

GATT/AIR/287

10 AUGUST 1962

SUBJECT: INTENSIFICATION OF RESTRICTIONS AND INCREASES IN BOUND DUTIES BY CEYLON

THE GOVERNMENT OF CEYLON HAS ADVISED, BY COMMUNICATION DATED 4 AUGUST, THAT IT HAS BEEN COMPELLED TO INTENSIFY AND SUBSTANTIALLY ENLARGE QUANTITATIVE RESTRICTIONS IN ORDER TO ARREST A CONTINUING DECLINE IN FOREIGN RESERVES; ALSO, DUTIES HAVE BEEN RAISED BEYOND BOUND LIMITS ON A LARGE NUMBER OF ITEMS IN CEYLON'S SCHEDULE. THE CEYLON GOVERNMENT HAS INDICATED THAT IT IS PREPARED TO CONSULT WITH CONTRACTING PARTIES REGARDING THE INTENSIFICATION OF RESTRICTIONS AND TO CONSULT AND NEGOTIATE WITH CONTRACTING PARTIES AFFECTED BY THE INCREASE IN DUTIES. COPIES OF THE GAZETTE NOTIFICATION WHICH GIVES EFFECT TO THESE MEASURES ARE BEING FORWARDED TO THE SECRETARIAT AND WILL BE DISTRIBUTED TO CONTRACTING PARTIES AS SOON AS THEY ARE RECEIVED. (SEE ALSO LOS/35 AND DOCUMENTS L/1427 AND C/M/3-4.)

IN ACCORDANCE WITH THE PROCEDURES ADOPTED BY THE CONTRACTING PARTIES FOR DEALING WITH A SUBSTANTIAL INTENSIFICATION OF IMPORT RESTRICTIONS APPLIED FOR BALANCE-OF-PAYMENTS REASONS (9S/18), THE COUNCIL SHOULD BE CONVENED TO MEET WITHIN A SHORT DELAY TO CARRY OUT THE CONSULTATION PROPOSED BY CEYLON. HOWEVER, SINCE THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS WILL BE IN SESSION TOWARDS THE END OF SEPTEMBER, I PROPOSE THAT, IN THIS PARTICULAR INSTANCE AND IN VIEW OF THE DIFFICULTIES WHICH MEMBERS OF COUNCIL WOULD EXPERIENCE AT THIS TIME OF YEAR IN ARRANGING FOR ADEQUATE REPRESENTATION, THE COMMITTEE BE REQUESTED TO EXAMINE THE MEASURES TAKEN BY CEYLON. THEREFORE, UNLESS SOME GOVERNMENTS WISH THAT IT BE DEALT WITH EARLIER, THE MATTER WILL BE BROUGHT BEFORE THE COMMITTEE AT THE OPENING OF ITS MEETING WHICH IS SCHEDULED TO BEGIN ON 24 SEPTEMBER.

E. WYNDHAM WHITE

COPY FOR INFORMATION

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