
*International Trade
Developments,
Including Commercial Defence
Actions, in the European
Communities: 1 January 1997–
31 June 1997*

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This is a summary of developments in the field of EC international trade law from 1 January to 30 June 1997. The full text of this review, as well as the consolidated version of the previous surveys beginning in 1990, can be found in the electronic supplement to this Journal at www.ejil.org.

This period was notable for the first ASEM ministerial meeting, held in February in Singapore. The main points of discussion were private sector cooperation programmes, the human rights issue and the ASEM enlargement to countries such as Australia and Russia.

Discussions on the linkage between trade and labour conditions continued with the ILO calling for a global system of 'social labelling' to guarantee that internationally traded goods are produced under humane working conditions. The ILO report met strong opposition from developing countries.

The major highlight at the WTO level was the conclusion of both the Agreement on Telecommunications and the Information Technology Agreement (ITA). The former was concluded in February and signed by 68 countries, representing 90 per cent of global telecommunications revenue. The ITA was signed in March 1997 and brings together 40 countries representing 92 per cent of the world telecommunications trade. Both represent significant steps towards the liberalization of world trade in goods and services.

The WTO Dispute Settlement Body (DSB) concluded two cases of major importance for EC-US trade. The DSB ruled, in the *Banana Panel*, that the EU banana import policy, granting privileged market access to bananas from ACP countries under the Lomé

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Convention, is not compatible with WTO rules. In the *Hormone Panel*, the DSB struck down the EC ban on imports of meat produced with the aid of hormones. The EC appealed both decisions to the Appellate Body.

Another major achievement in relation to EC–US trade was the conclusion of the Mutual Recognition Agreement (MRA). The MRA aims to eliminate the duplication of product inspections, certifications and testing covering more than \$40 billion worth of transatlantic trade. The EC concluded similar MRAs with Australia, Canada and New Zealand. One with Japan is under negotiation.

In contrast, transatlantic relations were also marked by some rather intense disputes as regards the US Helms–Burton Act and the D'Amato Act. While the US agreed to waive the application of the Act to EC companies, the EC still considers that the legislation violates WTO rules.

In the field of trade relations between the EC and the Central and Eastern European countries, new protocols entered into force regarding preferential rules of origin in the free-trade agreements between the EC, the EEA, the Czech Republic, Latvia, Estonia, Lithuania, Bulgaria and Hungary. These protocols will allow a cumulation of origin among the Associated Central European States, the Baltic countries and the EEA.

Under the Trade Barriers Regulation, the Commission targeted several trade practices during this first semester. These ranged from Japanese practices in the leather sector to Brazilian practices in relation to cognac and the USA 1976 Copyright Act.

With regard to GSP schemes, the Commission presented a working paper to the Council on both the social and environmental clauses and the exclusion of the most developed beneficiary countries. The working paper detailed the criteria used by the Commission for its proposals, presented at the end of 1997, to give additional preferences for countries complying with stricter social and environmental standards as well as the criteria applied in its proposal to exclude Korea, Hong Kong and Singapore from GSP preferences.¹

In the field of antidumping, there were 53 determinations during the first semester of 1997. Full details are provided in the electronic supplement to the *EJIL*. These determinations were:

Silicon Metal from Brazil (interim review); tapered roller bearings from Japan (termination); polyethylene or polypropylene from India, Indonesia, and Thailand (provisional and extension of provisional duties); polyester textured filament yarn from Malaysia (provisional); iron and non-alloy steel from the Czech Republic and Hungary (termination); microwave ovens from Korea (initiation review and registration); bicycle parts from China (definitive duty, authorization of exemption and notice updating list of parties under examination); ring binder mechanisms from Malaysia and China (definitive duties); stainless steel fasteners from Thailand (extending the notice of initiation); footwear with textile uppers from China and

¹ The proposal with regard to additional social and environmental clauses was adopted in October 1997. The proposal concerning the exclusion of Korea, Hong Kong and Singapore from GSP schemes, was adopted in November 1997.

Indonesia (provisional), personal fax machines from China, Japan, Korea, Malaysia, Singapore, Taiwan and Thailand (initiation); handbags from China (provisional); silicon metal (impending expiry); cotton yarn from Brazil and Turkey (amendment); Portland cement into Spain from Romania, Tunisia and Turkey (termination); seamless pipes and tubes of iron or non-alloy steel originating in Poland (notice of name change); polyester yarns from Taiwan, Indonesia, China and Turkey (expiry); unwrought, unalloyed zinc originating in Poland and Russia (provisional duties); unwrought, unalloyed zinc from Kazakhstan, Ukraine and Uzbekistan (termination); plain paper photocopiers from Japan (impending expiry); EPROMs from Japan (termination, repeal); polyester staple fibre from Belarus (initiation anticircumvention proceeding); synthetic polyester fibres from Romania, Taiwan, Turkey, Serbia, Montenegro and Macedonia (impending expiry); DRAMs from Japan (notice of name change); potassium permanganate from India and Ukraine (initiation); ball bearings >30 mm from Japan (termination, repeal); ball bearings <30 mm from Japan (termination); synthetic fibres of polyester (amendment); furfuraldehyde from China (interim review); ammonium nitrate from Russia (anti-absorption review); seamless pipes and tubes from Russia, the Czech Republic, Romania and the Slovak Republic (provisional duties); electronic weighing scales from Japan and Singapore (termination); electronic weighing scales from Japan and assembled in and/or transhipped through Indonesia (termination); large electrolytic capacitors from Japan; PTY from Malaysia (definitive); flat pallets of wood originating in Poland (provisional duties, undertakings); briefcases and schoolbags from China (termination); bed linen from Egypt, India and Pakistan (provisional); advertising matches from Japan (provisional); polysulphide polymers from the US (initiation); outer rings of tapered roller bearings from Japan (termination, repeal); semifinished products of alloy steel (impending expiry) and synthetic fibre ropes from India (termination).

The summaries of the relevant trade judgments of the European Court of Justice and of the Court of First Instance, given during this period, also appear in the electronic supplement to this report.

Case T-41/97 R, Order of the Court of First Instance of 21 March 1997, *Antillean Rice Mills NV v. Council* (1997) ECR II-447.

Case C-405/95, Judgment of 15 May 1997, *Bioforce GmbH v. Oberfinanzdirektion München* (1997) ECR I-2581;

Case C 103/96, Judgment of 13 March 1997, *Directeur Général des Douanes et Droits Directs v. Eridania Beghin-Say SA* (1997) ECR I-1453;

Case C-93/96, *Indústria e Comércio Textil v. Fazenda Publica*, Judgment of 29 May 1997 (1997) ECR I-2881;

Case C-26/96, Judgment of 29 May 1997, *Rotexchemie International Handels GmbH & Co.* (1997) ECR I-2895;

Case C-105/96, Judgment of 17 June 1997, *Codiesel — Sociedade de Apoio Técnico à Indústria Lda. v. Conselho Técnico Aduaneiro* (1997) ECR I-3441;

Case-362/95 P, Opinion of Advocate General Tesouro delivered on 5 June 1997, *Blackspur DIY and others* (1997) ECR I-4775;

Case C-310/95, Judgment of 22 April 1997, *Road Air* (1997) ECR I-2229;

Case C-164/95, *Fábrica de Queijo Eru Portuguesa*, Judgment of 17 June 1997 (1997) I-3441;

Case C-109/95, *Astir AE*, Judgment of 13 March 1997 (1997) ECR I-1385

Joined Cases C-274/95, C-275/95 and C-276/95, *Wünsche v. Hauptzollamt Hamburg-Jonas* (1997) ECR I-2091

Case C-142/95 of 14 January 1997, *The Queen ex parte Centro-Com Srl v. H.M. Treasury and the Bank of England* (1997) ECR I-81.