

## Additional customs duties on certain US originating products

The World Trade Organisation (WTO) on 13 February 2006 backed the EU condemnation of the US tax policy, arguing that the USA breach their WTO obligations in respect of the equal treatment of entrepreneurs from the USA or from the EU. In effect, the USA have until 13 May 2006 to comply with their WTO obligations or the EU will impose a 14% additional duty on certain US originating goods imported into the EU.

### What does this mean for you?

Certain US goods imported into the EU may be subject to an additional 14% import duty from 13 May 2006. If you import any of the following goods, you should enquire as to whether they might become subject to additional duties:

- foodstuffs;
- cosmetics, toiletries and fragrances,
- leather and furs,
- wood and paper,
- textiles,
- ceramics and glassware,
- metals and machinery,
- toys.

### What to do next?

Firstly, ascertain whether the products you import will be subject to additional import duties, if the US will not comply with their obligations. Secondly, as customs duties are a basic cost to your business, it is important to evaluate the impact of the additional duty on the cost price of the product and whether the impact can be minimized by re-evaluating the supply chain.

We are here to help you with this process.

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