

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LIC/M/2
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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 29 APRIL 1980

Chairman: Mr. T. Kawamura

1. The Committee on Import Licensing held its second meeting on 29 April 1980.
2. The agenda for the meeting was as follows:

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A. Procedures for the participation of observers

3. The Chairman drew the Committee's attention to a text, based on the CONTRACTING PARTIES' Decision of 28 November 1979 (L/4905), providing for the participation of observers. With regard to paragraph 5 of these procedures, he stated that after informal consultations, he believed there was a consensus that requests from international organizations to participate as observers would be considered individually, and invitations would be issued on a meeting-by-meeting basis. For this purpose, he, as Chairman of this Committee, would consult with signatories to this Agreement to determine if there was objection to issuing an invitation to the requesting international organization. This consultation would take place before the draft agenda for the next meeting had been issued in final form. The informally circulated draft agenda sent to signatories would therefore include a list of those international organizations which have requested observer status.

4. The Committee adopted the procedures (see Annex) and took note of the Chairman's statement.

5. Regarding observers from non-contracting parties, the Chairman said that letters had been received from Bulgaria, Ecuador, Mexico, Thailand and Venezuela requesting observer status in the meetings of the Committee. He noted that there appeared to be a consensus to invite Bulgaria and Ecuador to participate in the meeting of the Committee in an observer capacity. With regard to Mexico, he understood that while a number of delegations were prepared to accept its request immediately, some delegations had wished that a decision be postponed pending further clarifications which they had asked him to obtain informally on their behalf. He therefore proposed to defer a decision on this matter until the next meeting of the Committee, as well as on the requests by Thailand and Venezuela which had been received only very shortly before the meeting.

6. The Committee agreed to invite Bulgaria and Ecuador to participate in the meetings of the Committee and to defer a decision on Mexico, Thailand and Venezuela until its next meeting.

7. The Chairman referred to the letters addressed by the IMF and UNCTAD asking for observer status. It was agreed that these organizations would be invited to follow particular issues of the Committee in an observer capacity in accordance with procedures for participation of observers, as adopted. Accordingly, the representatives of the IMF and UNCTAD were invited to take part in the present meeting of the Committee.

B. General policy statements

8. The representative of the United States said that his Government supported the Agreement on Licensing Procedures as one of the major achievements of the Tokyo Round. His Government was looking forward to a fair and equitable implementation of the Agreement, one of the main features of which was improved access to information on licensing systems in force in the signatory countries. The United States felt that all signatories would benefit from informing their public of the Agreement and of its achievements as the United States Government had undertaken to do. He stated that adherence to the Agreement required no change in existing United States legislation, and that the Federal administration was currently examining ways of ensuring compliance of executive agencies with the provisions of the Agreement. The delegation of the United States was interested in obtaining information on the implementation of the Agreement by other signatories. Once the initial implementing stage was over, the work of the Committee might concentrate on the resolution of bilateral problems that might arise, on continued exchanges of information on licensing systems and on the preparations for reviews of the operation of the Agreement. All signatories should encourage other countries to join the Agreement in order to enhance its effectiveness as an instrument of international trade discipline.

9. The representative of Japan indicated that the procedures for final acceptance of the Agreement had been completed by his authorities on 25 April 1980 and that it was the intention of the Japanese Government to take the steps necessary to ensure its effective implementation. His Government felt that it was important for all signatories to bring their national legislation into line with the provisions of the Agreement and to encourage as many countries as possible to join it, in particular developing countries.

10. The representative of Austria said that the procedures for ratification of the Agreement had now been completed in his country and that his delegation would soon be able to deposit Austria's instrument of ratification. He also said that it would be in the interest of international trade generally that as many countries as possible join the Agreement.

11. The representative of Chile stated that the procedures for final acceptance of the Agreement were being accelerated in his country and that pending final acceptance, his Government would be prepared to participate in any informal or formal consultations on its licensing system which may be requested by any signatories. The Chilean licensing system was of the type described in Article 2 of the Agreement.

C. Information to be supplied and procedures for notification

12. The Chairman drew attention to the secretariat note on this subject (LIC/W/1) and to information so far received from Argentina and the United States under Article 5 (LIC/1 and LIC/1/Add.1); and New Zealand under Article 1.4. He invited the Committee to comment, and if possible to approve, the specific proposals made by the secretariat, taking into account the further suggestion made by the secretariat that, given the bulk of the documentation, the laws and regulations referred to on page 3 of LIC/W/1, might as a first step be supplied in the language of each Party. Consideration could then be given to what should be done next, e.g. whether such texts should be translated into the official GATT languages.

13. The representative of the European Economic Community said that in the case of some of the information referred to under Article 3 of the Agreement it might, in certain circumstances, be more appropriate to handle matters bilaterally rather than through the GATT secretariat. In the course of the discussion, some members of the Committee pointed to the fact that some of the information requested was already covered by the questionnaire on licensing addressed to all GATT contracting parties under the 1972 procedures. The representative of Sweden said that he would supply relevant laws and regulations in Swedish but that all the information which they were required to notify under the Agreement was already contained in their answer to the licensing questionnaire. The representative of Norway said that in the view of his authorities the information required would be given in an appropriate form in their answer to the licensing questionnaire.

14. The Chairman noted that the Committee agreed to the procedures proposed by the secretariat in LIC/W/1, subject to the points raised in the discussion and on the understanding that it could return to this question at a future meeting in the light of experience. He invited delegations to submit without delay the information requested in line with the procedures just adopted.

D. Procedures for accession of non-contracting parties

15. The Chairman referred to the general approach to this issue which had been agreed to in other Committees and drew attention to the two secretariat papers circulated on the subject, one being an elaboration of the other (LIC/W/2 and LIC/W/4). The second paper had been drafted after consultation with the Chairmen of the Committees and Councils concerned.

16. The representative of Chile said his delegation could agree with the approach suggested, though he would need to reflect further on the question and seek more detailed instructions from his Government. He stressed the need to adopt as uniform procedures as possible for all Committees.

17. The representative of Canada also said that procedures should be as uniform as possible. While his delegation was generally in favour of the approach suggested, he felt that a decision should be deferred until further clarification had been received regarding the possible implications of the terms proposed in the Annex to LIC/W/4 for the operation of the General Agreement as a whole.

18. The representative of the United States also said that this matter should be looked at in greater detail in consultation with the secretariat, but the procedures should be adopted as quickly as possible.

19. The representative of India asked whether it would be proper to address a request for accession to the Chairman of the Committee rather than to the Director-General, who would forward it to the Chairman.

20. The Chairman noted that the approach suggested by the secretariat was acceptable in its broad lines and that there was a general wish to adopt as uniform procedures as possible in all Committees. However, certain clarifications were needed regarding, e.g. the question raised on the possible implications of the terms of accession proposed. It was agreed that further consultations should be held and that the Committee would revert to the matter at its next meeting.

E. Documentation

21. Concerning circulation of the Committee's documents, the Chairman informed the Committee that the following arrangements, in his view, would meet the general need for transparency and the Committee's particular, if occasional, need for confidentiality. He proposed that after each meeting,

he would issue under his own responsibility a concise note on the meeting. This would be circulated to all contracting parties. The Committee's working papers, minutes, etc. would be issued in their appropriate LIC series and circulated to all participants. These would be available to all contracting parties on request. In the case of sensitive documents, these would have a restricted circulation, to be determined in each case. This was the arrangement on which he proposed to proceed.

22. The Chairman added that as regards international organizations, the question arose whether such organizations would receive documents for a particular meeting at the same time as they receive the invitation to it. In this connexion he stated that it would be normal for these organizations to receive the same documentation as other observers when they received the invitation. He would consult with the Chairmen of other Committees concerned in order to harmonize the practice to be adopted. The Committee agreed to these procedures.

23. Concerning the derestriction of documents, the Chairman stated that he assumed a procedure based on customary GATT practice for the derestriction of documents would be followed, i.e. that working documents and minutes would never be derestricted and that the secretariat should make a proposal annually regarding other documents to be derestricted at the end of the year and that these documents would be derestricted if no delegation objected to the proposal. It was so agreed.

24. The Chairman suggested that the Committee might revert to the question which had been raised regarding derestriction of panel reports and decisions based on these reports at a future meeting on the understanding that any discussion on this question would be without prejudice to any decision the Committee might take with regard to the appropriate mechanism for dispute settlement relating to licensing procedures (LIC/M/1, paragraph 7).

25. In response to a question the Chairman stated that in accordance with GATT practice, restricted documents were circulated to governments entitled to receive them for their own, and not for public, use. These documents were also under certain circumstances circulated to international organizations on the understanding that this was for the internal use of the secretariats of these organizations and that, for instance, the substance of the documents should not be communicated to governments not otherwise entitled to receive them.

F. Panelists

26. The Chairman finally noted that a few delegations had designated persons to be available to serve on panels dealing with licensing matters and that, as had been agreed at the last meeting, any such notifications were being made without prejudice to any decisions that the Committee might take as to

the appropriate mechanism to be used for dispute settlement (LIC/M/1, paragraph 7). The representative of Chile announced that his delegation had sent the names of two panelists to the Director-General and these two persons would be available to serve on panels dealing with matters referred to in Article 4.2 of the Agreement.

G. Frequency of meetings of the Committee and preparations for review

27. During the discussion of this item it was, inter alia, suggested by some delegations that the Committee should meet at an early date in order to agree on points not resolved at the present meeting and to ensure an effective implementation of the Agreement, e.g. by holding systematic and regular examinations of notifications.

28. The Chairman concluded that there was a feeling among some delegations in favour of a meeting before the summer and another meeting later in the year, inter alia, to take stock of the situation regarding notifications, to examine the manner in which the regular reviews under Article 5.5 of the Agreement should be organized and the date of the first review. The Committee agreed to ask the secretariat to prepare for the next meeting a note containing proposals for the organization of reviews and the systematic and regular examination of notifications.

29. It was agreed that the precise date of the next meeting and its agenda would be fixed by the Chairman in consultation with signatories.

ANNEX

Participation of Observers

Taking into account the decision arrived at by the CONTRACTING PARTIES at their thirty-fifth session on 28 November 1979 (document L/4905), the Committee agreed on the following procedures for the participation of observers:

1. Representatives of contracting parties which are not signatories may follow the proceedings of the Committee in an observer capacity.
2. Representatives of non-signatory countries not contracting parties, which participated in the multilateral trade negotiations and which are interested in following the proceedings of the Committee in an observer capacity, should communicate a request to the Director-General of the GATT indicating their desire to do so. The Committee shall decide on each request.
3. Observers may participate in the discussions but decisions shall be taken only by Signatories.
4. The Committee may deliberate on confidential matters in special restricted sessions.
5. The Committee may invite, as appropriate, international organizations to follow particular issues of the Committee in an observer capacity. In addition, requests from international organizations to follow particular issues within the Committee in an observer capacity shall be considered on a case-by-case basis by the Committee.