URUGUAY - IMPORT SURCHARGES

Request for Extension of Waiver

The following communication, dated 26 May 1986, has been received from the Permanent Delegation of Uruguay.

I have the honour to forward, annexed hereto, a communication addressed to the CONTRACTING PARTIES in connection with the authorization granted to Uruguay for the application of import surcharges.

I request you to kindly bring this communication to the attention of the CONTRACTING PARTIES so that the request it contains may be considered at the next meeting of the Council.
Uruguay has for some time been engaged in a complex process of simplifying, reducing and harmonizing its import tariff through the application of a single tax based on customs value, as already notified to the CONTRACTING PARTIES (L/5809).

The Interministerial Advisory Technical Committee, which is preparing the draft for adjusting Uruguay's schedule of tariff concessions, has been endeavouring to solve the principal problems which have been responsible for slowing down this process. Their work has been focused on:

(a) Transposition of the nomenclature. Since the concessions were granted on the basis of the Geneva Code, the concessions must be adapted to the current NADI nomenclature, which uses the Brussels nomenclature.

With one minor exception still subject to consultation, full identification of the negotiated products has been achieved by concordance of the items of the Geneva Code with NADI.

(b) Tariff transposition. At the same time, work has proceeded on converting concessions negotiated on the basis of specific and mixed duties to ad valorem duties, although this work has been slowed by the absence of agreement on harmonization of the nomenclature.

The preliminary transposition of duties has been completed and is being supplemented with data from national sources in respect of products for which there is no information on international prices communicated by the GATT secretariat.

The incidence is being analysed of charges and taxes other than customs duties that were applied at the time the concessions were negotiated, in view of the fact that under Article II of the General Agreement Uruguay has the right to quantify the incidence of such charges, now replaced by the single customs tax, in determining the rates to be bound.

The aim has been to make charges consistent with the transposition already effected while not aggravating the tax burden.

(c) There is now available a statistical breakdown of import trade in the framework of GATT, which after adjustments required by the statistics are made is an important element for any negotiations with interested contracting parties resulting from the presentation of the adjusted Uruguayan schedule.
This also permits quantification of the trade flow in the framework of GATT with the principal suppliers and negotiators of concessions.

Owing to this situation, it has not been possible to complete the tasks involved in adjustments to the new tariff structure in force of the concessions appearing in Schedule XXXI, although the conversion is almost complete, needing some final adjustments before being presented to GATT.

Consequently, an extension is requested of the authorization granted by the CONTRACTING PARTIES (L/5844 of 12 July 1985) for the application of surcharges by Uruguay until 30 June 1987, at which time it is hoped that the work will have been completed.

On that basis, the authorities of Uruguay hope to propose a new Schedule XXXI for examination under the procedures established by the General Agreement.