

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SCHEDULE XXV - GREECE

Suspension of item 134 i, 1 under the procedures of Article XIX

The following communication dated 20 September 1956, has been received from the Greek Government:

"The Greek Government wishes to give notice that for the reasons indicated in the appended memorandum, they have to invoke the escape clause of Article XIX of the General Agreement to modify the concession which appears under tariff item 134 i, 1 (refrigerators operated by electricity or by any other means, except ice, weighing up to 250 kgs.), in Part I of Schedule XXV - (Greece) to the General Agreement, on the grounds that the domestic industry has suffered a serious decline as a result of increased imports.

"The Greek Government therefore requests the Executive Secretary to inform the contracting parties of the abovementioned action.

"ANNEX

Modifications in the rate of duty on refrigerators operated by electricity

"As a result of a concession granted by Greece during the Tariff Conference held in Annecy, the rate of duty on refrigerators operated by electricity was reduced to 20 per cent ad valorem. This concession was initially negotiated with the United States of America.

"The electric refrigerators in question are described under the Greek tariff item No. 134 i, 1, which reads as follows:

<u>Greek tariff item number</u>	<u>Description of product</u>	<u>Ad valorem rate of duty</u>
134 i	Refrigerators operated by electricity or by any other means, except ice	
	(1) Weighing up to 250 kgs	20%
	(2) Weighing more than 250 kgs	20%

"The Greek industry manufactures refrigerators described under sub-item 1, i.e. refrigerators weighing up to 250 kgs. Imports of such refrigerators have steadily increased, as is shown in the following statistical Table:

<u>Year</u>	<u>Imports (in kgs)</u>	<u>Number of units</u>	<u>Value in \$US</u>
1952	132,307	1110	97,240
1953	217,988	1816	298,588
1954	407,725	3272	578,237
1955	485,857	3354	603,824
1956 (first half)	363,851	3567	629,472

"During the same period, domestic production of the same item has been as follows:

<u>Year</u>	<u>Number of units</u>	<u>Value in \$US</u>
1953 (4 months)	265	60,616
1954 (whole year)	1146	288,320
1955 (whole year)	922	229,812
1956 (first half)	281	74,653

"The above figures indicate domestic production which is only in its early stages and has made substantial progress in 1953 and 1954.

"The ratio of domestic articles marketed by the Greek industry to imports from abroad is as follows:

1953	44%
1954	35.8%
1955	28%
1956 (first half)	8.7%

"Now, these figures demonstrate that domestic production has not increased since 1954, when it exceeded 35% of imports, but has in fact declined.

"This fall in domestic production is attributable to an increase in manufacturing costs which make it impossible for the domestic item to compete with the like article imported from abroad. The cost of the domestic article exceeds the CIF cost of the imported item, including customs duty and related taxes.

"The following table shows the increase in the cost of domestic production:

<u>Dates</u>	<u>Unit cost in drachmae</u>
30. 6.54	5,549
30. 9.54	5,842
31.12.54	6,186
31. 3.55	6,140
30. 6.55	6,245
30. 9.55	6,411
31.12.55	6,413
31. 3.56	8,054

"The situation described above does not result from any incapacity on the part of domestic production to compete with the like article imported from abroad, but from mass imports due to unforeseen circumstances, and which have prevented domestic production from meeting competition from abroad.

"Mass imports of electric refrigerators are facilitated by the fact that the agents in Greece of foreign enterprises can dispose of considerable means for financing imports, thus making it possible for important orders to be placed abroad and for refrigerators to sell with the help of all kinds of facilities favourable to the customer, such as monthly instalments.

"As a result of such facilities, foreign enterprises were able to import into Greece during the first six months of 1956, the enormous amount of 3,567 units, i.e., a number exceeding the total imports of this item in 1953.

"Such mass imports carried out as a result of the financing operations made possible by foreign capital and by the abovementioned sales facilities have already resulted in considerable losses being suffered by domestic production, which is thus threatened with complete and certain disaster.

"In view of the foregoing, and to avoid the ruin of this branch of domestic production, the Greek Government has been compelled to increase the rate of duty on electric refrigerators from 20% to 35% ad valorem in conformity with the provisions of Article XIX of the General Agreement."