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**EUROPEAN COMMUNITIES – CUSTOMS CLASSIFICATION OF
FROZEN BONELESS CHICKEN CUTS**

Request for Consultations by Thailand

The following communication, dated 25 March 2003, from the Permanent Mission of Thailand to the Permanent Delegation of the European Commission and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

Upon instruction from the Government of the Kingdom of Thailand, I have the honour to request consultations with the European Communities ("EC") pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") and Article XXII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), with respect to the EC's customs classification for frozen boneless salted chicken cuts.

The measure at issue is the customs reclassification set out in the EC Regulation No.1223/2002 of 8 July 2002 ("Regulation 1223/2002"), as amended by the Corrigendum to Regulation 1223/2002. By virtue of Regulation 1223/2002, frozen boneless chicken cuts impregnated with salt in all parts, with a salt content by weight of 1.2% to 1.9% are reclassified as frozen boneless chicken cuts under code 0207.14.10 of the EC's combined nomenclature (CN). The product must be deep-frozen and has to be stored at a temperature of lower than -18° C to ensure a shelf-life of at least one year. Prior to Regulation 1223/2002, frozen boneless chicken cuts impregnated with salt in all parts were classified as salted meat under CN code 0210.99.39.

As a result of the change in customs classification, frozen boneless salted chicken which had previously been classified as salted meat at the *ad valorem* rate of 15.4% is now classified as frozen chicken at the specific duty of 102.4 Euro per 100 kg, which results in an *ad valorem* rate that is higher than the bound rate.

In the view of Thailand, the measure at issue is inconsistent with the EC's obligations under Articles II:1(a) and II:1(b) of the GATT 1994 and its Schedule of Concessions (Schedule LXXX) and nullifies or impairs benefits accruing to Thailand under the GATT 1994. It also gives rise to the issues of unpredictability and uncertainty for future re-classification and re-modification of the product in question. Thailand therefore requests that the consultations be held at your earliest convenience with a view to achieving a prompt settlement of the matter.

My authorities look forward to receiving your reply to this request. I propose that the date and venue of the consultations be agreed between our missions.
