URUGUAY - IMPORT SURCHARGES

Extension of Time-Limit

Draft Decision

A communication from the Government of Uruguay concerning the application of import surcharges has been circulated in document L/6352. The following draft decision, extending until 30 June 1989 the validity of the waiver granted to Uruguay on 24 October 1972 (BISD 19S/9), and successively extended until 30 June 1988, is circulated in order to facilitate the consideration by the Council of the communication from the Government of Uruguay.

Considering the Decision taken by the CONTRACTING PARTIES under paragraph 5 of Article XXV on 24 October 1972\(^1\) to waive, subject to the terms and conditions laid down in the Decision, 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 which were effectively applied on 31 May 1972, the validity of which Decision was, by successive decisions by the CONTRACTING PARTIES, extended until 30 June 1988\(^2\);

Considering that the Government of Uruguay has been simplifying its import tax system, a part of which effort was the entry into force on 1 January 1978 of the 'Single Customs Tax' incorporating the surcharges, together with a time-table for reduction of rates\(^3\), and considering that four such reductions have taken place\(^4\);

\(^1\)BISD 19S/9
\(^2\)L/5207
\(^3\)L/4646
\(^4\)L/4808
\(^5\)L/4808, L/5025, L/5824 and C/M/212, item2.
Considering that the Government of Uruguay has pursued its work in order to resolve the numerous technical problems raised by the complex process of simplification, reduction and harmonization of its import tariff through the introduction of a unified tax to be applied on the customs value;

Considering that the Uruguayan authorities have practically terminated the identification of the products negotiated earlier on the basis of specific and mixed duties which now need to be transposed into ad valorem duties, and that a preliminary transposition of these rates in a new schedule is being examined by the interested organizations;

Recognizing that preparations of a new Schedule XXXI have progressed well and that the Uruguayan authorities are hoping to submit a new schedule for examination within the framework of the General Agreement;

Considering that the Government of Uruguay, in view of the situation described above, has requested an extension of the Decision until 30 June 1989;

The CONTRACTING PARTIES acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement,

Decide that the Government of Uruguay be authorized to maintain the surcharges at present applied by it, subject to the terms and conditions of the Decision of 24 October 1972, until 30 June 1989