

ANNEX G

Special arrangements for Portugal in regard to import duties and quantitative export restrictions

1. Special arrangements in regard to the reduction and elimination of import duties on certain products imported into Portuguese territory covered by the Convention, and in regard to the application by Portugal of quantitative export restrictions are provided in this Annex.

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Import duties

2. The provisions in paragraphs 4 to 6 of this Annex shall be substituted for paragraph 2 of Article 3 in relation to any products of which there is production in Portuguese territory covered by the Convention on 1st January, 1960, and which are not referred to in paragraph 3 of this Annex.

3. (a) The products excepted from paragraph 2 of this Annex are

- (i) goods the export of which to foreign countries amounts to 15 per cent or more of the production in Portuguese territory covered by the Convention on the average of the three years ended 31st December, 1958; or
- (ii) other goods notified by Portugal, even though the industries concerned are not exporting industries covered by sub-paragraph (i) of this paragraph.

(b) Before 1st July, 1960, Portugal shall notify to the Council the products to which sub-paragraphs (i) and (ii) of this paragraph will apply.

4. (a) On and after each of the following dates Portugal shall not apply an import duty on any product referred to in paragraph 2 of this Annex at a level exceeding the percentage of the basic duty specified against that date:

1st July, 1960	80 per cent.
1st January, 1965	70 per cent.
1st January, 1967	60 per cent.
1st January, 1970	50 per cent.

(b) The Council shall decide before 1st January, 1970, the timetable for the progressive reduction of import duties on such products which remain after that date, provided that those duties shall be eliminated before 1st January, 1980.

5. If on the average of the three years ending 31st December, 1959, or of any subsequent three years before 1st January, 1970, exports of any product to foreign countries amount to 15 per cent or more of production in Portuguese territory covered by the Convention, and provided that this level of exports is not due to exceptional circumstances, the elimination of the remaining duty on such products shall be achieved by annual reductions of 10 per cent of the basic duty, unless the Council decides otherwise.

6. (a) Portugal may, at any time before 1st July, 1972, increase the import duty on a product or establish a new import duty on a product not then produced in significant quantities in Portuguese territory covered by the Convention, provided that the import duty so applied

- (i) is necessary to help to promote the development of a specific production; and
- (ii) is not on an ad valorem basis higher than the normal level of customs duties applied in the most favoured nation tariff of Portugal at that time to similar products produced in Portuguese territory covered by the Convention.