

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

BOP/33
5 May 1964

Limited Distribution

Committee on Balance-of-Payments Restrictions

Original: English

1964 CONSULTATION UNDER ARTICLE XVIII:12(a) WITH

C E Y L O N

Basic Document for the Consultation¹

1. Legal and administrative basis of the restrictions²

The legal basis for the control of imports is Import and Export Control (Continuation) Act No. 27 of 1955. Under this Act the Government has the power to prohibit or restrict the importation of any goods and to prescribe any conditions relating to import and export. Import controls enforced under this Act are designed to permit the maximum value of imports consistent with the need to safeguard the country's overall foreign exchange reserves.

Import policy is formulated by the Ministry of Commerce and Industries subject to the approval of the Cabinet. The responsibility for administering the Regulations rests with the Controller of Imports and Exports whose office constitutes a department of the Ministry of Commerce and Industries.

Details of import policy, of licensing procedures and any changes thereof are published in the Ceylon Government Gazette.

2 and 3. Methods used in restricting imports and treatment of imports from different sources

With effect from 10 December 1963, for the purposes of licence control, imports are classified in the following manner:

¹Text submitted by the Ceylonese authorities except as noted.

²Secretariat note: Import regulation measures for purposes not directly related to the balance-of-payments position are applied in certain cases pursuant to the provisions of the Industrial Products Act, No. 18 of 1949 and the Agricultural Products (Regulation) Ordinance No. 29 of 1939. Releases permitting certain such import regulations have been granted to Ceylon in accordance with the provisions of Article XVIII:C of the General Agreement. See SR.21/3, page 24.

- (i) "Open General Licence Items" which may be imported by registered importers without individual import licences.
 - (ii) "General Quota Items" for whose import individual import licences are required.
 - (iii) "Special Quota Items" for whose import individual import licences are required and which are subject to special foreign exchange allocation procedure.
 - (iv) "Reserved Items" for which import licences are not released to the trade. These will include items which are reserved for sole import by Government or State corporations or the Co-operative Wholesale Establishment.
 - (v) "Industrial Raw Materials and Components" which may be imported by manufacturing industries on an "Actual User" basis against individual import licences.
- (i) Imports not subject to restriction

Open General Licence Items. Goods appearing in Licensing Schedule No. 1 of Import Control Notice No. 47/63 (see Annex A) may be imported without an individual import licence by registered traders, but imports of such products from "Ceylonized areas"¹ may be made only by Ceylonese traders.² This restriction does not apply to "dollar areas" (Import Control Notice No. 54/63).

It will be noted that the open general licence list at present comprises of mainly foodstuffs and specified drugs. The percentage of total imports (1962 basis) under open general licence declined from 25.2 per cent as of 10 October 1962 to 12.3 as of 4 December 1963.³

¹This distinction in licensing procedures for imports from different sources is made in accordance with the policy of the Government of Ceylon to promote the "Ceylonization" of trade, i.e. to enable Ceylon nationals to carry on an increasing proportion of new import trade. (Secretariat note: It is understood that the distinction in licensing procedures is not intended or operated so as to discriminate against imports from different sources.)

²Secretariat note: Importers other than registered Ceylonese traders may also be granted individual import licences for imports of goods from the Ceylonized area on the basis of past trade in the products concerned.

³This paragraph is a secretariat addition, based on an IMF report dated 14 February 1964.

(ii) Imports subject to individual licensing

General Quota Items. Goods appearing in Licensing Schedule No. 2 of Import Control Notice No. 48/63 (see Annex B) may be imported against quota allocations, but import of such products from "Ceylonized areas"¹ may be made only by Ceylonese traders. Import allocations are released to the trade against quotas registered with the Department of Import Control. These quotas have been fixed at a certain percentage of average imports in the Importers Selected Best Year of Import (1959, 1960 or 1961).

Special Quota Items. Special quota items require individual import licences for their import. The issue of import licences in respect of these items is under consideration. The Licensing Schedule has not yet been published.

Industrial Raw Materials and Components. Goods appearing in Licensing Schedule No. 5 of Import Control Notice No. 51/63 (see Annex C) may be imported by manufacturing industries on an Actual User basis against individual import licences. Actual User Licence holders may import goods from any source including Ceylonized areas. Actual User Licences are granted on the recommendation of the Department of Industries (Development Division) and the Department of Rural Development and Small Industries.

Direct User Licensing Scheme 1964²

In addition to the Actual User Licensing Scheme, a Direct User Licensing Scheme has been introduced for the issue of import licences to approved Direct Users who import goods for their own use and not for resale purposes. Under the Direct User Licensing Scheme the following are approved Direct Users:

¹This distinction in licensing procedures for imports from different sources is made in accordance with the policy of the Government of Ceylon to promote the "Ceylonization" of trade, i.e. to enable Ceylon nationals to carry on an increasing proportion of new import trade. (Secretariat note: It is understood that the distinction in licensing procedures is not intended or operated so as to discriminate against imports from different sources.)

²Secretariat note: Import Control Notice No. 49/63 clarifies that this procedure refers only to goods specified in Licence Schedule No. 2, reproduced in Annex B.

- Group (i) Organizations, associations and institutions other than the manufacturing industries covered by the Actual User Scheme
- Group (ii) Diplomatic and consular services and others permitted to import goods duty free
- Group (iii) Repair workshops engaged in maintenance of motor vehicles, radios and watches
- Group (iv) Direct User applicants for lorries, commercial vans and trucks
- Group (v) Direct User applicants (imports for personal use only)
- Group (vi) State corporations (and governments imports through local agents)

(iii) Goods for which no licences are granted¹

Reserved items

Reserved items are those for which import licences will not be released to the trade. The Schedule of Items has not yet been published but would include items reserved for sole import by government or State corporations or the Co-operative Wholesale Establishment.¹

Other restrictions²

In addition to import licensing, certain products, mainly goods falling in the "less essential" category, are subject to a prior deposit. These imports may be made only on a letter-of-credit basis, a 50 per cent cash deposit is required from the importer at the time the letter of credit is established, and prior approval of the exchange control is required for the establishment of letters of credit for certain import commodities if the period of validity of the credit exceeds one month. Late in 1962, banks were also instructed that loan and overdraft facilities granted to foreign firms operating temporarily in Ceylon on contract should cease. At present, however, these restrictions are of little significance in view of the shortening of the list of items permitted to be imported.

¹ Secretariat note: Until the "Special Quota Items" list mentioned above and the "Reserved Items" list mentioned in this section have been published, it does not appear practicable to determine what items other than those mentioned in Annexes A-C may be imported. It may be of interest to note that the Budget Speech presented for 1963/64 on 1 August 1963 foresaw an exchange budget for imports amounting to Rs.1,763 million, broken down to permit the following imports: governmental items, Rs.600 million; imports under open general licence Rs.320 million; mineral fuels and related materials Rs.143 million; State corporations, local manufacturing industries, and private sector licensed imports Rs.700 million, or a total of Rs.100 million more than the rate of import expenditures in 1962/63 as then estimated.

² This section is a secretariat addition.

The grant of individual licences has also been made subject to a fee equivalent to 1 per cent of the value of the goods (except for importers exempt from payment of import duties), and, as discussed by the Balance-of-Payments Committee in another context, a revised import tariff came into effect in August 1963.

Bilateral agreements

Ceylon has trade and payments agreements or arrangements with twelve countries, viz: Bulgaria, the Peoples' Republic of China, Czechoslovakia, the German Democratic Republic, Hungary, Iran, the Democratic Peoples' Republic of Korea, Poland, Rumania, Syria, the United Arab Republic and the USSR. A Barter Agreement has also been signed with Yugoslavia for 1964. In these cases all payments must be effected through bilateral clearing accounts. These agreements contain indicative lists of products available for export from the respective partners to the agreement.

4. Commodities or groups of commodities affected by the restrictions

For the list of commodities for which quotas are established, see Annexes B and C. The list of commodities which may be freely imported is in Annex A.

5. Use of State trading or government monopoly in restricting imports

The Government (Food Department) is the sole importer of paddy, rice, wheat, flour, maldive fish from the Maldive Islands, sugar, sugar candy, palm sugar (except from India and Pakistan) red onions and lentils. The Government (Co-operative Wholesale Establishment) is also the sole importer of cummin seed, tamarind, dried fruits, cane jaggery (sakkarai) and dried fish. In 1963 cement imports are being handled by the Government (Cement Corporation, Co-operative Wholesale Establishment and Stores Department). For fiscal reasons glass bottles marked "Ceylon Excise" are also the monopoly of the Government.

The Government has the monopoly on the import of these items in order to secure adequate supplies and fair distribution. The profits on the sale of sugar are used to subsidize the price of rice which is supplied below cost to the consumer.

6. Measures taken by Ceylon since the last consultation in modifying restrictions

10 October 1962: Individual licences required for the importation of all items except foodstuffs, petroleum, fuel, fertilizers and drugs.

29 October 1962: Individual import licences required for the importation of soups and vegetable juices (including tinned, bottled or packeted) from any source.

30 November 1962: Imports of methol crystals were made subject to individual import licence, from any source.

7 February 1963: Imports of eggs and animal ghce (melted butter) from any source were made subject to individual import licence.

27 February 1963: Individual import licences were required for the importation of diesel, furnace and gas oil and petroleum, refined (including kerosene oil and motor spirits).

18 April 1963: Individual import licences required for the importation of fish, fish products and fish preparations, tinned or canned from any source.

15 July 1963: Imports of agar-agar (China moss), thymol, saffron and kaolin were made subject to individual import licence.

4 December 1963: Individual licences required for the importation of pitch, resin, petroleum, asphalt, coke of petroleum and by-products, coal, coke and patent fuel, lubricating oils and greases, mineral jelly and mineral waxes, gas (manufactured) fertilizers (crude) and fertilizers (manufactured).

7. Effects of the restrictions on trade

The principal restrictions introduced in 1963 were those of 27 February, 18 April and 4 December. At the end of 1963 the coverage of individual import licensing arrangements had extended to approximately 62 per cent of imports if measured in terms of imports and to 57 per cent if measured in terms of imports during 1963. These imports amounted to Rs.1,021 million and Rs.849 million in 1962 and 1963 respectively. Calculation of the coverage is necessarily approximate inasmuch as customs data do not always lend themselves to identification of particular items of imports selected for restriction.

Ceylon's balance-of-payments data and external assets data in recent years are set out in Tables I and II.

It will be seen that Ceylon had a merchandise deficit of Rs.129 million in 1963 as compared with the deficit of Rs.143 million in the previous year. The fall in the merchandise deficit despite the adverse movement in the terms of trade was entirely due to a contraction in import outlays. The value of import payments was reduced by approximately Rs.52 million as compared with the previous year. The contraction in total import outlay would have been considerably larger but for the adverse movements in world prices of imports, the general import price index rising by 10 per cent in 1963. Export receipts declined by Rs.38 million. Export receipts in 1963 were adversely affected by the decline in prices of tea and rubber combined with a fall in the export volume of rubber and major coconut products.

Over the period 1956 to 1963 Ceylon's export earnings have suffered considerably on account of the adverse trends in the world prices for her principal exports. Tea prices have declined by 18 per cent and rubber prices by 23 per cent. Export volume, however, increased by 15 per cent between 1956 and 1963.

Ceylon's terms of trade have shown a tendency to move adversely with the result that increases in the volume of Ceylon's exports have not made as significant a contribution as would have been the case if the terms of trade had not been unfavourable. The importing power of Ceylon's exports has remained more or less static since 1956.

Though the merchandise deficit was reduced, Ceylon's total current account deficit in 1963 (Rs.146 million) was slightly higher than in 1962 (Rs.144 million). The increase was due to a deterioration in the invisible account which more than off-set the small improvement in the deficit of merchandise account.

The current account deficit was financed by increasing external liabilities and by drawing down external assets. A significant development in 1963 was the increase in net receipts of long-term capital from Rs.58 million in 1962 to Rs.79 million in 1963. Ceylon's external liabilities increased from Rs.473.9 million in 1962 to Rs.588.7 million in 1963. Official short-term liabilities increased from Rs.118.2 million to Rs.157.6 million over the same period and official long-term liabilities from Rs.355.7 million to Rs.431.1 million.

Ceylon's external assets declined from Rs.503.9 million in 1962 to Rs.462.3 million in 1963.¹ Ceylon's external assets net of sterling loans sinking funds was Rs.358.8 million and represented 19 per cent of the value of imports in 1963. In 1962 the corresponding ratio was 21 per cent.

As mentioned earlier, in 1963 Ceylon was able to incur and finance a deficit in the balance of payments on current account through reduction in external assets and through an increase in external liabilities. Thus, in 1963, Ceylon did not reduce her imports to the full extent of the decline in the purchasing power of her exports. If the terms of trade were to remain relatively unfavourable Ceylon would have little alternative but to curtail imports still further or to increase her external liabilities.

¹The external assets fell to Rs.386.6 million at the end of February 1964.

The budget for the financial year 1963/64 contains a number of important fiscal measures which are likely to exert a corrective influence on the external situation. These include increases in tariffs over a wide range of luxury and semi-luxury imports (including an increase of 10 cents per gallon on super grade petrol), which are expected to yield an additional Rs.40 million in customs revenue. Under a régime of quantitative import restrictions such increases help to siphon off to Government windfall profits that otherwise accrue to importers. Other measures include a manufacturer's turnover tax to be levied at 3 per cent on a wide range of consumer goods manufactured locally, a business turnover tax at one half of 1 per cent of total turnover on a wide range of transactions, and a foreign exchange tax (at rates varying from 10 to 20 per cent) on outward payments in respect of certain specified invisible transactions including holiday travel, passenger fares, commissions and advertisements. The first two taxes came into operation on 1 January 1964. The foreign exchange tax came into effect on 11 January 1964. During the presentation of the budget for 1963/64 the Minister of Finance announced the formulation of a foreign exchange budget in terms of which total external outlays during the financial year were to be confined to the level of anticipated external receipts. On 13 February 1964 the foreign exchange budget was revised to take into account increased outlays of foodstuffs, fertilizers and demurrage. In terms of the revised foreign exchange budget there would be restrictions in other external outlays and increases in foreign aid to partly compensate for these increases. A decline of Rs.57 million in external assets over the financial year 1963/64 is anticipated in the light of these revisions.

List of Annexes

Annex A	-	Open General Licence
Annex B	-	General Quota Items
Annex C	-	Actual User's Quota Items

TABLE I

Balance of Payments for
1961-1963

In millions of Ceylon Rupees

<u>ITEM</u>	<u>1961</u>	<u>1962</u>	<u>1963*</u>
<u>Goods and Services</u>			
1. Merchandise			
(a) Exports, f.o.b.	1,707	1,763	1,725
(b) Imports, c.i.f.	- 1,794	- 1,906	- 1,854
Trade Balance	- 87	- 143	- 129
2. Non-monetary gold movement (net)	- 2	- 2	- 2
3. Foreign Travel	- 18	- 14	- 16
4. Port expenditure and non-freight transportation and insurance	73	71	65
5. Investment Income	- 40	- 46	- 52
5.1 Direct investment	- 46	- 47	- 49
5.2 Other interest and dividends	6	1	3
6. Government Expenditures	- 9	- 2	-
7. Miscellaneous	- 23	- 23	- 16
8. Total Goods and Services	- 105	- 151	- 151
<u>Donations</u>			
9. Private remittance and migrants' transfers	- 30	- 30	- 30
10. Official donations	41	37	35
11. Total donations	11	7	5
Total current account	- 94	- 144	- 146
<u>Capital and monetary gold</u>			
12. Private capital movements	+ 6	- 2	- 7
12.1 Direct investment	- 6	- 2	5
12.2 Other long term	- 2	-	1
12.3 Other short term	14	- 1	11
13. Official and banking institutions	107	115	159
13.1 Long term assets	- 24	22	1
13.2 Long term liabilities	19	40	75
13.3 Short term assets	14	6	41
13.4 Short term liabilities	98	47	42
13.5 Monetary gold	-	-	-
14. Total capital and monetary gold	113	113	152
15. Errors and omissions	- 19	31	6

Source: Central Bank of Ceylon

* Preliminary.

TABLE II

External Assets of Ceylon

	<u>Rupees Million</u>		
	<u>1961</u>	<u>1962</u>	<u>1963</u>
Government	18.9	22.7	15.7
Government agencies and institutions	223.2	227.6	227.6
Currency Board/ Central Bank	184.7	152.1	114.2
Commercial Banks	104.9	101.5	105.3
Total external assets	531.7	503.9	462.3
Changes in total external assets between periods	-	- 27.8	- 41.6
Total external assets net of Sterling Loan Sinking Funds	440.9	406.7	358.8
Source: Central Bank			

ANNEX-ALicence Schedule No. 1 - Import Control Notice No. 47/63

(Open General Licence)

O.G.L. Item No.	Description of Goods	Classification in the Ceylon Customs Tariff
1	Sheep and lambs (live, chiefly for food)	001
2	Poultry including ducks, geese and turkeys (live, chiefly for food)	001
3	Beef and mutton (fresh or frozen) shipped from any port or place in Asia or Africa-vide I.C.N.23/62	011
4	Meat (fresh or frozen) other than beef and mutton shipped from any port or place in Asia or Africa	011
5	Meat (dried, salted, smoked or cooked) not canned	012
6	Meat, canned	013
7	Meat preparations (canned and not canned) including sausages and meat extracts, but excluding soups	013
8	Milk cream, condensed milk, milk foods, milk powder and skim milk	022
9	Butter, fresh or frozen and butter tinned	023
10	Natural honey	026
11	Malted milk compounds	029
12	Fish, live	031
13	Fish, frozen or simply preserved (not canned) other than maldivian fish and salted and dried fish	031
14	Barley, unmilled	043
15	Oats, unmilled	045
16	Semolina (wheat)	046
17	Corn flour	047
18	Cereals (flaked, pearled or prepared) infant's and invalid's food	048
19	Malt	048
20	Macaroni, spaghetti and vermicelli	048
21	Bakery products: infant's and invalid's food	048
22	Edible nuts: almonds, balunga, brazil nuts, chestnuts, hazelnuts, filberts and walnuts	051
23	Dried fruits, including artificially dehydrated: apricots, berries, cherries, currants, figs, peaches, pears and prunes	052

O.G.L. Item No.	Description of Goods	Classification in the Ceylon Customs Tariff
24	Fruit preparations: infant's and invalid's food	053
25	Potatoes (not including sweet potatoes)	054
26	Beans, pease, barley, gram, gram dhal, moong, moong dhal ooid, orrid dhal, ragi, thenai, toor, toor dhal and vatana	054
27	Hops (including lupuline)	054
28	Onions other than (1) red onions (2) chickbelapur onions and (3) bellary onions which are less than one inch in diameter-(import by Registered Ceylonese Traders only)	054
29	Garlic	054
30	Vegetable, dried	055
31	Vegetable preparations: infant's and invalid's food	055
32	Sago and tapioca	055
33	Arrowroot flour	055
34	Palmyrah sugar candy	061
35	Sugars and syrups: lactose, maltose, glucose (except liquid glucose), levulose, maple, invert, caramel and artificial honey	061
36	Spices: white pepper, long pepper (tippili), chillies (dried) coriander seed, fennel seed, mathe seed, dry ginger and turmeric	075
37	Feeding stuffs for animals (not including unmilled cereals and coconut poonac)	081
38	Shortenings, lard or lard substitutes and edible fats (fish, animal or vegetable)	091
39	Infant's and invalid's food, not elsewhere specified	099
40	Essences of aerated waters containing not more than 10 per cent alcohol	099
41	Food preparations: almond milk, almond paste, anchory paste, baking powder, blanc mange powder, bread improver, custard powder, food colouring matter, food flavours, gelatine, golden syrup, jelly crystals mayonnaise, mustard paste, peanut butter, salad cream, soya lecithin, treacle and yeast	099
42	Poultry (live, not for food) including day old chicken	921

O.G.L. Item No.	Description of Goods	Classification in the Ceylon Customs Tariff
43	Drugs, approved by the Ceylon Hospitals Formulary Committee and notified in Import Control Notices	
44	Raw and prepared drugs of ayurveda, siddha and unani, approved by the Formulary Committee (Indigenous Medicines and notified in Import Control Notices)	
45	Free gifts (in favour of individuals and institutions) not exceeding Rs.50 in value	
46	Books, pamphlets, newspapers, and periodicals for personal use where the C.I.F. value of any single consignment does not exceed Rs.50	
47	Free gifts of books, periodicals and magazines in favour of individuals and institutions	
48	Printed matter (other than books, periodicals and magazines) supplied free of charge	
49	Bona-fide trade samples or advertising matter of goods specified in Licence Schedule No. 2 provided that the goods are supplied free of charge and the value of any single consignment does not exceed Rs.250	
50	Goods which are supplied free of charge in replacement of goods which had been imported and found to be defective or otherwise unfit for use at the time of customs clearance	
51	Goods re-imported against endorsement on Export Licences	
52	Personal baggage (accompanied or unaccompanied) of incoming residents and tourists will be permitted into the Island at the discretion of the Principal Collector of Customs.	

ANNEX BLicence Schedule No. 2 - Import Control Notice No. 48/63

(General Quota Items)

General Quota Item No.	Description of Goods
Unit (6) - Food, Drink and Tobacco	
F1	Cheese (024-01)
F2	Fish, fish products and fish preparations - tinned or canned (032-01)
1	Alcoholic beverages (112)
1A	Beedy leaves (054-03)
1B	Beedy tobacco (121-01)
Unit (7) - Articles Mainly Unmanufactured	
2	Wood and lumber in the round or roughly squared including scantlings, posts and logs (242)
42	Lumber, sawn, planed, grooved, tongued etc. including ceiling and flooring boards (243)
43	Cotton, raw and waste (263)
43A	Moulding sand (272-02)
43B	Fire clay (272-04)
43C	Emery, crude (272-07)
43D	Marble, unworked (272-08)
43E	Industrial talc (272-19)
43F	Tortoise shells and ivory (unworked) (291-01)
44	Plants and parts of plants for use in dyeing and tanning (292-01)
45	Natural gums, resins, balsam and lacs (292-02)
46	Canes and rattans (292-03)
47	Seeds for planting (292-05)
47A	Cheeyakai (soap nuts) (292-04)
48	Animal oils, fats and greases (excluding lard) (411-02)
49	Linseed oil (412-01)
50	Olive oil (412-05)
51	Palm kernel oil (412-06)
52	Castor oil (412-11)
53	Vegetable oils (other than linseed oil, olive oil, palm kernel oil, castor oil and gingelly (sesame) oil) (412)
54	Oils and fats processed and waxes of animal or vegetable origin (413)
168	Asphalt (bitumen) and related products (313-09)
168A	Pitch, resin, petroleum asphalt, coke or petroleum and other by-products of coal, lignite, petroleum and oil shale (including mixtures with asphalt) n.e.s. (313-09)

General Quota Item No.	Description of Goods
169	Coal, coke, and patent fuel (311)
170	Lubricating oils and greases, including mixtures with animal and vegetable lubricants (313-04)
170A	Mineral jelly and mineral waxes (313-05)
171	Gas, manufactured (314-02)
172	Fertilizers, crude (271)
172A	Fertilizers, manufactured (561)
Unit (8) - Chemicals	
3	Inorganic chemicals (other than caustic soda and chlorine) (511)
4	Organic chemicals other than camphor (512)
5	Mineral tar and crude chemicals from coal, petroleum and natural gas (521)
6	Synthetic plastic materials in primary forms (599-01)
7	Insecticides, fungicides, disinfectants, weedicides, bactericides and similar preparations (599-02)
8	Miscellaneous chemical materials and products n.e.s. (including starches, casein, glue, soldering fluid, brake fluid and thinner) (599)
9	Coal tar dyestuffs and natural indigo (531-01)
10	Distempers and colouring materials other than of coal tar origin and excluding yellow ochre (533-01)
11	Printers ink (533-02)
12	Prepared paints, enamels, lacquers, painters' colours and artist's colours (excluding varnishes) (533-03)
55	Dyeing and tanning extracts and synthetic tanning materials (532)
56	Adhesive plaster, plaster of paris, first-aid outfits, dressing (adhesive, medicated or aseptic) other than surgical cotton wool and bandages (541-09)
57	Essential oils, perfume and flavour materials (including essential vegetable oils and synthetic materials and compounds (551)
58	Perfumery and cosmetics and other toilet preparations (other than face and bath powder, eau-de-cologne, tooth-paste, dentifrices and soaps) (552-01)
59	Waxes, polishes, pastes, powder and similar preparations for polishing and preserving leather, wood, metal, glass or other materials (other than french polish and wax polish for shoe, furniture and floor) (552-03)
60	Explosives (other than cartridges and fireworks) (591)
60A	Cartridges (591-01)

General	Description of Goods
Quota	Description of Goods
Item No.	Description of Goods
Unit (9) - Manufactures (Leather, Rubber, Wood and Paper)	
13	Tea and other plywood chests excluding metal fittings (631-02)
14	Newsprint (641-01)
14A	Paper: Airmail paper, art paper, cheque paper, chromo paper, ledger paper, litho-printing paper, vellum parchment paper, antique paper, imitation art paper, chromo label paper, chromo art paper, cartridge paper, teleprinter paper, onion skin finish paper, one side coated paper, crepe paper, cloth-lined paper for maps and charts, filter paper, grease-proof paper, leatherette paper, oil paper, tissue paper, tracing paper, kraft paper, ferro prussiate paper, super calendared paper, offset printing paper, cellophane paper, marble paper, gum paper, embossed cover paper, xerotype spool paper and laminated paper (641)
15	Paper board (641)
16	Pneumatic tyres and tubes for motor cars (629-01)
17	Pneumatic tyres and tubes for motor lorries, buses and trucks (629-01)
18	Pneumatic tyres and tubes for motor cycles and scooters (629-01)
19	Tyres and tubes for tractors and motor vehicles (other than for cars, lorries, buses, trucks, cycles and scooters) (629-01)
19A	Tyres and tubes for bicycles (other than tyres and tubes of sizes 28" x 1½" and 26" x 1 3/4") (629-01)
61B	Leather (other than reconstituted and artificial leather) (611-01)
61C	Reconstituted and artificial leather (611-02)
62	Machine leather belting (612-01)
62A	Soles and heels, wooden (612-05)
63A	Hose pipes and piping wholly or mainly of rubber (621-01)
63B	Hospital sheeting and mackintosh sheeting of rubber (621-01)
63C	Other rubber fabricated materials (including ebonite sheets, ebonite rods, expanded ebonite, rubber solution, industrial adhesives, unvulcanized rubber compound, rubbing compound, ruberoid cement and ruberoid compositions) (621-01)
64	Hygienic, medical and surgical articles of rubber (including ice bags, oxygen bags, preventatives, syringes, valve for feeding bottles, teats, hot water bottles and soothers) (629-02)
65	Machine belting in the length (vulcanized rubber) (629-09)
66A	Veneer sheets (wood) (631-01)
66B	Fibre boards (including hard-boards and insulating boards) (631-03)
67	Cork manufactures (including cork sheets and cork stoppers) (633)
68	Paper bags and other containers of paper or of paper board (excluding bags for packing Ceylon produce for export) (642-01)
68A	Paper bags for packing Ceylon produce for export (642-01)
69	Cigarette paper cut to size (642-09)
70	Stencils for use with duplicating machines (642-09)
71	Toilet paper and sanitary towels of cellulose paper (642-09)

General Quota Item No.	Description of Goods
Unit (10) - Textiles	
20	Cotton fabrics of standard types (sold on a yardage basis) not above Rs. 2 per yard C.I.F. (652)
21	Fabrics (other than of cotton or of jute) of standard types (sold on a yardage basis) not above Rs. 2 per yard C.I.F. (653)
72A	Yarn and thread of wool and hair (651-02)
72B	Cotton thread, unbleached (651-03)
72C	Cotton thread, bleached, dyed or mercerized (651-04)
72D	Yarn and thread of flax, hemp and ramie (651-05)
72E	Cotton yarn (651)
72F	Yarn and thread of synthetic fibres and spunglass (651-06)
73	Roofing felt including asphalted (655-04)
74	Rubberized and other impregnated fabrics and felt (other roofing felt) (655-04)
75	Elastic: Fabrics and webbing (655-05)
76	Cordage, cables, ropes, twines and similar manufactures of textile materials (655-06)
77	Fishing nets (including fishing lines) (655-06)
78	Machine belting of textile materials (655-09)
79	Incandescent mantles (655-09)
80A	Insulating materials - silicate of cotton (655-09)
80B	Straining cloth used in oil presses (655-09)
80C	Cotton wadding, non-sterile (655-09)
80D	Cotton wicks for lamps, lighter, stove or candle (655-09)
80E	Hose pipes and piping and couplings of textile materials (655-09)
80F	Sanitary towels of textile materials (655-09)
80G	Polishing cloth (655-09)
81	Bags and sacks for packing, new or used, of textile materials (656-01)
81A	Fabrics of jute (jute hessian) (653-04)
82	Tarpaulines and sails (656-02)
83	Blankets (other than travelling rugs, coverlets and bedsheets) (656-03)
84	Estate cumblies (656-03)
85	Woollen clothing, used (second-hand) (841)
86	Cotton sarees, not above Rs. 12 per saree C.I.F. (841-05)
87	Sarees (other than of cotton) not above Rs. 12 per saree C.I.F. (841-05)
88	Camboys (841-05)
88A	Sarongs (841-05)
89A	Veshties and shawls (angavastram) (841-05)
89B	Socks (841-01)

General	Description of Goods
Quota	Description of Goods
Item No.	Description of Goods
Unit (11) - Miscellaneous Manufactures	
22	Photographic chemicals and chemical products for use in photography (862-03)
22A	Photographic films, paper and plates (other than X-ray films, litho-films and plates for printing work) (862-01)
22B	X-ray films, litho-films and plates for printing work (862-01)
22C	Sensitized duplicating paper (862-01)
24	Books and pamphlets (892-01)
24A	Maps, charts and art prints (892-04,09)
24B	Pictures (religious and educational) (892-04)
25	Newspapers and periodicals (892-02)
26	Sports goods (other than apparel, footwear, volley balls and parlour games) (899-14)
26A	Footwear exclusively for sports (851)
91	Spectacles, spectacle frames and spectacle cases (excluding sunglasses) (861-01)
92	Parts of photographic and cinematographic apparatus and appliances (for maintenance and repairs) (861-02)
93	Surgical, medical and dental instruments and appliances and parts thereof (excluding clinical thermometers) (861-03)
93A	Clinical thermometers (861-03)
94	Measuring, controlling and scientific instruments and parts thereof (excluding school mathematical instrument sets) (861-09)
94A	School mathematical instrument sets (educational) (861-09)
95	Cinematograph films, not exposed (862-02) - (a) Films of a width of less than 16 mm. (b) Films of a width of 16 mm. or more
96	Phonograph (gramophone) records and recorded tapes (891)
96A	Magnetic recording tapes (891)
97	Musical instruments and parts thereof (excluding pianos, gramophones, record-players and tape recorders) (891)
97A	Pianos (891-03)
97B	Gramophones and record-players (excluding tape recorders) (891-01)
98	Buttons, studs and buckles including hooks and eyes, snap-fasteners and zip-fasteners (except those of precious metals and precious stones) (899-05)
99A	Brushes for painting including artist's and decorator's brushes (899-13)
99B	Jeweller's brushes, hair brushes, shaving brushes and stencil brushes (899-13)
99C	Parlour games and toys (other than toys of wood, clay, rubber or plastic) excluding playing cards and rubber balloons (899-15)

General Quota Item No.	Description of Goods
99D	Parts for fountain pens (except caps) and refills for ball point pens (899-16)
100	Office supplies (other than paper, pens, pencils, pins and clips and office machines) (899-17)
100A	Natural history specimens (899-21)
101	Pencil or pastel crayons in boxes, slates and slate pencils and school chalks (899)
143	Artist's materials (excluding paints and brushes) n.e.s. (899-99)
144	Printer's materials, n.e.s. (899-99)
145	Laminated plastic sheets (899-99)
146	Surgical belts and safety belts (899-99)
147	Gas masks and parts thereof (899-99)
148	Hearing aids and parts thereof (899-99)
149	Vacuum flasks including refills (899-99)
150	Artificial dentures, limbs and eyes (899-99)
Unit (12) - Transport Equipment, Electrical Apparatus and Appliances	
27	Spare parts for cars, lorries, vans and wagons (excluding chassis and engines) (732)
28	Spare parts for motor cycles and scooters (excluding frames and engines) (732)
29	Spare parts for road motor vehicles (other than for cars, lorries, vans, wagons, cycles and scooters) excluding chassis and engines (732)
30	Insulated cables and wires for electricity (721-13)
31	Radio spares (excluding cabinets) for maintenance and repairs (721-04)
102A	Dry cell batteries, wireless (721-02)
102B	Dry cell batteries, other than wireless (721-02)
102C	Batteries other than dry cell (721-02)
103	Splash proof accumulators and batteries for motor vehicles (other than for cars, lorries, vans and wagons) (721-19)
104A	Fluorescent tubes (excluding fittings) (721-03)
104B	Torch bulbs (721-03)
104C	Photo flash bulbs (721-03)
104D	Electric lamps bulbs (other than of 15 watts to 100 watts with standard bayonet cap suitable for 220 to 250 volts) (721-03)
105A	Electric smoothing irons, complete and parts thereof (721-06)
105B	Parts of electric appliances and apparatus (domestic) for maintenance and repairs (721)
107	Electric apparatus for medical purposes and radiological apparatus complete and parts thereof (721-11)
107A	Parts of electric fans for maintenance and repairs (721-12)
110	Electric torches (812-04)

General	Description of Goods
Quota	
Item No.	
111	Electric lighting accessories - plugs, holders and adapters (other than 3 pin plugs and basis of 5 amperes, C.G. lamp holders and ceiling roses) (721-19)
111A	Public address systems, complete and parts thereof (721-04)
160	Motor cycles and motor scooters (732-02)
161	Tradesmen's cycles (not motorized) (733-01)
161A	Parts of cycles (non-motorized) excluding accessories, frames, forks, pedal blocks, brake blocks, tyres, tubes, saddle covers, pedal covers, mudflaps, baskets, handle grips, bar covers and stands (733-02)
162	Parts of refrigerators (excluding cabinets) for maintenance and repairs (899-08)
	Unit (13) - Building Materials, Base Metals, Glass and Lamps and Lanterns
32	Cement, not above Rs. 85 per metric ton C.I.F (661-02)
32A	Glazed wall tiles (662-02)
34	Base metals, iron and steel, including sheets, plates, bars, wires (other than barbed wire), tubes, pipes and fitting for tubes and pipes (681)
35	Base metals, non-ferrous, including sheets, plates, bars, wires, tubes, pipes and fittings for tubes and pipes but excluding aluminium foil and lining and solder lead (682-689)
90	Spectacle lenses, optical glass and spectacle glass (664-02)
108	Lamps and lanterns (kerosene oil) and parts thereof excluding incandescent mantles (812-04)
109	Lamps and lanterns (other than electric) pressure type and parts thereof excluding incandescent mantles (812-04)
112	Chimneys and globes for lamps and lanterns (812-04)
113	Central heating apparatus and parts thereof (furnaces for central heating, boilers, radiators and conduits) (812-01)
114	Sinks, wash basins, bidets, baths and other sanitary and plumbing fixtures and fittings including plumbing/metal taps (812)
115	Building materials of asbestos, of cement and of unfired non-metallic minerals (other than asbestos ridges, sheets and tiles) (661-09)
115A	Asbestos sheets, ridges and tiles (661-09)
115B	Roofing tiles of brick earth or of ordinary baked clay (662-01)
116	Hume pipes, drainage pipes and earthenware pipes (662)
117	Refractory bricks and other refractory construction materials including fire cement (662-03)
118	Abrasive cloths and papers and similar materials (663-02)
118A	Polishing wheels and stones (663-01)
119	Manufactures of asbestos (other than building materials) including packing, fibrous fillers, insulation and jointing (663-03)

General Quota Item No.	Description of Goods
120	Window glass (664-03)
121	Plate glass (664-04)
122	Bricks, tiles and other construction materials of cast or pressed glass (664-06)
123	Laminated and other safety glass (664-07)
124	Sheet and plate glass, tinned, silvered or coated with platinum (other than mirrors, framed) (664-08)
125	Fibre glass and glass n.e.s. (other than glassware) (664-09)
126	Bottles and other containers (including stoppers and closures) of common glass (665-01)
127	Glass tableware and other articles of glass for household use (665-02)
128	Scientific glassware (665-09)
129	Mirrors, framed (665-09)
129A	Porcelain and chinaware (domestic crockery) (666-03)

Unit (14) - Manufactures of Metals

37	Alavangoes, axes, forks, knives or saws for budding, pruning or tapping, pick axes, sickles, hand-tools (other than mammoties), and implements for agricultural use (699-12)
37A	Mammoties (699-12)
38	Implements and tools (other than agricultural) including engineer's tools, machine tools, saws, saw-blades, files and rasps (699-12)
39	Metal containers for transport and storage (699-21)
130	Finished structural parts of base metals including door and window frames, louvres and other assembled structures (699)
131	Wire cables, ropes, plaited bands, slings and other similar articles of iron and steel, uninsulated (699-03)
132	Wire netting, wire fencing, wire grills, wire mesh and expanded metal excluding barbed wire - iron and steel (699-05)
132A	Wire netting, wire fencing, wire grills, wire mesh and expanded metal excluding barbed wire - non-ferrous metals (699-06)
133	Nails, bolts, nuts, washers, rivets, screws, and similar articles of base metals (excluding wire nails and wood screws) (699-07)
133A	Wire nails of sizes half inch and less (699-07)
133B	Wire nails above half inch of size - iron and steel (699-07)
133C	Wire nails above half inch in size - non-ferrous metals (699-07)
133D	Wood screws of base metals (699-07)
134	Needles and pins of base metals (excluding hair-pins, hair-curlers and hair-grips) (699-08)
135	Safes including deed and cash boxes (699-11)

General Quota Item No.	Description of Goods
136	Table and kitchen knives, forks and spoons of base metals (699-16)
137	Door and window fittings (including hinges, locks, padlocks and keys) (699-18)
137A	Fittings (including hinges, locks and keys for furniture, trunks, suit-cases and boxes) (699-18)
138	Metal fittings for tea and other chests and shooks - iron and steel (699-18)
139	Kitchen utensils of base metals (excluding plated utensils) (699-13, 14, 15)
139A	Presentation cups of base metals (699-13, 14, 15)
140	Razors (excluding blades), hair-clippers and scissors (699-17)
141	Stoves and cookers and parts thereof (non-electric) (699-22)
142	Chains, black or galvanized - iron and steel (699-29)
142A	Slotted angles and panels - iron and steel (699-29)
142B	Seals and stoppers of base metals (699-29)
142C	Flat smoothing irons (non-electric) (699-29)
142D	Electrodes for welding and welding rods (699-29)
142E	Springs, steel (699-29)
Unit (15) - Machinery and Engineering Stores	
151	<p>Engineering stores, namely:</p> <ul style="list-style-type: none"> (a) Pumps (semi-rotary, centrifugal and self priming) for liquids and parts (716-01) (b) Oil filtering equipment and spares (716-13) (c) Mechanical power transmission equipment including lubricators, pulleys, bearings, conveyor belting and V belts, clutches, couplings and speed reducers (716-13) (d) Fire protection sprinkler equipment and fire extinguishers and parts (716-13) (e) Oilfiring equipment (oil burners, etc.) including electric preheaters and control gear (716-13, 721-19) (f) Withering fans and fans for industrial purposes (excluding domestic ceiling table and pedestal fans)(716-13) (g) Ball, needle and roller bearings, and parts for general machinery (716-14) (h) Transformers and converters (of 20 amperes and over carrying capacity, complete and parts)(721-01)

General Quota Item No.	Description of Goods
	(i) Control and switch gear comprising all gear of 20 amperes and over carrying capacity, complete and parts (721-01)
	(j) Electric generators, alternators, dynamos, exciters, motors and starters, converters, transformers and switch gear (excluding switches of five amperes) complete and parts, n.e.s. (721-01)
	(k) Telephones and communication equipment (721-05)
	(l) Electric measuring instruments of 20 amperes or 20 volts carrying capacity and over, complete and parts (ammeters, voltmeters, etc.) (721-08)
	(m) Conduit tubing and fittings, adhesive tapes and insulating materials and electric flame failure equipment (721-19)
	(n) Power factor correction capacitors (721-19)
	(o) Metal cocks and ball valves, liquid flow regulators (716-15)
151A	Parts of electrical machinery for industrial use n.e.s. (721-19)
151B	Parts of machinery (except electrical) for industrial use, n.e.s. (716)
152	Tractors, complete (713-01)
153	Tractor implements, complete (713-01)
154	Parts for tractors and tractor implements (713-01)
155	Typewriters, complete and parts thereof (714-01)
156	Accounting, book-keeping, calculating and other office machines (including cash registers and dictaphones) complete and parts thereof (714-02)
157	Parts for printing and book-binding machinery (716-07)
158	Handloom textile weaving accessories (716-08)
159	Weighing machines (excluding laboratory scales) complete and parts thereof (716-13)
163	Outboard motors and marine engines and parts thereof (711-05)
164	Stationery internal combustion (diesel and semi-diesel) engines below 90 H.P. and parts (711-05)
165	Atomisers, sprayers and equipment (and parts thereof) for insect and pest control (716-13)
166	Parts for sewing machines (excluding needles) for maintenance and repairs (716-11)
167	Agricultural machinery and appliances, n.e.s. (712)
167A	Rice huller spares - for repairs and maintenance (712-02)
167B	Lawn mowers and parts thereof (712-02)

ANNEX CLicence Schedule No. 5 - Import Control Notice No. 51/63

(Actual User's Quota Items)

Actual User's Quota Item No.	Description of Goods
1	Maize, unmilled (044-01)
2	Beedy leaves (054-03)
3	Molasses (061)
4	Margarine (091-01)
5	Vegetable ghee (091-02)
6	Tobacco unmanufactured (other than beedy tobacco) (121-01)
7	Beedy tobacco (121-01)
8	Hides and skins, undressed (211)
9	Wood in the round or roughly squared (242)
10	Wood shaped or simply worked (243)
11	Cork, raw and waste (including natural cork in blocks or sheets) (244-01)
12	Mechanical wood pulp (251-02)
13	Raw cotton (263-01)
14	Palmyrah fibre (265-09)
15	Moulding sand (272-02)
16	Clay (including fire clay) (272-04)
17	Marble (unworked) (272-08)
18	Gypsum (272-11)
19	Asbestos, crude, washed or ground (272-12)
20	Industrial talc. (272-19)
21	Tortoise shells and ivory (unworked) (291-01)
22	Natural gums, resins, balsam and lacs including rosin (292-02)
23	Canes and rattans (292-03)
24	Mineral jelly and mineral waxes (313-05)
25	Asphalt (bitumen) and related products (313-09)
26	Pitch and resin (313-09)
27	Animal tallow (411-02)
28	Linseed oil (412-01)
29	Groundnut (peanut) oil (412-04)
30	Olive oil (412-05)
31	Palm kernel oil (412-06)
32	Castor oil (412-11)
33	Tung oil (412-12)

Actual User's Quota Item No.	Description of Goods
34	Waxes of animal or vegetable origin (413-04)
35	Inorganic chemicals (other than caustic soda and chlorine) (511)
36	Caustic soda (sodium hydroxide) (511-03)
37	Organic chemicals (other than rectified spirits, methylated spirits, spirits of turpentine, pine oil and camphor) (512)
38	Rectified spirits (512-02)
39	Methylated spirits (denatured spirits) (512-02)
40	Spirits of turpentine (512-05)
41	Pine oil (512-05)
42	Camphor (512-09)
43	Creosote (crude chemical) (521-02)
44	Coal tar dye stuffs (dyes for dyeing textiles) (531-01)
45	Tanning extracts including wattle bark extract (532-02)
46	Synthetic tanning materials (532-03)
47	Distempers and colouring materials other than of coal tar origin and excluding yellow ochre (533-01)
48	Printers ink (533-02)
49	Prepared paints, enamels, lacquers, painter's and artist's colours, siccatives (paint driers) and mastics (excluding varnishes) (533-03)
50	Raw materials approved by the Hospital Formulary Committee for local manufacture of pharmaceuticals (541)
51	Essential vegetable oils (551-01)
52	Synthetic perfume and flavour materials (551-02)
53	Talcum powder (552-01)
54	Waxes, polishes, pastes, powder and similar preparations for polishing and preserving leather, wood, metal, glass or other materials (other than french polish and wax polish for shoe, furniture and floor) (552-03)
55	Synthetic resin (moulding powder) (599-01)
56	Synthetic plastic materials in blocks, sheets, rods, tubes, powder and other primary forms other than resin (599-01)
57	Glue (adhesives) (599-04)
58	Soldering fluid including flux (599-09)
59	Leather (other than reconstituted and artificial leather) (611-01)
60	Reconstituted and artificial leather (611-02)
61	Rubber casings for tyre rebuilding (629-09)
62	Rubber casings for accumulators (629-09)
63	Veneer sheets (wood) (631-01)
64	Fibre boards (including hardboards, insulating boards and fibre corners) (631-03)

Actual User's Quota Item No.	Description of Goods
65	Wood manufactures (632)
66	Cork manufactures (633)
67	Kraft paper for manufacture of bags, cartons and similar containers (641-03)
68	Paper (including cellophane paper and tissue paper) for packing and wrapping industrial products (641-03)
69	Paperboard (cardboard and strawboard) (641-04)
70	Cigarette paper (in bulk rolls or sheets) (641-11)
71	Tissue paper other than wrapping (in bulk rolls or sheets) (641-19)
72	Articles of pulp, of paper and of paperboard (including cigarette paper cut to size) (642-09)
73	Silk yarn and thread (651-01)
74	Woollen yarn (651-02)
75	Cotton yarn (651-03, 04)
76	Cotton thread (651-03, 04)
77	Yarn and thread of synthetic fibres and spunglass (651-06)
78	Cotton fabrics of standard types, not above Rs.2/- per yard c.i.f. (652)
79	Cotton canvas (652)
80	Fabrics (other than of cotton or of jute) of standards types, not above Rs.2/- per yard c.i.f. (653)
81	Tulle, lace, embroidery, ribbons, trimmings and other small wares including mosquito netting (654)
82	Tubes for incandescent mantles (655-09)
83	Cement, not above Rs.85/- per metric ton c.i.f. (661-02)
84	Refractory bricks and other refractory construction materials including fire cement (662-02)
85	Polishing wheels and stones (663-01)
86	Abrasive cloths and papers and similar articles (663-02)
87	Plate glass (664-04)
88	Fibre glass (664-09)
89	Bottles and other containers (including stoppers and closures) of common glass (665-01)
90	Base metals including sheets, plates, bars, wires, tubes and pipes - iron and steel (681)
91	Base metals including sheets, plates, bars, wires, tubes and pipes - non-ferrous metals (682-689)
92	Aluminium foil and lining and aluminium in coil (684-02)
93	Wire netting and wire mesh - iron and steel (699-05)
94	Wire netting and wire mesh - non-ferrous metals (699-06)

Actual User's Quota Item No.	Description of Goods
95	Nails, bolts, nuts, washers, rivets, screws and similar articles of base metals (excluding wire nails and wood screws) (699-07)
96	Needles and pins of base metals (excluding hair-pins, hair-curlers and hair-grips) (699-08)
97	Fittings (including hinges, corners, locks, padlocks, safety bolts, handles and keys) for doors, windows, furniture, trunks, suit-cases, boxes and saddlery (699-18)
98	Metal containers for transport and storage including tin cans (699-21)
99	Manufactures of base metals, n.e.s. (699-29)
100	Components for assembly of sewing machines (716-11)
101	Components for manufacture of tea and rubber machinery (716-13)
102	Components for manufacture of electric lamp bulbs (721-03)
103	Components for assembly of radio-receivers (721-04)
104	Components for assembly of electric appliances and apparatus (domestic) (721-06)
105	Components for assembly of electric fans (721-12)
106	Components for manufacture of splash proof accumulators and batteries for motor vehicles (721-19)
107	Components for manufacture of electric switches, holders, plugs and adapters (721-19)
108	Parts for cycles (non-motorized) excluding accessories, frames, forks, pedal blocks, brake blocks, tyres, tubes, saddle covers, pedal covers, mudflaps, baskets, handle grips, bar-covers and stands (733-02)
109	Cinematographic films, not exposed, for film production (862-02)
110	Photographic chemicals for use in film production (86-03)
111	Parts (other than cases) for watches and clocks for assembly (864)
112	Components for assembly of musical instruments (891)
113	Parts (other than cloth) for umbrellas and parasols for assembly (899-03)
114	Components (other than cabinets) for assembly of domestic refrigerators (899-08)
115	Parts for toys, children's tricycles, baby carriages and perambulators for assembly (899-15)
116	Nibs, tongue and points for manufacture of fountain pens and ball point pens (899-16)
117	Parts for pencils (lead, copying and coloured) (899-17)

