

RESTRICTED

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GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Twenty-Fifth Session

RESIDUAL IMPORT RESTRICTIONS

Note by the Secretariat

1. In GATT/AIR/637, issued early in 1968, all contracting parties were reminded of the obligation to notify all import restrictions maintained by them which are inconsistent with the provisions of GATT and are not authorized by any decision of the CONTRACTING PARTIES. A month before the twenty-fifth session a further reminder was issued calling attention not only to the obligation to respond but also to the type of information called for, in order that each contracting party might review its notification with a view to conforming more completely to the guidelines for notifications approved by the CONTRACTING PARTIES in 1962 (Eleventh Supplement, pages 206-213).
2. Twenty-two contracting parties invoke Articles XII or XVIII:B and report all of their import restrictions in that context; there is a special consultation with Poland where an examination of Poland's import régime takes place; in addition four contracting parties have stated, though not all recently, that they maintain no residual restrictions. Twenty-three newly-independent countries have responded within the last three years to the invitation to notify their entire restrictive systems without prejudice to the question of consistency with GATT.
3. Of the remaining twenty-eight contracting parties, seventeen have submitted notifications of residual restrictions in the form of comprehensive negative lists in 1968. The remainder have either not replied at any time since the procedure was inaugurated in 1960 or have submitted reports now out of date and incomplete.

These countries are:

Argentina	Guyana
Barbados	Haiti
Central African Republic	Rhodesia
Dominican Republic	Rwanda
France	Uganda
Gambia	

4. The panel of experts which examined the adequacy of notifications of residuals soon after the adoption of the notification procedure made various recommendations, which were subsequently adopted by the CONTRACTING PARTIES, concerning the kind of information to be provided in these notifications. Notifications received are reviewed below under the different headings adopted by the panel at that time:

Form of notification and definition of products: Notifications are to be "negative" lists of products still subject to restriction, well defined for ease of identification. All of the lists currently received are "negative" lists (although some are incomplete as to country coverage and not all are drawn up on the same understanding as to what constitutes an "import restriction", as discussed below), and in most cases products are adequately defined, although identifying statistical or tariff numbers are lacking in at least two important cases (United States, United Kingdom).

Types of restrictions: Notifications are to indicate the type of restriction applicable to each listed product and all import restrictions are to be included within the scope of the list "whether the restrictions in question involved the use of quotas, discretionary or administrative licensing, prohibition, or any other devices". Restrictions made effective through State-trading operations are to be included. Most of the notifications received give a general indication of the type of restriction employed (e.g., licensing, global quotas, restrictive licensing). However, a number of notifications fail to include products which may nevertheless be subject to various kinds of licensing, some no doubt more automatic than others. State-trading operations are not usually mentioned, an omission which might be less serious if reporting in response to the State-trading questionnaire had not fallen to a very low level.

Operation of the restrictions: Where practicable some information is to be given on the method or principles by which size of quotas is determined. No more than one or two countries has ever reported even the most fragmentary information on this subject. Only in the exceptional cases, where quotas are fixed by legislation, has the method of determining quotas been reported. Although the panel did not specifically address itself to the question of amounts of imports actually licensed for products under restriction, this would appear to be a relevant item of information which could easily be given and which would aid considerably in assessing the impact of the restriction on trade. Such information is never given, though a number of reporting countries do publish in national periodicals amounts of global quotas which have been opened.

Area of application: Notifications are to indicate the countries to which restrictions apply and should, of course, list those restrictions which apply exceptionally only to some contracting parties. Most notifications give information about country application of listed restrictions. A few mention that additional (unlisted) restrictions apply to certain contracting parties, and in rarer cases lists of such additional restrictions are notified for at least some of the countries subject to special régimes. The Benelux notification appears to be the only one which is entirely silent on this subject.

Duration of the restrictions: Very little is reported on this subject although the panel guidelines explicitly include this point.

Restrictions which the notifying government regards as justified: The panel urged that restrictions of this character should be reported even though the notifying government considered them justified by the terms on which it applied the General Agreement. With a few notable exceptions, this procedure is not observed. Restrictions maintained under the cotton textiles arrangements are also usually referred to but not notified in this context. Restrictions applied pursuant to waivers are generally passed over without mention, as are those applied pursuant to Article XIX or regarded as justified under Article XX or other articles of the Agreement.

5. As for the area of trade covered by the notified restrictions (not necessarily coinciding with the complete area under restriction), no effort has been made to analyze the importance of the restrictions and this would indeed not be possible without much data which has, to the secretariat's knowledge, nowhere been assembled. The most cursory inspection shows, however, that by far the bulk of restrictions notified applies to agricultural products, with textiles in second place. Substantial numbers of industrial products are notified as still under restrictions by four of the countries from which reasonably complete up-to-date notifications are received.

6. It follows even from this brief survey that these notifications are of extremely limited use. A significant gap in the information available for various statistical and technical inquiries in the field of international trade could be filled by a renewal and standardization of the reporting procedures regarding import restrictions.