

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/216

21 February 1955

Special Distribution

CONTRACTING PARTIES
Ninth Session

Original: English

Working Party 4 on Balance-of-payments
Import Restrictions

CONSULTATIONS UNDER ARTICLE XIV:1(g)

I. Communication dated 16 February 1955 from the
International Monetary Fund on the results of
its consultation with Ceylon

"I have the honor to inform you, as relevant for the CONTRACTING PARTIES in connection with their consultation with Ceylon under Article XIV:1(g) of the GATT, that the Government of Ceylon has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of its transitional arrangements. The results of this 1954 consultation were as follows:

"1. The Government of Ceylon has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of its transitional arrangements.

"2. There has been a marked improvement in Ceylon's economic and financial situation since the middle of 1953. Internal stability has been achieved through monetary and fiscal policies. In the second half of 1953, Ceylon's balance-of-payments position began to improve, largely as a result of rising prices for tea exports, and in 1954 the external accounts are estimated to have been in over-all surplus, including a surplus with the dollar area. There has also been a rise in Ceylon's international reserves during the past year.

"3. The Fund notes with satisfaction the determination of the Ceylon Government to maintain internal stability and to co-ordinate the undertaking of investment and economic development projects with the availability of domestic and foreign resources.

"4. The Fund also notes that, during 1953 and 1954, Ceylon has responded to improvement in its position by relaxing restrictions and reducing discrimination, and the Fund will expect a continuation of this policy, especially with respect to the dollar area, if Ceylon's balance-of-payments position continues favorable.

"5. In concluding the 1954 consultations, the Fund has no other comments to make on the transitional arrangements maintained by Ceylon."

II. Communication dated 16 February 1955 from the International Monetary Fund on the results of its consultation with the United Kingdom, including the Federation of Rhodesia and Nyasaland

"I have the honor to inform you, as relevant for the CONTRACTING PARTIES in connection with their consultations with the United Kingdom and the Federation of Rhodesia and Nyasaland under Article XIV:1(g) of the GATT, that the Government of the United Kingdom has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of the transitional arrangements by the United Kingdom, including the Federation of Rhodesia and Nyasaland. The results of this 1954 consultation were as follows:

"1. The Government of the United Kingdom has consulted the Fund under Article XIV, Section 4, of the Fund Agreement concerning the further retention of its transitional arrangements.

"2. United Kingdom production and incomes have continued to rise in 1954. Monetary and fiscal policies have succeeded in maintaining balanced expansion. There has also been an improvement in the balance of payments with the dollar and other areas and in the reserve position. A substantial volume of indebtedness has been repaid.

"3. The Fund welcomes the relaxations of restrictions and reduction of discrimination made since the 1953 consultations and notes with satisfaction the United Kingdom's intention to continue this policy and progress further toward convertibility. While appreciating the United Kingdom's need to maintain a substantial current surplus in its external accounts, the Fund hopes that this objective will not impair the further removal of restrictions, and believes that a continuation of the favorable circumstances now prevailing will permit the present policy of moving towards convertibility to be continued.

"4. In concluding the 1954 consultations, the Fund has no other comments to make on the transitional arrangements maintained by the United Kingdom.