

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 5 MAY 1994

Chairman: Mr. M. Nakatomi (Japan)

1. The Committee held its thirty-fourth meeting on 5 May 1994.
2. The agenda contained in GATT/AIR/3574 was adopted.
- A. **Election of officers**
3. The Committee **elect**d Mr. Michitaka Nakatomi (Japan) as Chairman and Miss Carmen Luz Guarda (Chile) as Vice-Chairman for the year 1994.
- B. **Information Available on Import Licensing Procedures**
4. The **Chairman** drew the Committee's attention to document L/5640/Rev.10 on the status of notifications made in response to the GATT Questionnaire on Import Licensing Procedures, and recalled the invitation in GATT/AIR/3563 that contracting parties communicate to the Secretariat, by 30 September, any data on their licensing systems necessary to bring up-to-date their replies to the Questionnaire.
5. He reported that since the last meeting replies to the Questionnaire had been received from Bolivia (L/5640/Add.51/Corr.1), Canada (L/5640/Add.10/Rev.5), Finland (L/5640/Add.6/Rev.3), Sweden (L/5640/Add.14/Rev.6), Switzerland (L/5640/Add.19/Rev.1/Suppl.3) and the United States (L/5640/Add.40/Rev.3/Corr.1). Information on publications had been received from Hong Kong, Romania and the United States as listed in document LIC/3/Add.39.
6. The Committee **took note** of the information contained in these documents.
- C. **Other Business**
- (i) **Transition Issues**
7. The **Chairman** pointed out to the Committee that issues relating to transition from the current régime to the new World Trade Organization may need to be discussed at a future meeting. The WTO Agreement would come into force, at the earliest, on 1 January 1995 after when all WTO Members would become signatories to the new Import Licensing Agreement as well. It would, therefore, be necessary to establish the Committee's operating procedures and procedures for notification and review. At the same time, because of the possibility that not all participants in the Uruguay Round will have finalized the ratification process by the entry into force of the WTO Agreement, it would be necessary to consider whether the current Committee and the new Committee should co-exist for some time after the entry into force of the Agreement Establishing the World Trade Organization and, if so, in what

manner and for what purposes this Committee would continue to operate. This did not mean that this Committee *per se* was the proper forum for deciding on these issues. In fact, the Preparatory Committee may be the setting in which many of these issues would be discussed, and harmonization of procedures, as far as possible, in all Committees would be required. However, he expected that the signatories to the existing Agreement would have a particular interest as well as an insight into these questions. He, therefore, encouraged the Members of the Committee to begin thinking about these issues and discussing them informally. If the Committee so agreed, the Secretariat could be requested to prepare a factual checklist of issues which required consideration.

8. The representative of New Zealand agreed with the Chairman's observation about the rules of procedure being set through the Preparatory Committee as mandated in the Marrakesh Ministerial Decision and also with the point made on the need for harmonized rules. It was his view that these rules should be set generically through the Preparatory Committee and adjusted only as necessary to address particular circumstances. Hence he supported a harmonized approach through the Preparatory Committee. He also favoured following, as far as possible, with any necessary adaptations the broad procedures negotiated in the WTO Agreement where they were relevant in order to maintain consistent procedures throughout the WTO.

9. The Chairman said that he would discuss this issue in informal consultations, and that he would revert to it, if necessary, at a later meeting.

10. The Committee took note of the statements made.

(ii) Austrian Licensing System

11. The representative of Hungary brought to the attention of the Committee that, in January 1993, Austria had introduced an automatic licensing requirement on a large number of products originating in some countries, including Hungary. His authorities were concerned that Austria had failed to notify the institution of this specific licensing requirement, and the products and countries subject to the measure. This licensing requirement introduced in January 1993 replaced an import price surveillance system applied previously which had never been notified either. Secondly, it seemed that the Austrian measure was not in conformity with a number of provisions of the Agreement on Import Licensing Procedures, in particular with Articles 1.2 and 2.2(a) and (b). His authorities were particularly concerned that this licensing system, as it was not applied on an *erga omnes* basis, did not comply with the requirement of having no trade-restricting effect. His delegation requested Austria to notify the details of this import licensing requirement.

12. The representative of Austria said that he would refer the matter to his authorities.

(iii) European Communities' Import Licensing System on Bananas

13. The representative of the United States expressed concern that the European Communities had not eliminated the discriminatory features of its import licensing system for bananas. The licensing system had been found to be inconsistent with GATT rules by a GATT Panel in January 1994 and it was hoped that the European Communities would act upon the findings of the Panel.

14. The representative of the European Communities said that the comments of the United States delegate were taken note of and would be passed on to her authorities.

15. The representative of Mexico said that his delegation also wished to express its concern at the non-adoption of the Panel Report. This, in fact, was the second Panel that had findings against the Community banana import régime. The first Panel Report had not yet been approved and the second

Panel Report was now before the GATT Council for adoption. His delegation reserved the right to raise the issue in other GATT bodies.

(iv) Notification Requirements

16. The representative of the United States drew attention to the fact that the Uruguay Round Agreement required tariffication of agricultural non-tariff barriers, and noted that tariff quotas would be one of the methods used to ensure that minimum access commitments would be met. He hoped that those countries which aspired to join the WTO would notify the Import Licensing Committee the details of these new arrangements as early as possible. The second point related to the same issue concerned countries which currently had observer status in the Committee. Though not required, it was expected that observers too would notify their import licensing arrangements to the Import Licensing Committee. He noted in this context that 13 of these observers had never notified their import licensing systems to the Committee, while six others had not updated their notifications in over 20 years. Moreover, both GATT contracting parties and non-contracting parties would be required to make such notifications as a condition for joining the WTO. For both these reasons, he encouraged the observers in the Committee to make the proper notifications.

17. The Committee took note of the statements made.

(v) Arrangements for the Next Meeting

18. The Committee agreed that the Secretariat should make the necessary arrangements for the next regular meeting of the Committee after consulting with the Chairman.