

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2414

30 March 1965

Limited Distribution

## CEYLON - TEMPORARY DUTY INCREASES

### Extension of Time-Limit in Decision of 15 November 1962

#### Decision of 25 March 1965<sup>1</sup>

Considering that the CONTRACTING PARTIES by Decision of 10 April 1961 waived, subject to specified conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Ceylon to apply until 31 December 1962, as an emergency measure designed to overcome the existing threat to its monetary reserves, an increase in customs duties on those items included in Schedule VI which were specified in the table annexed to the Decision, it being understood that the increased duties should be levied in a manner consistent with the provisions of Article I of the General Agreement;

Considering that the CONTRACTING PARTIES by Decision of 15 November 1962<sup>2</sup> authorized the Government of Ceylon to maintain until 31 December 1964 the increased duties specified in the Decision of 10 April 1961, except for seven items for which they had already been reduced, and waived, subject to specified conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Ceylon to apply until 31 December 1964, as an emergency measure designed to overcome the threat to its monetary reserves, a further temporary increase by 20 per cent in customs duties on those items included in Schedule VI, which were specified in the table annexed to the Decision, it being understood that the additional duty should be levied in a manner consistent with the provisions of Article I of the General Agreement;

Considering that the Government of Ceylon has explained that the circumstances that necessitated the increase in customs duties have not changed and has requested that the period of validity of the Decision of 15 November 1962 be extended for a further period of two years;

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<sup>1</sup>The Decision was adopted by forty-six votes in favour and none against.

<sup>2</sup>BISD, 11th Supplement, page 60.

Having consulted fully with the International Monetary Fund in accordance with Article XV:2 of the General Agreement and considering that the Fund has confirmed that, despite the measures applied Ceylon continues to experience balance-of-payments difficulties and that the general level of the various restrictive and temporary tariff measures being applied by Ceylon does not go beyond the extent necessary at the present time to stop a serious decline in its monetary reserves;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide that Ceylon be authorized to maintain until 31 December 1966 the temporary duty increases specified in the Decision of 15 November 1962, subject to the terms and conditions of that Decision, including the submission of a report one year from the date of this Decision.