

WORLD TRADE ORGANIZATION

RESTRICTED

WT/DSB/M/172

12 July 2004

(04-2976)

Dispute Settlement Body
6 July 2004

MINUTES OF MEETING

Held in the Centre William Rappard
on 6 July 2004

Chairperson: Ms Amina Mohamed (Kenya)

1. Mexico – Tax measures on soft drinks and other beverages

(a) Request for the establishment of a panel by the United States (WT/DS308/4)

1. The Chairperson recalled that the DSB had considered this matter at its meeting on 22 June and had agreed to revert to it. She drew attention to the communication from the United States contained in document WT/DS308/4 and invited the United States to speak.

2. The representative of the United States said that, as discussed at the 22 June DSB meeting, the United States was concerned that Mexico's tax measures on beverages and syrups made with any sweetener other than cane sugar were inconsistent with Mexico's obligations under the GATT 1994. The United States recalled that at the 22 June DSB meeting, Mexico had suggested that the US request was premature because the industries concerned had been engaged in negotiations. Unfortunately, industry negotiations, which had been ongoing for nearly a year on a broad range of issues, had not resolved the matters raised in the US panel request. Therefore, for the reasons discussed at the 22 June DSB meeting, the United States again requested that the DSB establish a panel pursuant to Article 6 of the DSU, with standard terms of reference, to examine the matters set forth in the US panel request.

3. The representative of Mexico said that his country objected to the establishment of a panel. However, because of the principle of semi-automaticity, his country recognized that a panel would have to be established at the present meeting. He said that Mexico would make its arguments before the panel.

4. The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU, with standard terms of reference.

5. The representatives of Canada, China, the European Communities, Japan and Pakistan reserved their third-party rights to participate in the Panel's proceedings.
