

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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TRADE POLICY REVIEW MECHANISM

ZIMBABWE

MINUTES OF MEETING

Addendum

Answers to Written Questions

The following communication has been received on 20 March 1995 from the delegation of Zimbabwe, responding to written questions submitted by delegations.

1. **Question:** Import permits were required on many products. It would be helpful to know the criteria for granting permits and whether those were published as well as to have information on the time limits for the validity of the permits. It was asked whether the government regularly monitored production and demand, and whether the information gained in such monitoring was used in the import permit approval process.

Answer: While previously import permits were used mainly as a quantitative restrictive tool especially for commodities sufficiently available on the domestic market, their use is now shifting to a monitoring tool in the case of most commodities with the exception being maize and wheat where, because of the food security nature of the commodities, import permits are only issued to the Grain Marketing Board (GMB) or with the approval of GMB. In the case where agricultural imports are highly subsidized or where countries impose quotas, then import restrictions will be imposed on such commodities on a per country basis.

In order to move away from a situation where import restrictions are likely to be imposed arbitrarily, all tariffs for agricultural commodities are currently under review with the objective of tariffing all non-tariff measures. It is at this point that Zimbabwe will be able to remove the import permit requirements on a majority of agricultural commodities.

The criteria for issuing import permits is not published but a working circular is used for officers to refer to. The import permits are valid for three months and can be renewed on request.

2. **Question:** While it was clear that Zimbabwe was moving toward a more market-oriented agricultural sector, some commodities remained regulated. It was not clear whether the process would culminate in a free market in all commodities or, alternatively, whether the authorities considered that continued government regulations of some commodities such as maize and cotton, was necessary. The Cotton Marketing Board's flexibility in setting cotton prices had been temporarily removed this year, leading to a return to the policy of subsidizing the domestic spinning industry at the expense of cotton producers. It was asked whether cotton marketing would be returned to a market-based pricing system.

Answer: Local marketing and pricing of all agricultural commodities including maize and cotton has now been completely liberalized with marketing institutions, traders and etc. left to compete and determine prices in line with market requirements.

3. **Question:** A wide range of agricultural imports were subject to import permit requirements and, although these permits were normally granted routinely, substantial imports were not allowed when they would decrease domestic prices or when domestic production was sufficient. Clarification was sought as to the criteria for disapproval of agricultural import permits requests. Under what circumstances licences were available for imports of those goods that remained subject to import licensing, and when would these import restrictions be eliminated?

Answer: The answer to this question is adequately covered in Question 1.

4. **Question:** Are import permits in agriculture restrictive and, if so, was this policy compatible with the fact that the agricultural sector seemed to be internationally competitive and to have ability to expand.

Answer: The import permits in agriculture are only restrictive in the case of selected agricultural commodities (see Question 1) where food security issues dominate (e.g. maize and wheat) and where countries impose quantitative restrictions on the country's exports.

5. **Question:** Imports, especially those of agricultural products are subject to licensing. How are licences/permits obtained? Is data available on the granting of licence/permit applications?

Answer: Any aspiring importer can apply for an import permit by filling application forms which are available at the Ministry of Lands, Agriculture and Water Development or by writing to the Ministry giving details of the item to be imported, quantities and value of item as well as country of origin and the address of the applicant.

The Ministry examines the application and then issues an import permit. The permit is obtained in just under one day, i.e. on average half a day.

The data on agricultural imports is then computerized and kept at the Ministry of Lands, Agriculture and Water Development.