

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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EEC REFUNDS ON EXPORTS OF MALTED BARLEY

Recourse to Article XXIII by Chile

The following communication, dated 26 October 1977, has been received from the Permanent Delegation of Chile.

I have the honour to request you kindly to include in the agenda for the next meeting of the GATT Council the matter expounded in the attached note.

As you will see, this concerns the difficulties encountered by Chile's exports of malted barley by reason of unfair competition from exports by the European Communities which enjoy subsidies that enable them to displace us from traditional markets.

In view of the fact that earlier representations on this subject have been fruitless, my delegation intends to request the Council to apply the provisions of Article XXIII of the General Agreement, and more particularly those envisaging intervention by the Director-General to settle disputes between developing and developed countries.

Accordingly, I am ready to furnish all relevant background material in this delegation's possession, so that you may have full information on the matter.

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ANNEX

1. With effect from 1 July 1977, the Commission of the European Communities established new measures to promote its exports of malt (Regulations Nos. 1454/77 and 1455/77), which will be in force until 30 June 1978.
2. The above-mentioned provisions mean that exports of malted barley will continue to enjoy a subsidy that allows them to compete on highly advantageous terms in the international market, particularly with developing countries that are exporters of this product.
3. On numerous occasions, Chile has raised the specific problem of its traditional exports of malted barley, which are being displaced from traditional markets by this action on the part of the Communities. The situation has been examined both bilaterally and within GATT, but without result.
4. For the above reasons, the delegation of Chile considers that the time has come to resort to the procedures established under Article XXIII of the General Agreement which are specifically designed for the settlement of disputes between a developing country and a developed country.