COUNCIL DISCUSSIONS ICELANDIC TEMPORARY IMPORT DEPOSIT SCHEME

The GATT Council of Representatives met on 27 May 1974 to consider the temporary import deposit scheme introduced by Iceland. The Council has set up a working group to examine the matter.

The Council heard a statement by Mr. Einar Benediktsson, the permanent representative of Iceland in Geneva, and proceeded to a discussion of the matter.

The working group has been instructed "to examine the Temporary Import Deposit Scheme introduced by the Government of Iceland and its implications, to report to the Council and to continue to be available for consultation as necessary". The Chairman of the group will be Mr. Colin Teese (Australia). The Director-General of GATT, Mr. Olivier Long, will make the necessary arrangements for the usual consultations to take place with the International Monetary Fund.

The Government of Iceland informed GATT on 21 May of its intention to introduce a temporary import deposit scheme affecting imports from all sources. The scheme came into effect on 20 May 1974, and is valid until 30 September 1974. Under its provisions, importers of all goods, apart from certain specified exceptions*, are required to deposit with the Central Bank 25 per cent of the value of the imports. This sum is blocked for a period of ninety days before being refunded with an interest rate of 3 per cent per annum.

*The main exceptions are cereals and fodder, coffee, sugar, tea, cacao, salt, petroleum products, fishing gear, fertilizers and seeds, raw materials for industry, wine, spirits and tobacco, pharmaceutical products and newsprint.