

BRAZIL – MEASURES AFFECTING IMPORTS OF RETREADED TYRES

Request to Join Consultations

Communication from Argentina

The following communication, dated 4 July 2005, from the delegation of Argentina to the delegation of Brazil, the delegation of the European Communities and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.11 of the DSU.

I hereby refer to the request made by the European Communities in document WT/DS332/1-G/L/741, circulated on 23 June 2005, for consultations with the Federative Republic of Brazil concerning:

- Brazil's imposition of an import ban on retreaded tyres, notably by virtue of Portaria No. 17 of 1 December 2003 of the Secretariat of Foreign Trade of the Brazilian Ministry of Development, Industry and International Commerce that prohibits the issuance of import licences for retreaded tyres.
- Brazil's adoption of a set of measures banning the importation of used tyres, which are sometimes applied against imports of retreaded tyres, despite the fact that these are not used tyres.
- Brazil's imposition, by virtue of Presidential Decree No. 3919 of 14 September 2001, of a fine of 400 BRL per unit on the importation, as well as the marketing, transportation, storage, keeping or keeping in deposit or warehouses of imported, but not of domestic retreaded tyres.
- Brazil's exemption of retreaded tyres imported from other Mercosur countries from the import ban by means of Portaria No. 2 of 8 March 2002 of the Secretariat of Foreign Trade of the Brazilian Ministry of Development, Industry and International Commerce and from the above-mentioned financial penalties by virtue of Presidential Decree No. 4592 of 11 February 2003, in response to the ruling of a Mercosur panel established at the request of Uruguay.

In view of its substantial trade interest, Argentina requests to be joined in the aforementioned consultations, pursuant to the procedures established in Article 4.11 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).

The above request is based on the fact that the pneumatic tyre industry plays a significant part in Argentina's trade relations with Brazil and the European Communities, both of which are major

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markets for these products. In this connection, and considering that the Brazilian market's share of Argentina's exports of pneumatic tyres over the past 10 years has consistently averaged more than 50 per cent of Argentina's total exports of this product, our country has an interest in participating in this stage of the consultations.

With renewed assurances of my highest consideration, I look forward to a positive response to our request.
