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CANADA SEEKS RULINGS ON EUROPEAN UNION GRAIN IMPORT REGULATIONS AND JAPANESE LIQUOR TAXES

Minister for International Trade Roy MacLaren and Minister of Agriculture and Agri-Food Ralph Goodale announced today that Canada will ask the World Trade Organization (WTO) for dispute settlement panels on the European Union's duties on grain imports and on the Japanese liquor tax regime.

Canada's request for panels on the two issues will be put before the WTO dispute settlement body on September 27.

"The Government intends to take full advantage of the new, improved WTO dispute settlement process to provide further assurance that our trading partners implement their trade agreement obligations," Mr. MacLaren said.

He stated that new European Union regulations, which determine the duties on grain imports, are not consistent with the EU's obligations under the WTO. "In our view, EU duties will frequently be higher than warranted on its imports of Canadian grains."

"The new regulations will have an adverse impact on the flow of Canadian wheat into the European market," Mr. Goodale said. "I understand that some durum wheat shipments have already been delayed because of uncertainty about the duties to be paid."

The ministers said that under the new regulations, duties are based on import prices set by the EU rather than on the actual purchase price for imported grains. The EU price calculations draw on such sources as prices on certain commodity exchanges. The price levels set by the EU will often lead to higher rates than if the duties are based on actual import prices. This is contrary to the EU's obligations under the WTO and its commitment on grains in the Uruguay Round trade negotiations.



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