GENERAL AGREEMENT ON
TARIFFS AND TRADE

COUNCIL
7 November 1973

INDONESIA – RENEGOTIATION OF SCHEDULE XXI

Draft Decision

Considering that the Government of Indonesia has notified the CONTRACTING PARTIES that it has adopted a new Tariff of Customs Duty on 31 January 1973, based on the Brussels Tariff Nomenclature;

Considering that this tariff reform has been undertaken with a view to simplifying and rationalizing the Indonesian tariff structure;

Noting that in order to do so it was regarded necessary by the Indonesian authorities to revise the composition and the rates of custom tariff duties;

The CONTRACTING PARTIES acting pursuant to the provisions of Article XXV:5 of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Indonesia to apply the rates of duty contained in its Tariff of Customs Duty of 1 February 1973 which may exceed those bound in Schedule XXI, pending completion of negotiations for modification or withdrawal of concessions in that Schedule, subject to the following conditions:

1. The Government of Indonesia will promptly enter into negotiations or consultations with interested contracting parties pursuant to paragraphs 1 to 3 of Article XXVIII. These negotiations or consultations shall be related to the concessions to be offered by the Government of Indonesia as compensation for the modifications and withdrawals of concessions at present specified in Schedule XXI, and to any bequests made by interested contracting parties for other or additional compensation with a view to reaching a satisfactory adjustment consistent with the requirements of paragraph 2 of Article XXVIII.

2. Part IV of the General Agreement, including Article XXXVI:8, is applicable to the negotiations between Indonesia and the contracting parties which have accepted the Protocol amending the General Agreement on Tariffs and Trade to introduce a Part IV on Trade and Development; and other contracting parties, negotiating with Indonesia, likewise accept the principle enunciated in Article XXXVI:8 as applicable to the negotiations.

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3. The negotiations or consultations mentioned above shall be completed not later than [31 December 1973].

4. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Indonesia to the extent that they consider that adequate compensation, bearing in mind the provisions of paragraph 2 of this Decision, is not offered within a reasonable time by the Government of Indonesia (subject to the right of any third contracting party having a principal supplying interest or a substantial interest therein to withdraw substantially equivalent concessions initially negotiated with such other contracting parties).

5. Except as may be otherwise provided in this Decision, the negotiations or consultations mentioned above shall be conducted in conformity with the relevant provisions of Article XXVIII.