

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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Group on Quantitative Restrictions  
and Other Non-Tariff Measures

MEETING OF 7 MAY 1984

Note by the secretariat

Chairman: Ambassador A. Onkelinx (Belgium)

1. The Group met on 7 May 1984.
2. The Chairman recalled that the purpose of the meeting, as set out in GATT/AIR/2000 was the examination of questions relating to existing documentation and grounds and GATT conformity of quantitative restrictions, in particular in the agriculture and textiles areas, review of other non-tariff measures and priorities for the purposes of Stage III and initiation of Stage III, discussion of the Group's findings and conclusions.
3. In accordance with the procedures agreed at the meeting of October 1983 (NTM/4), the Group first dealt with quantitative restrictions and then turned to other non-tariff measures.
  - A. Examination of questions relating to existing documentation on quantitative restrictions, in particular in the agriculture and textiles areas
4. The Chairman noted that since the last meeting of the Group, the NTM/W/6 documentation had been further updated by the secretariat in the form of NTM/W/6/Rev.1/Add.2 to incorporate all information so far received from contracting parties, including information provided at and since the last meeting. He recalled that the NTM/W/6 documentation identified the products of particular export interest to developing countries and that these were also listed in NTM/W/4/Rev.2. It was further recalled that possibilities for reverse notifications existed in Part IV of the Inventory on Non-Tariff Measures and in the AG/DOC series of documents for the Committee on Trade in Agriculture.
5. Delegations who had yet to submit detailed notifications were invited to send the required information as soon as possible. In this context, the need to have a comprehensive data base, in terms of country coverage and quality of information, was underscored.
6. Some delegations recalled earlier discussions regarding the need for streamlining the present system of symbols used in the documentation to improve the quality of information and to facilitate comparability of data. It was noted that, as agreed by the Group, a secretariat paper would be circulated in time for the next meeting to serve as a basis for discussions on how best the present system might be streamlined.

7. The Chairman invited comments and observations on any questions relating to the existing documentation on quantitative restrictions in the areas of agriculture and textiles. Regarding the former, it was noted that the NTM/W/6 documentation had incorporated relevant information from the notifications made to the Committee on Trade in Agriculture (AG/FOR series), the AG/DOC series of documents and notifications made to the Group in this area. Regarding the latter, as noted in NTM/W/6, while restrictions on textiles applied under the MFA had not been included in the table for practical reasons, although the GATT documents giving details of MFA agreements were listed in the relevant country notes, restrictions on textiles, if any, outside the scope of the MFA were, in principle, listed in the table. It was understood that this treatment of measures in the agriculture and textiles areas would not prejudice the decisions taken by the Group in Stages II and III of its work.

8. The representative of the United States referred to the question of documentation on quantitative restrictions in agriculture. His country maintained quotas under Section 22 of the Agricultural Adjustment Act on imports of certain dairy products and certain types of cotton and peanuts. There was also a variable fee applied to imports of sugar covered under the Act. The representative referred to the GATT waiver with regard to these measures, granted to the United States in 1955. Quotas were maintained on sugar and molasses and these measures were covered under the Head note authority of the Tariff Schedules of the United States. In addition, the Meat Import Act of 1979 had provisions for restrictions on imports of meat should import estimates exceed a certain level. These provisions had been used on only one occasion and then for a three month period. Over the years, the United States had negotiated voluntary agreements with supplying countries to restrict their meat exports to prevent triggering the meat import quotas. Though the United States produced a vast range of agricultural products, it maintained no major quantitative restrictions in the agricultural sector other than those covered by measures under Section 22 of the Agricultural Adjustment Act. The representative of the United States noted the absence of a number of specific restrictions in the field of agriculture from the NTM/W/6 documentation. These included certain measures maintained by the United States and a number of measures maintained by other contracting parties which had been notified in the documentation for the Committee on Trade in Agriculture. (These will be included in NTM/W/6/Rev.2.) In addition he drew attention to the following restrictions on agricultural products maintained by contracting parties: state trading - Canada, India, Japan; licensing - Argentina, India (CCCN headings 0101, 0805); prohibition - India (0201, 2401, 2402); liberal licensing and import restrictions - India (0801); and automatic licensing - Sweden (0201, 0405, 1001, 1602).

9. Several delegations noted that the Group's data base on quantitative restrictions and other non-tariff measures had incorporated information on measures in the agricultural and textiles areas but could accept this for reference purposes only. Work relating to the detailed review and examination of these measures would be more appropriately conducted in the other relevant GATT bodies like the Committee on Trade in Agriculture and Textiles Surveillance Body which had clearly defined rôles and mandates in these areas. These delegations stressed the need to avoid unnecessary duplication of work. It was also suggested by some delegations that the Group might await further progress in the other relevant GATT fora before proceeding to discuss any findings and conclusions in these areas.

10. A number of delegations pointed out the need for the data base to be as balanced and comprehensive as possible in the context of the Group's mandate, which was general and included restrictions in the agriculture and textiles areas. One delegation stated that at least the general problem areas in agriculture and textiles would need to be dealt with in order to fulfil the mandate.

11. One delegation made reference to the recent textile study brought out by the secretariat and suggested that while the Group should take note of the study, it should bear in mind that problems relating to non-M.F.A. textiles products, e.g. textile fibres, had been largely excluded. It was suggested that the Group should closely follow developments, including the terms of reference of the Working Party established to examine the study. Work in the Group would not necessarily be a duplication of effort.

12. In concluding the discussions on this item, the Chairman stated that the Group had taken note of the views expressed by individual delegations. He further noted that there was no basic disagreement in the Group on the parameters of the Group's mandate as well as on the need to adhere to it while avoiding unnecessary duplication of work. The Group noted that relevant information on measures in the agriculture and textiles areas had been incorporated in the NTM/W/6 documentation and that the treatment of measures in the documentation was without prejudice to the positions taken by the countries concerned in respect of the measures or in respect of subsequent stages of the Group's work.

13. It was agreed that substantial progress had been made towards compiling a comprehensive data base though it was still not complete and, to the extent necessary, work relating to collecting information from all contracting parties and improving the quality of information available should continue.

B. Examination of questions relating to grounds and GATT conformity of quantitative restrictions, in particular in the agriculture and textiles areas

14. As agreed in the March meeting, opportunity was provided to delegations to provide information or raise questions relating to the grounds and GATT justifications for quantitative restrictions, in particular in the areas of agriculture and textiles. It was recalled that the NTM/W/6 documentation and, in particular Column 6, had incorporated information supplied by the delegations concerned in other GATT fora and that a possibility of reverse notifications relating to GATT justifications existed in the Inventory of Non-Tariff Measures and the Committee on Trade in Agriculture.

15. A number of delegations made comments on restrictions maintained by them or other countries and on the question as to whether or not the Group should undertake a detailed review of the grounds and GATT conformity of measures in the areas of agriculture and textiles and frame conclusions relating to these areas.

16. Regarding the first point, the representative of Japan referred to liberalization measures recently announced by his Government and circulated to contracting parties in document L/5648. These constituted progress in the direction of liberalization and expansion of international trade in

agriculture and met with the general objectives of the Group's mandate. The Government of Japan preferred that column 6 in the NTM/W/6 documentation pertaining to Japan's import restrictions on agricultural products be kept open for the time being, so as not to prejudge the future of ongoing discussions elsewhere. The general grounds for Japan's existing import restrictions on twenty-two agricultural products were: (a) the necessity of production controls; (b) state trading; and (c) measures necessary to maintain state trading.

17. The representatives of Argentina and Chile noted that in certain sectors measures were maintained which could not be justified under GATT and which adversely affected their trade interests. In this context, the former referred to the following sectors: (a) meat (0201, 0202, 0203, 0204) - quotas or licensing régimes maintained by Finland, Japan, Norway; (b) fisheries (0301, 0302, 0303) - global quotas maintained by Finland, Japan; (c) dairy products (Chapter 04) - quotas and licensing by Finland, Japan, Norway; (d) honey (0406) - licensing and unspecified import restrictions by EEC, Finland, Norway; (e) cereals (Chapter 10) and vegetables (Chapter 7) - licensing and import restrictions by Finland, Norway, Switzerland; (f) fruit (0806, 0807, 0808, 0810, 0811) - seasonal restrictions, global quotas and licensing by Finland, Norway, Sweden; (g) flours (1101, 1201) - global quotas, Japan; (h) preparations of meat and fish (1601, 1602, 1603, 1604) - quotas, licensing and unspecified restrictions by EEC, Finland, Japan, Norway; (i) fruit juices (2001 to 2007) - licensing, quotas, unspecified restrictions by EEC, Finland. The representative of Argentina questioned the validity of the justification advanced by Austria for its discretionary licensing régime under the classification (b) in the AG/FOR series of documentation for the Committee on Trade in Agriculture.

18. The representative of Chile stated that several countries, inter alia Austria, the European Communities and member States, Finland, Japan, New Zealand, Norway, Portugal and Sweden, maintained measures not justified under GATT and column 5 should take cognizance of cases where no grounds or GATT justification had been cited. Note should also be taken of the second group of countries like Spain and South Africa where grounds for measures maintained had been advanced but questioned by other participants. In response to the delegates of Argentina and Chile, the representative of Austria referred to the explanation of Austrian agricultural policy given in different GATT fora and to the fact that the licensing system forms a part of mandatory legislation.

19. In response to the delegates of Argentina and Chile, the representative of Austria referred to the explanation of Austrian agricultural policy given in different GATT fora and to the fact that the licensing system forms a part of mandatory legislation.

20. Regarding the question as to whether or not the Group should undertake a detailed review of measures in the areas of agriculture and textiles, some delegations stated that work in the Group should not prejudge ongoing work in the other relevant GATT bodies which had specific mandates of examination and review. They felt that, pending further progress of work in these bodies, discussions in the Group would be premature. Concern was expressed about the risk of "double review" of measures and the possibility of conflicting findings and conclusions.

21. Other delegations stressed the Group's rôle was complementary and mutually reinforcing vis-à-vis other bodies, that the Group's mandate, which included examination and review of measures in all sectors, should be strictly adhered to, that attempts to redefine or restrict it were not acceptable, and that the Group's rôle extended beyond collecting information on or monitoring measures to analysing them and determining their GATT conformity. A balanced and comprehensive approach to Stages I and II, covering as many measures as possible in all sectors, was also necessary to ensure that the Group's work relating to Stage III was meaningful.

22. Several delegations stated that the Committee on Trade in Agriculture, which was an expert body charged with a specific mandate, should deal with all problems related to this sector, that they noted the substantial progress made in the Committee and felt that new initiatives at this stage might be counter-productive. The representative of a group of delegations pointed out the risk of distortion if quantitative restrictions in agriculture were singled out for examination from the totality of problems in that area on both the export and import sides.

23. Other delegations stated that the Committee on Trade in Agriculture had so far dealt with problems in a general way and that the Group should further the work by specifically focussing its attention on an analysis of quantitative restrictions in this area. One delegation felt that work in the Group on agriculture would not necessarily lead to conflicting conclusions and, to this end, the Group should monitor the work in the Committee on Trade in Agriculture in terms of the Group's mandate for furthering the liberalization of international trade. Some delegations expressed concern that work in the Committee in Trade on Agriculture seemed to be proceeding in the direction of loosening, rather than tightening, existing GATT disciplines.

24. Some delegations expressed concern that contracting parties who had not been able to justify their measures in the Committee on Trade in Agriculture were trying to prevent a detailed examination and analysis of these measures in accordance with the Group's mandate.

25. In concluding the discussions, the Chairman noted the views and positions put forward and recalled that the Group's work was without prejudice to the positions of governments with respect to the measures under discussion. He noted that the NTM/W/6 documentation had been drawn up on the basis of self-notification and that other delegations had the right to make reverse notifications as allowed for in the Inventory of Non-Tariff Measures or in the Agricultural Inventories. He further stressed the need for pragmatism in the task ahead so that, in accordance with the Group's general mandate, conclusions might be framed to the satisfaction of all contracting parties while avoiding unnecessary duplication of work in other GATT bodies.

26. Regarding future work, the Chairman recalled the specific proposals put forward at the last meeting for the preparation of two lists (NTM/6, paragraph 21) and the discussions thereon. He invited further comments and suggestions. Several delegations considered it premature to categorize and analyse measures in the absence of complete information. Others felt that the Group would have to undertake some analysis on which discussion of findings and conclusions could be based in Stage III.

27. The Group agreed to the Chairman's suggestion that the secretariat be asked to prepare, on its own responsibility and in consultation with delegations, an informal paper analysing the data collected in Stages I and II of the Group's work. It was understood that this would serve as a possible basis for work relating to Stage III but would not prejudice the conclusions or the positions of members.

28. The Group agreed to conclude, for the time being, Stages I and II of the work pertaining to quantitative restrictions. It was further agreed that members remained free to revert to questions regarding existing documentation and grounds or GATT conformity of measures should the need arise.

C. Review of other non-tariff measures and priorities for the purposes of Stage III

29. The Group noted that since the March meeting, the secretariat had brought out a new addendum (NTM/INV/I-V/Add.7) which included most of the new, amended or modified notifications received so far. The Chairman recalled that the updating of the documentation was an ongoing process.

30. Opportunity was provided to delegations to make comments on existing documentation or to ask questions on the grounds and GATT conformity of measures, particularly in the areas of textile and agriculture. It was noted that the Inventory included reverse notifications made mainly in respect of industrial products, including textiles products, and that information regarding other non-tariff measures affecting agricultural products was contained in the AG/FOR series of documentation as well as in the agricultural inventories, the AG/DOC/4-8 series.

31. One member observed that although there was a significant dismantling of import restrictions on the industrial side during the 1950's and 1960's, a similar liberalization of agricultural trade had not occurred. He noted that though non-tariff measures affecting agricultural products had been updated in the agricultural inventories, a major problem had been the limited number of self-notifications submitted in the exercise. For example, in the AG/DOC/2 and 3 series covering licensing, import restrictions and state trading, only nineteen countries had submitted self-notifications as of 2 March 1984. Regarding the AG/DOC/4 and 5 series, covering sanitary and phytosanitary regulations and measures and mechanisms influencing exports, only ten and eleven countries had responded respectively. Most important, the AG/DOC/6 series covering variable levies covered only five countries, excluding one of the most significant users of this restriction. The extensive use of this measure was of particular concern, especially where certain countries instituted levies in place of quotas. The omission of information for these countries might create an erroneous impression that there was liberal trade. The Group should, therefore, ensure that the documentation on agricultural quantitative restrictions and other non-tariff measures covered in NTM/W/6/Rev.1 and the agricultural non-tariff measures inventories was as comprehensive as possible. The representative suggested that the Group adopt the format of the Committee on Trade in Agriculture whereby both quantitative restrictions and non-tariff measures affecting both export and import measures were covered by four-digit CCCN in the documentation. This effectively meant transposing the information presently in the AG/DOC series of documentation into the NTM/W/6 documentation.

32. The representative of a group of delegations recalled their position that they could accept the incorporation of information on agricultural purposes for reference purposes only and that the Committee on Trade in Agriculture was the more appropriate body for detailed work in this area.
33. The Chairman stressed the need to continue the discussion of priorities for purposes of Stage III of the Group's work. It was recalled that some possible approaches to the selection of priority areas had earlier been presented and discussed. Delegations had suggested that priority be given to individual non-tariff measures as well as types or categories of measures contained in the Inventory. It had also been suggested that while discussions on individual measures may proceed, in parallel with these discussions, the various types or categories of measures might be examined. A major part of this work would be priorities in the category of measures of export interest to developing countries. Delegations were invited to put forward further specific proposals and suggestions.
34. The representative of a group of delegations recalled their position that other non-tariff measures merited the same attention as quantitative restrictions as they had grown in intensity over the years, had a greater effect on international trade than quantitative restrictions and were difficult to tackle because of GATT disciplines being more diffused in this area. In an earlier meeting, they had indicated individual measures in which they had a special interest which, they considered, should receive priority attention. Following the proposal made by them in the last meeting, they proceeded to submit the following categories of measures in the Inventory for priority consideration by the Group: (a) countervailing duties (Part I, B); (b) anti-dumping duties (Part II, A); (c) customs classification (Part II, C); (d) import licensing (Part IV, A); (e) embargoes and other restrictions of similar effect (Part IV, B); (f) export restrictions (Part IV, G); and (g) export taxes (Part IV, J).
35. One representative stated that a number of non-tariff measures affecting his country were not included in the Inventory. Regarding priorities, he referred to Part IV of the Inventory, particularly Part IV, B (embargoes and other restrictions of similar effect) and G (export restraints) as being of particular importance. Some specific measures of his government's interest were included in Part IV, L of the Inventory.
36. Another representative reiterated his government's interest in Part IV of the Inventory, as indicated in earlier meetings. He suggested that the best method of work might be for the Group to look at individual measures and, in a supplementary way, identify categories of measures from the Inventory.
37. One representative preferred to proceed on a category-by-category basis so as to identify the problems involved in each area and arrive at an overall view. He mentioned specific areas of interest like E and C of Part I; E, I and K of Part IV; and E and F of Part V of the Inventory.
38. Some delegations indicated their intention to submit lists of individual non-tariff measures of special interest for priority attention.

39. The Chairman suggested that delegations should send their lists of priorities, if any, soon and if possible by the end of May. He further suggested that, in time for the next meeting, the secretariat be asked to prepare a working paper pulling together the ideas on future work and taking into consideration the views expressed in the Group. These suggestions were agreed to as a basis for future work.

D. Initiation of Stage III; Discussion of the Group's findings and conclusions

40. The Group agreed to initiate Stage III on the understanding that work on Stages I and II would continue as necessary.

41. It was recalled that the Group had earlier agreed to complete its report by 19 October to enable it to be considered by the Council and, subsequently, by the CONTRACTING PARTIES, as required by the Ministers.

42. Delegations were invited to make an initial exposition of their ideas on the Group's findings and conclusions, particularly ideas regarding possible elements of work in this area.

43. One delegation referred to the work programme suggested in the last meeting (NTM/6, paragraph 21) stating that the objective was to organize the information available on a purely factual basis to enable the Group to arrive at conclusions on the basis of an overall view of the nature of problems involved. For the conclusions to be meaningful it was necessary for the Group to identify measures which had to be eliminated or brought into conformity with GATT. Without prejudicing GATT rights and obligations, the Group might recommend that contracting parties maintaining such measures be given a reasonable time period for this purpose through waivers or other means. A part of the conclusion might be that measures for which no GATT justification was cited constituted a prima facie nullification or impairment of the rights of the affected contracting parties. Priority attention would have to be given to measures affecting the developing countries: they should be either eliminated forthwith or within a short time period. Problems in the area of other non-tariff measures must be clearly identified so that appropriate recommendations could be made to CONTRACTING PARTIES.

44. A representative of a group of delegations recalled with regard to Stage III of the work programme that the mandate of the Group encompassed four features, namely: to achieve the elimination of quantitative restrictions which are not in conformity with the General Agreement or their being brought into conformity; to achieve the elimination of other non-tariff barriers which are not in conformity with the General Agreement or their being brought into conformity; to achieve progress in liberalizing other quantitative restrictions and non-tariff measures; to give adequate attention to measures affecting products of particular interest to developing countries. The representative stressed that the Group should not lose sight of these basic objectives when starting Stage III of the work programme. Progress could only be achieved if parallel action was undertaken in all the four areas. Moreover, experience had shown that a successful operation depended on reciprocal action by all the partners concerned.

45. One delegation suggested that the Group should identify, inter alia, the areas in which quantitative restrictions were used, justifications which had been questioned, as well as what types of restrictions were most commonly used. Some delegations observed that it was not possible at this stage, to formulate views on work relating to Stage III which had to reflect adequately each element of the Group's mandate. Further, in the absence of comprehensive information and in view of the varying degrees of detail and comparability of the existing data base, the GATT conformity, or lack of it, of individual measures could not be established in all cases.

46. The Group agreed to hold its next meeting on the 13 and 15 June 1984, the main purpose of which would be to consider further the Group's findings and conclusions.