

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.IND/6

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Limited Distribution

Committee on Industrial Products

INVENTORY OF NON-TARIFF BARRIERS

At the meeting of the Committee on Trade in Industrial Products held on 17 and 18 October 1968 it was decided (L/3083, paragraph 14) that the secretariat would revise the inventory contained in COM.IND/4 and its addenda and corrigenda on a barrier-by-barrier basis, incorporating changes received up to 1 November, following the classification of barriers drawn up by the Committee. General comments are contained in this document and the barriers which have been classified in each of the six major headings will be found in separate addenda, to be issued as soon as possible:

- Add.1 Government participation in trade
- Add.2 Customs and administrative entry procedures
- Add.3 Standards involving imports and domestic goods
- Add.4 Specific limitations on imports and exports
- Add.5 Restraints on imports and exports by the price mechanism
- Add.6 Other restraints on imports

An index to the sub-headings under each of the main headings will be found in the relevant addendum. These, it will be noted, do not entirely follow the sub-headings approved by the Committee as it proved impossible in a few cases for the secretariat to decide, on the information available, under which heading to place a given item. For example, the distinction between "State trading" and "Government monopoly practices" gave difficulty and so the two groups were merged. Elsewhere, the original groupings have been maintained with cross-references to closely related sub-headings.

With respect to coverage of notifications, the following general points not re-issued elsewhere may be noted:

(a) Supplemental notifications, participation in debate on measures not notified. Countries have very generally reserved rights in this area and the Committee has recognized that for the present no time-limit should be placed on submission of additional notifications.

(b) Selectivity of notifications. As noted at the meeting of the Committee, countries have followed differing criteria of selectivity with respect to the choice of measures to be notified. They have also followed differing practices (more or less inclusive) with respect to the choice of countries whose measures are reviewed.

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As of possible relevance in the determination of priorities for the Committee's work, the following differences as to coverage may be noted:

1. Some countries have stated that they have excluded all items in Chapters 1-24 of the Brussels Nomenclature as "non-industrial" (Canada, Japan). Some others have noted the exceptional nature of the inclusion of barriers affecting select items falling within Chapters 1-24 (EEC). One country (United States) has stated that its notification may include references to some products which some contracting parties consider to be agricultural. Brazil, Israel and New Zealand have notified numerous items in Chapters 1-24.

2. Quantitative restrictions have been omitted from the notification of the United Kingdom although it is stated that they clearly act as barriers to trade and should be taken account of. The Nordic countries have excluded them as already under discussion in other bodies of the GATT. Quantitative restrictions are included in the notifications of most other countries except the EEC, although Canada mentions that its notification does not identify restrictions imposed by developing countries. Hong Kong's notification excludes all non-discriminatory import restrictions maintained under Articles XII or XVIII and surcharges for which waivers have been obtained under Article XXV, and does not include mention of arrangements not inconsistent with the Cotton Textiles Arrangement. Japan's notification in regard to the cotton textiles quotas differs from Hong Kong's.

3. Non-tariff barrier problems which are being discussed in other bodies have, as mentioned above, been omitted from the Nordic countries' notification. In the Japanese notification mention is made of the fact that border tax adjustments, though now under consideration elsewhere, may require attention of the Committee.

4. The United States notification deals briefly with this question of definition of "non-tariff barriers": and states that the United States notification has been based on inclusion of barriers acting directly on imports. Hence it does not list measures such as subsidies and rebates, export controls, domestic price controls, marketing controls, investment restrictions, patent laws and regulations, differential shipping costs or regulations concerning remittance of earnings, non-governmental restrictive business practices. This notification differs from the others in this respect.

5. A related question to which the Committee may wish to give attention is that of exchange controls which are sometimes but not uniformly included in individual notifications. It may be that, without excluding certain borderline practices, the Committee may wish to consider whether to omit from further discussion measures which are clearly within the jurisdiction of the International Monetary Fund rather than the GATT.

Some of these questions appear to be common to the work of more than one group and might preferably be settled at the outset. Others, such as the last-mentioned above, could be left for consideration within the groups.