

GENERAL AGREEMENT ON TARIFFS AND TRADE

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GREEK INCREASE OF BOUND DUTY

Statement submitted by the Delegation of Germany

At the request of the German delegation, on 10 October 1956, the Inter-
sessional Committee placed this item on the provisional agenda which was
adopted by the plenary meeting of the CONTRACTING PARTIES on 11 October 1956.

The complaint is directed against the Greek increases of import duties
put into force by the Greek Government on 3 October 1956 as far as they exceed
the tariff concessions contained in Schedule XXV (Greece) - with due regard to
the increases of specific duties effected by the Greek Government on the
strength of the authority granted to it by the decision of the CONTRACTING
PARTIES of 24 October 1953. In detail, these increases of duty are the
following:

1. Tariff item 134 i 1 - refrigerators operated by electricity or by
any other means, except ice, weighing up to 250 kgs;

present duty (ad valorem): maximum duty 40%, minimum duty 25%,
bound duty 20%

future duty (ad valorem): maximum duty 50%, minimum duty 35%,
bound duty has been withdrawn

2. Tariff item 137 e 3 ter - gramophone records and cylinders, recorded at
under 78 revolutions per minute:

present duty (for 100 kgs): maximum duty 1500 (metallic) drachmae,
minimum duty 1200 (metallic) drachmae,
bound duty 600 (metallic) drachmae

future duty (ad valorem): maximum duty 60%, minimum duty 40%,
bound duty has been withdrawn

The Federal Republic has a substantial interest in both tariff concessions;
moreover, the concession concerning tariff item 137 e 3 has been initially
negotiated by it.

The complaint is simultaneously directed against the fact that increases of bound duties are put into force in Greece at the same time at which a draft law is signed and submitted to Parliament, without the draft having been passed by Parliament and published in the Official Gazette; accordingly, the publicity provided for by Article X of the General Agreement seems not to have been given.

Ad 1 (refrigerators)

After adoption of the agenda, it has been made known in GATT document L/541 of 11 October 1956 that the Greek Government, in increasing the bound duty in question, bases itself on Article XIX of the General Agreement. The fact that the increase is immediately put into force without previous consultations shows that the Greek Government believes that there exist critical circumstances according to the last sentence of paragraph 2 of Article XIX of the General Agreement.

The Greek Government having invoked Article XIX and the consultations provided for by that Article having been initiated, the German delegation does not insist on the complaint being discussed before the CONTRACTING PARTIES. However, it reserves the right to return to the matter if the consultations should show that the conditions for an action under Article XIX do not exist.

Ad 2 (long-play records)

The long-play records contained in the new tariff item 137 e 3 ter (gramophone records and cylinders, recorded at under 78 revolutions per minute) have so far been included in tariff item 137 e 3, the duty of which was bound at Annecy and Torquay. From a comparison of the tariff incidence on the export prices c.i.f. Piraeus it becomes evident that the new minimum duty of 40 per cent ad valorem constitutes in any case a considerable increase as against the former bound duty of $400 + 50\% = 600$ (metallic) drachmae for 100 kgs.

The increase of the bound duty has taken place without the Greek Government availing itself of the possibilities, existing under the General Agreement, of a temporary or permanent withdrawal of tariff concessions (Articles XIX, XXVIII or XVIII). Such action, especially if taken without previous publication or notification, creates an uncertain legal situation and jeopardizes the stability provided by the General Agreement in the field of tariffs.

The German delegation reserves the right to submit further documentation.