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February 17, 1984

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E.C. REGRETS U.S. WINE INVESTIGATION

The European Community regrets the decision yesterday by the U.S. Department of Commerce to investigate alleged unfair trading practices involving imports of French and Italian table wines.

The anti-dumping and countervailing duty petitions filed last month by American grape growers do not fulfill requirements of relevant codes of the General Agreement on Tariffs and Trade. There is no evidence the petitioners are sufficiently representative of the U.S. ordinary table wine industry. Furthermore, they did not submit convincing evidence that products were being dumped at unfairly low prices, nor that the products had injured the U.S. industry.

The investigations will cover more than \$300 million in trade and could affect the livelihood of at least 1 million fulltime wine growers in the European Community. The Community believes positive determinations in these cases could lead to an escalation of protectionist measures in the agricultural sector, with wide-ranging consequences for U.S.-E.C. trade relations.

In 1983, the Community exported \$3.7 billion in agricultural products to the U.S. and it imported \$9.5 billion in farm products from the U.S., including \$5 billion in soyabean and meal, \$750 million in corn and \$500 million in corn gluten feed.

The Community wine policy's essential aim is to maintain market equilibrium by withdrawing, through storage and distillation, surplus production from the market. These measures are designed to stabilize prices and improve quality. They do not depress prices nor lead to an increase in exports. There are no refunds for wine exports to North America.

The Commission of the European Communities has informed the U.S. administration of its concern and will be following closely the procedures of the Department of Commerce and the U.S. International Trade Commission. The Commission will ensure that the interests of the Community are fully safeguarded and that the provisions and obligations of the GATT codes are fully respected.