

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## APPLICATION BY CEYLON FOR RELEASE UNDER ARTICLE XVIII

### Detailed Information supplied by Ceylon

It was stated in L/35 that the memorandum submitted by the Ceylon Government attached thereto was intended to be an introductory document and that information along the lines of the questionnaire contained in Annex C of GATT/CP.3/60/Rev.1 would be furnished by the Ceylon Delegation during the Seventh Session. Accordingly, the Ceylon Delegation has submitted the attached statements, in the form of replies to the above-mentioned questionnaire, relating to the six categories of products, namely:

1. Towels and towelling.
2. Rubber footwear.
3. Cotton banians.
4. Paints, French polish and varnish
5. Dried fish.
6. Tortoiseshell ware.

These statements were received on 14 October 1952. The Ceylon Delegation has advised that copies of the Industrial Products Act No. 18 of 1949 will be made available to the delegations in the near future.

The report adopted by the CONTRACTING PARTIES at the Third Session in 1949 relating to other products to which the Industrial Products Act applied, will be found in document GATT/CP.3/73/Rev.1.

PRECISE DESCRIPTION, EXTENT OF THE MEASURE

The Industrial Products Act No. 18 of 1949 is designed to facilitate the sale of the industrial products of Ceylon by regulating the importation of industrial commodities from abroad. Under the provisions of the Act an importer, in order to obtain a licence to import a specified quantity of the products concerned, can be required to buy a certain proportion of the corresponding local product. The "standard ratio" for determining the quantity of the local product which an importer must purchase in order to obtain a licence to import a specified quantity of the regulated product will be determined and published in the Gazette from time to time under the provisions of the Act.

I. TOWELS AND TOWELLING

(a) Provision of Agreement under which release is sought

Article XVIII, sub-paragraph 7(a)(iii).

(b) Range and type of goods to which measure relates

Cotton towels; towels and towelling.

Tariff item number and description:

Ex 483	Cotton manufactures other than admixtures of any other materials n.e.s.
489	Mill-made Turkish towels
490	Mill-made Turkish towelling
495	Towels shown to satisfaction of the P.C.C. to have been imported by and for the use in hotels and rest houses approved by the Director of the Tourist Bureau.

(c) Precise description of the products of the industry for the protection or development of which the measure is intended

Cotton towels, honeycomb and huckaback type.

(d) Domestic production of the items described in (b)

1951: 250,000 towels                      Value: Rs. 500,000.

(e) Imports by country of origin

Year		Quantity Dozens	Value	
			Rs.	Cts.
1950	United Kingdom	859	21,055.	00
	Holland	18	742.	00
	Hong Kong	100	2,380.	00
	India	18,292	488,835.	00
	U.S.A.	250	7,786.	00
		<u>19,519</u>	<u>521,398.</u>	<u>00</u>
1951	United Kingdom	1,300	37,820.	00
	Hong Kong	932	23,470.	00
	India	14,200	436,539.	00
	U.S.A.	3,492	57,376.	00
	Japan	1,916	15,530.	00
	Germany	2	25.	00
	Holland	61	1,399.	00
	Belgium	25	839.	00
		<u>22,018</u>	<u>575,998.</u>	<u>00</u>

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

15% ad valorem (General) - No other protection.

(h) Information and forecast about future development of the industry, etc.

Potential based on existing number of hand-looms, etc., is 500,000 towels, which is double the quantity produced in 1951. It is expected that the industry can become independent of the measure after five years.

(i) Prices of imported and domestic product

<u>Domestic:</u>	Honeycomb & huckaback	36" x 20"	Retail Price: Rs. 15 per doz.
		30" x 20"	" " Rs. 12 " "
<u>Imported:</u>	Turkish	60" x 32"	" " Rs. 93 " "
		42" x 32"	" " Rs. 57 " "
		30" x 20"	" " Rs. 42 " "

(j) Date of establishment of industry

Traditional.

(k) Type of protection between 1 January 1959 and 24 March 1948

No special protection.

(l) Indigenous primary commodity which is being processed

Cotton.

(m) Exports of primary commodity

Nil.

(n) Details of new increased restrictions imposed abroad

Nil.

(o) Number and location of enterprises or firms

1041 units - Island-wide,  
(No. of looms - 4,000).

(p) Number employed

6,000.

(q) Average level of wages paid to employees

Being a cottage industry, this is not possible to estimate.

(r) Capital investment

Rs. 620,000.

(s) Net profits or losses

Does not arise.

II. RUBBER FOOTWEAR

(a) Provision of Agreement under which release is sought

Article XVIII, sub-paragraph 7(a)(iii).

(b) Range and type of goods to which measure relates

Rubber footwear including canvas shoes with rubber soles or with rubber heels and soles but excluding boots of every description.

Tariff item number and description:

542 Boots and shoes,  
1) Canvas, rubber soled.

(c) Precise description of the product of the industry for the protection or development of which the measure is intended

Rubber footwear including canvas shoes with rubber soles or with rubber heels and soles but excluding boots of every description.

(d) Domestic production of the items described in (b)

1951: Shoes with canvas or cloth uppers, water-proof rubber lacing shoes, rubber slippers and sandals or all-rubber shoes and sandals with rubber soles and heels.

611,142 prs.

Value:

Rs. 2,500,000.

(e) Imports by country of origin

CANVAS RUBBER SOLED BOOTS AND SHOES

<u>Year</u>	<u>Country of Origin</u>	<u>Quantity Doz. Pairs</u>	<u>Value Rs.</u>
1949	United Kingdom	2,278	54,123
	Hong Kong	468	11,643
	India	13,036	251,481
	Union of S. Africa	6	544
	Czechoslovakia	50	2,033
		<u>15,838</u>	<u>319,830</u>
1950	United Kingdom	851	29,468
	Hong Kong	82	2,103
	India	12,620	280,826
	Malaya	4,686	103,217
	Czechoslovakia	64	2,936
	U.S.A.	4	114
	Japan	<u>1,144</u>	<u>39,294</u>
	<u>19,451</u>	<u>457,978</u>	
1951	United Kingdom	854	20,103
	Hong Kong	476	13,196
	India	13,957	394,071
	Malaya	148	4,499
	Czechoslovakia	214	11,624
	Japan	<u>1,545</u>	<u>56,930</u>
	<u>16,594</u>	<u>505,423</u>	

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

17 $\frac{1}{2}$ % ad valorem (general) - per dozen pairs.

No other protection.

(h) Information and forecast about future development of industry etc.

Potential output - over 1,000,000 pairs.

(i) Prices of imported and domestic products

Domestic: Rubber footwear Rs. 36 - Rs. 96 per dozen

Imported: " " Rs. 45 - Rs. 69 per dozen.

(j) Date of establishment of industry

1951.

(k) Indigenous primary commodity which is being processed

Rubber.

(1) Number and location of enterprises or firms

Four.

(m) Number of persons employed

400.

(n) Average level of wages paid to employees

Males: Rs. 2.50 - Rs. 5 per day  
Females: Rs. 2.25 - Rs. 3 per day  
Boys: Rs. 2.50 per day.

(o) Capital investment

Rs. 15,000,000.

(p) Net profit or losses

Not available.

(q) Cost of transport etc.

Not available.

(r) Information relating to domestic consumption of the product

360,000 pairs are "consumed annually".

III. COTTON BANIANs

(a) Provision of Agreement under which release is sought

Article XVIII, sub-paragraph 7(a)(iii).

(b) Range and type of goods to which measure relates

Cotton banians.

Tariff item number and description:

543 Cotton banians.

(c) Precise description

Cotton banians.

(d) Domestic production

1949: 18,450 dozen	Value: Rs. 285,975
1950: 70,577 "	" Rs. 1,093,928
1951: 75,594 "	" Rs. 1,133,910

(e) Imports by country of origin

COTTON BANIANs

<u>Year</u>	<u>Country of Origin</u>	<u>Quantity Dozens</u>	<u>Value Rs.</u>
1949	United Kingdom	12,639	250,178
	Hong Kong	60,607	896,318
	India	142,435	1,333,895
	Malaya	5	137
	Japan	2,160	21,092
	Germany	900	21,974
	U.S.A.	-	21
		<u>218,746</u>	<u>2,523,615</u>
1950	United Kingdom	11,526	232,331
	Hong Kong	69,134	1,092,749
	India	226,988	2,091,410
	Japan	9,099	114,741
		<u>314,647</u>	<u>3,531,231</u>
1951	United Kingdom	10,540	282,621
	Hong Kong	22,442	381,302
	India	124,954	1,577,748
	Japan	6,203	84,101
	Germany	1,550	43,834
	U.S.A.	2	113
		<u>165,691</u>	<u>2,370,019</u>

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

15% ad valorem (General) - No other protection.

(h) Information and forecast about future development of the industry etc.

Potential output 300,000 dozen per year, when locally grown cotton becomes available in sufficient quantities.

(i) Prices of imported and domestic products

<u>Domestic:</u>	Cotton banians, without sleeves	Rs. 15 per dozen
	" " with sleeves	Rs. 21 " "
<u>Imported:</u>	" " without sleeves	Rs. 22.80 and
	" " with sleeves	Rs. 24 per dozen
		Rs. 39 " "

(j) Date of establishment of industry

1941.

- (k) Type of protection between 1 January 1939 and 24 March 1948  
No special protection.
- (l) Indigenous primary commodity which is being processed  
Cotton.
- (m) Exports of primary products  
Nil.
- (n) Details of new increased restrictions imposed abroad  
Nil.
- (o) Number and location of enterprises or firms  
Five.
- (p) Number of persons employed  
275.
- (q) Average level of wages paid to employees  
Males: Rs. 3 - Rs. 5 per day  
Females: Rs. 2 - Rs. 3 per day
- (r) Capital investment  
Rs. 600,000.
- (s) Net profits or losses  
Not available.

IV. PAINTS, FRENCH POLISH AND VARNISH

- (a) Provision of Agreement under which release is sought  
Article XVIII, sub-paragraph 7(a)(1).
- (b) Range and type of goods to which measure relates  
Paints, French polish and varnish.

Tariff item number and description:

569	Paints, painters' colours and enamels
579	French polish
596	Varnish,



(c) Precise description of product

Paints, painters' colours and enamels  
French polish  
Varnish.

(d) Domestic production of items described in (b)

1949: Paints	206 cwt.	Value: Rs. 19,438
Varnishes and French polish	6,500 gallons	Value: Rs. 81,900

(e) Imports by country of origin

PAINTS AND COLOURS

<u>Year</u>	<u>Country of origin</u>	<u>Quantity</u>	<u>Value Rs.</u>
1949	United Kingdom	25,605 cwt.	2,205,363
	Australia	2,432 "	52,975
	Canada	6 "	1,527
	Hong Kong	5 "	1,214
	India	2,331 "	228,765
	Malaya	23 "	2,380
	France	1,036 "	19,901
	Holland	12 "	1,059
	U.S.A.	501 "	63,184
		<u>31,952 "</u>	<u>2,576,368</u>
1950	United Kingdom	45,463 cwt	2,941,670
	Australia	1,700 "	57,865
	Canada	5 "	1,062
	India	763 "	22,399
	Malaya	64 "	6,521
	Denmark	19 "	3,755
	Egypt	1,000 "	18,749
	France	857 "	13,834
	Germany	1 "	384
	Holland	17 "	1,831
	Italy	8 "	638
	Japan	64 "	15,785
	U.S.A.	521 "	30,568
		<u>50,482 "</u>	<u>3,185,061</u>

<u>Year</u>	<u>Country of origin</u>	<u>Quantity</u>	<u>Value Rs.</u>
1951	United Kingdom	45,234 cwt.	4,770,757
	Australia	3,055 "	105,829
	Canada	-	115
	India	993 "	140,521
	Malaya	136 "	20,976
	Austria	1 "	901
	Czechoslovakia	20 "	2,435
	Denmark	41 "	9,574
	Egypt	1,088 "	49,752
	France	2,130 "	33,378
	Germany	265 "	27,674
	Holland	39 "	5,727
	Sweden	10 "	2,756
	U.S.A.	1,964 "	256,445
		<u>54,976 "</u>	<u>5,426,840</u>

FRENCH POLISH AND VARNISH

<u>Year</u>	<u>Country of origin</u>	<u>Quantity Gls.</u>	<u>Value Rs.</u>
1949	United Kingdom	20,453	212,516
	Australia	12	179
	India	1,260	7,750
	Holland	20	191
		<u>21,745</u>	<u>220,636</u>
1950	United Kingdom	21,846	246,764
	India	273	2,748
	Belgium	500	4,425
		<u>22,619</u>	<u>253,937</u>
1951	United Kingdom	22,271	275,965
	India	180	3,324
	Holland	561	9,230
	U.S.A.	144	3,498
		<u>23,156</u>	<u>291,017</u>

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

Paints, painters' colours and enamels	25% ad val. Preferential)	) per cwt.
	30% " " General	
French polish	25% ad val. Preferential)	) per gal.
	35% " " General	
Varnish	25% ad val. Preferential)	) per gal.
	35% " " General	

(h) Information and forecast about the future development of industry

The present range of production is largely of ready-mixed paints, anti-corrosive enamel air drying and stoving, flat oil paints, rubber-based paints, oil-bound water paints, and dry (powder) distempers. Future development will include manufacture of resin emulsion, marine paints and nitro-cellulose lacquers. It is expected to increase production of paints to 8,000 cwt. per year and varnishes and French polish to 15,000 gallons per year.

(i) Prices of imported and domestic products

<u>Domestic:</u>	Paints	Rs. 125-240 per gallon
	Varnishes	Rs. 12 per gallon
	French polish	Rs. 24 per gallon
<u>Imported:</u>	Paints	Rs. 118-233 per gallon
	Varnish	Rs. 10.50 per gallon
	French polish	Rs. 15-16 per gallon.

(j) Date of establishment of industry

During the war.

(k) Type of protection between 1 January 1939 and 24 March 1948

Protected by abnormal conditions arising out of the war.

(l) Exports

NIL.

(m) Number and location of enterprises or firms

Two.

(n) Number of persons employed

50.

(o) Average level of wages paid

Males: Rs. 2 - 4 per day.

(p) Capital investment

Varnishes and French polish - Small workshop  
scale - about Rs. 20,000

Paints - 1 factory - Rs. 125,000.

V. DRIED FISH

(a) Provision of Agreement under which release is sought

Article XVIII, sub-paragraph 7(a)(11).

(b) Range and type of goods to which measure relates

Fish, dried and salted, including prawns and sprats.

Tariff item number and description:

71 (11) Fish, dried, cured or salted.

(c) Precise description of the product

Dried and salted fish, including prawns and sprats.

(d) Domestic production of items described in (b)

1950: Dried fish	135,797 cwt.	Value: Rs. 237,645
1951: " "	128,032 "	Value: Rs. 224,056

(e) Imports by country of origin

DRIED FISH, PRAWNS AND SPRATS

<u>Year</u>	<u>Country of origin</u>	<u>Quantity cwts.</u>	<u>Value Rs.</u>
1949	Aden	110,253	6,682,877
	India	231,630	11,372,685
	Maldiv Islands	6,445	357,459
	Pakistan	101,323	5,771,963
	Union of S. Africa	248	10,319
	Arabia	35	2,450
	Iran	1,174	80,381
	Muscat	36,789	2,266,045
	Other countries	56,572	3,769,951
		<u>554,469</u>	<u>30,314,130</u>
1950	United Kingdom	591	39,972
	Aden	87,743	5,127,399
	India	242,951	14,974,733
	Maldiv Islands	7,464	388,697
	Pakistan	118,574	6,894,086
	Union of S. Africa		
	Arabia	122	8,295
	Belgium	18	1,683
	Eritrea	242	12,411
	Iran	1,192	77,542
	Muscat	30,260	1,903,048
Other countries	67,071	4,310,790	
	<u>556,138</u>	<u>33,738,752</u>	

<u>Year</u>	<u>Country of origin</u>	<u>Quantity cwts.</u>	<u>Value Rs.</u>
1951	United Kingdom	2,763	211,580
	Aden	86,438	5,846,132
	Bahrain Island	119	1,611
	Canada	11	925
	India	317,582	20,179,570
	Maldive Islands	7,823	433,827
	Pakistan	128,094	8,491,482
	Arabia	2,945	213,347
	Denmark	27	2,638
	Eritrea	10,407	661,802
	Japan	39	4,199
	Muscat	28,000	2,095,489
	Norway	205	24,338
	Other countries	75,324	6,055,217
		<u>600,390</u>	<u>44,222,627</u>

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

Rs. 1 per cwt - Preferential  
Rs. 2 " " - General.

(h) Information and forecast about future development of industry etc.

250,000 cwt. approximately.

(i) Prices of imported and domestic product

Domestic: Rs. 1.50 - Rs. 2 per lb.

Imported: 40-30 cents per lb.

(j) Date of establishment of industry

Traditional.

(k) Exports

Nil.

(l) Indigenous primary commodity which is being processed

Fish.

(m) Number and location of enterprises or firms

Cottage industry.

(n) Number of persons employed

Difficult to estimate.

VI. TORTOISESHELL WARE

(a) Provision of Agreement under which release is sought

Article XVIII, sub-paragraph 7(a)(iii).

(b) Range and type of goods to which measure relates

Spectacle frames, cigarette cases.

Tariff item number and description:

796	Spectacles and spectacle glass and frames.
797	Spectacle mountings, frame parts and cases.
297	Cigar and cigarette boxes, cases and holders, other than gold and silver plated ware, and gold, platinum and silver ware.
716	Cigar and cigarette boxes, cases and holders, other than gold and silver plated ware, and gold, platinum and silver ware, n.e.s.

(c) Precise description of products

Tortoiseshell spectacle frames.

Tortoiseshell cigarette cases.

(d) Domestic production of items described in (b)

1949: Spectacle frames            4,775            Value: Rs. 47,775.

(e) Imports by country of origin

Not available as these items are not separately classified in the Customs Returns.

(f) Exports

Nil.

(g) Tariff and other protection enjoyed

Spectacle and spectacle glass and frames, spectacle mountings, frame parts and cases:	16½% ad val. - General.
Cigar and cigarette boxes, cases and holders, other than gold and silver plated ware, and gold, platinum and silver ware:	40% - Preferential 50% - General.
Cigar and cigarette boxes, cases and holders, other than gold and silver plated ware, and gold, platinum and silver ware, n.e.s.:	50% - General.

(h) Information and forecast about future development of the industry

Difficult to make any reliable forecast as this is a cottage industry. The real danger to the industry lies in competition from imitation tortoise-shell ware and plastics.

(i) Prices of imported and domestic products

<u>Domestic:</u>	Tortoiseshell spectacle frames	Rs. 7 to Rs. 50
	Cigarette cases	Rs. 7.50 to Rs. 20.
<u>Imported:</u>	Imitation tortoiseshell spectacle frames	Rs. 7.50 to Rs. 25.

(j) Indigenous primary commodity which is being processed

Tortoiseshell.

(k) Date of establishment of industry

Traditional.

(l) Number of persons employed

About 100 families.