Ceylon obtains Authority to impose Protective Measures for Petroleum Products and Ceramic Ware

Article XVIII of the GATT provides that a contracting party may seek authority to impose non-discriminatory protective measures for the promotion of economic development. At this Session the Government of Ceylon has applied for releases for certain petroleum products and ceramic ware.

The facts relating to the application for petroleum products were set out in press release GATT/253; in particular, the intention to establish in Ceylon an oil refinery which would eventually provide all Ceylon's needs of these products.

The Contracting Parties have taken a decision to grant to Ceylon a release from its obligations under Article XI in respect of certain petroleum products for a period of ten years from the date on which the refinery commences commercial operations, so as to permit Ceylon to apply a quantitative restriction on the importation of such products whenever this is necessary to enable the refinery, with a maximum capacity of 1,050,000 tons, to market its products. The release is granted on the understanding that the refinery would begin to operate before the end of 1958 and that Ceylon will not use this authority in such a way as to enable the refinery to sell these petroleum products at above the landed cost in Ceylon of like products.

The products covered by this release are motor gasoline, kerosene, aviation turbine fuel, gas oil, marine diesel fuel, furnace oil and heavy fuel oil.

The Government of Ceylon applied for a release under Article XVIII for ceramic ware in order to permit the operation and development of a new factory which has been established for the production of ceramic ware. The Contracting Parties decided to grant a release for a period of five years.

Imports of these items, namely chinaware, domestic crockery and porcelain-ware and crockery, will be subject to regulation only in cases where there is local production of similar goods of a comparable quality.

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