

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5672
13 August 1984

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Original: Spanish

ARTICLE XIX - ACTION BY CHILE

Sugar

The following notification, dated 1 August 1984, has been received from the Permanent Delegation of Chile, with the request that it be circulated to the contracting parties.

Under Supreme Decree No. 619 published in the Official Gazette on 25 July 1984, a tariff surcharge has been established on the import of sugar. This surcharge is additional to the 20 per cent ad valorem duty at present applied and consists of a specific duty in respect of the following tariff sub-headings:

<u>CCCN</u>	<u>Product</u>	<u>Surcharge</u>
17.01.01	Raw sugar	Gold \$0.600 (US\$149 per ton)
17.01.02	Refined sugar	Gold \$0.609 (US\$151.25 per ton)

The duty on this product is bound in Schedule VII (Chile) at the level of 35 per cent. Application of the surcharge means that the level of protection will be in excess of 35 per cent, and for this reason the provisions of Article XIX of the General Agreement are being invoked through the present notification. This measure applies to imports of sugar from whatever origin.

The Chilean Government has introduced a sugar policy designed to make use of the comparative advantages of sugar beet cultivation. In normal circumstances no special protection would be needed. Nevertheless, growing distortions in conditions of competition on the international market, and depressed prices of sugar, have resulted in an increase in imports. In such conditions the Chilean sugar industry has suffered serious injury.