Considering the Decision taken by the CONTRACTING PARTIES under paragraph 5 of Article XXV on 24 October 1972 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 under the relevant laws and decrees in force on that date, as a temporary measure taken as part of and in conjunction with its stabilization and development programme, to items specified in Schedule XXXI, it being understood that the surcharges be levied in a manner consistent with the provisions of Article I of the General Agreement:

Considering that the above-mentioned Decision was extended by Decisions of 22 July 1974 and 19 November 1974;

Considering that the above-mentioned Decision expires on 30 June 1976;

Considering that the Government of Uruguay has requested an extension of the above-mentioned Decision on the grounds that the surcharges are still needed as a means of safeguarding the balance of payments and as a tool of trade policy;

Considering that a detailed and careful examination of the balance-of-payments aspects of the import surcharges has been carried out with the Uruguayan delegation and in consultation with the International Monetary Fund;

Considering the view of the Fund that a significant improvement in the balance of payments is anticipated in 1976 and therefore there should be less need for the import surcharges on balance-of-payments grounds and that the surcharges continue to be an important source of budgetary revenue.

1The Decision was adopted by postal ballot. There were 44 votes in favour and none against.
2BISD 193/9.
Taking note that the Government of Uruguay has assured the CONTRACTING PARTIES that its objective was to achieve gradually the liberalization of trade;

Taking note that the Government of Uruguay has assured the CONTRACTING PARTIES that its objective was to undertake the necessary fiscal and trade reforms which would enable it to reduce its reliance on surcharges as a source of budgetary revenue;

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 1978.