

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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WORKING PARTY ON SPECIFIC DUTIES

The following communication, dated 28 September 1978, has been received from the Commission of the European Communities.

TOPICS WHICH THE WORKING PARTY ON SPECIFIC DUTIES MIGHT EXAMINE

The following text is indicative and not exhaustive in character.

1. How is the depreciation of a currency to be determined?

Against

- a certain currency
- a basket of currencies

and, if so, possibly

- against the SDR?

2. In the event that an agreement of principle was reached concerning determination of the depreciation of a currency, would it not be appropriate to fix

- the requisite period and
- the amplitude of the shift in value¹

before any action can be taken to adjust specific duties?

In this context, one could also consider how often such adjustments could be envisaged.

¹Article II:6(a) states: "... in case this par value is reduced ... by more than 20 per centum ...".

3. How should foreign exchange market quotations be used? (For example: daily exchange rates, or average rates over a certain period.)

4. How should temporary exchange rate variations be dealt with? (For example: depreciation of a currency followed by an appreciation of like amplitude.)

5. Under what procedures should adjustments be made to specific customs duties?

In this connexion, it would be useful to consider also whether it would not be appropriate to establish simplified procedures for countries having established a stable relation between their currency and that of another major country.

6. On the basis of which statistics should changes in the value of a currency be determined?

7. What would be the rôle of the International Monetary Fund, in the event that adjustments of specific customs duties were agreed to in principle?