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PROGRAMME OF CONSULTATIONS ON TRADE LIBERALIZATION

GENERAL STOCKTAKING

INFORMATION NOTE ON QUANTITATIVE AND OTHER IMPORT RESTRICTIONS

Prepared by the secretariat

1. Plurilateral consultations in regard to quantitative and other import restrictions affecting products of export interest to developing countries maintained by developed countries were held on 22 and 23 March 1982, in pursuance of the agreement reached at the forty-fifth session of the Committee on Trade and Development held on 12 and 13 November 1981 (L/5253, paragraphs 38-44). The agreed purpose of the consultations was "a more systematic identification and analysis of trade problems and examination of possibilities for, and ways of, making further progress". This note attempts to summarize the main points made during the consultations and to indicate some suggestions for achieving progress. An informal record of the specific suggestions made by developing countries and responses from developed countries concerned has been prepared by the secretariat.

Documentation

2. The consultations took place on the basis of secretariat document "Quantitative Restrictions and Other Non-Tariff Measures Affecting Trade of Developing Countries" (COM.TD/W/338/Rev.1) listing the commercial policy measures being applied and some relevant statistical information in regard to products of current or potential export interest to developing countries subject to quantitative and other import restrictions in the markets of developed countries. The document did not include textiles items subject to the provisions of the Multi-Fibre Arrangement. In the interests of avoiding duplication, it also did not include tropical products subject to restrictions, already covered by the documentation prepared for the purpose of consultations on tropical products. In a number of cases the

consultations were based upon notifications of interests made bilaterally in advance.

General statements

3. Delegations of a number of developing countries recalled various decisions or declarations of the CONTRACTING PARTIES at various times in the past, at various levels, in regard to the progressive liberalization or elimination of quantitative restrictions affecting the exports of developing countries, including the Ministerial Declaration of December 1961, Ministerial Conclusions of May 1963, and commitments in Part IV of the General Agreement. They expressed concern that efforts made to this end in the past, including in the Tokyo Round Multilateral Trade Negotiations, had achieved limited results, and exports from developing countries continued to be faced with quantitative and other import restrictions. Some of them particularly recalled proposals for the progressive elimination of quantitative restrictions made by Australia in the course of the Tokyo Round Negotiations and regretted that no progress was achieved during the negotiations on the basis of these proposals. They expressed the hope that the present work programme on trade liberalization would be pursued and lead to concrete results, both in regard to discriminatory and non-discriminatory restrictions, as well as to legal and illegal measures.

4. Delegations from some developing countries observed that the problem of quantitative and other import restrictions had two aspects: firstly, there were restrictions or measures which were justified under protocols of accessions or various provisions of the General Agreement, and therefore justifiable under GATT provisions, and secondly, restrictions or measures which were not consistent with the provisions of the General Agreement. Any approach to the question of liberalization of these restrictions necessarily had to take these two aspects into account. In their view, restrictions which were not based on provisions of the General Agreement, should be eliminated or phased out within a time-frame to be agreed upon. On the other hand, restrictive measures adopted under GATT provisions should be the object of examination and justification, and progressively liberalized in accordance with procedures to be determined.

5. Delegations of some developing countries observed that quantitative import restrictions not only obstructed trade flows directly, but also exercised a general dampening effect on investment and trade. The continued existence of illegal restrictions, in their view, also eroded the credibility of and confidence in the rules of the multilateral trading system.

6. Delegations of some developing countries noted with concern that the largest concentration of quantitative and other import restrictions in the markets of developed countries continued to be in the area of agriculture, which was of crucial importance to a large number of developing countries.

7. The representative of a group of developed countries stated that problems in the area of quantitative restrictions were much too complex and difficult to readily lend themselves to treatment on the basis of what they considered to be an artificial legal distinction. Past experience had

shown that proposals made on the basic distinction between legal and illegal restrictions had not led to positive or concrete results; proposals in regard to across-the-board elimination of quantitative restrictions also had always failed to accomplish positive results. This representative suggested that there would be a greater possibility of progress if the consultations could be pursued on the basis of concrete proposals in regard to specific cases. He recalled that in the course of the Tokyo Round Multilateral Trade Negotiations, significant progress had been achieved, and efforts to further liberalize import restrictions continued to be pursued. He further stated that the countries he represented were approaching the present exercise with an open mind and were prepared to consider all concrete proposals.

Identification and analysis of the problems

8. An examination of a number of specific cases of quantitative restrictions and other non-tariff measures, considered particularly important from the point of view of one or more developing countries, was carried out.
9. As regards agricultural products (CCCN Chapters 1 to 24), an examination of a number of non-tariff measures was undertaken, including of quantitative restrictions which developing countries considered were affecting their trade. Clarifications were requested on the grounds for the maintenance of such measures, including questions relating to whether they were applied on the basis of legislation applying prior to GATT accession or under overall agricultural policies. Information was also requested on certain measures which in the view of developing country representatives were applied selectively in specific markets, distinct from treatment dispensed to other agricultural products. Clarifications and explanations were provided by delegations regarding measures maintained in their markets, including their economic and social background.
10. With regard to industrial products (CCCN Chapters 25 to 99), clarifications were sought in regard to the nature, scope and mode of operation of a number of measures.
11. Proposals were put forward regarding the possible elimination or progressive liberalization of some of the restrictions examined, concerning both agricultural and industrial products. Delegations from developed countries took note of the suggestions made and in responding to the questions offered explanations and clarifications in regard to the historical, economic and social grounds for the maintenance of the various restrictions, as well as the scope and mode of operation of some of them. The representative of a group of developed countries listed a number of restrictions which had been eliminated or liberalized since the compilation of COM.TD/W/338/Rev.1.

Possibilities for future progress

12. Delegations of a number of developing countries considered that delegations of some developed countries had not offered sufficient justification for the grounds, including in legal terms, for the maintenance of a number of restrictions. The delegations of certain

developed countries outlined the substantial efforts already made as regards the elimination of certain import restrictions, in areas where special economic and social factors applied. The delegations of a number of developing countries welcomed the efforts of some developed countries as regards the elimination of import restrictions, but considered these to be clearly insufficient in the light of their pressing economic and social problems.

13. The delegations of a number of developing countries, considering the present exercise useful, expressed the need for the development of a work programme, and proposed that procedures be established for further work with a view to seeking further trade liberalization in this area.

14. A number of proposals on different modalities for a comprehensive approach towards the reduction or elimination of quantitative restrictions were made. A number of countries expressed support for a proposal made by Turkey. Some developed countries declared that while they had taken note of these proposals, they were unable, at this stage, to support them. These proposals appear in a separate document (Spec(82)36).