

GENERAL AGREEMENT ON TARIFFS AND TRADE

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YUGOSLAVIA - TEMPORARY INTENSIFICATION OF IMPORT RESTRICTIONS - IMPORT DEPOSIT

The following communication, dated 6 September 1974, has been received from the Permanent Mission of Yugoslavia.

I have the honour to advise you, for the information of the CONTRACTING PARTIES, of the following measures which the Yugoslavian Government has introduced in its import régime on a temporary basis.

1. By a Decision of 30 July 1974, in effect as from 3 August 1974 (Official Gazette No. 39, pages 1314-1317) the import of certain products has been made subject to import licence. This measure, which will be in effect until 31 December 1974, concerns forty-five headings in the customs tariff, mainly consumer products.
2. By a Decision of 30 July 1974, in effect as from 3 August 1974 (Official Gazette No. 39, page 1314) the global foreign exchange quotas for 1974 in respect of raw materials and semi-manufactures have been reduced by 10 per cent as regards the portion to be utilized in the second half of the year.
3. By a Decision of 30 June 1974, in effect as from 3 August 1974 (Official Gazette No. 39, page 1317) the global foreign exchange quota for the import of products for personal consumption in 1974 has been reduced by 17 per cent.

Under a Decision of 30 July 1974, in effect as from 10 August 1974 (Official Gazette No. 40, pages 1370-1372), the Governor of the National Bank of Yugoslavia has introduced a prior deposit scheme for the import of a small number of products, as follows:

1. Thirty per cent deposit of the import value for a period of twelve months in respect of twenty tariff headings, including sixteen in numbers 84.10 to 85.11 and three in numbers 90.07 to 90.09.

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2. Fifty per cent deposit of the import value for a period of six months in respect of sixty-three tariff headings, mostly falling within numbers 60-65-69-70-71-91-92-94-98.

Yugoslavia's exports in 1974 developed as follows in relation to the corresponding period in 1973: an increase by 64 per cent in the first three months, by 44 per cent in the next three months, by 37 per cent in July, and a downward trend in August. Over this period, export prices increased by 34 per cent. The volume of exports increased by 22 per cent, 7 per cent and 2 per cent respectively. The increase in imports for the first seven months of the year reached 78.3 per cent, while their prices increased by 56 per cent. The adverse terms of trade factor for Yugoslavia reached 16.4 per cent.

These developments have resulted in a trade deficit for our country totalling \$1,980 million as compared with \$872 million for the corresponding seven-month period in 1973. For the first six months of 1974 our balance of payments showed a deficit of \$528 million, as against a surplus of \$16 million for the corresponding period in 1973.

Given that the measures mentioned above affect only 5-6 per cent of Yugoslavia's imports, they are non-discriminatory and non-prohibitive. The resulting reduction in imports is estimated at between \$250-300 million. The purpose is solely to reduce the volume of the deficit. The measures are temporary and affect only partly the Government's policy of liberalizing international economic relations.