

GENERAL AGREEMENT ON
TARIFFS AND TRADEMultilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"Sub-Group "Quantitative Restrictions"LICENSING PROCEDURESAddendum

At its meeting of April 1975, the Sub-Group "Quantitative Restrictions" agreed that the two draft texts on Licensing Procedures reproduced on pages 15-19 of MTN/NTM/W/2 should be the starting point for the Sub-Group's continuing work, and that delegations so desiring would propose in writing to the secretariat for distribution, specific alterations to the two draft texts giving the reasons therefor, in time for discussion at the next meeting of the Sub-Group. (MTN/NTM/2, paragraph 9(i) and (vii), and GATT/AIR/1167.)

The following communication has been received from the delegation of the United States.

1. Automatic import licensing (MTN/NTM/W/2, Annex I, page 15, Appendix 2, paragraph 2): The United States favours alternative II because any system of import licensing constitutes a barrier, either potentially or in fact. The cost, delay and uncertainty to traders which is involved in any licensing system operates as a deterrent to trade, in particular to long-term planning for promotion of exports since a threat of restrictive action continues to overlap and influence planning of manufacturers and traders. These uncertainties reflect actual experiences of traders who have found that licensing has been used to restrict imports, even under so-called automatic licensing systems. Such measures should be abolished except where necessary to implement restrictions consistent with GATT.

The United States cannot accept that licensing is necessary or desirable to obtain expeditiously needed statistical data and facilitate the collection of taxes and levies. Other methods not harmful to trade could be found to attain these objectives. Customs data, including invoice values, offer a more reliable basis for gathering statistics since traders tend to apply for licences for more goods than

were currently needed in the belief that governments tend to restrict imports through licensing. Furthermore, in many countries licensing systems apply only to selected types of imported products, so that licensing could not be justified on statistical grounds.

2. Paragraph 4: The United States favours deletion of the brackets because, while recognizing the need for a broad approach on problems of discrimination, the question of discrimination should also be addressed in the Automatic Licensing text. This paragraph constitutes an essential part of the text in view of the fact that the principle of non-discrimination is basic to GATT.

3. Licensing to administer import restrictions (MTN/NTM/W/2, Appendix 2, Annex 2) paragraph 1: The United States favours deletion of brackets because, while recognizing the need for a broad approach on problems of discrimination, the question of discrimination should be addressed in the text of Licensing to Administer Import Restrictions. This paragraph constitutes an essential part of the text in view of the fact that the principle of non-discrimination is basic to GATT.

4. Paragraph 4: The United States favours deletion of phrase, "including wherever possible names of importing enterprises on a confidential basis" on the ground that such a requirement is not necessary to solve the specific problems encountered in licensing to administer import restrictions.

5. Paragraph 5: The United States favours deletion of word "fixed" in the phrase "involving fixed quotas" because this could be interpreted by some countries to mean that not all quotas are covered by the provisions of this paragraph. For example, some countries do not publish the amount of quotas on the grounds that the quota amounts vary from year to year. Such countries could argue that variable quotas are not "fixed" and therefore should not be subject to a quota publication requirement. In the view of the United States, the provisions of this paragraph are meant to apply equally to all quotas to insure availability of information and certainty for exporters and importers.