CHEMICAL AGREEMENT MAINTAINED FOR FURTHER YEAR

The governments which concluded in 1967 the Agreement Relating Principally to Chemicals have extended its effective expiry date by twelve months to 1 January 1973. By doing so, they have preserved the possibility of bringing the Agreement into effect if the United States Congress abolishes the American Selling Price system of customs valuation.

The Agreement was reached in 1967 at the same time as, but distinct from, the Kennedy Round agreements. Concluded between the United States and a number of European countries, it provides that the latter will make further concessions beyond those agreed on in the Kennedy Round, on their chemical tariffs and on a number of other trade barriers in exchange for abolition by the United States of the American Selling Price system of customs valuation for chemical products plus some additional tariff cuts on chemicals. Abolition of this system, which has the effect of substantially increasing duties payable on imports of benzenoid chemicals, requires the approval of the United States Congress, which has not yet acted on the matter. The original closing date of the agreement, now postponed for a fourth time, was 1 January 1969.

END

1Belgium, France, Italy, Switzerland, the United Kingdom and the European Economic Community