WORLD TRADE ORGANIZATION

RESTRICTED

WT/DSB/M/229
3 May 2007

(07-1834)

Dispute Settlement Body
10 April 2007

MINUTES OF MEETING

Held in the Centre William Rappard
on 10 April 2007

Chairman: Mr. Bruce Gosper (Australia)

1. India – Measures affecting the importation and sale of wines and spirits from the European Communities

(a) Request for the establishment of a panel by the European Communities (WT/DS352/4)

1. The Chairman drew attention to the communication from the European Communities contained in document WT/DS352/4, and invited the representative of the European Communities to speak.

2. The representative of the European Communities said that the issue with regard to which the EC was requesting the establishment of a panel was long-standing and of very serious concern to the EC. Since 1998 the EC had expressed grave concerns regarding restrictions on market access for the EC wine and spirits applied by India. At that time, India had applied quantitative restrictions, which had been removed only after the EC had initiated formal dispute settlement procedures pursuant to the DSU provisions. Upon removal of the quantitative restrictions, India had introduced several other measures, in the form of duties, which had continued to restrict the access of EC wines and spirits to India's market. In particular, India applied an additional duty and an extra additional duty to imported wines and spirits at aggregate levels exceeding those set forth in the tariff schedule of India. The application of those duties constituted a clear violation of India's obligations under Article II:1 of the GATT 1994. On 20 November 2006, the EC had, therefore, requested consultations with India pursuant to Article 4 of the DSU, with a view to reaching a mutually satisfactory solution of the matter. Those consultations, which had been held on 20 and 21 December 2006 in India, had not unfortunately led to an amicable solution. Under the circumstances, the EC was requesting the establishment of a panel pursuant to Article 6 of the DSU.

3. The representative of India said that his delegation was extremely disappointed at the EC's decision to seek a panel on this issue at this stage. As Members were aware, and as the EC had mentioned, India had been working closely with the EC following its request for consultations in November 2006. India had had a detailed two-day process of extensive consultations in New Delhi and had done its best to provide all the information at hand. India had since then also been working very closely with the EC to come to a mutually satisfactory solution and still believed that the parties were headed in that direction. Therefore, India believed that, at this stage, the EC's request was extremely premature and was unable to accept it.

4. The representative of the United States said that his country shared the EC's concern that the additional and extra additional duties imposed by India on imported wine and distilled spirits appeared to be inconsistent with India's WTO obligations. For that reason, on 6 March 2007, the United States had also requested consultations with India with respect to its duties on imports of wine and distilled spirits from the United States. The United States looked forward to its consultations with India and hoped that India would resolve these disputes by eliminating any WTO-inconsistent duties.

5. The DSB took note of the statements and agreed to revert to this matter.