

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

C/W/236

24 January 1974

Limited Distribution

COUNCIL

28 January 1974

SCHEDULE XV - PAKISTAN

Imposition of Temporary Flood Relief Surcharge

Draft Decision

A request by the Government of Pakistan for a waiver from its obligations under Article II:1 of the General Agreement, in order to apply the Flood Relief Surcharge, has been circulated in document L/3984. The following draft decision is submitted to facilitate consideration by the Council of the request by the Government of Pakistan.

Considering that the Government of Pakistan has notified the CONTRACTING PARTIES that, with effect from 15 September 1973, it has introduced as a temporary measure an additional customs duty as Flood Relief Surcharge which affects certain items bound in Pakistan's Schedule XV annexed to the General Agreement;

Considering that this additional customs duty has been levied in order to mobilize resources for reconstruction after the floods that hit Pakistan in August 1973 causing damage to vital sectors of the economy, estimated at over \$500 million;

Considering that the Flood Relief Surcharge is a temporary measure and is levied on imported goods on a non-discriminatory basis, at the rate of 25 per cent of the applicable customs duty;

Noting that out of a total of 149 bound items in Pakistan's Schedule XV, thirty-three items are exempted from the surcharge; ninety-eight items carry a surcharge incidence ranging between 0.75 and 7.5 per cent ad valorem; seventeen items carry a surcharge incidence ranging between 7.6 and 12.5 per cent ad valorem; and one item carries an incidence of more than 12.5 per cent ad valorem;

Considering that assurances of the Government of Pakistan that it will, upon request, promptly enter into consultations with any contracting party which considers that serious damage to its interests is caused or imminently threatened by the surcharge;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement,

Decide to waive the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to enable the Government of Pakistan to maintain the temporary Flood Relief Surcharge as notified in document L/3984 until or until the termination of the surcharge, whichever is the earlier.