

# WORLD TRADE ORGANIZATION

RESTRICTED

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## IMPAIRMENT BY THE EUROPEAN COMMUNITY OF TARIFF TREATMENT OF HIGH-TECHNOLOGY PRODUCTS

### Communication by the United States

The following communication has been received from the delegation of the United States.

The United States wishes to draw the attention of Members to recent developments in the EC's tariff treatment of high-technology imports. The treatment contemplated in the EU's Uruguay Round Schedule for products including Local Area Network (LAN) equipment, as well as personal computers with television capability, has been impaired by the application of higher duty rates to these products.

LAN equipment appears to have been reclassified into a higher-duty-rate category in Ireland, and personal computers with television capability appear to have been reclassified as televisions in the United Kingdom. Similar actions may be planned in other EC Member states. Consequently, the United States considers that exports of these products from the United States are not receiving the treatment contemplated in the EC's Uruguay Round Schedule. The trade involved amounts to hundreds of millions of dollars per year, and is growing every year.

Article II:1 of the General Agreement provides an absolute obligation to accord treatment no less favourable than that contemplated in a Member's Schedule. This obligation is basic, as it simply requires that a Member deliver on the promises it has made. In our view, the reclassifications by Ireland and the United Kingdom are not consistent with the Community's Schedule. They should be corrected in order to uphold the Community's obligations under the WTO Agreement and no further such reclassifications should take place.