

CHILE - TAXES ON ALCOHOLIC BEVERAGES

Request for Consultations by the United States

The following communication, dated 11 December 1997, from the Permanent Mission of the United States to the Permanent Mission of Chile and to the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with Chile pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes and Article XXII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), concerning Chile's internal taxes on certain alcoholic beverages.

Chile's tax regime for distilled spirits, including the changes made applicable and effective on 1 December, appears to be inconsistent with Chile's national treatment obligations under Article III:3 of the GATT 1994. In particular, we understand that tax rates on pisco are lower than those on distilled spirits imported from the United States.

I look forward to receiving your reply to this request and to fixing a mutually convenient date for consultations.