

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

L/6354/Add.1

14 July 1988

Limited Distribution

COUNCIL

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### KOREA: RESTRICTIONS ON IMPORTS OF BEEF

#### Recourse to Article XXIII:2 by New Zealand

##### Communication from New Zealand

###### Addendum

The following communication, dated 12 July 1988, has been received from the Permanent Representative of New Zealand with the request that it be circulated to the contracting parties.

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Contracting parties will recall that in document L/6354 of 3 June, New Zealand requested the Council of Representatives to agree to the establishment of a panel to review the matter of import restrictions on beef maintained by the Republic of Korea.

At the meeting of the Council held on 16 June, the Republic of Korea indicated that it could not agree to the establishment of a panel, since in its view it was a well-established GATT practice that Article XXIII:1 consultations should take place before a panel was set up to review the matter under dispute. The representative of Korea said that his Government would be prepared to hold Article XXIII:1 consultations with New Zealand "in due course", and that he hoped a mutually satisfactory solution could be found "in the near future".

Since that time, the Government of New Zealand has made several representations, both oral and written, to the Republic of Korea, urging that Article XXIII:1 consultations be held in advance of the Council meeting scheduled for 20 July.

A chronology of New Zealand's efforts to fix a date for Article XXIII:1 consultations is attached to this document. These, of course, are additional to some four years' intensive bilateral consultations with the Korean authorities over the same issue.

Given the pace of developments relating to the United States and Australian panels, and the fact that the next Council meeting will not take place until late September, New Zealand considers it essential to have a panel established at the forthcoming Council meeting. As New Zealand made it clear to the Council in June, New Zealand will accept whatever procedures have been agreed between the Republic of Korea and the United States and Australia respectively.

The New Zealand delegation, in asking Council to approve a panel without having had the benefit of Article XXIII:1 consultations, refers contracting parties to the arguments New Zealand advanced at the June Council meeting (C/M/222, pages 19-20). It also recalls again paragraph 9 of the 1979 Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance which states explicitly that "requests for conciliation and the use of the dispute settlement procedures of Article XXIII:2 should not be intended or considered as contentious acts". Accordingly, New Zealand urges the Council of Representatives to agree to the establishment of a panel as requested by New Zealand in document L/6354.

GATT: KOREA: BEEF

Chronology of GATT events so far:

- 16 March: New Zealand Embassy, Seoul conveys New Zealand's interest in United States/Australian panel request to Korean authorities.
- 22 March: New Zealand statement to Council indicating New Zealand's interest in United States/Australian panel request.
- 31 March: New Zealand Embassy, Seoul delivers "pour memoire" to Korean authorities conveying New Zealand's interest in United States/Australian panel request.
- 21 April: Formal written communication of New Zealand to Republic of Korea Mission, Geneva requesting "urgent" XXIII:1 Consultations.
- 23 April: Authorities in Seoul informed of New Zealand action by New Zealand Embassy.
- 27 April: Document L/6335 circulated to contracting parties stating New Zealand's recourse to XXIII:1.
- 4 May: Council meeting: following unsuccessful XXIII:1 Consultations both United States and Australians request panel under XXIII:2. Korea accepts. New Zealand notes its request for XXIII:1 Consultations and reserves its rights.
- 18 May: New Zealand Embassy, Seoul hands over written request to Korean authorities for XXIII:1 Consultations before 15 June Council meeting.
- 21 May: Korean authorities advise New Zealand Embassy that Republic of Korea Government could not agree to set a time for XXIII:1 Consultations.
- 3 June: New Zealand request for panel under XXIII:2 distributed to contracting parties as document L/6354.
- 15 June: Korean delegation unable to accept New Zealand request for panel at Council meeting: Korean Ambassador states that Korea was prepared to hold XXIII:1 Consultations with New Zealand "in due course ... the near future" (page 21, C/M/222).
- 20 June: Korean authorities requested in writing, by New Zealand Embassy, Seoul, to set time aside for XXIII:1 Consultations during visit of senior New Zealand official. Request was denied, but New Zealand was offered informal discussions.

- 4 July: New Zealand Embassy, Seoul hands over written note to Korean authorities confirming New Zealand's request for XXIII:1 Consultations by 15 July failing which New Zealand would have no option but to pursue its request for a panel at 20 July Council meeting.
- 7 July: Korean authorities advise New Zealand Embassy, Seoul that Republic of Korea cannot accept New Zealand's request for XXIII:1 Consultations prior to 15 July but offers XXIII:1 Consultations in week beginning 25 July - i.e. after last possible Council meeting until 22 September.