

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Subsidies and
Countervailing Measures

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NOTIFICATION UNDER ARTICLE 7 OF THE AGREEMENT

Request by the United States

The following communication from the United States Trade Representative has been received by the Chairman.

On 31 January 1990, the Committee on Subsidies and Countervailing Measures met to consider, inter alia, a matter referred to the Committee for conciliation: namely, the dispute between the United States and the European Communities (the "EC") relating to the granting of an exchange rate insurance scheme export subsidy by the Federal Republic of Germany. During the discussion of that matter, the representative of the United States noted that the US had, during consultations requested under Article 12 of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (the "Agreement") and on several other occasions, requested an official description of the exchange rate scheme. The representative of the United States noted that the EC had not provided such information to the United States.

In response to the US statement, the representative of the EC stated that the EC would that afternoon provide to the signatories of the Agreement on Trade in Civil Aircraft a description of the scheme. The EC representative further indicated that he did not consider that it would be appropriate to provide this same information to the Committee on Subsidies and Countervailing Measures because the Committee was "incompetent" to consider the matter at issue. At that point, the US representative indicated that the United States would submit a written request for the information pursuant to Article 7, paragraph 1 of the Agreement.

Pursuant to Article 7 of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade, the US hereby requests information on the nature and extent of any subsidies provided to Airbus, including the exchange rate insurance scheme that is part of a comprehensive plan of the Federal Republic of Germany to facilitate the merger of MBB into Daimler-Benz. We consider that the Communities has an independent obligation to provide information relating to the export subsidy and other subsidies to the United States under the provisions of the Subsidies Code and would appreciate the Communities' earliest possible response to our request.