
-	equal to or lower than ECU 55.2:	6% + ECU 29.7
- and shall add the following lines to subheading 0808.20.33 for the period 1 April to 30 June in respect of its attached Annex on Pears:
- | | | |
|---|---|---------------|
| - | not less than ECU 51.2 but less than 52.3: | 5% + ECU 5.7 |
| - | not less than ECU 50.1, but less than 51.2: | 5% + ECU 6.8 |
| - | equal to or lower than ECU 50.1: | 5% + ECU 29.7 |

These figures shall be adjusted in line with the implementation of the Community's Uruguay Round commitments.

3. Chile shall withdraw its GATT complaint on Community restrictions on imports of apples from Chile, upon the adoption of the Community legislation referred to in paragraph 1, and the Community's notification to the GATT of the provisions in paragraph 2(a).
4. Chile shall not initiate GATT dispute settlement procedures against the Community's system of countervailing charges which was the subject of the GATT panel on Community restrictions on imports of apples from Chile, established by the GATT Council on 22 September 1993.

I should be obliged if you would confirm that your Government is in agreement with the above.

I have the honour to propose that, if the above is acceptable to your Government, this letter and your confirmation shall together constitute an agreement between the European Community and the Republic of Chile."

I am able to confirm to you that the foregoing is acceptable to my Government in order to let you know also that, in accordance with your proposal, my Government agrees that your letter and this confirmation thereof constitute an agreement between the European Community and the Republic of Chile.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Government of the
Republic of Chile

Brussels, 25 May 1994

Sir,

Further to the discussions held between the European Community (hereinafter referred to as the 'Community') and the Republic of Chile (hereinafter referred to as 'Chile') concerning the access of apples and pears from Chile to the Community market, the two parties have agreed upon the following:

1. The Community shall apply the following provisions with regard to the import of apples and pears:

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- (b) the countervailing charge will be withdrawn if there are no prices below the reference price for four consecutive working days in respect of the exporting country concerned;
- (c) as regards the abolition of a countervailing charge, if only insignificant sales take place for a day, it shall be deemed that no sales have taken place on that day.

2. The Community also commits itself to the following:

- (a) The Community will reduce by 50 per cent the ad valorem base rate of duties indicated in its final Uruguay Round schedule for imported apples and pears, respecting the entry price, during the period 1 April to 31 July. This reduction will be made in the instalments provided for in the schedule;
- (b) the Community shall reduce autonomously by 50 per cent, for the period 1 April to 30 June, the ad valorem customs duties for imports of apples and pears imported below the entry price;
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-	not less than ECU 55.2 but less than 56.4:	6% + ECU 7.5
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-	not less than ECU 51.2 but less than 52.3:	5% + ECU 5.7
-	not less than ECU 50.1 but less than 51.2:	5% + ECU 6.8
-	equal to or lower than ECU 50.1:	5% + ECU 29.7

These figures shall be adjusted in line with the implementation of the Community's Uruguay Round commitments.

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Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council
of the European Union