YUGOSLAVIA - ESTABLISHMENT OF A NEW SCHEDULE LVII

Communication from Yugoslavia

The following communication dated 25 November 1987 has been received from the Permanent Mission of the Socialist Federal Republic of Yugoslavia with the request that it be circulated to the contracting parties and considered by the CONTRACTING PARTIES at their forty-third session.

In accordance with the decision of the Customs Co-operation Council that the CCCN be replaced by the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1988, Yugoslavia has decided to implement the Harmonized System on that date. Its Harmonized System documentation required under the procedures of Article XXVIII has already been submitted to the GATT secretariat and will be circulated to the contracting parties shortly. In the process of conversion only in four consolidated tariff items tariff rates have changed, in one of the products concerned the tariff has been reduced and in three others slightly increased.

The Government of Yugoslavia is prepared to enter into consultations with the interested contracting parties. In view of the time constraint, it will not be possible to terminate consultations under the procedures of Article XXVIII of the General Agreement before the scheduled date of implementation.

In order to enable Yugoslavia to implement the Harmonized System on 1 January 1988, Yugoslavia therefore requests a temporary exemption from its obligations under Article II of the General Agreement until 30 June 1988.

To facilitate consideration of this matter, the text of a draft decision is annexed.

87-1944
ANNEX

YUGOSLAVIA - ESTABLISHMENT OF A NEW SCHEDULE LVII

Draft Decision

Considering that the Government of Yugoslavia has notified the CONTRACTING PARTIES that in accordance with the decision of the Customs Co-operation Council that the CCCN be replaced by the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1988, the Government of Yugoslavia has decided to implement the Harmonized System on that date;

Considering that the Government of Yugoslavia has recently completed the process of transposing its Customs Tariff from CCCN to the Harmonized System, and that its Harmonized System documentation required under the procedures of Article XXVIII has already been submitted to the GATT Secretariat and will be circulated to the contracting parties shortly;

Noting that the Government of Yugoslavia has emphasized that in the process of conversion only four bound tariff rates have been changed (one has been reduced and three others slightly increased) and that the Government of Yugoslavia is prepared to enter into consultations with any interested contracting parties;

Recognizing that in view of the time constraint, it will not be possible for the Government of Yugoslavia to terminate consultations under the procedures of Article XXVIII of the General Agreement before the scheduled date of implementation;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement,

Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to enable the Government of Yugoslavia to implement, on 1 January 1988, the Harmonized Commodity Description and Coding System, subject to the following conditions:

1. The Government of Yugoslavia will promptly enter into negotiations and consultations with interested contracting parties pursuant to paragraphs 1-3 of Article XXVIII.

2. The negotiations and consultations mentioned above shall be completed not later than 30 June 1988.

3. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Yugoslavia to the extent that they consider that adequate compensation is not offered by the Government of Yugoslavia.