

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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URUGUAY - IMPORT SURCHARGES

Request for Extension of Waiver

The following communication, dated 17 May 1985, has been received from the Permanent Delegation of Uruguay.

I have the honour to forward to you herewith a communication addressed to the Contracting Parties in connection with the authorization granted to Uruguay for the application of import surcharges.

I would be glad if you would bring this communication to the knowledge of the Contracting Parties so that the request therein may be considered at the next meeting of the Council.

ANNEX

Uruguay has for some time been engaged in a difficult and complex process of simplifying, reducing and harmonizing its import tariff through the application of a single tax based on customs value, as already notified to the CONTRACTING PARTIES (document L/5663).

This work is fairly advanced, but the serious world situation and the deterioration of the national economy with which the new democratic Government found itself confronted on taking office a few months ago, have impeded action in this direction.

The Interministerial Advisory Technical Committee which is preparing the draft text for adjustment of Uruguay's schedule of tariff concessions has to date been endeavouring to solve the principal problems which have slowed down this process. The work has been focused on:

- (a) Transposition of the nomenclature. Since the concessions were granted on the basis of the Geneva nomenclature, they have to be adapted to the tariff nomenclature now in effect (NADI), which uses the Brussels nomenclature.

Discrepancies as between the competent national bodies have hampered full identification of negotiated products, and this problem must obviously be settled prior to the tariff transposition.

With one minor exception still the subject of consultation, this difficulty has now been overcome, full identification of negotiated products has been achieved by establishing concordance between items in the Geneva nomenclature and those of the NADI.

- (b) Tariff transposition. The Advisory Committee has at the same time worked on adjusting concessions negotiated on the basis of specific and mixed duties by transforming these into ad valorem duties, although the absence of agreement on harmonization of the nomenclature has slowed this work.

The preliminary transposition of duties has already been completed and is being supplemented with data from national sources in respect of products for which we have no information on international prices communicated by the GATT secretariat.

An examination is being made of the incidence of charges and taxes other than customs duties which were applied at the time when the concessions were negotiated, having regard to the fact that under Article II of the General Agreement Uruguay has the right to quantify the incidence of such charges, now replaced by the single customs tax on imports, in determining the rates to be bound.

The aim is to make the said charges consistent with the transposition already made in order not to adversely affect the tax burden.

- (c) The Advisory Committee is currently preparing data on import trade within the GATT framework in the form of a statistical breakdown.

A first version is already available, and subject to such adjustments as may be needed, it will constitute an important element for any negotiations with interested contracting parties after the adjusted Uruguayan schedule has been presented.

It will then be possible to quantify the trade flow in the GATT framework with the principal suppliers and the countries with which the concessions were negotiated.

For the reasons indicated above, it has not been possible to complete the task of adjusting the concessions in Schedule XXXI to the new tariff structure in force.

In these circumstances, an extension is requested of the authorization granted by the CONTRACTING PARTIES for the application of surcharges by Uruguay (document L/5663 of 19 July 1984) until 30 June 1986, at which time it is hoped that the task will have been completed.

On that basis the authorities of Uruguay hope to be able to propose a new Schedule XXXI for examination under the procedures established by the General Agreement.