

24 November 1955

Working Party 6 on Article XVIII Applications

APPLICATION FOR A RELEASE BY CEYLON ON CERAMIC WARE

Proposed New Wording for Paragraph 3 of the Draft
Report of the Working Party

3. (a) The measure which Ceylon proposes to apply to these items for a period of five years is the Industrial Products Act No. 18 of 1949, under which on the basis of estimated domestic consumption and production a ratio can be prescribed from time to time which determines the quantity of the local product which an importer must purchase in order to obtain a licence to import a specified quantity of the imported product. The representative of Ceylon explained to the Working Party that as a general rule the standard ratio represented the ratio between current domestic production on the one hand and estimated domestic consumption minus domestic production on the other. The maximum domestic production for the purpose of calculating the ratio would be 900 tons.

(b) The licensing system ensures the maximum imports within this ratio in that it provides for the issuance to importers of a negotiable domestic purchase coupon, which carries with it the obligation to purchase a given quantity of the local product.

(c) Imports will be subject to regulation only in cases where there is local production of similar goods of a comparable quality. In applying the criteria of "comparable quality", the Ceylon delegate stated that the control of imports would have to be applied on goods that directly compete with the local product.

(d) The representative of Ceylon considered that this measure was essential in order to permit the operation and development of a new factory which had been established for the production of ceramic ware. The range and type of goods to which the measure relates are:

	<u>New tariff no.</u>
Chinaware domestic crockery)	666-03.01
Porcelainware and do.)	
Chinaware & Porcelain, other	666-03.99