

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

Committee on Balance-of-Payments Restrictions

1963 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH

BURMA

Basic Document for the Consultation¹

I. Legal and administrative basis of the restrictions

The statutory basis for import controls in Burma is the Control of Imports and Exports (Temporary) Act of 30 September 1947, as amended. Imports are regulated by the Trade Control Order of the same date, as subsequently amended. The administration of import controls in Burma is the responsibility of the Ministry of Trade and Development, Directorate of Imports and Exports, which acts in conjunction with the Importers and Exporters Registration Board constituted under the Registration (Importers and Exporters) Order of August 1954.

In accordance with the Registration (Importers and Exporters) Order, which came into force on 4 August 1954, only importers registered by the Registration Board can import goods into the Union of Burma. The Registration (Commission Agents') Order which came into force on 1 June 1960, provides that goods of certain descriptions, subject to licence, can only be imported through registered commission agents. The list of products subject to this regulation was further extended with effect from 1 January 1961. Manufacturers wishing to import raw materials and machinery for their own use, may make licence applications to the Importers and Exporters Registration Board which, in granting such licences, acts in conjunction with the Directorate of Industries.

II. Methods used in restricting imports

Under the import control system, imports are classified under the following headings: (a) licence-free imports; (b) imports under Open General Licence; (c) imports subject to individual licensing; and (d) prohibited imports.

(a) Licence-free imports

The following imports are permitted without licence: imports by government agencies and imports for the use of diplomats; commodities in transit by post; passenger baggage; bona fide

¹This document has been prepared by the secretariat on the basis of information available to it. It is circulated subject to correction and completion by the Government of Burma.

samples and advertising materials supplied free of charge (not exceeding a nominal value of one hundred kyats per consignment¹); goods supplied free of charge as replacement for goods previously imported and found defective; goods imported through the post or by air or sea for the private and personal use of importers; imports for trans-shipment; and goods imported in bond for re-export for use on board of an outgoing vessel or aircraft.

(b) Imports under Open General Licence

Products included in the following nine Open General Licences introduced at different times are admitted freely from all countries without licence or prior approval of the Exchange Control Department of the Union Bank of Burma.

- OGL I Printers' ink; agricultural implements; spare parts for boilers and boiler accessories; vegetable and flower seeds for gardening, excluding oilseeds; most printed forms for the use of importers; tortoise shells; unmanufactured ivory; petroleum; plastic moulding powder and pellets; alkaloids of opium and opium derivatives (in accordance with the Dangerous Drugs Act, 1930); gums and resins, including rosin; strained baby foods and milk foods for infants, excluding condensed, preserved or powdered milk; rubber seeds of all kinds, rubber stamps and budwood; empty glass bottles and corks, excluding crown corks; fishing nets and twines; feeding bottles, teats and valves for feeding bottles; feeding bottle brushes and baby soothers; educational and instructional toys
- OGL II Machinery and parts thereof previously exported for repairs; exposed photographic films and plates previously exported for processing
- OGL III Newspapers, periodicals, books and maps
- OGL IV Groundnut oil (from any country, provided it is imported under letter of credit)
- OGL V Iron or steel wire nails, square nails, roofing nails and washers

¹4.7619 Kyats = US\$1.00.

- OGL VI Requisites for sports and games, excluding rubber shoes, canvas shoes and basketball boots
- OGL VII Tyres, tubes and flaps of natural and synthetic rubber (except those of bicycles)
- OGL VIII Tanning extracts (excluding gambier); amorphous phosphorous; potassium bichromate; mono ammonium phosphate; soapstone powder; manganese dioxide; zinc chloride; mercuric chloride; acetylene soots; carbon black; graphite powder; butacon; high styrene resin; lithophone; aluminium silicate; calcium silicate; activated earth; zinc dust; phosphoric acid; formic acid; ammonia gas and refrigerent gas; calcium carbide; synthetic resin compound (in primary form); frit; tyre cords; plasticizers and stabilizers;
- insecticides; fungicides; weedicides; pesticides; rodenticides;
- basic slag; ammonium nitrate; sodium nitrate; muriate of potash; ammonium sulphate; sulphate of potash; kainite salt; urea containing not more than 45 per cent nitrogen by weight; nitrate of calcium; calcium cyanamide; ammonium phosphate; mineral phosphate; mineral super phosphates; nitro chalk; olite of sulphur
- OGL IX Livestock for breeding, namely: fowls and ducks; cattle (excluding buffaloes); goats and sheep; swine; vaccine, preventive and curative drugs; parasiticides and feed supplements for livestock; seeds for planting (excluding groundnuts, sesame, wheat grain, pepper, and coriander seeds)

(c) Individual licensing

Private imports not provided for under Open General Licence and not exempted from import control are subject to individual licensing. These licences are issued by the Directorate of Imports and Exports. They are valid for imports from any country and are issued twice a year with a general validity of six months from the date of issue. Revalidation of the licences or extension of the shipping period is liberally granted.

Individual licensing may be divided into two categories: private trade import licences and industrial import licences (including licences for mining industries). Trade import licences are issued to individually registered firms on the recommendation of the Importers and Exporters Registration Board. Industrial import licences are administered by the Directorate of Industry in conjunction with the Ministry of Industry. Import licences for the mining industry are administered by the Directorate of Mines in conjunction with the Ministry of Mines.

(d) Prohibited imports

There is a short list of prohibited imports. The principal items are: opium and similar narcotics; monkeys; playing cards; gold and silver bullion; paper money, etc.

III. Treatment of imports from different sources

In principle, all licences are issued on a non-discriminatory basis. However, favourable treatment is occasionally given to imports from China (mainland) under a bilateral payments agreement concluded to reduce the outstanding credit balance with that country. Trade agreements which provide for cash settlement are in force with Bulgaria, Ceylon, the Federal Republic of Germany, Hungary, India, Japan, Pakistan, Poland, Rumania, Sweden, USSR and Yugoslavia. These agreements contain indicative lists only of goods to be exchanged between the parties signatories to the agreement.

IV. Commodities or groups of commodities affected by the various forms of restrictions

Imports not covered by Open General Licences and not exempted from import control are subject to individual licensing. Bulk licences for the importation of certain categories of goods are granted, however, to the Joint Venture Corporations. (See Section V below.)

V. Use of State trading or government monopoly in restricting imports

Joint Venture Corporations: bulk licences for the importation of certain categories of goods such as foodstuffs (mainly dried prawns, dried fish and coconuts), textiles (other than those mentioned in the following paragraph), cotton yarn and thread, hardware goods, building materials and household utensils are granted to the Joint Venture Corporations, in which both private investors and the State participate. Nine such corporations are at present in operation. These corporations are, in fact, public limited companies incorporated under the Burma Companies Act, and are responsible for importation and distribution of the commodities they import. Imports of these commodities are not, however, reserved for the JVC's since other importers are also issued licences for the same commodities.

The Civil Supplies Management Board: the Civil Supplies Management Board is under the administrative control of the Ministry of Co-operatives and Commodity Distribution and has a monopoly in the importation of the following commodities: dried prawns; sugar; sweetened condensed milk and evaporated milk; textiles comprising: white sheetings, plain grey long cloth and shirtings, plain grey sheetings, white long cloth and shirtings of plain and simple weave and excluding crepes and fancy shirting such as ever-glaze and seersucker, white cambrics, white poplin or broadcloth and white twills, cotton yarn; cement and general hardware. The Board's function is to distribute these products equitably at controlled prices to the consumers.

The Burma Economic Development Corporation is the sole importer of both industrial raw materials and machinery for its subsidiary enterprises. Recently the Corporation was granted the exclusive privilege to import petrol and lubricating products.

The Government Purchasing Board is responsible for the imports of coal, coke and certain goods for government use.

The Union of Burma Agricultural Marketing Board (previously known as the State Agricultural Marketing Board) handles the import of gunny bags in the country.

The Electricity Supply Board and the Rangoon Electricity Supply import certain categories of commodities for their own use.

VI. Measures taken since 1961 to relax or otherwise modify restrictions¹

On 23 November 1961 Open General Licence No. VIII was introduced which gave permission to all persons, subject to the relevant provisions of the Registration (Commission Agents) Order (1955), to import twenty-seven industrial raw materials, most of them chemicals. (See under II(b) above.)

In March 1962, after the new Government of Burma took office, a number of measures for the nationalization of the Burmese import trade promulgated earlier during the year and the establishment of five new Joint Venture Corporations were suspended. Foreign firms were allowed only to import OGL goods for another six months.

On 19 March 1962, a new Open General Licence No. IX was announced. (See under II(b) above.)

On 26 March 1962, insecticides, fungicides, weedicides, pesticides and rodenticides were included in Open General Licence No. VIII. (See under II(b) above.)

Effective from 10 April 1962, bicycle tyres, tubes and flaps were removed from the Open General Licence No. VII.

On 4 July 1962, the scope of Open General Licence No. VIII was extended to cover additional fifteen items (fertilizers). (See under II(b) above.)

¹This section does not attempt to give a detailed and exhaustive review of measures taken at various dates by the Government of Burma in connexion with the Burmanization and nationalization of the import and export trade.

In August 1962, permission was granted for the importation of ceramics, glazed wall and floor tiles, under trade import licences for building materials.

Effective from 1 October 1962, only registered Burmese firms were allowed to import goods under Open General Licences with the exception of Open General Licence No. II. All foreign firms registered as importers under the Regulation (Import and Export) Order were de-registered.

From 1 October 1962, no blankets other than cotton waste blankets valued at kyat 2 (c.i.f.) and below were allowed to be imported under trade import licences for textiles.

From 1 October 1962, round iron bars, mild steel black sheets, galvanized iron plain sheets and galvanized iron corrugated sheets of certain specifications were excluded from the list of items importable under trade import licences for general hardware and building materials.

From 6 October 1962, petrol, kerosene, lubricants and other petroleum products were withdrawn from Open General Licence No. I and their importation was entrusted to the Burma Chemical Development Corporation.

On 18 February 1963, the Ministry of Trade Development announced that no incentive import licences will be issued to Burmese importers with effect from 19 February 1963.

VII. Effects of restrictions on trade and general policy in the use of restrictions for balance-of-payments reasons

[Statement to be supplied by the Burmese authorities.]

