



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 9/16/2005

**GAIN Report Number:** E35185

## EU-25

### Poultry and Products

## WTO Appellate Body rejects EU appeal in chicken cuts classification dispute

### 2005

**Approved by:**

Norval E. Francis

U.S. Mission to the EU

**Prepared by:**

Yvan Polet

---

**Report Highlights:**

On September 12, 2005, the WTO Appellate Body rejected the EU appeal against the May 2005 Panel conclusion in the complaints by Brazil and Thailand on the Customs Classification of Frozen Boneless Chicken Cuts" (DS269 and DS286). In 2003, the EC banned the imports from Brazil and Thailand of salted poultry under customs code 0210. It is expected that the EC will have to allow these imports again.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Brussels USEU [BE2]  
[E3]

On September 12, 2005, the WTO Appellate Body issued its report regarding the complaints of Brazil and Thailand against the European Communities in the dispute "[European Communities — Customs Classification of Frozen Boneless Chicken Cuts](#)<sup>1</sup>" (WT/DS269/AB/R; WT/DS286/AB/R). In this report, the WTO rejects the EU appeal against the May 2005 Panel conclusion. The text of the WTO Appellate Body's report are available at:

- > Just the findings and conclusions in [pdf format](#) (3 pages; 19KB)
- > Full Appellate Body Report in [Word format](#) (157 pages; 1004KB), in [pdf format](#) (157 pages; 589KB)

This means that the EU will have to allow poultry meat exports from Brazil and Thailand into the European market again at a lower tariff under HS heading 0210. Brazil and Thailand had been exporting "salted" poultry to the EU since 1997 until the EC stopped these imports in 2004. By that time poultry exports under HS heading 0210 had increased to over 200 thousand MT per year or about one half of total poultry imports.

No reactions from European poultry producers have been recorded yet. However, the [Association of Poultry Processors and Poultry Trade in the EU countries](#) (AVEC) previously had issued a statement that if the EC failed to do something about this problem, more than half a million of employees in the sector could be unemployed. For more details on this case, please refer to GAIN [E35113](#)<sup>2</sup>.

**Visit our website:** our website [www.useu.be/agri/usda.html](http://www.useu.be/agri/usda.html) provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information. More information on food safety can be found at <http://www.useu.be/agri/foodsafety.html>. E-mail: [AgUSEUBrussels@fas.usda.gov](mailto:AgUSEUBrussels@fas.usda.gov)

#### Related reports from USEU Brussels:

Report Number	Title	Date Released
<a href="#">E35142</a>	Poultry Annual	07/20/05
<a href="#">E35113</a>	WTO rules against EU in salted poultry case	06/16/05
<a href="#">E35108</a>	The EC proposes the legislation for its new Broiler Welfare Directive	06/14/05
<a href="#">E35065</a>	Abolition of battery cages to cost €354 million to EU-25 egg producers	04/01/05

<sup>1</sup> [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds269\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds269_e.htm)

<sup>2</sup> <http://www.fas.usda.gov/gainfiles/200506/146130026.pdf>