

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

Committee on Balance-of-Payments  
Restrictions

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## 1977 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH SRI LANKA

### Statement Submitted by Sri Lanka Under the Simplified Procedures for Consultation<sup>1</sup>

#### Balance of payments 1976

The balance of payments on current account improved markedly in 1976. This development resulted mainly from the fact that export earnings rose faster than import outlays. In view of the sharply reduced deficit in the current account of the balance of payments, financing proved much simpler than in the previous years and resulted in an increase in external assets.

The trade deficit narrowed in 1976 to Rs 709 million from the level of Rs 1,421 million in 1975; this represents a decrease of 50 per cent. The sizable growth of export earnings and the marginal increase of import payments caused the trade deficit to reduce substantially.

Export earnings rose to Rs 4,707 million in 1976 from Rs 3,913 million in 1975; an increase of Rs 794 million or 20 per cent. This improvement was largely due to higher earnings from tea, rubber, gems, minor agricultural products and industrial products. From among the traditional exports foreign exchange earnings from rubber rose to Rs 890 million in 1976 from Rs 654 million in 1975. The higher level of earnings from rubber was entirely due to a 60 per cent increase in the rubber prices; the f.o.b. price for rubber which was at Rs 4.06 per kg. in 1975 rose to Rs 6.50 per kg. in 1976. In contrast, the physical quantity of rubber exports fell by 15 per cent in 1976; the export volume of rubber declined from 161 million kgs. in 1975 to 137 million kgs. in 1976. Export receipts from tea increased marginally by 8.7 per cent from Rs 1,932 million in 1975 to Rs 2,100 million in 1976. This was due to a 16 per cent rise in prices; the f.o.b. price for tea rose from Rs 9.08 per kg. in 1975 to Rs 10.50 per kg. in 1976. But the export volume of tea at 200 million kgs. in 1976 recorded a decline of 6 per cent as compared with 1975.

<sup>1</sup>L/3772/Rev.2

Export earnings from the three major coconut products (coconut oil, desiccated coconut and copra) showed a downward movement of 3.3 per cent decreasing from Rs 383 million in 1975 to Rs 375 million in 1976, once again on account of the lower export volume. The export volume index for the major coconut products (1967 = 100) fell from 90 in 1975 to 84 in 1976 - a decrease of 7 per cent. The export price index (1967 = 100) for the major coconut products showed a marginal increase of 4 per cent in 1976 increasing to 295 from 283 in 1975.

Earnings from the export of non-traditional commodities increased further in 1976. Receipts from these products rose from Rs 940 million in 1975 to Rs 1,428 million in 1976, representing an increase of 52 per cent. The steady increase in earnings from non-traditional exports which have been stimulated by incentives such as the Foreign Exchange Entitlement Certificate Scheme and the Convertible Rupee Accounts Scheme has helped to reduce the heavy reliance of the economy on the three major products, tea, rubber and coconut. The share of non-traditional exports of the total export earnings increased from 25 per cent in 1975 to 29 per cent in 1976. The most important item among the non-traditional exports is gems and earnings therefrom increased from Rs 180 million in 1975 to Rs 261 million in 1976, showing an increase of 45 per cent. While Hong Kong accounted for 38.0 per cent of total gem exports from Sri Lanka, the shares of Japan and Switzerland were 33.2 per cent and 9.5 per cent respectively.

In the case of minor agricultural products, higher export earnings were recorded by cinnamon chips (27 per cent); cinnamon quills (79 per cent); cloves (281 per cent); nutmeg and mace (36 per cent); cocoa beans (56 per cent); unmanufactured tobacco (114 per cent); coir fibre bristle (35 per cent) and coir fibre mattress (5 per cent). Export earnings from pepper, cardamoms, and papain declined in 1976 as a result of the decrease in the volume shipped.

Selected industrial exports recorded an increase of Rs 221.1 million or 41.6 per cent in 1976 increasing to Rs 755.7 million from Rs 533.6 million in 1975. Export earnings from petroleum products (i.e. Naptha, fuel oil and marine bunkers and aviation fuel) in 1976 were Rs 505.2 million or 66.8 per cent of total selected industrial exports earnings and such receipts represented an increase of Rs 117.1 million or 30 per cent over the previous year. Of other industrial exports, food, beverages and tobacco (138 per cent); textiles and wearing apparel (183 per cent); essential oils (55 per cent); leather, rubber, wood and ceramics (44 per cent) and mining and quarrying products (12 per cent) showed higher earnings. On the other hand, export earnings from chemical products (22 per cent); cement (92 per cent) and machinery and mechanical appliances (66 per cent) declined in 1976.

Import outlays marginally increased in 1976 by 1.5 per cent from Rs 5,334 million in 1975 to Rs 5,417 million in 1976. The moderate increase was mainly due to the reduction in the prices for major imports. Import price index (1967 = 100) fell by 12 per cent in 1976.

The import bill for rice, flour and sugar which was at Rs 2,256 million in 1975 declined to Rs 1,633 million in 1976; a decrease of 28 per cent. The decline in the outlay on these three food imports resulted partly from a decrease in the prices, and partly from a decline in volume imported; the c. & f. prices per ton of rice, flour and sugar respectively in 1976 were Rs 1,730, Rs 2,057 and Rs 2,793 as against Rs 2,141, Rs 2,250 and Rs 4,370 in 1975. The import volume of rice, flour and sugar respectively in 1976 was 419,000 tons, 380,000 tons and 45,000 tons as against 450,000 tons, 455,000 tons and 61,000 tons in 1975. Of other consumer commodities, milk and milk products, fish products, medicinal and pharmaceutical products also registered lower import outlays.

Imports payments on intermediate goods increased by 19.7 per cent in 1976 and this was mainly attributable to the increase in petroleum imports. On the other hand, fertilizer, chemical products, paper and paper board showed decreased import payments. The import value of investment goods declined by 1.5 per cent mainly as a result of the lower outlays on building materials and transport equipment.

Set against the trade deficit of Rs 709 million, once account is taken of invisible transactions and outright grants, the current account deficit is reduced to Rs 50 million. The current account deficit in 1976 is substantially low when compared with the corresponding deficits of Rs 907 million in 1974 and Rs 772 million in 1975. In 1976, there was a surplus of Rs 168 million on account of services and private transfers and it arose mainly from the higher level of net earnings from travel (Rs 174 million), port transportation and insurance (Rs 121 million) and private transfers (Rs 56 million). The net surplus from these transactions was partly offset by a deficit of Rs 157 million in respect of interest payments on the external debt. However, the single most important reason for the current account deficit to fall to Rs 50 million after visible trade registered a deficit of Rs 709 million is the receipts of gifts from foreign governments and international institutions. These amounted to Rs 492 million during the year and financed 70 per cent of the trade deficit. Approximately 38 per cent of grants was received in the form of food aid, 23 per cent in other commodity aid and 24 per cent tied to projects. The United Nations Agencies, Sweden, the CARE Organization, Federal Republic of Germany and Canada were the major donors of grants.

In the light of the narrowed current account deficit in 1976, long-term official loans, which consisted of commodity and project aid, more than sufficed to meet the payment deficit, i.e. as against the current account deficit of Rs 50 million, long-term official loans net of repayments amounted to Rs 710 million. The major contributors of commodity loans were Japan, France, the United States, Canada and India. The bulk of project loans was provided by Kuwait, the Asian Development Bank, the USSR, Federal Republic of Germany and the International Development Association. In addition, cash loans amounting to Rs 93 million and Rs 27 million were received from the United Arab Emirates and the People's Republic of China respectively. As in the previous year, the net inflow of short-term loans which consisted of suppliers credits and short-term credits was substantially low since heavy recourse to short-term debts was not required in view of the lower balance-of-payments deficit and the adequacy of long-term debt. Thus, the outstanding amount of short-term and supplier's credits decreased by Rs 94 million in 1976. Transactions with the IMF resulted in resource inflows amounting to Rs 115 million being the final instalment from the 1975 oil facility and Rs 158 million under the Scheme of Compensatory Financing Facility for Export Fluctuations. Repurchases on account of previous drawings amounted to Rs 190 million. On a net basis, therefore, IMF resources to the tune of Rs 87 million were available for balance-of-payments financing.

Long-term and short-term official loans and cash loans provided balance-of-payments assistance amounting to Rs 823 million and this was more than sufficient to finance the current account deficit of Rs 50 million. Hence, after covering the current account deficit the excess resources spilled over into the external assets causing gross external assets of balance of payments to increase steadily from Rs 834 million at end December 1975 to Rs 1,402 million at end December 1976; an increase of Rs 568 million or 68 per cent.

Balance of Payments for 1976<sup>1</sup>

(Rs million)

|   | CR.     | DR.     | NET     |
|---|---------|---------|---------|
| <u>Goods and services</u>                         |         |         |         |
| 1. Merchandise<br>(Exports f.o.b. imports c.i.f.) | 4,707.3 | 5,416.6 | - 709.3 |
| 2. Non-monetary gold                              | -       | -       | -       |
| 3. Freight and merchandise insurance              | 17.0    | 23.9    | - 6.9   |
| 4. Other transportation                           | 197.9   | 70.2    | + 127.7 |
| 4.1 passenger fares                               | 30.2    | 24.0    | + 6.2   |
| 4.2 port expenditures                             | 156.7   | 37.9    | + 118.8 |
| 4.3 other   | 11.0    | 8.3     | + 2.7   |
| 5. Travel   | 198.4   | 23.9    | + 174.5 |
| 6. Investment income                              | 32.8    | 203.0   | - 170.2 |
| 6.1 direct investment                             | 0.3     | 13.0    | - 12.7  |
| 6.2 other   | 32.5    | 190.0   | - 157.5 |
| 7. Government expenditure n.i.e.                  | 50.0    | 35.9    | + 14.1  |
| 8. Other services                                 | 146.5   | 173.5   | - 27.0  |
| 8.1 non-merchandise insurance                     | 6.5     | 13.5    | - 7.0   |
| 8.2 other   | 140.0   | 160.0   | - 20.0  |
| Total goods and services                          | 5,349.9 | 5,947.0 | - 597.1 |
| <u>Transfer payments</u>                          |         |         |         |
| 9. Private  | 109.0   | 53.3    | + 55.7  |
| 10. Official                                      | 491.6   | -       | + 491.6 |
| <u>Total current account</u>                      | 5,950.5 | 6,000.3 | - 49.8  |
| <u>Capital and monetary gold</u>                  |         |         |         |
| Non-monetary sector                               | 2,214.5 | 1,629.8 | + 584.7 |
| 11. Direct investment                             | 0.5     | 0.3     | + 0.2   |
| 12. Other private long term                       | 4.9     | 0.5     | + 4.4   |
| 13. Other private short term                      | -       | 30.0    | - 30.0  |

<sup>1</sup>Provisional. Based mainly on exchange records.

(Rs million)

|                                  | CR.     | DR.     | NET     |
|----------------------------------|---------|---------|---------|
| 14. Central government           | 2,209.1 | 1,599.0 | + 610.1 |
| 14.1 loans received              | 942.9   | 232.5   | + 710.4 |
| 14.2 short-term liabilities      | 1,266.2 | 1,360.6 | - 94.4  |
| 14.3 assets                      | -       | 5.9     | - 5.9   |
| Monetary sector                  | 313.0   | 838.1   | - 525.1 |
| 15. Commercial banks - liability | 16.8    | -       | + 16.8  |
| 16. Commercial banks - assets    | -       | 177.6   | - 177.6 |
| 17. Central Bank - liabilities   | 19.6    | 85.7    | - 66.1  |
| 18. Central Bank - assets        | -       | 384.9   | - 384.9 |
| 19. Net IMF position             | 161.8   | 189.9   | - 28.1  |
| 20. Oil facility                 | 114.8   | -       | + 114.8 |
| 21. Special drawing right        | -       | -       | -       |
| 22. Monetary gold                | -       | -       | -       |
| 23. Errors and omissions         | -       | 9.8     | - 9.8   |

Source: Central Bank of Ceylon.

#### FOREIGN TRADE REGULATIONS

##### 1. Legal and administrative basis of import restrictions

The present legal basis for the control of imports is in the Import and Export (Control) Act No. 1 of 1969. Under this Act the Government has the power to prohibit or restrict the importation of any goods and to prescribe any conditions relating to imports and exports. The import controls enforced under this Act are designed to permit the maximum value of imports consistent with the need to safeguard the country's overall foreign exchange reserves.

Import policy is formulated by the Ministry of Trade in consultation with the Ministry of Planning and Economic Affairs subject to the approval of the Cabinet. The Minister of Trade is empowered under the Act to issue regulations in conformity with the objects and purposes of the Act. The responsibility for administering the regulations rests with the Department of Import and Export Control which is a department under the Ministry of Trade.

Details of import policies, licensing procedures and any changes thereof are published in the Sri Lanka Government Gazette.

## 2. Methods used in restricting imports

On 6 May 1968 the Government of Sri Lanka introduced a Foreign Exchange Entitlement Certificate Scheme (FEECS). Under this scheme the Central Bank issues through the commercial banks FEECS to exporters of all goods and services (other than the major exports and for invisible receipts) and including tourist receipts. The certificates are transferable and have a market value because the holders of the certificates are entitled subject to import and export control requirements, to purchase foreign exchange from commercial banks at their selling rates on surrender of certificates of equivalent face value for the payments of certain items of imports and other remittances.

The object of the FEEC scheme was to provide cash incentives to selected exports and invisible transactions and to impose an additional rupee cost on selected imports and invisible payments. The present value of the certificate is 65 per cent of the face value.

A significant change in the FEEC scheme occurred with the assumption of office by the present Government in May 1970. One of its immediate actions was to suspend the Open General Licence Scheme pending a review of the foreign exchange position. As there was no likelihood of any appreciable improvement in Sri Lanka's balance-of-payments position in the immediate future. It was decided that all imports should be brought under individual import licences and that quotas be issued in accordance with a system of priorities. On 4 August 1970 therefore the Open General Licence Scheme was abolished vide Import Control Notice 18/70 appearing in Gazette No. 14917/2 of 4 August 1970 - and imports made under this facility were brought under the individual import licences.

A further change was introduced in the first budget of the present Government when the import of books and periodicals, two-wheel tractors, implements and spares and cotton yarn and raw cotton were transferred to Category "A" and the import of sugar, maize and the imports of the Sri Lanka ... Corporation, Ceylon Transport Board and the Ceylon Electricity Board were transferred to Category "B".

After 10 November 1972 the import of all items including those imported by all institutions were subject to the requirement to surrender FEECS - except those items given in Annex A.

All imports involving the payment of foreign exchange are now divided into two categories - Category "A" imports and Category "B" imports.

- I. Category "A" imports include imports for which foreign exchange is released against import licences which need not be supported by FECS (Annex "A").
- II. Category "B" imports include imports for which foreign exchange is released against individual import licences which should be supported by FECS.
3. Categories of import for licensing purposes

For licensing purposes imports are classified under the following categories:

- (1) Imports for the trade under trade quota items.
  - (2) Imports by government departments and corporations.
  - (3) Imports on direct user licences. These are normally issued to individuals, institutions and firms but not those registered with the Ministry of Industries as manufacturing institutions.
  - (4) Imports on actual user licences issued by the Ministry of Industries to manufacturing corporations and other private manufacturing institutions.
4. Basis of issuing allocations to trade of items listed under categories "A" and "B"

Registered importers are issued quota allocations twice a year for items falling under categories "A" and "B" on the basis of past imports. The base period is 1959 to 1961 for the majority of commodities while for items like foodstuffs and drugs the base period is 1962, 1963 and 1964. Firms or individuals who have made imports of commodities for which they may apply to be registered as quota holders have to establish that they have imported the identical commodities during the base period. An importer is allowed a quota on the basis of his best year's imports.

The amount of the quota allowed during a particular half year is dependent on the decision made by the Foreign Exchange Budget Committee. Based on the quantum of exchange allowed for a particular group of commodities an importer is issued a licence covering a particular range of commodities based on a generic description. The quotas issued are global except for licences issued for commodities procured under foreign aid. In the latter case the import licences are valid for import from the country granting foreign aid. Import licences are not issued for any items to be imported from Rhodesia and Taiwan.

5. Bilateral agreements

Sri Lanka has trade agreements with the following countries: Bulgaria, China, Czechoslovakia, German Democratic Republic, Hungary, Iraq, North Korea, Poland, Romania, Syria, Arab Republic of Egypt, USSR and Yugoslavia. These trade agreements excluding the one with China contain indicative lists of products available for export from the respective partners to the Agreement. The Agreement with China is of a special character with definite commitments to sell rubber from Sri Lanka against agreed quantities of rice.

6. Use of State trading

The Government, through the Food Department is the sole importer of rice, flour and sugar: the following State corporations have also the monopoly of the import of items mentioned against their names:

- (a) Eastern Paper Mills Corporation - newsprint, paper and paper-board items. Imports of actual user's licences are also channelled through the Corporation.
- (b) Weaving Supplies Corporation - cotton yarn, dyes and chemicals for the textile industry.
- (c) Oils and Fats Corporation - foodstuffs for animals and maize.
- (d) Paranthan Chemicals Corporation - caustic soda.
- (e) Ceylon Fertilizer Corporation - most fertilizers with a few exceptions.
- (f) Ceylon Fisheries Corporation - fishing nets, lines and fishing gear.
- (g) Milk Board - full cream milk foods and malted milk.
- (h) Ceylon Petroleum Corporation - petroleum products including crude oil, aviation fuels and lubricants, automotive and industrial lubricants, brake fluids, paraffin and match waxes, petrolatum.
- (i) Co-operative Wholesale Establishment - dried fish, and other subsidiary foodstuffs, and other sundry items.
- (j) Sri Lanka State Trading (Textile) Corporations - cotton and other fabrics cotton thread, cordage.

- (k) Sri Lanka State Trading (General) Corporation - hardware, photographic equipment, plywood chests, miscellaneous items.
- (l) State Flour Milling Corporation - wheat (whole).
- (m) Sri Lanka Tobacco Industries Corporation - beedi leaves.
- (n) Ayurvedic Drugs Corporation - ayurvedic drugs (partial monopoly).
- (o) State Pharmaceuticals Corporation - western drugs and pharmaceuticals.
- (p) Sri Lanka State Trading (Tractor) Corporation - tractors, implements and spares.
- (q) Building Materials Corporation - building materials.
- (r) Paddy Marketing Board - paddy milling machinery and spares.

The Government and State corporations have the monopoly of the import of these items in order to secure adequate supplies on the most favourable terms and to ensure fair distribution.

7. Effects of restrictions on trade

Licences issued for category "A" and category "B" items for 1975 and 1976 are given below:

| <u>"A" category</u>  | <u>1975</u><br>(Cey Rs.<br>million) | <u>1976 (as at 30.6.76)</u><br>(Cey Rs. million) |
|--|-------------------------------------|--|
| Free exchange  | 223,001                             | 140,461  |
| Commodity aid  | 52,386                              | 47,282   |
| Project and other aid  | 5,151                               | 108  |
| Suppliers' credit (and<br>short-term credit)                       | 19,568                              | -  |
| Trade and payments agreement<br>and bilateral payment<br>agreement | 12,888                              | -  |
| (Free exchange)  |                                     |  |
| Total  | <u>312,994</u>                      | <u>187,851</u>                                   |

| <u>"B" category</u>   | <u>1975</u><br><u>(Cey Rs.</u><br><u>million)</u> | <u>1976 (as at 30.6.76)</u><br><u>(Cey Rs. million)</u> |
|---|---|---|
| Free exchange   | 688,688   | 436,870   |
| Commodity aid   | 374,762   | 145,440   |
| Project and other aid   | 50,950  | 1,050   |
| Suppliers' credit (and<br>short-term credit)  | 42,316  | 86,966  |
| O.G.L. item   | -   | -   |
| Trade and payments agreement<br>and bilateral payments<br>agreement (free exchange) | 11,356  | 228   |
|   | <u>1,128,072</u>                                  | <u>670,554</u>  |

- Note: (1) The above are licence value for 1975 and 1976 (up to 30.6.1976)
- (2) Freight payments (free exchange) under loans are also included under free exchange.
- (3) Food Commissioner's Imports and Licence issued by the Actual User Division of the Ministry of Industries and Scientific Affairs are excluded from this statement.

ANNEX "A"

"A" Category imports

(a) Food imports:

Rice  
Wheat grain  
Wheat flour  
Infant milk foods  
Dried fish  
Masoor dhal  
Corriander and cummin seed

(b) Other imports:

(i) Fertilizers

Books  
Magazines  
Newspapers  
Periodicals  
Maps and charts  
Two-wheeled tractors and implements  
Spares for two-wheeled tractors  
Western drugs, Ayurvedic and homeopathic drugs  
Hearing aids, and parts thereof, artificial dentures,  
limbs and eyes

(ii) Raw materials

Packing materials  
Machinery  
Equipment and spares required for the manufacture or processing  
of the following:

1. Fertilizer
2. Wheat flour
3. Infant milk foods
4. Western drugs

(iii) Currency notes and coins imported by the Central Bank of Ceylon and Commercial Banks operating in Sri Lanka.

(iv) Imports financed under ADB loans for the factory modernization, but subject to a licence fee of 20 per cent.

(v) Imports effected under IBRD loan for the Maskeliya Oya Project Stage II.

SRI LANKA'S BALANCE-OF-PAYMENTS CONSULTATIONS  
UNDER GATT

Items of import or export regarding which Corporations/Government Departments have the sole or partial monopoly

(Sole monopoly unless otherwise stated)

National Salt Corporation - export

Common salt

Sri Lanka State Trading (Tractor) Corporation

Import - Tractors and earth moving machinery and accessories  
Spare parts and components thereof

Sri Lanka Tobacco Industries Corporation

Import - Beedi wrapper leaves  
Crushed beedi tobacco

Export - Beedi wrapper leaves

Paranthan Chemicals Corporation

Import - Caustic soda solid

Ceylon Petroleum Corporation

Import - Refined petroleum products, i.e. gasolene, kerosene, gas oil,  
diesel oil and fuel oil  
Lubricating oils and greases  
Crude oil, liquified petroleum gas, base oils  
Additives for petroleum products  
Brake fluid, waxes, petrolatum, white oils, process oils,  
methanol, solvents

National Paper Corporation

Import - Newsprint  
Airmail paper, art paper, chromo paper, ledger paper, litho  
printing paper, vellum parchment paper, antique paper, imitation  
art paper, chromo label paper, chromo art paper, cartridge paper,  
onion skin finish paper, one-side coated paper, crêpe paper,

cloth-lined paper, for maps and charts, filter paper, greaseproof paper, leatherette paper, glassine paper, tissue paper, tracing paper, kraft paper, ferro prussiate paper, super clandered paper, offset printing paper, cellophane paper, marble paper, gum paper, embossed cover paper, monotype spool paper, laminated paper, etc.  
Paper boards  
Pulp

Co-operative Wholesale Establishment

Import - Coriander, cummin seeds, mathe seeds, garlic  
Dried yeast, dates, invalid foods, S.M.A., enfamil  
Ayurvedic raisins  
Dried fish  
Canned fish  
Maldive fish  
Soda ash, dyestuff, printers material, rattan  
Sports goods, alcoholic beverages  
Radio spares  
Electric meters

Sri Lanka State Trading (Textiles) Corporation

Import - Rationed textiles on valid coupons  
Sewing thread under trade quota allocation released  
by the Import and Export Control Department for consumer use  
Used woollen and synthetic clothing under allocation issued by  
the Controller of Imports and Exports. These items are specially  
for the estate population

Ceylon Mineral Sands Corporation

Export - Ilmenite  
Rutile  
Zircon

Ceylon Fertilizer Corporation

Import - Ammonium sulphate  
Rock phosphate  
Triple super phosphate  
Urea  
Muriate of potash  
N.P.K.  
Di ammonium phosphate  
Kieserite

Sulphate of potash  
Zinc sulphate  
Tobacco fertilizer (NPK compound)  
Zinc oxide  
Ammonium sulphate nitrate  
Calcium ammonium nitrate  
Ammonium nitrate  
Ordinary super phosphate  
Mono ammonium phosphate  
Mono potassium phosphate

Ceylon State Hardware Corporation

Import - Foundry coke )  
          Mammoties      ) partial monopoly

State Film Corporation

Import - Exposed film  
          Varieties of raw film for production of films  
          Equipment and spares for production of films  
          Projection equipment and spares  
  
Export - Locally produced films

State Graphite Corporation of Ceylon

Export - Graphite

Sri Lanka State Flour Milling Corporation

Import - Wheat  
  
Export - Wheat bran

Sri Lanka State Trading (General) Corporation

Import - Natural gums, resins, balsams and lacs  
          Formic acid  
          Calcium carbide  
          Artists' colours and water colours (excluding crayons,  
          printing ink and pastels)  
          Explosives  
          X-ray films, litho films and plates for printing works  
          Photographic films, papers and plates, excluding 35 mm.  
          cinematographic films

Sensitized duplicating paper  
Photographic chemicals and chemical products for use in  
photography  
Naphthalene balls  
Tyres and tubes  
Plywood tea chests  
Stencils for duplicating machines  
Cork sheet  
Toilet paper and toilet tissues  
Fabrics of jute (jute hessian)  
Cordage, cables, ropes, twines and similar manufactures -  
textile materials  
Incandescent mantles  
Cotton wicks  
Tarpaulins and sails cut to size and ready for use  
Polishing wheels and stones  
Abrasive cloths and papers and similar materials (excluding  
sandpaper)  
Manufactures of asbestos (other than building materials) including  
packing fibrous, fillers, insulators and jointing.  
Laminated and other safety glass  
Infants' feeding bottles  
Chimneys and globes for lamps and lanterns  
Wire ropes  
Monel metal mesh  
Chains black or galvanized iron/steel  
Kitchen utensils  
Base metals - non-ferrous  
Hand tools  
Razors (excluding blades) only  
Hair clippers and scissors  
Lamps and lanterns (kerosene oil) and parts thereof  
excluding incandescent mantles and wicks  
Compression-ignition/diesel/semi-diesel/petrol/kerosene and  
other heavy oil engines 90 H.P. and under and parts of internal  
combustion engines  
Refrigerator spares  
Lawnmower spares  
Weighing machines (excluding laboratory scales) complete and  
parts thereof  
Typewriters and spares thereof  
Accounting, book-keeping, calculating and other office machines  
Torch bulbs - filament lamp bulbs

Photographic and cinematographic bulbs  
Electric filament lamps (excluding electric lamp bulbs)  
Insulated cable  
Parts and accessories of cycles (including delivery tricycles)  
non-motorized  
Spare parts for watches/clocks  
Guns, breech loading, single barrel spare parts for small arms and  
cleaning outfits  
Cartridges  
Buttons, studs and buckles including hooks and eyes, zip fasteners  
Office supplies  
Artists' material

Import - (partial monopoly)

Welding rods/electrodes  
Motor spares  
Parts of motor cycles  
Dissecting sets  
Base metal - ferrous and raw material for local industry