PORTUGAL - IMPORT SURCHARGE

The following communication, dated 13 January 1976, has been received from the Permanent Delegation of Portugal.

Regarding the Portuguese import surcharges, and under instructions just received, I have the honour to enclose two Notifications, with the request that they be circulated to all contracting parties.

The text of Decree-Law No. 758/75, referred to therein, was published in Supplement 3, Series I, to Official Gazette No. 300 dated 31 December 1975.
EXTENSION OF THE IMPORT SURCHARGE

1. Decree-Law No. 271-A/75 of 31 May 1975, subsequently revised by Decree-Law No. 701-F of 17 December last, introduced an import surcharge effective until 31 December 1975. This surcharge was one of the corrective measures then considered necessary to alleviate the considerable deficit of the Portuguese balance of payments which was inevitably leading to very serious difficulties in the context of the country's international payments.

2. As stated in the preamble of Decree-Law No. 271-A/75, measures then taken would have to be completed by steps of a different character, integrated into a general policy of austerity of consumption and recovery of national productive activity.

3. However, the conditions of political instability prevailing in Portugal during the last months hindered the adoption of most of these complementary measures. Consequently, there is still no sign of recovery, a situation which must be faced through an adequate set of sufficiently effective and urgent measures.

4. This does not mean that restrictions resulting from the surcharges have not had positive effects upon the reduction of imports of superfluous or less-essential consumer goods.

5. Having considered the multiple aspects of this intricate problem, the Portuguese Government has concluded that it could not avoid extending the import surcharge for some time in order to allow for the conclusion of a more detailed study which would form the basis of medium-term trade policy measures without prejudice to other measures which may be set up meanwhile in other sectors, with a view to countering directly or indirectly the current external imbalance.

6. Under the circumstances, the Portuguese Government has extended till 31 March 1976 by Decree-Law No. 758/75 of 31 December 1975, the duration of Decree-Law No. 271-A/75 as revised by Decree-Law No. 701-F/75.
BALANCE-OF-PAYMENTS DIFFICULTIES

1. With a view to countering difficulties connected with the rapid deterioration of national trade and payments balances, Decree-Law No. 271-1/75 of 31 May 1975 established surcharges of 20 and 30 per cent, on imports of specific categories of products. The urgency with which such restrictive measures had to be taken made it impossible to gather fully comprehensive data on several sectors of the national industry. Thus, a certain number of deviations appeared with regard to the general criteria which had guided the preparation of the lists of products subject to the above-mentioned surcharges.

2. Changes currently introduced in the lists consist in either deleting a number of products in the 20 per cent surcharge list, or transferring certain products from the 30 per cent to the 20 per cent list, or finally, including new products in both. Deleted products are practically all intermediate essential goods; later and more accurate information has led to the conclusion that their internal production is either insufficient or even inexistent. Transferring of products from the 30 per cent to the 20 per cent list was decided upon when it was realized that their classification as superfluous goods had been too broad. Addition of new products to both lists results from a previous oversight through which some types of goods were not made subject to the surcharge although they came under the general criteria chosen for establishment of the said surcharges.

3. Experience derived from the operation of Decree-Law No. 271-1/75 showed a need for changes consisting of new provisions as well as revised ones, in a less restrictive direction.

4. Bearing the above in mind, Decree-Law No. 701-F/75 introduced the following changes as regards Decree-Law No. 271-1/75, with effect from 17 December 1975:

   (a) Products appearing in Annex I to this Notification should be deleted from the list in Annex I to Decree-Law No. 271-1/75 as circulated in document L/4185. Such items were, therefore, exempted from the surcharge as from 17 December 1975.

   (b) Products appearing in Annex II to this Notification are to be deleted from the list in Annex II, ditto, and added to the list in Annex I. Consequently, such products are subject to a surcharge of 20 per cent.

   (c) Products listed in Annex III to this Notification, are to be added to Annex I, ditto. Consequently, such goods are subject to a surcharge of 20 per cent.
(d) Products listed in Annex IV to this Notification are to be added to Annex II, ditto. Consequently, such products are subject to a surcharge of 30 per cent.

(e) Article 4 of Decree-Law No. 271-1/75 now reads as follows:

"Import surcharges are applicable to all goods shown in the enclosed lists under the general provision of Article 10 of the Preliminary Instructions to the Portuguese Import Tariff."

(f) At the importer's request amounts already paid corresponding to the surcharges on goods, now exempted from the same in accordance with the provisions of (a) above, will be refunded. A refund can also be obtained whenever the surcharge has been paid in excess due to later transfer of a particular product from the 30 per cent to the 20 per cent surcharge list. In either case, refunds will only be granted if importers provide satisfactory evidence that the goods concerned remained in store on the date of entry into force of Decree-Law No. 701-F/75. For similar reasons, bonds demanded in connexion with surcharge payments will cease. The general procedure outlined above will also be followed in respect of cases referred to in (e).

(g) Article 5 of Decree-Law No. 271-1/75, now reads as follows:

"Notwithstanding the provisions of Articles 1 and 4, the Minister of Finance may grant exemption from the surcharges in respect of duty-free goods, as specified by the Portuguese Import Tariff, or of those which, in accordance with legislation in force, may benefit from exemption or reduction of duty."

(h) The possibility given in the revised Article 5 of Decree-Law No. 271-1/75 cannot, however, be considered for goods classified under the same tariff heading whenever the surcharge due amounts to Esc 10,000 or less.

(i) The importer may add the amount of the surcharge to the selling price of the goods. For such purpose and whenever the goods are of a kind which, under the provisions of Decree-Law No. 329-1/74 of 10 July 1974, are subject to the controlled or declared price schemes (based either on the value of the goods or the size of the enterprise) the importer must report the new prices to the Directorate-General for Prices ("Direcção-Geral dos Preços"). Importers can only avail themselves of this price addition after the date on which the Directorate-General receives the necessary formal notice. Apart from criminal liability, importers who, in such notices, add to previously controlled or declared prices, an amount higher than the surcharge actually paid, must reduce the newly reported prices accordingly. Failure to give notice of the addition of the surcharge to the
selling prices shall be punished under Article 15, No. 2, of Decree-Law No. 329-A/74. Where importers have concluded contracts prior to the introduction of surcharges, they may add the amount of the surcharges to the agreed selling price. This may only be done, however, on condition that proof of such payments is given to the buyer. The latter has a right to cancel the contract.

(j) Doubts which may arise regarding the interpretation of Decree-Laws Nos. 271-A/75 and 701-F/75 will be solved by a formal joint decision of the Ministers of Finance and External Trade.
ANNEX I

Chapter 5

05.04.01  Guts fresh or salted
05.04.02  Guts dried

Chapter 25

25.09.02  Natural micaceous iron oxides
25.18  Dolomite, whether or not calcined, including dolomite not further worked than roughly split, roughly squared or squared by sawing; agglomerated dolomite (including tarred dolomite)
ex 25.20.01  Crude gypsum

Chapter 27

27.10.04  Mineral oils uninflammable at normal temperature, of which 100 per cent distils at up to 245°C.
27.10.05  Illuminating oils
27.10.08  Lubricating oils put up in containers of a weight of not more than 5 kgs. (including the containers)
27.10.09  Lubricating oils otherwise put up
27.14  Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals

Chapter 28

28.02  Sulphur, sublimed or precipitated; colloidal sulphur
28.10.02  Phosphoric acids
28.13.02  Other inorganic acids and oxygen compounds of non-metals (excluding water) not specified
28.15.02  Sulphides of non-metals; phosphorus trisulphide: not specified
28.38.07  Ferrous sulphate
28.47  Salts of metallic acids (for example, chromates, permanganates, stannates)
28.48  Other salts and peroxy salts of inorganic acids, but not including azides

Chapter 29

29.38.01  Vitamin A
29.42  Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives
29.44.05  Antibiotics not specified
Chapter 30

30.02 Antisera; microbial vaccines, toxins, microbial cultures (including ferment but excluding yeasts) and similar products

30.05.02 Opacifying preparations for X-ray examinations and diagnostic reagents

30.05.03 Dental cements and fillings

Chapter 32

32.05.02 Sulphur-based dyestuffs

32.09.01 Aluminium paste used in the manufacture of paint

Chapter 34

34.04 Artificial waxes (including water-soluble waxes); prepared waxes, not emulsified or containing solvents

Chapter 35

35.04 Peptons and other protein substances and their derivatives; hide powder, whether or not chromed

Chapter 37

37.01 Photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paperboard or cloth

37.03.02 Sensitized paper, paperboard and cloth, unexposed or exposed, but not developed: not specified

Chapter 38

38.03.02 Activated carbon (decolourizing, depolarizing or absorbent); activated diatomite, activated clay, activated bauxite and other activated natural mineral products: not specified

38.12 Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries

38.17 Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades

38.19.04 Heat-insulating preparations

38.19.09 Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included: not specified
Chapter 39

39.03.04 Ethers and esters, not specified
39.03.18 Tubes, not specified: Artificial sausage casings
39.06.02 Other high polymers, artificial resins and artificial plastic materials, including alginic acid, its salts and esters; linoxyn: products not specified

Chapter 40

40.01.03 Natural rubber latex, whether or not with added synthetic rubber latex; pre-vulcanized natural rubber latex; natural rubber, balata, gutta-percha and similar natural gums: sheets not specified
40.01.04 Natural rubber latex, whether or not with added synthetic rubber latex, pre-vulcanized natural rubber latex; natural rubber, balata, gutta-percha and similar natural gums: other products

Chapter 48

48.07.03 Stencil paper
48.15.06 Other paper and paperboard, cut to size or shape: stencil paper

Chapter 57

57.07.01 Yarn of coir

Chapter 73

73.04 Shot and angular grit, of iron or steel, whether or not graded: wire pellets of iron or steel
73.15.25 Angles, shapes and sections for umbrella ribs
73.15.41 Hoop and strip: clad with other metals by any process (B Group)
73.15.43 Hoop and strip, printed, varnished, painted or enamelled (B Group)
73.23 Casks, drums, cans, boxes and similar containers, of sheet or plate iron or steel, of a description commonly used for the conveyance or packing of goods
Chapter 76

76.03 Wrought plates, sheets and strip, of aluminium

Chapter 83

83.08.02 Flexing tubes of copper or copper alloys
83.08.03 Flexing tubes of other metal

Chapter 84

ex 84.24.02 Motor driven cultivators

Chapter 85

ex 85.15.03 Radio navigational aid apparatus, radar apparatus and radio remote-control apparatus

Chapter 90

90.07.02 Photographic cameras; photographic flashlight apparatus, weighing more than 20 kgs. each
90.08.02 Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles weighing more than 20 kgs. each
90.09.02 Image projectors (other than cinematographic projectors) photographic (except cinematographic) enlargers and reducers, weighing more than 20 kgs. each
ex 90.10 Apparatus and equipment of a kind used in photographic or cinematographic laboratories, not falling within any other heading in this Chapter; photocopying apparatus (contact type); spools or reels, for film; screens for projectors, excluding the heliographic machines and screens for projectors with dimensions inferior to 1.40 x 1.40 mts.
ANNEX II

Chapter 16

ex 16.03 Meat extracts and meat juices

Chapter 92

92.01 Pianos (including automatic pianos, whether or not with keyboards); harpsichords and other keyboard stringed instruments; harps but not including aeolian harps

92.02 Other string musical instruments

92.03 Pipe and reed organs, including harmoniums and the like

92.04 Accordions, concertinas and similar musical instruments; mouth organs

92.05 Other wind musical instruments

92.06 Percussion musical instruments (for example, drums, xylophones, cymbals, castanets)

92.07.01 Pianos

92.07.03 Electro-magnetic, electrotastic, electronic and similar musical instruments (for example, pianos, organs, accordions): not specified

92.08 Musical instruments not falling within any other heading of this Chapter (for example, fair-ground organs, mechanical street organs, musical boxes, musical saws); mechanical singing birds; decoy calls and effects of all kinds; mouth-blown sound signalling instruments (for example, whistles and boatswains' pipes)
ANNEX III

Chapter 14

14.03 Vegetable materials of a kind used primarily in brushes or in brooms (for example, sorgho, piassava, couch-grass and istle), whether or not in bundles or hanks

Chapter 28

28.01.05 Iodine sublimed, including bi-sublimed iodine
28.34.01 Potassium iodate
28.34.02 Sodium iodate
28.38.08 Copper sulphates with a minimum percentage of 97.28 expressed CuSO$_4$$\cdot$5H$_2$O

Chapter 34

34.02 Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap

Chapter 48

48.01.05 Paper of any quality, other than specified in sub-headings 48.01.02, 48.01.03 and 48.01.04, for printing books or reviews
48.01.09 Paper, not specified
48.01.10 Card, not specified
48.13.02 Duplicator stencils and the like
48.15.02 Blotting paper

Chapter 73

73.10.01 Wire rod in coils
73.15.12 Bars and rods, wire rod in coils, other products (B Group)

Chapter 85

85.11.02 Industrial and laboratory electric furnaces, ovens and induction and dielectric heating equipment; electric welding, brazing and soldering machines and apparatus and similar electric machines and apparatus for cutting: not specified

Chapter 90

90.28.04 Electrical measuring, checking, analyzing or automatically controlling instruments and apparatus: not specified
ANNEX IV

Chapter 8
ex 08.01 Dates, pineapples, avocados, mangoes, guavas and mangosteens, Brazil nuts, cashew nuts, fresh or dried, shelled or not

Chapter 12
ex 12.01.01 Ground-nuts, shelled or not, for immediate consumption

Chapter 85
85.09 Electrical lighting and signalling equipment and electrical windscreen wipers, defrosters and demisters for cycles or motor vehicles
85.14 Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers