ARTICLE XIX - ACTION BY CHILE

Sugar

Addendum

The following notification, dated 3 February 1986, has been received from the Permanent Delegation of Chile, with the request that it be circulated to contracting parties.

The Permanent Delegation of Chile to GATT has the honour to report a recent modification to the specific duties applied on imports of raw and refined sugar, in pursuance of Article XIX of the General Agreement.

Supreme Decree No. 1114 of 8 January last has modified the specific duties applicable to imports falling within headings 17.01.01 and 17.01.02.

The new mechanism, which is to be in operation until 31 March 1987, provides that imports of raw and refined sugar are to be subject to specific duties in addition to the rate of 20 per cent ad valorem, or that the customs duty is to be lowered from 20 per cent. The system envisages a series of prices, with maximum and minimum levels so that the import cost fluctuates within this range and operates as from the lowest price quoted on the international market.

The Decree contains a table indicating the international price expressed in US$ f.o.b. per ton, on the one hand, and the specific duty or tariff reduction corresponding to that international price, on the other hand.

The specific duties apply as from a price equal to or lower than US$249 per ton f.o.b. A specific duty of US$1.26 per ton is applied to that international price for imported raw and refined sugar. The specific duty rises to a maximum of US$239.40 per ton imported if the international price falls to US$60 per ton f.o.b.

Similarly, the 20 per cent customs duty is lowered progressively as from an international price of equal to or higher than US$492 per ton f.o.b.
As from an international price of approximately not more than US$223 per ton f.o.b, the applicable specific duty is approximately equivalent to more than 15 per cent ad valorem. This equivalent, added to the 20 per cent duty, applied on all imports, is still above the level of the binding made by our country in the Tokyo Round, if one considers that international prices are currently below the level indicated (US$223 per ton f.o.b.).

A copy is enclosed of the texts of Ministry of Finance Decree No. 1114 of 8 January 1986 and the amendment published in the Official Gazette of 9 January 1986.¹

¹Available in office No. 1071 (telephone 31.02.31, extension 2181) for consultation by delegations.