

# WORLD TRADE ORGANIZATION

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**Council for Trade in Goods**  
**1 October 1998**

## **SRI LANKA - ESTABLISHMENT OF A NEW SCHEDULE VI**

### Draft Decision on Extension of Time-Limit

Considering that the CONTRACTING PARTIES to GATT 1947, by their Decision of 8 November 1988<sup>1</sup>, suspended the application of the provisions of Article II of GATT 1947 to the extent necessary to enable the Government of Sri Lanka to implement the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1989 and carry out negotiations subsequently;

Taking into account that, by successive Decisions, the time-limit of the waiver granted to Sri Lanka has been extended until 31 October 1998<sup>2</sup>.

Considering that by a Decision of 31 January 1995<sup>3</sup> the General Council established a list of waivers existing at the entry into force of the WTO Agreement, which included the waiver granted to Sri Lanka for the establishment of a new Schedule VI;

Taking into account that the documentation relevant to the transposition of Sri Lanka's Schedule into the Harmonized System was circulated in document SECRET/HS/26 on 12 January 1990;

Considering that the Government of Sri Lanka has initiated Article XXVIII negotiations with four Members, but has been unable to conclude them because of several constraints in completing the preparatory work for further negotiations as a result of the security situation in the country which has consumed vast human and financial resources for safeguarding the territorial integrity of the country;

Considering that, in light of the above, the Government of Sri Lanka will find it difficult to conclude negotiations before 31 October 1998 and will require some more time to engage in consultations with all relevant agencies concerned with regard to the latest proposals received;

Noting that the areas in which counter proposals have been received continue to be politically sensitive in a climate of economic hardship;

Noting further that the Commission on Trade and Tariff which has been established in Sri Lanka with the responsibility of looking into any anomalies and changes concerning tariff matters which impinges directly on the negotiations, has not completed its report on National Tariff Policy in the context of which negotiations will have to be progressed;

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<sup>1</sup>BISD, 35S/22.

<sup>2</sup>WT/L/266.

<sup>3</sup>WT/L/3 + Corr.1.

Considering that the Government of Sri Lanka has assured its trading partners in these negotiations that every effort will be made to conclude the negotiations satisfactorily and in the mutual interest of all concerned as soon as possible.

Considering that the Government of Sri Lanka, having fulfilled the requirements of paragraph 1 of the Understanding in Respect of Waivers of Obligations under the GATT 1994, has requested a further extension of the exemption of its obligations under Article II of GATT 1994<sup>4</sup>;

The General Council, acting pursuant to the provisions of Article IX of the WTO Agreement,

Decides, in view of the exceptional circumstances outlined above, to extend the waiver granted to Sri Lanka by the Decision of 8 November 1988, until 30 April 1999.

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<sup>4</sup>G/L/257.