

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
LIMITED C

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WORKING PARTY "D" ON QUANTITATIVE RESTRICTIONS

SUGGESTION OF THE BELGIAN DELEGATION

PARAGRAPH 20

Type (iii): Administrative discrimination with regard to import quotas of products which compete with a domestic industry.

The Working Party noted that certain countries, in administering quotas fixed bilaterally for a specific period, seek to avoid importing products which compete with domestic production, either by delaying, or by refusing to issue, import licences. On the other hand, such countries permit direct large-scale imports of products which do not compete with domestic production, up to and even beyond the quotas originally fixed for these products, and subsequently use the resultant threat to their balance of payments to justify administrative discrimination with regard to the products which compete with domestic production.

The Working Party noted that such administrative procedure constituted a diversion of monetary motives to protectionist ends and that it was contrary to the provisions of the General Agreement.

Type (iv): Special restrictions on imports from a particular country of certain products which compete with a domestic industry applied merely because that country has refused to conclude a bilateral trade agreement with the country concerned.

In this case the Working Party recalled the provisions on non-discrimination contained in Article XIII and, in particular, the provisions of Article XIII, paragraph 2 (d) where it is stated that : "In cases in which a quota is allocated among supplying countries, the contracting party applying the restrictions may seek agreement with respect to the allocation of shares in the quota with all other contract-

ing parties having a substantial interest in supplying the product concerned. In cases in which this method is not reasonably practicable, the contracting party concerned shall allot to contracting parties having a substantial interest in supplying the product shares based upon the proportions, supplied by such contracting parties during a previous representative period, of the total quantity or value of imports of the product, due account being taken of any special factors which may have affected or may be affecting the trade in the product."

The Working Party also recalled the limitations set by Article XIV and Annex J to possible deviations by the various countries from the provisions of Article XIII during the post-war transitional period.

