BEELGIAN RESTRICTIONS ON IMPORTS FROM THE DOLLAR AREA

ADDENNUM

Results of the Consultation between the International
Monetary Fund and the Governments of Belgium and
Luxemburg

1. At the meeting of the Intersessional Committee on 4 - 5 September,
the representative of the International Monetary Fund stated that
documentation relating to the consultation between the Fund and Belgium-
Luxemburg under Article XIV, Section 4, of the Fund Agreement, would be
made available to the CONTRACTING PARTIES before the Seventh Session
(cf. L/31, paragraph 4).

2. The Fund has supplied copies of the background material which its
staff prepared in connection with its consultation with Belgium-Luxemburg.
The material is contained in three documents entitled:

Economic Position

Recent Developments, and

Restrictive System.

A copy of these has been sent to each delegation attending the Seventh
Session.

3. In a letter of 28 August, the Fund advised that it had completed
its consultation with Belgium-Luxemburg. By a letter dated 2 October
1952, the Fund has supplied the following information on the results of
this consultation:

"The Governments of Belgium and Luxemburg have consulted the
Fund under Article XIV, Section 4 of the Fund Agreement concerning
the further retention of their transitional arrangements.

"The Fund has noted the present strong balance of payments and
reserve position of Belgium and Luxemburg. Accordingly, the Fund
considers that under existing circumstances relaxation of exchange
restrictions is feasible and requests Belgium and Luxemburg to reconsider
the necessity for the present level of restrictions affecting dollar
imports.

"The Fund has also consulted with Belgium respecting the free
market in EPU currencies, discriminatory export taxes, and partial
blocking of proceeds arising from transactions with EPU countries. Since
the Fund is examining various types of discriminatory arrange­ments now prevalent in Europe, the Fund's conclusion as to these measures in the case of Belgium will be deferred.

"In concluding the 1952 consultations, the Fund has no other comments to make on the transitional arrangements maintained by Belgium and Luxemburg."

4. In transmitting this information the Managing Director of the Fund draws attention to the fact that the statement "the Fund considers that under existing circumstances relaxation of existing restrictions is feasible and requests Belgium and Luxemburg to re­consider the necessity for the present level of restrictions affecting dollar imports" does not constitute a formal representation under Article XIV, Section 4, of the Fund Agreement and that, in particular, the restrictions affecting dollar imports mentioned therein are still maintained consistently with Article XIV of the Fund Agreement.