

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/4780

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Limited Distribution

Original: Spanish

ARTICLE XIX - ACTION BY SPAIN

Other Heterocyclic Compounds; Nucleic Acids

The following communication, dated 6 February 1979, has been received from the Permanent Mission of Spain.

The tariff headings bound by Spain in its Protocol of Accession to the General Agreement include (in Annex E: Declaration on Provisional Accession of Switzerland) heading 29.35 G "Heterocyclic compounds; nucleic acids: other". The binding at that time (1 July 1963) was established for an ad valorem duty of 10 per cent, which is still in force.

Following the adoption of a more detailed presentation, heading 29.35 G of the Spanish tariff became heading 29.35 K (statistical number 29.35.91) with the following definition:

"Other heterocyclic compounds, including nucleic acids, except:
(A) Furfural and furfuryl alcohols - (B) Carbazole and carbazole derivatives -
(C) Nitrofurazone - (D) Mercaptobenzothiazole and benzothiazyl disulphide, and their salts and derivatives - (E) Isonicotinic acid hydrazide - (F) Phenylbutazone and mono-phenylbutazone and their salts - (G) Caprolactam - (H) Coumarin -
(I) Melamine - (J) Cyanuryl chloride".

That definition was in effect from 1973 to 1978.

In 1978 certain amendments made to the nomenclature of the Brussels Customs Co-operation Council were carried into the Spanish tariff (see document L/4697 by which my country, on the basis of the technical definitions of the CCC, asked that Schedule XLV be updated) so that the text of the former heading 29.35 G now reads as follows:

29.35 I Melamine

29.35 K 6-amino penicillanic acid and its derivatives, salts and esters

29.35 L 7-amino cephalosporamic acid and its derivatives, salts and esters

29.35 M 7-amino deacetoxycephalosporanic acid and its derivatives, salts and esters

29.35 N Heterocyclic compounds, including nucleic acids, not specifically mentioned in the preceding sub-headings.

Heading 29.35 G of 1963 was by its very nature a residual heading covering all heterocyclic products not elsewhere specified. It is logical, therefore, that over the period since the duty was bound, the domestic chemical industry has developed and now produces some of the inorganic chemicals included in the original definition. This is the case in respect of the following three inter alia:

29.35 K 6-amino penicillanic acid and its derivatives, salts and esters

29.35 L 7-amino cephalosporanic acid and its derivatives, salts and esters

29.35 M 7-amino deacetoxycephalosporanic acid and its derivatives, salts and esters.

Having regard to the existence of multinational chemical undertakings which operate in a system of oligopoly and practise selling prices that, when necessary, can be lower than the normal production costs, the Spanish authorities consider that imports of the above-mentioned products into Spain are threatening to cause serious injury to domestic production.

Accordingly, and in pursuance of Article XIX of the General Agreement, the Spanish authorities have decided to take action to suspend temporarily, where necessary, the duty binding (established at 10 per cent ad valorem since 1963) in respect of the products formerly falling within heading 29.35 G.

Attached hereto is a statistical table showing for the three-year period 1975-77 the value of imports of the products falling within tariff heading 29.35 K (statistical No. 29.35.91) as reproduced above, together with the principal supplying countries.

In view of the fact that the import statistics for the products in present tariff headings 29.35 K, 29.35 L and 29.35 M are included in the figures for the former heading 29.35 K - since the Customs Co-operation Council definitions were introduced only as from 1 January 1978, as already mentioned - there is reason to suppose that the import figures for the products mentioned will be much lower than those communicated.

Due account should be taken of the fact that the proposed modification of the customs duty does not affect all the products formerly included in heading 29.35 G but only three of them - those now designated as headings 29.35 K, L, and M.

The Spanish Government is prepared to enter into consultations with contracting parties having a substantial interest in this matter, and a copy of this communication is being sent to them this day.

Tariff heading: 29.35 K "Other heterocyclic compounds, including nucleic acids (except (A) Furfural and furfuryl alcohols; (B) Carbazole and carbazole derivatives; (C) Nitrofurazone; (D) Hexapentabenzothiazole and benzothiazyl disulphide, and their salts and derivatives; (E) Isonicotinic acid hydrazide; (F) Phenylbutazone and monophenylbutazone and their salts; (G) Caprolactam; (H) Coumarin; (I) Helamine; (J) Cyanuryl chloride)."

Statistical number: 29.35.91

Trade régime: Unrestricted

Customs duty: 10 per cent ad valorem, Schedule XLV, Protocol for the Accession of Spain (Annex E, Schedules annexed to the Declaration on Provisional Accession of Switzerland)

Country	1975		1976		1977		Three-year period 1975-76-77	
	Thousand pesetas	%	Thousand pesetas	%	Thousand pesetas	%	Thousand pesetas	%
FRG	524,987	12.04	737,833	12.49	1,015,824	13.74	2,278,644	12.90
Denmark	8,300	0.19	8,268	0.14	10,347	0.14	26,915	0.15
France	358,584	8.22	409,165	6.93	398,940	5.39	1,166,789	6.61
Ireland	20,334	0.47	84,770	1.43	368,093	4.98	473,197	2.68
Italy	424,566	9.74	487,685	8.26	676,651	9.15	1,588,902	9.00
Netherlands	31,604	0.72	85,161	1.44	171,888	2.32	288,653	1.63
United Kingdom	424,489	9.73	651,558	11.03	732,809	9.92	1,808,936	10.24
BLEU	158,764	3.64	299,146	5.06	537,411	7.28	995,321	5.63
EEC	1,951,728	44.75	2,763,586	46.78	3,912,043	52.92	8,627,357	48.84
Switzerland	1,068,887	23.15	1,551,647	26.26	1,660,510	22.45	4,221,044	23.90
United States	866,465	20.33	840,977	14.24	1,062,947	14.37	2,790,389	15.81
Japan	219,638	5.04	332,589	5.63	358,223	4.84	910,450	5.15
Other	293,714	6.73	418,211	7.09	401,131	5.42	1,113,056	6.30
Total	4,360,432	100.00	5,907,010	100.00	7,394,854	100.00	17,662,296	100.00

Source: Foreign trade statistics of Spain - General Directorate of Customs.