

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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1975 CONSULTATION WITH PORTUGAL

Basic Document for the Consultation on the Portuguese Import Surcharge¹

1. Legal and administrative basis of the import restriction

Trade control policy is formulated and implemented by the Ministry of Foreign Trade.

All imports valued at over Esc 5 million and all exports valued at over Esc 2.5 million are subject to Foreign Trade Control Committee, with a view to check possible over- or under-invoicing.

Practically all foreign trade transactions are subject to prior registration with the Ministry of Foreign Commerce, on the basis of a "bulletin".

Import and export "bulletins" are issued by a specific department within the Directorate-General, or by other executive departments duly authorized.

Prior registration (in the form of a "bulletin") is required for all imports valued at over Esc 25,000 and for certain goods even if invoice values are under Esc 25,000.

Any physical or juridical entity may be an importer. Importers must be entitled to import and must pay income taxes regularly.

For imports free of quantitative restriction, the "bulletin" serves a statistical purpose and enables the importer to obtain the necessary foreign exchange as specified in the "bulletin".

For imports subject to quantitative restrictions, the "bulletin" is equivalent to an import licence.

2. Methods used in restricting imports

(a) Residual restrictions

The GATT liberalization is applied to the goods not included on the so-called negative list (document GATT L/2981/Add.14, 25 July 1968), when they are imported from the countries that are members of the GATT.

¹ Document supplied by the Portuguese authorities.

Non-liberalized imports from countries that are GATT members authorization.

There are bilateral quotas for specified agricultural imports from certain EFTA countries.

Imports of non-liberalized industrial products, except for certain protected steel products and automobiles are free of restriction when originating in EFTA or EEC countries.

Special legislation provides that automobiles must be assembled in Portugal.

Imports of passenger automobiles are allowed up to 15 units per producer per year for those makes not assembled in Portugal, and for other makes, up to 2 per cent of the number of passenger automobiles of the same make that were assembled in Portugal in the preceding year.

Imports of passenger automobiles of EFTA origin are allowed up to 150 units a year and imports of some makes of EEC origin are allowed up to 75 units a year for each producer.

Imports of commercial vehicles for special purposes are free of restrictions.

Imports of completely-knocked-down (C.K.D.) vehicles from EFTA and EEC countries are free of restrictions, and allocations for imports from other GATT countries are available under special open licences and subject to the use of certain minimum percentages of domestic components.

All imports from countries that are not members of GATT are based on individual authorization. The same treatment is granted to all imports from countries without bilateral or multilateral agreements.

(b) Temporary import surcharge

An import surcharge was introduced on 31 May 1975 by the Decree-Law 271-A/75, and will be in force until 31 December 1975.

This surcharge (document GATT L/4185) is levied on all goods regardless of their origin.

3. Treatment of imports from different sources including information on the use of bilateral agreements

The foreign trade policy of Portugal is based on the principle of non-discrimination and imports from countries members of GATT are treated on a most-favoured-nation basis.

The authorities do not interfere in the choice of the source of the supply.

There are no bilateral agreements with non-GATT countries that provide for more favourable treatment than that granted to the GATT members.

4. Commodities, or groups of commodities, affected by the various forms of import restrictions

(a) Residual restrictions

Goods listed on the negative list (document GATT L/2981/Add.14).

(b) Temporary import surcharge

Goods listed on the two annexes of the Decree-Law 271-A/75, of 31 May 1975 (document GATT L/4185).

All restrictions are applied without any discrimination.

5. State trading or government monopoly, used as a measure to restrict imports for balance-of-payments reasons

Some agricultural products (e.g. cod-fish; cereals such as corn, wheat, barley, maize, rye etc.; oleaginous seeds; olive oil; potatoes and other vegetables; citrus fruit; raw sugar; milk; butter; cheese; meat and edible offals etc.) are imported by special public agencies.

These agencies forecast the needs for public supply, according to the internal production, and contract the external purchases, without discrimination from the sources that grant them the best conditions of price and quality.

State trading is not used for the purpose of restricting imports.

General

6. The Portuguese economic situation became very serious since 1974. One of the main problems was the external imbalance registered in 1974 (about Esc 16.5 billion). In the first half of 1975 the country had a decline in Central Bank reserves of about Esc 12 billion. In order to solve this problem the Government had prepared several internal measures (some of which were already in force) such as restrictions on credit connected with commerce of less essential goods, a more restrictive regulation of hire purchase, the energy restraint plan (under preparation) and other measures aimed at reducing the purchasing power of the consumer. Special attention will be given to export

development (preferential credit, technical and financial assistance, expansion of sales to new markets, etc.) and efforts are under way to attract money remittances from Portuguese working abroad. To complement these internal measures a surcharge on imports was introduced for seven months on 31 May 1975. It is expected that this surcharge will work essentially through the price mechanism and will discourage imports of less essential goods and of goods produced internally. No quantitative study was made to estimate the effects on imports. However, those imports will be subject to statistical surveillance so as to follow their evolution during the period covered.