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**ARGENTINA – COUNTERVAILING DUTIES ON OLIVE OIL,
WHEAT GLUTEN AND PEACHES**

Request for Consultations by the European Communities

The following communication, dated 29 April 2005, from the delegation of the European Communities to the delegation of Argentina and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

The European Communities hereby requests consultations with Argentina pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (the DSU), Article XXII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 30 of the Agreement on Subsidies and Countervailing Measures (*SCM Agreement*), in respect of countervailing duties imposed on imports of olive oil, wheat gluten and canned peaches originating in the European Communities by "Resolución 827/2004" of 31 December 2004, "Resolución 546/2004" of 20 August 2004 and "Resolución 803/2004" of 17 December 2004 of the *Ministerio de Economía y Producción* of Argentina,

The European Communities considers that the countervailing duties imposed on imports of olive oil, wheat gluten and canned peaches originating in the European Communities are inconsistent with Argentina's obligations under, *inter alia*, Article VI:3 of the GATT 1994, Articles 1, 10, 11 (in particular paragraphs 2, 3, 4, and 9), 12, 14, 19 (in particular paragraphs 1, 3 and 4) and Article 21 (paragraphs 1, 2, 3 and 4) of the *SCM Agreement*.

The inconsistencies include:

- the failure of the Argentinean authorities to properly determine the existence of subsidisation, and/or the likelihood of continuation or recurrence of such subsidisation, *inter alia*, by failing to properly determine the existence of any "pass-through" of any benefit;
- the failure of the Argentinean authorities to properly determine the existence of material injury caused by any such subsidisation, and/or the likelihood of continuation or recurrence of such material injury caused by any such subsidisation;
- the failure of the Argentinean authorities to provide an adequate and reasoned explanation that the amount of any alleged subsidy is calculated in an appropriate manner and to carry out an assessment of the facts on the record in an objective and unbiased manner.

The European Communities reserves the right to raise additional claims and legal matters regarding the above-mentioned measures during the course of the consultations.

The European Communities looks forward to receiving the reply of the Government of Argentina to this request to setting a mutually convenient date for consultations.
