

Original: Spanish

**CHILE - PRICE BAND SYSTEM AND SAFEGUARD MEASURES
RELATING TO CERTAIN AGRICULTURAL PRODUCTS**

Request for Consultations by Guatemala

The following communication, dated 5 January 2001, from the Permanent Mission of Guatemala to the Permanent Mission of Chile and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

I wish to inform you that I have received instructions from the authorities of my country to request consultations with the Government of Chile under Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article 19 of the Agreement on Agriculture and Article 14 of the Agreement on Safeguards, concerning the following:

- (a) The Chilean legislation on safeguards and the price band system contained in Law 18,525, as amended by Law 18,591 and subsequently by Law 19,546, as well as the regulations and supplementary provisions and/or amendments establishing the said system, since they would appear to be inconsistent with various provisions of the GATT, *inter alia* but not exclusively with the following provisions of the WTO Agreements: Article II of the GATT 1994 and Article 4 of the Agreement on Agriculture.
- (b) With respect to safeguards, the initiation of the investigation concerning products subject to the price band system contained in notification G/SG/N/6/CHL/2, the conduct of the investigation, the preliminary determination contained in notification G/SG/N/7/CHL/2/Suppl.1, and the final determination contained in notifications G/SG/N/8/CHL/1, G/SG/N/10/CHL/1, G/SG/N/8/CHL/1/Suppl.1 and G/SG/N/10/CHL/1/Suppl.1. The Government of Guatemala considers that in these determinations the Government of Chile has made errors that have resulted in erroneous findings and flawed conclusions, *inter alia*, by grouping four products in a single procedure, in the findings of serious injury, increased imports and causal link, as well as the determination to apply safeguard measures, and their imposition, calculation and levying, which are inconsistent with the Government of Chile's obligations under the provisions of the Agreement on Safeguards and Article XIX of the GATT 1994, in particular but not necessarily exclusively Articles 2, 3, 4, 5, 6 and 12 of the Agreement on Safeguards and Article XIX.1 of the GATT 1994.

- (c) The request for the extension of these measures contained in notifications G/SG/N/10/CHL/1/Suppl.2 and G/SG/N/10/CHL/1/Suppl.2/Corr.1 would appear to be inconsistent, *inter alia*, because they do not comply with the time-limits, no evidence has been given of the plan for the adjustment of the domestic industry, and because it does not appear to be well-founded in accordance with the criteria of the Agreement on Safeguards. The Government of Guatemala considers that the request for an extension, including the latter, infringe Chile's obligations under the provisions of GATT 1994 and the Agreement on Safeguards in particular but not necessarily exclusively Articles 2, 3, 4, 5, 6, 8 and 12 of the Agreement on Safeguards.

The Government of Guatemala reserves the right to raise other factual or legal claims in the course of the consultations.

We look forward to the reply by the authorities of Chile to this request and the setting of a mutually convenient date and place for initiating the consultations.
