CEYLON - TEMPORARY DUTY INCREASES

Draft Decision

Considering that the CONTRACTING PARTIES by Decision of 10 April 1961 waivered, subject to specified conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Ceylon to apply until 31 December 1962, as an emergency measure designed to overcome the existing threat to its monetary reserves, an increase in customs duties on those items included in Schedule VI which were specified in the table annexed to the Decision, it being understood that the increased duties should be levied in a manner consistent with the provisions of Article I of the General Agreement;

Considering that the CONTRACTING PARTIES by Decision of 15 November 1962 authorized the Government of Ceylon to maintain until 31 December 1964 the increased duties specified in the Decision of 10 April 1961, except for seven items for which they had already been reduced, and waived, subject to specified conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Ceylon to apply until 31 December 1964, as an emergency measure designed to overcome the threat to its monetary reserves, a further temporary increase by 20 per cent in customs duties on those items included in Schedule VI, which were specified in the table annexed to the Decision, it being understood that the additional duty should be levied in a manner consistent with the provisions of Article I of the General Agreement;

1BISD, Tenth Supplement, page 35.

2BISD, Eleventh Supplement, page 60.
Considering that the CONTRACTING PARTIES by Decision of 25 March 1965, authorized Ceylon to maintain until 31 December 1966 the temporary duty increases specified in the Decision of 15 November 1962, subject to certain conditions which included the submission by Ceylon of a report one year later;

Considering that in submitting to the twenty-third session the report mentioned in the previous considerandum, the Government of Ceylon referred to the fact that, on 9 August 1965, it had made certain duty increases over and above those permitted to them by the CONTRACTING PARTIES in the Decisions mentioned above;

Considering that in view of the short notice the CONTRACTING PARTIES will not be able at the present session to carry out a careful and detailed examination of the justification for making the duty increases mentioned above and for their maintenance;

Having therefore agreed

(a) that the examination referred to in the previous considerandum may approximately be conducted when Ceylon consults with the CONTRACTING PARTIES on its balance-of-payments restrictions later this year; and

(b) that the Council be requested to consider any recommendations made by the Committee on Balance-of-Payments Restrictions both as regards the duty increases made on 9 August 1965, and as regards the Decision as a whole; and to make any recommendations to the CONTRACTING PARTIES.

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2 L/2609
The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement, and in accordance with the procedures adopted by them on 1 November 1956;

Decide that the Government of Ceylon be authorized to maintain, subject to the terms and conditions of the Decisions of 10 April 1961, as amended and extended, the duty increases made on 9 August 1965, until 31 December 1966.