

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2504

18 November 1965

Limited Distribution

EXTENSION OF THE URUGUAYAN WAIVER ON IMPORT SURCHARGES

Report of the Committee on Balance-of-Payments Restrictions

1. The Committee in the course of its consultation with Uruguay under Article XII:4(b) (unrevised), reported upon in document L/2503, also examined the balance-of-payments aspects of the Uruguayan request for a further extension of the waiver of 8 May 1961 relating to Uruguay's import surcharges. This report should accordingly be read in conjunction with that document.
2. The Committee noted that the waiver had originally been granted by a Decision of 8 May 1961 and had been successively renewed by Decisions of 20 July 1963, 31 January 1964 and 18 March 1964. The Government of Uruguay had requested at the twenty-second session of the CONTRACTING PARTIES that, in view of Uruguay's balance-of-payments situation, the waiver should be extended for a further three years and that it should be so amended as to cover the increase in the surcharge rates put into effect by the Decree of 24 November 1964 (see document L/2352). The CONTRACTING PARTIES had found that a careful examination of the balance-of-payments reasons for the surcharges was needed and that it could best be carried out in connexion with the normal balance-of-payments consultation with Uruguay and had therefore decided on 23 March 1965 that Uruguay was provisionally authorized to maintain the surcharges until 31 December 1965 and that the Council should deal with the request for an extension of the waiver after it had been examined by the Committee on Balance-of-Payments Restrictions.
3. The discussion showed that the Committee, in view of the balance-of-payments situation of Uruguay, was clearly in favour of an extension of the waiver. As regards the duration of the proposed extension, the Committee found that an extension until the end of the first regular session of the CONTRACTING PARTIES in 1967 would be reasonable in the present conditions. In the light of the discussion and taking into account the assessment provided by the International Monetary Fund (see paragraph 5 of document L/2503) the Committee thus recommends to the Council an extension of the waiver until the end of the first regular session of the CONTRACTING PARTIES in 1967, subject to the relevant terms and conditions specified in the Decision of 8 May 1961.
4. The Committee has accordingly prepared the following draft decision which it submits to the Council.

ANNEX

URUGUAYAN IMPORT SURCHARGES

Draft Decision

Considering that the CONTRACTING PARTIES, by Decision of 8 May 1961¹ waived, subject to specified terms and conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Uruguay to apply the import surcharges provided for in its Decree of 29 September 1960, as a temporary measure, taken as part of and in conjunction with its stabilization and development programme, to those items specified in Schedule XXXI enumerated in the table annexed to that Decision, on the understanding that the surcharges be levied in a manner consistent with the provisions of Article I of the General Agreement;

Considering that the validity of the above-mentioned Decision was successively extended by Decisions of 20 July 1963², 31 January 1964³ and 18 March 1964⁴ until 31 March 1965;

Considering that the Government of Uruguay informed the CONTRACTING PARTIES at their twenty-second session, that the Decree of 24 November 1964 provided for important changes to be made in the surcharges applied by Uruguay, and that it requested an extension of the above-mentioned Decision which would take account of these changes;

Considering that the CONTRACTING PARTIES, in a Decision of 23 March 1965⁵,

(i) Agreed:

- (a) that the examination of the above-mentioned Uruguayan request for an extension of the Decision of 8 May 1961 be deferred until such time as the Director-General, in consultation with

¹BISD, Tenth Supplement, page 51.

²L/2041.

³L/2130.

⁴BISD, Twelfth Supplement, page 59.

⁵BISD, Thirteenth Supplement, page 31.

the International Monetary Fund, determined to be practicable for the commencement of such examination, and

- (b) that the Council be authorized to deal with the Uruguayan request after the examination referred to in (a) above;
- (ii) Decided, pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement, that Uruguay be authorized to maintain until 31 December 1965 the surcharges at that time applied by it, subject to the terms and conditions of the Decision of 8 May 1961;

Having consulted fully with the International Monetary Fund and taking into account the assessment provided by the Fund in that consultation;

The Council of Representatives of the CONTRACTING PARTIES, acting pursuant to the authority granted to it by the CONTRACTING PARTIES in their Decision of 23 March 1965 pursuant to the provisions of paragraph 5 of Article XXV,

Decides that the Government of Uruguay be authorized to maintain until the end of the first regular session of the CONTRACTING PARTIES in 1967 the surcharges authorized by the Decision of 8 May 1961, as modified by the Uruguayan Decree of 24 November 1964, subject to the relevant terms and conditions of the Decision of 8 May 1961.