URUGUAYAN IMPORT SURCHARGES

Draft Decision

The following draft decision is circulated in order to facilitate the consideration by the CONTRACTING PARTIES of the request by Uruguay for a further extension of the Decision of 8 May 1961 authorizing Uruguay to maintain certain import surcharges (document L/2380).

Considering that the CONTRACTING PARTIES by Decision of 8 May 1961 waived, subject to specified terms and conditions, 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 provided for in its Decree of 29 September 1960, as a temporary measure taken as part of and in conjunction with its stabilization and development programme, to those items specified in Schedule XXXI enumerated in the table annexed to that Decision, on the understanding 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 successively extended by Decisions of 20 July 1963, 31 January 1964 and 18 March 1964; extended and amended by Decision of 23 March 1965 and further extended by Decision of 14 December 1965 until the end of the first regular session of the CONTRACTING PARTIES in 1967;

Considering that the Government of Uruguay has requested an extension of the above-mentioned Decision on the grounds that the circumstances underlying the original Decision have worsened to the extent that the Uruguayan Government has been obliged to take severe measures in order to prevent further deterioration in its balance of payments and to be able to meet the substantial commitments of the country's external debt;

Considering that a careful and detailed examination of the surcharges applied by Uruguay and of the balance-of-payments reasons therefore is essential but could most advantageously be carried out in conjunction with Uruguay's balance-of-payments consultations which should take place as early as possible in 1968,
Having therefore agreed that the examination of the above-mentioned Uruguayan request for an extension of the Decision of 8 May 1961 be deferred until such time as the Director-General, in agreement with the staff of the International Monetary Fund, determines to be practicable for the commencement of such examination,

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 Uruguay be authorized to maintain until 30 June 1968, the surcharges at present applied by it, subject to the relevant terms and conditions of the Decision of 8 May 1961.