

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

RESTRICTED

L/2670

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Limited Distribution

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ARTICLE XIX - ACTION BY SPAIN

Cheese

The following communication, dated 30 June 1966, has been received from the Government of Spain.

In order to alleviate the serious situation at present affecting the Spanish cheese industry at the end of the first quarter of 1966, the cheese manufacturers were holding unsold cheese stocks in the amount of 16,826 tons and this accumulation was mainly due to heavy imports of foreign cheese, reaching 9,457 tons in 1965 - the Spanish Government has decided partly to suspend the liberalization of tariff heading 04.04 (cheese and curd).

This measure affects only processed cheese in portions and those in the second category which, in accordance with the Order by the Ministry of Trade dated 30 May 1964 (Official Gazette of the State of 5 June 1964) are as follows:

1. cheese having more than 10 per cent but less than 15 per cent of tolerable defects (defects of presentation due to processing or transport, lack of even quality, or weight shortage by less than 5 per cent);
2. processed cheese in bars;
3. whey cheese;
4. fresh cheese.

This measure has been adopted pursuant to Article XIX, paragraph 1(a) of the General Agreement by reason of the critical circumstances referred to in the last sentence of paragraph 2 of that Article.

The Spanish Government is studying the system of aids and subsidies granted by some governments on the production and export of dairy products with a view to adopting appropriate measures, so as to be able to revert to liberalized cheese imports while safeguarding the interests of the Spanish cheese industry whose activities are being seriously threatened by the application of such aids and subsidies by some producing countries.

The Spanish Government is prepared to enter into consultations with contracting parties having a substantial interest in the matter.

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