

EU turns to WTO in alcohol row with Philippines

BRUSSELS: The European Union (EU) has begun action against the Philippines at the World Trade Organisation (WTO) over what the bloc claims are excessively high duties imposed on imports of EU brandy and whisky, the Union said Wednesday, 29 July 2009.

The European Commission said it had "requested consultations with the Philippines at the WTO regarding excise taxes on distilled spirits, which the EU considers to be discriminatory and therefore in breach of international trade rules".

"Imported spirits including Spanish brandy and Scotch whisky can face taxes 10 to 50 times higher than those on domestic products, and exports to the Philippines have fallen significantly as a result," a statement said.

The commission noted that sales of local spirits in the Philippines have risen by 8% since 2005, while EU exports to the South East Asian nation fell by roughly half from 2004 to 2007.

Brussels said the WTO action became necessary because EU's efforts to resolve the problem had for years fallen on deaf ears.

"This long-running problem has prevented EU exporters from competing fairly in the Philippine market, and has led to a sharp decrease in imports of European spirits," EU Trade Commissioner Catherine Ashton said.

"I hope that we can still find an amicable solution to this issue through the consultation process," she said.

Source: AFP

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