

TURKEY – MEASURES AFFECTING THE IMPORTATION OF RICE

Request for Consultations by the United States

The following communication, dated 2 November 2005, from the delegation of the United States to the delegation of Turkey and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of Turkey pursuant to Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), Article XXII of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994"), Article 6 of the *Agreement on Import Licensing Procedures* ("Import Licensing Agreement"), Article 8 of the *Agreement on Trade-Related Investment Measures* ("TRIMs Agreement"), and Article 19 of the *Agreement on Agriculture* ("Agriculture Agreement") with respect to Turkey's import restrictions on rice from the United States.

Under Turkey's import regime for rice, Turkey requires an import license to import rice. However, Turkey fails to grant licenses to import rice at the bound rate of duty. In addition, Turkey operates a tariff-rate quota for rice imports requiring that in order to import specified quantities of rice at reduced tariff levels, importers must purchase specified quantities of domestic rice, including from the Turkish Grain Board (TMO), Turkish producers, or producer associations ("the domestic purchase requirement").

The United States understands that the measures through which Turkey has maintained these restrictions include:

- Decree No. 96/7794 related to the General Assessment of the Regime Regarding Technical Regulations and Standardization for Foreign Trade (Official Gazette, No. 22541, 1 February 1996, Repeated);
- Decision of the board of ministers: Decree No. 2004/7135 related to the implementation of a tariff quota for certain types of paddy rice and rice types imports (Official Gazette, No. 25439, 20 April 2004);
- A notification related to implementation of tariff quotas for certain types of paddy and rice imports, from the Foreign Trade Undersecretariat (Official Gazette, No. 25445, 27 April 2004);

- Decision of the board of ministers: Decree No. 2004/7333 related to the management of quota and tariff contingent on import (Official Gazette, No. 25473, 26 May 2004);
- Decision of the board of ministers: Decree No. 2004/7756 related to the implementation of a tariff contingent on the import of certain paddy rice and rice types (Official Gazette, No. 25565, 27 August 2004);
- A notification about the implementation of a tariff contingent on the import of certain paddy rice and rice types, from the Foreign Trade Undersecretariat (Official Gazette, No. 25577, 8 September 2004);
- A notification on Standardization in Foreign Trade, Notification No. 2005/05 (Official Gazette, No. 25687, 31 December 2004);
- A notification about the amendment of the notification related to the implementation of a tariff contingent on the import of certain paddy rice and rice types, from the Foreign Trade Undersecretariat (Official Gazette, No. 25767, 26 March 2005);
- A notification about the amendment of the notification related to the implementation of a tariff contingent (customs duty) on the import of certain paddy rice and rice types, from the Foreign Trade Undersecretariat (Official Gazette, No. 25812, 11 May 2005);
- Decision of the board of ministers: Decree No. 2005/9315 related to the implementation of a tariff contingent on the import of certain types of paddy rice and rice types (Official Gazette, No. 25935, 13 September 2005);
- A notification related to the implementation of a tariff contingent on the import of certain paddy rice and rice types, from the Foreign Trade Undersecretariat (Official Gazette, No. 25943, 21 September 2005); and
- any amendments or extensions to these measures, and any related or implementing measures.

Turkey appears to administer the domestic purchase requirement through its import licensing regime.

Turkey's import restrictions on rice thus appear to be inconsistent with the following provisions:

- Article 2.1 and paragraph 1(a) of Annex 1 of the TRIMs Agreement;
- Articles III (including paragraphs 4, 5, and 7) and XI:1 of the GATT 1994;
- Article 4.2 of the Agriculture Agreement; and
- Articles 1.2, 1.3, 1.4, 1.5, 1.6, 3.2, 3.3, 3.5(a), 3.5(b), 3.5(d), 3.5(e), 3.5(f), 3.5(g), 3.5(h), 3.5(k), 5.1, 5.2, 5.3, and 5.4 of the Import Licensing Agreement.

Turkey's measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.
