GENERAL AGREEMENT ON TARIFFS AND TRADE

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IMPORT QUOTA SYSTEM

Portugal

The following communication, dated 2 June 1982, has been received from the <u>Permanent Mission of Portugal</u>.

1. The persistent deterioration of trade deficit is one of the main features of the Portuguese economy. In 1980, there was a strong aggravation of the Portuguese external accounts as compared to results for 1979. In fact the balance of current transactions went from a practically balanced situation in 1979 to a deficit of \$1.2 billion in 1980. Forecasts are pointing out a still worse performance for 1981. Therefore the Portuguese Government has been induced to maintain in force until 31 March 1982 the import quota system for some consumer goods.

2. The system set up on 28 February 1977 is maintained, as previously, on a non-discriminatory and temporary basis aiming at containing imports, at a level commensurate with the possibilities of foreign exchange outflow.

3. This quota system has been prorogated on an annual basis and presently for one more year (from 1 April 1981 to 31 March 1982 by Government Order 310-D/81, attached as Annex I).

4. The administrative execution of the scheme will continue on the general lines similar to the scheme adopted at the beginning.

5. During all the period of enforcement of the quota system some changes were introduced in order to render it less restrictive. Thus in 1981 besides reducing the number of the listed products, the value of the total global quota was increased by about 50 per cent in relation to the preceding year.

6. The evolution of imports of less essential consumer goods subject to the import quota system as well as their respective rates of coverage by main origin markets for 1979, 1980 and the first half of 1981, is shown at Annex II. The data do not include Greece because there were no imports from this country, in what concerns goods submitted to the quota system, since its accession to the EEC.

ANNEX I

Portuguese System of Import Quotas For Some Consumer Goods

Government Order No. 310-D/81 of 31 March 1981

(Non-official translation)

The persistence of the unbalance in trade balance and the foreseeable difficulties in the balance of payments during 1981 render necessary the maintainance of the import quota system for some consumer goods referred to in Government Order 148-E/80, of 31 March.

Through the present Order, which will be in force for one year, the system will be maintained, although with some changes due to an increase in the total global amount of the import quotas and the withdrawal of two of the items.

Therefore, under Decree Law No. 720-A/76, of 9 October:

The Government of the Portuguese Republic through the Ministers of Finance and Planning, of Trade and Tourism and of Industry and Energy, has decided the following:

Paragraph 1

As from 1 April 1981 to 31 March 1982 imports of goods on the list at Annex will be subject to the import quota system.

Paragraph 2

The Directorate General of Foreign Trade (Direcçào-Geral do Comércio Externo), or other entities given powers for the granting of import licences, are empowered to allocate among importers the import quotas.

Paragraph 3

Sub-paragraph 1: the criterion to be used as basis of allocation of quotas is the amount of imports made by each importer during 1975 and 1976. The annual import quota of each product subject to the system will be equal to the product of the arithmetic average of those imports by a ratio between the value of the global quota established for each product in this Government Order and the average value of the total imports of each product during 1975 and 1976. This criterion will be applied except as otherwise provided in the following paragraphs; freedom of choice as to origin markets will be maintained. Sub-paragraph 2: Evidence of the level of imports reached during that period, to be submitted to the departments mentioned in paragraph 2 above, will have to be made by means of proper Customs clearance forms.

Sub-paragraph 3: Evidence of the levels of imports during 1975 and 1976, to be presented by each importer, shall not be required whenever the proper Customs clearance forms have already been submitted to the entities referred to in paragraph 2 above.

Sub-paragraph 4: Provisions of sub-paragraph 1 do not apply whenever:

- (a) another allocation criterion is set through an enactment of the Minister of Trade and Tourism;
- (b) they concern importers who have not imported any imports during 1975 and 1976.

Sub-paragraph 5: An amount of 15 per cent of each import quota shall be set apart for full allocation among:

- (a) importers who, having imported no imports during 1975 and 1976, apply for imports of goods subject to the system;
- (b) importers already covered by sub-paragraph 1 hereof provided their quotas will not in any case be lower than those of importers mentioned under (a) hereof.

Sub-paragraph 5: Applications mentioned under (a) of the preceding sub-paragraph will have to be submitted until the end of the fourth month of enforcement of this Government Order.

Sub-paragraph 7: Whenever a ministerial enactment sets out a special allocation criterion it will have to specify whether or not the 15 per cent reserve scheme applies.

Paradraph 4

Beyond the import quotas set out in the list at Annex, authorization may be granted for additional import quotas through a previous joint enactment from the Ministers of Trade and Tourism and of Industry and Energy. The value of these additional import quotas cannot exceed the national value added to Portuguese exports:

- (a) Products manufactured by the Portuguese importer to be exported to the foreign manufacturer of the product to be imported;
- (b) Products from other national industries exported to and intended to be strictly used for industrial purposes by the foreign manufacturer that supplies the goods to be imported.

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Paragraph 5

For the purposes of the preceding paragraph, the necessary evidence of the export value shall be submitted to the Directorate General of Foreign Trade (Direcçào-Geral do Comércio Externo).

Paragraph 6

Any doubtful cases arising under this Order will be settled through a joint enactment from the Ministers of Finance and Planning and of Trade and Tourism and, whenever the nature of a case requires it, from the Minister of Industry and Energy.

Paragraph 7

The present Government Order enters into force as from 1 April 1981.

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ANNEX TO GOVERNMENT ORDER Nº 310-D/81

List of products subject to quotas

from 1st April 1981 to 31st March 198?

Portuguese tariff heading number	Product description	(Esc '000)
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados,man goes, guavas and mangosteens, fresh or dried, shelled or not	560.000
73.36	Stoves (including stoves with subsi- diary boilers for central heating), ranges, cookers, grates, fires and other space heaters,gas-rings, plate warmers with burners,wash boilers with grates or other heating elements, and similar equipment, of a kind used for domestic purposes, not electrically operated, and parts thereof, of iron or steel	96.000
84.15	Refrigerators and refrigerating equip ment (electrical and other): -Cabinets and other furniture impor- ted with their respective refrigera ting units:	
02	-Weighing up to 200 kg each Machinery, plant and similar laboratory ry equipment, whether or not electri- cally heated, for the treatment of materials by a process involving a chan ge of temperature such as heating, coo king, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vapourising, con densing or cooling, not being machinery ry or plant of a kind used for domes- tic purposes; instantaneous or storage water heaters, non-electrical:	582.000
01	-Instantaneous or storage water hea- ters, of a kind used for domestic purposes	104.000

Portuguese tariff heading number	Product description	(Esc '000)
84.40	Machinery for washing, cleaning, drying, bleaching, dyeing, dressing, finishing or coating textile yarns, fabrics or made-up textile articles (including laundry and dry-cleaning machinery); fabric-folding, reeling or cutting ma chines; machines of a kind used in the manufacture of linoleum or other floor coverings for applying the paste to the base fabric or other support; ma- chines of a type used for printing a repetitive design, repetitive words or overall colour on textiles, leather, wallpaper, wrapping paper, linoleum or other materials, and ergraved or etched plates, blocks or rollers therefor:	
ex 03	-For washing clothes: -For domestic use	360.000
84.41	Sewing machines; furniture specially designed for sewing machines; sewing machine needles: -Machines: -For domestic use	136.000
85.03	Primary cells and primary batteries:	120.000
ex 01 ex 01	Dry: -Zinc-carbon primary cells -Alkali manganese,mercury and silver oxide primary cells	42.000 48.000
ex 85.06 ex 85.06	Vacuum cleaners for domestic use,with self-contained electric motor Other electro-mechanical domestic appliances,with self-contained motor	66.000 368.000
85.12	Electric instantaneous or storage wa- ter heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances(for example, hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro thermic domes tic appliances; electric heating resis tors, other than those of carbon:	

Portuguese tariff heading number	Product description	(Esc '000)
01) 02) 06	-Water heaters and space heaters) -Smoothing irons and parts therefor) -Other, except stoves, cookers, ran ges and similar cooking appliances,	96.000
	heating resistors and parts there- for	112.000
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio-broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and ra- dio remote control apparatus:	
01 02	-Radio-broadcasting reception appara tus -Television reception apparatus	198.000 174.000
87.09.01)))	Motor-cycles, auto-cycles and cycles) fitted with an auxiliary motor, with) side-cars; side-cars of all kinds:)	
)))	-Motor-cycles and cycles fitted with an auxiliary motor, of a cylinder) capacity not exceeding 50 cc	30.000
87.10)	Cycles (including delivery tricycles), not motorised	
87.09	Motor-cycles, auto-cycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds:	
	-Motor-cycles and cycles fitted with an auxiliary motor, of a cylinder capacity exceeding 50 cc :	
03))) 04/05)	-With side-cars or fitted with bo) dies, for other purposes than fire brigades Without side-cars or not fitted) with bodies	78.000

Gramophone records and other sound or similar recordings; matrices for the production of records, prepared record blanks, film for mechanical sound re- cording, prepared tapes, wires, strips and like articles of a kind commonly used for sound or similar recording: Sound recording media: -Wires, strips and tapes Other firearms, including very light) pistols, pistols and revolvers for) firing blank ammunition only, line-) throwing guns and the like) Arms of other descriptions, including) air, spring and similar pistols, rifles) and guns)	96.000 136.000
-Wires, strips and tapes Other firearms, including very light) pistols, pistols and revolvers for) firing blank ammunition only, line-) throwing guns and the like) Arms of other descriptions, including) air,spring and similar pistols,rifles)	136.000
pistols, pistols and revolvers for) firing blank ammunition only, line-) throwing guns and the like) Arms of other descriptions, including) air,spring and similar pistols,rifles)	
Chairs and other seats (other than)	
those falling within heading N994.02) whether or not convertible into beds, and parts thereof	
Other furniture and parts thereof)	
Wheeled toys designed to be ridden by) children (for example, toy bicycles) and tricycles and pedal motor cars);) dolls' prams and dolls' push chairs)	
Dolls	376.000
() Other toys; working models of a kind () used for recreational purposes ()	
	children (for example, toy bicycles) and tricycles and pedal motor cars);) dolls' prams and dolls' push chairs) Dolls) Dther toys; working models of a kind)