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/6521. The following draft decision, extending until 30 June 1990 the validity of the waiver granted to Uruguay on 24 October 1972 (BISD 19S/9), and successively extended until 30 June 1989, 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 1989\(^2\);

Considering that the Government of Uruguay has been simplifying its import tax system, a part of which efforts was the entry into force on 1 January 1978 of the Single Customs Tax\(^3\) incorporating the surcharges, together with a time-limit for reduction of rates\(^4\), and considering that four such reductions have taken place\(^5\);

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 single tax to be applied on the customs value\(^6\);

\(^{1}\)BISD 19S/9

\(^{2}\)L/6378

\(^{3}\)L/4646

\(^{4}\)L/4808

\(^{5}\)L/4808, L/5025, L/5824 and C/M/212, item 2

\(^{6}\)L/6352
Considering that over the past twelve months substantial progress has been reported by Uruguay in the work of adjusting its schedule of tariff concessions and that the task of transposing the original nomenclature into the NADI nomenclature has been largely completed, only a limited number of cases remaining to be determined;

Noting that the Government of Uruguay has advised that the ad valorem equivalent of duties originally negotiated have been determined for more than 80 per cent of all concessions and that in the majority of cases, the ad valorem equivalent of the bound tariff is higher than or equal to that effectively applied;

Noting that the Government of Uruguay has also indicated that, at the same time, it has carried forward the tariff rationalization process and, in addition, made autonomous tariff reductions in 1986 and 1987; on 31 May 1989 a further reduction of import tariffs was implemented, bringing the maximum tariff to the level of 35 per cent;

Recognizing that preparations of a new Schedule XXXI have progressed well and that the Uruguayan authorities are hoping to submit a new schedule reflecting the new tariff structure 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 1990;

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 1990.