

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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PAKISTAN IMPORT RESTRICTIONS

Cancellation of OGL - November 1952

By letter dated 27 May the Government of Pakistan has conveyed to the Executive Secretary the following statement regarding the cancellation of OGL No. XIV:

" On account of grave deterioration of the position of its foreign exchange reserves caused by an unprecedented fall in the price of the country's main exportable commodities like jute, cotton, wool, etc., the Government of Pakistan were compelled to supersede its import OGL XIII by a modified OGL XIV (on the 11th of August 1952). Many items which were previously on OGL were excluded from the modified OGL, but commodities essentially required for the industrialization and development of the country, like machinery, iron and steel, non-ferrous metals, tools and workshop equipment, oils and greases, essential consumer goods like drugs and medicines, kerosine, etc., were kept on Open General Licence. It was hoped that this step would be sufficient to achieve the desired result but on a study of the situation after three months it was found that the position was not improving sufficiently and to keep the balance of payments deficit within reasonable proportions, it was therefore necessary to cancel the existing OGL altogether; unless this was done the country's foreign exchange reserves would be in great danger of falling below the level of safety. The Government was thus compelled to cancel the existing OGL XIV with effect from the 23rd of November 1952. The Government is doing everything possible to increase exports from the country and with that end in view has recently expanded its export OGL 7 by including 56 additional items to the freely exportable list vide Ministry of Commerce notification No. 339/903 (I-53), dated the 23rd January 1953, copy enclosed for information.

" The Government is fully alive to the necessity of keeping trade from import control restrictions as far as possible but for some long time to come imports will be controlled to safeguard the external financial position. "

In the circumstances it is not considered necessary to convene a special meeting of the Intersessional Committee. However, if any contracting party has points it wishes to raise in this connection, there will be an opportunity for such discussion at the next regular meeting of the Intersessional Committee to be held in August.