RESTRICTED

W.7/16
11 October 1952

Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: English

WORKING PARTY 5 ON BALANCE-OF-PAYMENT IMPORT RESTRICTIONS

Note by the Indonesian Delegation on Restrictions in Indonesia

1. The statement presented to the CONTRACTING PARTIES as document L/42 was made with reference to paragraph 7 of L/24, which refers to measures taken by several contracting parties and which appears to involve an intensification of import restrictions, but on which the information available was insufficient to enable the Intersessional Committee to determine whether action under Article XII:4(b) would be required.

2. That statement was merely meant as an information to make that determination possible and the Indonesian Delegation has the opinion that for that purpose the aforementioned statement should prove sufficient.

3. When we compare the regulations as stated in document GATT/CP.6/33 (page 4 - 7) and addition 1 and those described in document L/48, we will notice that in general the system remains the same. The new normal exchange rate of Rupiah 11.40 per US Dollar is actually the same as the former official rate of Rupiah 3.80 per US Dollar, plus the price of the then existing foreign exchange certificate. The so-called "inducement" rate, which was valid from February 4, 1952, until August 12, 1952 - of Rupiah 11.40 plus 70% of Rupiah 11.40 = Rupiah 19.38 per US Dollar, is nearly the same as the "inducement"- rate as described on page 6 of GATT/CP.6/33, i.e. Rupiah 3.80 plus Rupiah 7.60 (exchange certificate) plus 200% of Rupiah 3.80 = Rupiah 19.05 per US Dollar. Furthermore, it must be stressed that this rate only concerns 1% of the total import of Indonesia.

4. The new "inducement"-system, which was established on August 12, 1952, and which is only applicable on Non-Essentials and luxury goods, also affects a small part of Indonesian import only.

5. The dollar-certificate system, which according to the International Trade Bulletin, is also applied in several European countries, was established because a tendency was noticed to export more to non-dollar areas and to import more from those areas, which caused a serious decline of the dollar reserves of the country. While in 1950 31% of the total import was purchased from dollar areas, that percentage raised in 1951 to 37%.