

ROMANIA - IMPORT PROHIBITION ON WHEAT AND WHEAT FLOUR

Request for the Establishment of a Panel by Hungary

The following communication, dated 27 November 2001, from the Permanent Mission of Hungary to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

In accordance with Articles 4.8 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), I hereby ask you to convene a special session of the Dispute Settlement Body (DSB) within ten days with the request of the establishment of a Panel as set out below, on its agenda.

On 18 October, Hungary requested consultations with Romania pursuant to Article 4 of the DSU and Article XXII:1 of the GATT 1994 concerning the Joint Decree of the Ministry of Agriculture, Food Industry and Forestry No. 119069 (16.07.2001), Ministry of Family and Health No. 495 (18.07.2001) and the National Consumer Protection Authority No. 1-3687 (19.07.2001) prohibiting the import of wheat and wheat flour which does not meet certain quality requirements. Considering the seasonal character of the products and that the introduced measure stopped all Hungarian exports of these products, which represent a considerable part of the total Hungarian exports to Romania, in these critical circumstances Hungary decided to invoke the urgency procedure provided by the DSU. Accordingly, on 30 October 2001 Hungary requested consultations with Romania pursuant to Article 4.8 of the DSU.

Hungary considers that the import prohibition introduced by the above-mentioned Joint Decree is in violation of Article XI:1 of the GATT 1994. Moreover, domestically produced products are not subject to the same quality requirements, therefore the introduction of the quality requirements is in breach of Article III:4 of the GATT 1994 by being inconsistent with these provisions, the Joint Decree nullifies or impairs the benefits accruing to Hungary under the cited Agreement.

Hungary and Romania held consultations on 10 November 2001. Unfortunately, the consultations failed to settle the dispute.

In view of the foregoing, Hungary hereby requests that a Panel be established pursuant to Articles 4.8 and 6 of the DSU and Article XXIII:2 of GATT 1994. Hungary further requests that the Panel have the standard terms of reference as set out in Article 7 of the DSU.

Hungary requests that the Panel consider the claims and find the Romanian measure is inconsistent with Romania's obligations under Articles XI:1 and III:4 of the GATT 1994.
