

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

L/6201

8 July 1987

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Original: Spanish

### ENLARGEMENT OF THE EUROPEAN ECONOMIC COMMUNITY

#### Recourse to Article XXIII:2 by Argentina

The following communication, dated 7 July 1987, has been received from the Permanent Representative of Argentina with the request that it be circulated as a document and that this matter be considered under "Other Business" at the Council meeting on 15 July 1987.

I have pleasure in requesting you to arrange for inclusion in the agenda for the next meeting of the Council of Representatives, to be held on 15 July 1987, of an item concerning recourse by the Argentine Republic to Article XXIII:2 of the General Agreement in connection with the accession of Spain and Portugal to the European Economic Community.

Since 27 May 1986, when the first consultation took place with the European Economic Community, there have been a number of formal meetings with the participation of member States and likewise informal meetings in pursuance of Article XXIV:6.

These consultations have not led to a mutually satisfactory arrangement for compensation in respect of the adverse effects on the trade of the Argentine Republic, since the EEC has insisted on applying incorrect methods in calculating compensation (global balance) which are not consistent with Article XXIV:6 of the General Agreement.

Furthermore, the rights of the Argentine Republic as a principal supplier and having a substantial interest in exports of grain sorghum and maize to Spain have been impaired, since the EEC has not granted the relevant priority in negotiations on compensation.

The Argentine Republic considers that the EEC has not complied with the provisions of Article XXIV:6 of the General Agreement, thereby impairing the benefits accruing to it under that instrument. Accordingly, the Argentine Republic requests the Council of Representatives to establish a panel to examine this matter promptly, in accordance with Article XXIII:2 of the General Agreement and with the emergency procedure provided for in paragraph 20 of the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance.