

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY THE UNITED STATES

High-Carbon Ferro-Chromium

Addendum

The following communication dated 27 November 1978 has been received from the Permanent Mission of the United States.

The United States advised the CONTRACTING PARTIES in GATT document L/4702 of the recommendation by the United States International Trade Commission to increase duties on high-carbon ferro-chromium and offered to consult with the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of high-carbon ferro-chromium regarding the proposed action.

Following consultations under Article XIX and review of the relevant factors as provided by United States law, the President announced on 2 November his decision to grant modified import relief to the United States high-carbon ferro-chromium industry. Presidential Proclamation No. 4608 entitled "Temporary Duty Increase on the Importation into the United States of Certain High-Carbon Ferro-Chromium", dated 15 November 1978, was published in the Federal Register on 17 November 1978, and its provisions became effective the same day. The Proclamation provides that for a period of three years from 17 November 1978, an additional duty of 4 cents per pound be applied on imports of high-carbon ferro-chromium (TSUS 607.31) with a customs value of less than 38 cents per pound. Once prices have risen to the level of 38 cents per pound, no additional duty would be applied.

The United States International Trade Commission had recommended relief over a five-year period in the form of an additional tariff declining from 30 to 20 per cent ad valorem over the period. The President, in making his decision, took into consideration the consequences of such a sizable tariff on developing country producers of high-carbon ferro-chromium. While the serious difficulties of the United States industry required relief, the type of relief chosen is least likely to have a negative effect on developing countries in that it applies to imports valued at less than 38 cents per pound and will last for only three years.

The United States reaffirms its readiness to consult with the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of high-carbon ferro-chromium regarding this action.

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