SCHEDULE XXXVII - TURKEY

Request for Waiver under Article XXV:5

The following communication has been addressed to the Executive Secretary by the Turkish Government:

"I am instructed to inform you that the Government of Turkey has put into application the first five-year plan as of 1 March 1963. In its brief outlines the implementation of the five-year plan envisages a growth rate of 7 per cent and accordingly a higher level of savings. Therefore, the 1963 budget necessitates an expenditure, both current and capital, of 12,101.0 million TL. which represents an increase of approximately 17 per cent, in absolute figure 1,980.8 million TL. over 1962. Accordingly the financing of this plan requires certain additional revenues. On the other hand, it is estimated that the balance-of-payments difficulties are not likely to discontinue in 1963 and the balance of trade would show a deficit of $219 million.

"The economic situation described above and the paramount importance of the success of this plan for the economic and social life in Turkey can explain the urgency of resorting immediately to certain measures to meet the requirements.

"Accordingly a series of financial measures of a wide spectrum have been introduced in a fairly short time to serve this purpose. The measures of multiple aspects introduced as of 1 March 1963 comprise also some important amendments brought in the fiscal field, namely the increase of the rates of the income tax, taxation of agricultural incomes, etc. This range of measures includes one particular item that my Government wishes to bring to the attention of the CONTRACTING PARTIES.

"Since 1 March 1963, custom declarations or documents to replace such declarations are being charged with an ad valorem stamp duty of 5 per cent.

"The characteristics of this particular stamp duty are the following:

"The duty has only one rate which is 5 per cent and the base of the duty is the same base calculated for customs duty. The duty, apart from certain limited exemptions established for technical reasons, is general and applicable to all imports irrespective of the commodities they are related. Therefore, the existing custom tariff structure as to the autonomous and bound rates is maintained. The duty is of a provisional nature and will be abolished after it will have served its..."
purpose, to be precise, according to Article 3, this law will cease to be effective on 31 December 1967, the date of the end of the first five-year plan.¹

"This measure which has been considered by the Government of Turkey as imperative, is intended to raise revenue to meet the urgent needs of a critical and well-defined period. Thus its elimination is anticipated, after the difficulties arising from the adaptation of the Turkish economy to the exigencies of the first stage of the planned period will be overcome.

"This measure, although vitally indispensable in view of the realization of the five-year plan, is likely to raise the incidence of duties in respect of the bound rates of the Turkish tariff, and therefore, involves a departure from the provisions of the General Agreement. The Government of Turkey was compelled to resort to it immediately, so that any favourable ground for speculative and harmful activities could be avoided, wishes to apply for a waiver under Article XXV:5 to dispense with the obligations of the General Agreement.

"My Government stands ready to consult other contracting parties on this emergency measure under whatever procedure that the CONTRACTING PARTIES may determine. I also wish to add that, should any other details be required by any contracting party, my delegation will furnish further information pertaining to this duty."

¹An unofficial translation into English of the "Law to Amend Some Articles of the Stamp Duty Law and to Insert a Provisional Article to the said Law" of 15 February 1963 is available for consultation in the secretariat offices.