

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SCHEDULE XLV - SPAIN

Article XIX - Duty Increase on Synthetic Rubber

The following communication, dated 4 July 1967, has been received from the delegation of Spain.

In order to remedy the serious situation in which the Spanish synthetic rubber industry is now placed, the Spanish Government has decided to modify provisionally the duty applicable to tariff heading 40.02-B; indeed, at the beginning of 1966 unsold stocks held by the manufacturers had reached the level of 1,359 metric tons, due mainly to substantial imports of synthetic rubber, which in the months of November and December alone amounted to 3,703 metric tons and 3,352 metric tons respectively.

The Spanish Government, being aware of its obligations towards the contracting parties and being anxious to reduce to a minimum any damage that this measure might cause to exporting contracting parties, has decided to sub-divide tariff heading 40.02-B into two parts and to establish, on a provisional basis, a 15 per cent duty on synthetic rubber based on polybutadiene or polybutadienestyrene, while maintaining the existing free rate bound within GATT on other synthetic rubbers. The new wording of heading 40.02-B will therefore read as follows (pursuant to Decree No. 244 of 2 February 1967):

	<u>Fixed duty</u>	<u>Provisional duty</u>
40.02-B Synthetic rubber:		
1. Based on polybutadiene or polybutadienestyrene	Free	15%
2. Other	Free	Free

The Spanish Government wishes to point out that the new duty established with respect to heading 40.02-B.1 cannot in any way be considered high, since imports of this product have continued at a similar rate.

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Having regard to the fact that by 31 December 1966 investments in the producing industry had reached Ptas 2,175 million, of which Ptas 1,019 million for synthetic rubber, and that the accumulation of unsold stocks had caused a really serious situation in this sector, the Spanish Government considered it necessary to invoke the provisions of Article XII, paragraph 2, of the General Agreement, under which action may be taken to withdraw or modify a concession provisionally without prior consultation.

The Spanish Government is ready to enter into consultations with contracting parties having a substantial interest in trade in the product concerned.

