

**ARGENTINA - TRANSITIONAL SAFEGUARD MEASURES
ON CERTAIN IMPORTS OF
WOVEN FABRICS OF COTTON AND COTTON MIXTURES ORIGINATING IN BRAZIL**

Request for the Establishment of a Panel by Brazil

The following communication, dated 11 February 2000, from the Permanent Mission of Brazil to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

Upon instructions from my authorities, I would like to request the establishment of a panel pursuant to Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Article 8 of the Agreement on Textiles and Clothing (ATC) with respect to transitional safeguard measures established by Argentina, under Article 6 of the ATC, on certain imports of woven fabrics of cotton and cotton mixtures originating in Brazil.

The measures at issue are the transitional safeguards applied as of 31 July 1999 through Resolution MEyOSP 861/99 of the Ministry of the Economy and Public Works and Services of Argentina. The resolution was dated 13 July 1999 and was published on 16 July 1999.

The transitional safeguard measures were applied against five categories or groups of categories of textile imports from Brazil (categories 218, 219/220, 224, 313/317 and 613/617/627). The Argentine system of categories was notified by Argentina in document WT/L/276. Specific product coverage for the transitional safeguard measures against imports from Brazil was stipulated in Resolution MEyOSP 861/99.

On 29 July 1999, Argentina requested consultations with Brazil pursuant to Article 6.11 of the ATC. Consultations were held in Geneva, on 8 September 1999, at which time it was not possible to reach a mutually-agreed solution. On 20 September 1999, Brazil notified the Textiles Monitoring Body (TMB) of the results of the consultations and referred the issue to the TMB in accordance with Article 6.11 of the ATC.

At its meeting of 18-22 October 1999, the TMB conducted a review of the measures implemented by Argentina, having recommended that Argentina rescind the transitional safeguards applied against the imports of the five categories or groups of categories of textile products originating in Brazil (see document WT/TMB/20).

On 29 November 1999, Argentina notified the TMB that it considered itself unable to conform to the recommendations of the TMB, in accordance with Article 8.10 of the ATC.

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At its meeting of 13-14 December 1999, the TMB conducted a review of the reasons given by Argentina and recommended that Argentina reconsider its position and rescind forthwith the transitional safeguards applied against the imports of the five categories or groups of categories of textile products originating in Brazil (see document WT/TMB/21).

In spite of the above-mentioned TMB recommendations, the matter remains unresolved.

Brazil is of the view that the transitional safeguards applied by Argentina on imports of products of categories 218, 219/220, 224, 313/317 and 613/617/627 are inconsistent with the obligations of Argentina under Articles 2, 6 and 8 of the ATC; more specifically with Article 2.4, Article 6.1, 6.2, 6.3, 6.4, 6.7, 6.8 and 6.11, and Article 8.9 and 8.10 of the ATC, and should, therefore, be rescinded forthwith. Brazil also considers that the transitional safeguards nullify or impair benefits accruing, directly or indirectly, to Brazil under the WTO Agreement, including the GATT 1994 and the ATC.

Brazil requests that the panel consider and find that:

1. The transitional safeguards introduced by Argentina are inconsistent with the above-mentioned paragraphs of Articles 2, 6 and 8 of the ATC;
2. The measures in question nullify or impair benefits accruing, directly or indirectly, to Brazil under the WTO Agreement, including the GATT 1994 and the ATC;
3. The Government of Argentina should rescind the measures forthwith.

Brazil requests that the panel to examine the matter be established with standard terms of reference, in accordance with Article 7 of the DSU.

Brazil requests that this request for the establishment of a panel be inscribed in the agenda for the meeting of the Dispute Settlement Body to be held on 24 February 2000.
