

**KOREA – MEASURES AFFECTING IMPORTS OF
FRESH, CHILLED AND FROZEN BEEF**

Request for the Establishment of a Panel by Australia

The following communication, dated 12 July 1999, from the Permanent Mission of Australia to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 6.2 of the DSU.

My authorities have instructed me to request the establishment of a panel pursuant to Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Articles 4 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article 19 of the Agreement on Agriculture and Article 6 of the Agreement on Import Licensing Procedures, with regard to a range of measures imposed by the Republic of Korea on imported beef. This request is submitted for consideration at the meeting of the Dispute Settlement Body on 26 July 1999.

The Government of the Republic of Korea maintains a range of measures related to imported beef that are inconsistent with Korea's WTO obligations. The measures in question are contained in the legislation identified in (i) to (v) below, and in the decrees, regulations and notifications implementing this legislation, including those identified in (vi) to (xi) below:

- (i) Livestock Act (as amended December 1998)
- (ii) Special Act on the Implementation of the Agreement Establishing the World Trade Organization
- (iii) Foreign Trade Act
- (iv) Customs Duties Act
- (v) The Act on Distribution and Price Stabilisation of Agricultural and Fisheries Products
- (vi) Operational Guidelines for Imported Beef under the SBS system
- (vii) Guidelines Concerning Registration and Operation of Specialized Imported Beef Stores
- (viii) Notification and Operation Procedures for Imported Red Meat Stores
- (ix) Regulations Concerning Sales of Imported Beef

(x) MAF Notification 1998-40

(xi) LPMO Notice No. 217.

These measures result in a number of impediments to imports of Australian beef in the Korean market that are inconsistent with Korea's WTO obligations. These impediments include separate distribution systems for imported and domestic beef and requirements that Australian beef be sold only in specialized import stores or displayed in separate cabinets in larger stores. Australian beef also faces regulatory requirements related to its distribution and sale which are not applied to domestic beef and which discriminate against imported beef.

Korea has placed further restrictions on imports of Australian beef by limiting the particular entities permitted to import beef, establishing minimum import prices, manipulating the volume of beef allowed to go to market and denying import approvals.

A mark-up is also applied to imported beef that is not provided for in Korea's schedule of concessions and is not applied to domestic beef.

Korea has also increased the level of domestic support for its cattle industry in amounts which result in the total domestic support provided by Korea exceeding its Aggregate Measurement of Support (AMS) under the Agreement on Agriculture.

Australia considers that the measures referred to are inconsistent with Korea's obligations under the following provisions:

- (i) Articles II, III, X, XI and XVII of the GATT 1994
- (ii) Articles 3, 4, 6 and 7 of the Agreement on Agriculture, and
- (iii) Articles 1 and 3 of the Agreement on Import Licensing Procedures.

In a communication dated 13 April 1999 (WT/DS169/1), the Government of Australia requested consultations with the Government of the Republic of Korea with a view to reaching a mutually satisfactory solution of the matter. Consultations were held pursuant to Article 4 of the DSU, Article XXII:1 of the GATT 1994, Article 19 of the Agreement on Agriculture and Article 6 of the Agreement on Import Licensing Procedures and took place on 28 May 1999. However, the consultations did not result in resolution of the dispute. The Governments of Canada, New Zealand and the United States joined the consultations.

Accordingly, Australia requests the Dispute Settlement Body to establish a panel with the standard terms of reference as set out in Article 7.1 of the DSU.

Australia further asks that this request for a panel be placed on the agenda of the next meeting of the Dispute Settlement Body to be held on 26 July 1999.
