

GENERAL AGREEMENT ON TARIFFS AND TRADE

IC/W/73/Rev.1
24 September 1958

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Intersessional Committee

INFORMATION TO BE SUPPLIED BY CONTRACTING PARTIES INVOKING CERTAIN PROVISIONS OF ARTICLE XVIII

Proposed Questionnaire for the Implementation of the Provisions of Sections C and D of Article XVIII

(Revised)

At the Third Session in 1949 the CONTRACTING PARTIES drew up a questionnaire to indicate the type of information which they considered should be supplied by a contracting party invoking some of the provisions of Article XVIII. That questionnaire was reproduced in Basic Instruments and Selected Documents, Volume II, pages 63-65.

At the Twelfth Session the CONTRACTING PARTIES, after dealing with certain notifications under the amended provisions of Article XVIII, instructed the secretariat to prepare a revised version of the questionnaire on the basis of the new text of the Agreement and in the light of the proceedings at that Session, for approval by the Intersessional Committee (see BISD, Sixth Supplement, pages 129-130).

Accordingly, the attached draft questionnaire (which replaces an earlier draft issued as IC/W/73) is submitted for approval by the Intersessional Committee at its meeting commencing on 24 September 1958.

INFORMATION TO ACCOMPANY NOTIFICATIONS UNDER SECTION C,
AND APPLICATIONS UNDER SECTION D, OF ARTICLE XVIII (REVISED)

General Notes

The purpose of the following list of questions and subject matters is to provide contracting parties notifying measures under Section C, or submitting applications under Section D, of Article XVIII (Revised) with guidance as to the type of information which they should provide in order to ensure satisfactory and expeditious operation of those provisions. Section C of the Article, in particular, sets a number of time-limits within which certain action must be taken by the CONTRACTING PARTIES. These time periods are generally of very short duration and the system can work satisfactorily only if any notifications submitted are accompanied by information which would enable the CONTRACTING PARTIES to judge whether a consultation should be initiated and would facilitate the conduct of any such consultations if and when they were initiated.

The list should not be regarded as exhaustive or as appropriate to the circumstances of all cases. A contracting party taking action should judge for itself what additional information or documentation could usefully be made available to the CONTRACTING PARTIES. If necessary a contracting party contemplating action under paragraph 14 or paragraph 22 of Article XVIII may, before doing so, consult the secretariat on the preparation of its notification or application.

A. Eligibility of the Notification or Application

1. (a) If the action is taken under Section C of Article XVIII, describe in the light of the provisions of paragraph 4(a) of Article XVIII:
 - (i) the standard of living in the country (in terms of per caput gross national product and in general terms); and
 - (ii) the stage of development of the economy (indicating, for purpose of illustration, the proportions of the population engaged in agriculture, industry, mining and tertiary production).
- (b) If the action is taken under Section D, describe the manner in which the economy is in a process of development, as envisaged in paragraph 4(b) of the Article.
2. Describe the special difficulties which are being met or are expected to be met in the achievement of the objective outlined in paragraph 13 of Article XVIII and which call for the rendering of governmental assistance in the form of the proposed measure affecting imports.

3. Indicate the present rate of customs duty and other import charges, if any, on the product to be affected by the measure in question. Give the reasons why no measure consistent with the normal rules of the General Agreement (such as duties, subsidies, etc.) is considered practical to achieve the objective in question.
4. Indicate the provisions of the General Agreement with which the proposed measure will be in conflict and from which a release will be necessary for the introduction of the proposed measure.
5. Is the product the import of which is to be affected by the proposed measure the subject of a tariff concession included in the appropriate schedule annexed to the General Agreement? If so, indicate the date of the negotiation and the contracting party or parties with which the concession was negotiated. Provide statistics in addition to those supplied in response to question 15 below, indicating the main sources of supply and the volume and value of imports from such sources.

B. Nature and Scope of the Proposed Measure Affecting Imports

6. State precisely the product the import of which is to be affected by the proposed measure (give tariff item number and description).
7. Give a precise description of the proposed measure, the methods of its operation and the legal basis of its imposition and operation. Supply copies of the relevant law and administrative order, decree or regulations under which the measure will be administered.
8. State the contemplated duration of the measure. In what manner will its scope be changed during that period; will the measure be progressively relaxed until it ceases to be applied?
9. State any measures or precautions to be taken to avoid, in the administration of the measure, any discrimination as between sources of supply of the like imported products.

C. Nature and Scope of the Industry to be Established

10. Describe the industry to be established¹ through the proposed measure, indicating its nature, organization and its relative importance in the economy as a whole.

¹ See the note ad Article XVIII, paragraph 2, etc. in Annex H to the General Agreement.

11. Describe the present state of the industry, if already existing, and the projected scale when it is completely established, indicating the estimated number of firms or enterprises, number of employees, capital investment, level of production, etc. wholesale and retail prices of the product as compared with imported product, at various stages of its establishment.
12. Describe the sources of raw materials to be used in the manufacturing process. If they are of indigenous origin, indicate the effect of the establishment of the industry on the supply situation and on the development of primary production.
13. Describe generally the natural conditions and other factors which favour the establishment of the industry in the country, and/or reasons why its establishment is considered desirable or necessary.
14. In what manner and to what extent is the establishment of the particular industry expected to have the effect of raising the general standard of living of the people of the country? Supply estimates of added national income which the new production is likely to bring about (a) in the form of an economic exploitation of national domestic resources, and (b) increased wages and profits, and the impact of the import substitution on the internal price level. Describe any indirect effects which the diversification of the economic structure, the new employment opportunities offered by the new industry, or similar factors, are expected to have on the general economic structure of the country.

D. Effects of the Proposed Measure

15. Provide statistics showing, for the past five years, domestic consumption, imports and domestic production and exports, if any, of the product in question.
16. Give estimates of annual domestic consumption of the product during and at the end of the period in which the proposed measure is in force. In the light of these estimates show the probable volume and value of imports of the product during and after the same period, taking account of the supply available from the newly established industry in question. Compare these with the imports that would have been effected in the absence of the proposed measure affecting imports.
17. Indicate the present wholesale and retail prices of the product in question on the domestic market. Give an estimate of the changes in the prices during the period of development.
18. What effects will the establishment of the industry have on the demand for imports of capital equipment, raw materials and other goods? Discuss the overall effects of the measure on the total imports from various principal sources of supply of the product in question.

19. Describe any special steps taken or envisaged which aim at giving effect to the proviso to paragraph 10 of Article XVIII, as required by paragraph 20 of the Article (e.g. steps to alleviate any harmful effects of the proposed measures on international trade, to avoid unnecessary damage to the commercial or economic interests of other contracting parties, etc.).