CHILE - IMPORT SURCHARGES

Draft Decision

Considering that the CONTRACTING PARTIES by Decision of 27 May 1959 waived, subject to specified conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Chile to maintain, as an emergency measure designed to overcome the existing threat to its monetary reserves and to ensure the success of its stabilization programme, certain surcharges additional to the import duties specified in Schedule VII annexed to the General Agreement;

Considering that one of the conditions of that Decision was that all surcharges maintained under it should be eliminated before 1 January 1961, but that the CONTRACTING PARTIES by Decision of 18 November 1960 and of 8 December 1961 agreed to extend this period until 1 January 1963;

Considering that the CONTRACTING PARTIES, in a Decision of 13 November 1962,

(1) Agreed:

(a) that the examination of a Chilean request for a further extension of the time-limit in the Decision of 27 May 1959 and the consultation with Chile under paragraph 12(a) of Article XVIII be deferred until such time, which should not be later than 30 June 1963, as the Executive Secretary, in consultation with the Government of Chile and the International Monetary Fund, determined to be practicable;

and

(b) that the Council be authorized to deal with the Chilean request at that time;

(11) Decided, pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement, that Chile be authorized to maintain surcharges specified in the Decision of 27 May 1959, subject to the terms and conditions of that Decision, until the completion of the examination referred to above;
Having consulted fully with the International Monetary Fund in accordance with Article XV:2 of the General Agreement and considering that the Fund has confirmed that the general level of the various restrictive and import surcharge measures currently applied by Chile do not go beyond the extent necessary at the present time to achieve a reasonable rate of increase in its foreign exchange reserves and that the revenue to be derived from import charges is not expected to prevent a substantial budget deficit in 1963;

Noting that the Government of Chile has presented a revised Customs Tariff to the Chilean Congress;

The Council of Representatives of the CONTRACTING PARTIES, acting pursuant to the authority granted to it by the CONTRACTING PARTIES in their Decision of 13 November 1962, and pursuant to the provisions of paragraph 5 of Article XXV;

Decide that the Government of Chile is authorized to continue to maintain surcharges specified in the Decision of 27 May 1959, subject to the terms and conditions of that Decision, and provided that all surcharges are eliminated before 1 January 1965.