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EC RELEASES 1989 REPORT ON US TRADE BARRIERS

The European Community today issued its 1989 report on US trade practices that impede EC exports. The list was prepared by the EC Commission in collaboration with the Member States and updates earlier lists which were first published in December 1985.

This publication, while not exhaustive, pin-points almost 40 measures that confirm the persistence of a variety of tariff and non-tariff barriers to trade, including quantitative restrictions, export subsidies, customs barriers, public procurement policies, countervailing and antidumping procedures and tax barriers.

Frans Andriessen, Vice-President of the EC Commission, responsible for External Relations and Trade Policy, underlined that the Commission continues to be concerned not just by the trade barriers themselves, but also by the US failure to live up to its international trade obligations in a number of areas, for instance in implementing the results of dispute settlement proceedings achieved by the General Agreement on Tariffs and Trade (GATT).

He further indicated that the Community, for its part, will seek the elimination of all unjustified trade barriers by means which fully respect the international rules governing trade.

EUROPEAN COMMUNITY REPORT ON US TRADE BARRIERS

SUMMARY

The report is intended to illustrate the type of barrier encountered by Community exporters in the United States.

US barriers to EC exports are of several different types. In the first instance there are measures whose legality in terms of international trading rules is, at best, severely in doubt and which have a negative effect on EC and, indeed, other countries' exports to the US. In this category fall barriers such as various Buy America restrictions. A second category of barriers concerns US measures which have been found to be inconsistent with international trading rules and in respect to which the US, in contradiction with its international obligations, has failed either to modify or to offer compensation to its trade partners for the trade damage caused. Two examples here are the US failure to implement the findings of the GATT on the illegality of the Superfund oil import levy and the non-conformity of the US system for levying customs user fees.

A third category of measures consists of provisions of US trade laws which could be used in a harmful way against the Community's trading interests. In this context the Community points to the Omnibus Trade and Competitiveness Act of 1988, under which far-reaching changes were made to the US' already extensive system of trade laws and which increase the likelihood of unilateral trade action in contradiction with the rules of international trade.

In the months to come, the Community intends to pursue, particularly in the appropriate international fora, and in accordance with the rules set out therein, actions aimed at ensuring that US shortcomings in the application of international trade law are corrected, that barriers are removed and that potentially harmful provisions of trade law are amended.

Forty-two individual barriers are listed under fifteen sub-headings. They range from the very general, such as the so-called "super 301" procedure mandated by the 1988 Trade Act, to detailed provisions restricting Community exports of products as various as dredgers, small pieces of jewellery, olive oil, machine tools, etc.

In most cases a factual description of the obstacle is followed by an assessment of its trade impact and by a summary of action already taken or envisaged. Apart from the use of diplomatic demarches intended to remind the US of its international obligations, this action usually emphasises existing GATT rules and procedures or the ongoing Uruguay Round trade talks as avenues through which the Community is seeking removal of the barriers.