SRI LANKA SUDAN

Tel. Nos : 34 93 40
34 93 49
Telex No: 23 530

My ref.: UN/GATT/5/1
Yr ref. :

CONSULATE-GENERAL OF THE REPUBLIC OF SRI LANKA IN SWITZERLAND

56, rue de Moillebeau
1211 Geneva 19

7 April 1978.

The Director-General
GATT
Centre William Rappard
154 rue de Lausanne
Geneva.

Dear Sir,

I have the honour to inform you that the Government of Sri Lanka has, as a part of a far reaching programme of economic rehabilitation and reform, put into effect radical measures for the reform of the exchange system together with a very substantial degree of liberalization of Sri Lanka's external trade. These measures, which came into effect on the 16 November 1977, include the unification of the exchange rate and the elimination of a very large part of exchange controls.

With regard to trade liberalization, the former structure of import controls, allocations and licencing procedures on external trade and payments has ceased to exist and the Government apparatus established in the past to administer controls is being correspondingly dismantled. With the exception of a few items, goods may be imported freely into Sri Lanka without the authority of an import licence. A very limited list of items for which an import licence will be required includes commodities subject to controls for security reasons, precious metals, alcohol and some minor consumer imports. Certain goods require the prior approval of the Investment Advisory Committees if the value of each consignment exceeds Rs.700,000/=. Imports of food and fertilizers will be subject to licencing procedures in order to facilitate their absorption under foreign aid programmes and the administration of the subsidy scheme for fertilizers.

Former public sector import monopolies for cotton yarn, textiles, crude oil, fertilizers, milk, tractors and certain other commodities have been withdrawn and both public and private sectors will be eligible to import. The import liberalization has been accompanied by a rationalization of the Sri Lanka Customs Tariff. The Tariff, while ensuring the continued existence of efficient local industries also discourages inefficient, inferior quality, and unreasonably high priced local production.

In embarking on this programme of economic reform and, more particularly, import liberalization and tariff reform, the Government of Sri Lanka has also taken into account the purposes and objectives of the Multilateral Trade Negotiations. These measures should therefore be considered as Sri Lanka's contribution to the Multilateral Trade Negotiations. I am sending you a copy each of Gazette Extraordinary Nos. 291/7 and 291/11 which give details of the import liberalization measures and the revised Customs Tariff.

I shall be glad if this is brought to the attention of other contracting parties.

Yours truly,

L. Chandradasa

Permanent Representative to GATT

LJM/al.