INFORMATION FOR THE REPORT UNDER ARTICLE XIV 3(g)

PAKISTAN

Communication of 11 October 1952 in response to GATT/CP/132

1. The last report on the import policy followed by Pakistan was made in October 1951 vide reply to GATT Questionnaire CP/89. While explaining the main features of the import restrictions the reply stated that the measures taken by the Government of Pakistan since 1948 aimed at gradual relaxation of the restrictions on imports. The successive Open General Licences permitted import without restrictions of a wider range of goods from time to time. The scope of the Open General Licences was also expanded by bringing more countries within their purview. An idea of the extent of these relaxations could be had from the fact that imports on private account into Pakistan which amounted to Rs.1,093,000,000 (Rs.328 million) in 1948-49 rose to Rs.1,800,600,000 (Rs.540 million) in 1951-52. The policy described above continued to be followed till the first week of August 1952.

2. In common with the recession in commodity markets of the world, the exports from Pakistan which consisted principally of primary commodities fell both in quantity and value. This factor has considerably reduced the foreign exchange earnings of Pakistan and affected its balance-of-payments position. Another unexpected development is a temporary but serious shortage of foodgrains in the country due to uncontrollable natural factors. This has compelled Pakistan to import foodgrains instead of exporting them as in the past. In the circumstances it became necessary to regulate imports in order to maintain balance between payments and receipts. To achieve this object, the Government of Pakistan effected certain changes in the regulations on 11 August 1952. The only changes made are that a number of commodities which could be imported freely under the Open General Licence have been brought on the licensing list by the issue of curtailed Open General Licence XIV (copy enclosed). These items are:— Goods like cotton piecegoods, art-silk, woollen and cotton yarns, jute manufactures, iron and steel (except steel ingots, billets and pig iron) second-hand clothing, apparel, earthenware and porcelainware, small machinery, matches, copra, paper, newsprint, spices, tyres and tubes, cycles, motor vans, omnibuses, lorries, trucks, tramcars, wood and timber, etc. The above items will now be imported under specific licences.

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1 This is the revised statement prepared by the Pakistan delegation taking account of the request by Working Party 5 for additional information on the recent changes in Pakistan's import policy.
3. The Section of the Open General Licence applicable to the Dollar Area has not been affected materially as only goods covered by the item "Machinery, small, for domestic and office use" in the Pakistan import Schedule have been removed from the Open General Licence.

4. The object of the above measures is not to make any drastic reductions in the actual import of the goods placed on licensing list. The intention only is to regulate their import according to needs and foreign exchange resources available and to discourage overtrading which was taking place in some items. The Government of Pakistan have already called for applications from importers to enable them to import the goods for which they entered into firm and genuine commitments and licensing of these commitments has started.

5. The position of goods imported under specific licences remains unaltered. The programme of imports for the calendar year 1952 was chalked out in the beginning of the year and licences valid till the end of December 1958 were issued. Imports under these licences will continue till the end of December according to the initial programme.

6. The goods imported by the Government for their own requirements are not subject to import restrictions and their import will not be affected by the measures described above.

7. The extent of imports for subsequent periods will be determined by the extent of earnings from export and Pakistan's ability to first secure sufficient quantities of essential goods necessary for the development of the country.

8. Pakistan is applying restrictions under Paragraph 1(b) of Article XIV of the General Agreement.