

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LIC/M/7

18 February 1983

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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 13 DECEMBER 1982

Chairman: Mr. R. Long

1. The Committee on Import Licensing held its seventh meeting on 13 December 1982.

2. The agenda for the meeting was as follows:

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A. Information available on Import Licensing Procedures

3. The Chairman drew attention to item 4 of GATT/AIR/1870 under which the documents containing information on licensing procedures were listed.

4. The representative of the European Economic Community underlined the importance of updating the responses to the GATT Questionnaire on Import Licensing Procedures contained in document L/5106/Rev.1.

5. The representative of the United States said that his delegation looked forward to receiving information from Egypt on its import licensing procedures.

B. Implementation and Operation of the Agreement

6. The representative of Hungary recalled their previous enquiry concerning the list of products subject to the formalities of import declaration and administrative visa system in France. According to the response by the representative of the European Community on behalf of France, "those formalities applied to all countries non-members of the European Economic Community, but in a way that was not uniform to the extent that countries were traditionally classified in one or another of the four existing zones." His delegation's understanding was that the

Agreement provided for equal treatment of all signatories in the field of import licensing procedures. His delegation, therefore, reserved its position regarding the conformity of the relevant import licensing procedures applied by France with the provisions of the Agreement on Import Licensing Procedures and under the GATT.

7. The representative of India, referring to a request for information by the delegation of the United States, said that licences issued for imports of in-shell almonds, shelled almonds, prepared and preserved almonds, raisins, sultanas and other dried fruits and nuts for the period 1976 to 1982 at each port of entry were not available on a commodity or importer basis. Only the quantity and value of imports under each licence were recorded. In this connection, he invoked the provisions of Article 3(b)(iv) on account of his country's difficulty in providing the information requested within the limits of existing administrative and financial resources. He also added that imports of almonds were subject to licensing for balance-of-payments purposes. He reaffirmed that his authorities did not discriminate in favour of any country in issuing licences for imports of almonds and other dried fruits and that the importer was free to import from any source up to the value of the licence. He also confirmed that no licencing measures existed other than those outlined in the Import and Export Policy.

8. The representative of the European Economic Community requested the Canadian delegation to supply information on the operation of the licensing system on imports of bovine meat introduced as of 1 October 1982. The representative of Canada said that the relevant information was contained in Export and Import Permits Act, Notice to Importers, Serial No: 180.

9. The representative of the United States asked whether the information provided by the European Economic Community on the distribution of its import licences for high quality beef could be provided by country instead of by area.

10. The representative of New Zealand stated that Japan retained import quotas on some fifty-seven tariff items included in CCCN chapters 1 to 24, covering products of export interest to New Zealand such as bovine meat, dairy products, squid and certain other species of fish, fruit pulp and puree and leather. He described the principal access concerns of New Zealand in exporting those products to the Japanese market. He also drew the attention of the Committee to replies to the Questionnaire on Import Licensing Procedures by Japan, contained in document L/5168, and said that reply number 3 which stated that import licensing requirements were applied without discrimination to imports from all sources did not reflect the reality in respect of quotas imposed on imports of leather products and beef. He also added that in reply number 6(i) of the same document, Japan maintained that there existed no bilateral import quota or export restraint arrangement with other countries. Japan had concluded a voluntary export restraint arrangement with New Zealand in 1981 concerning exports of prepared edible fats to Japan. On the other hand, Japan issued discriminatory import quotas for leather.

11. The representative of the United States requested Japan to supply further information on their licensing practices concerning leather, leather products and leather footwear. His delegation also sought additional information regarding the division of import quotas for orange juices into five groups of products. They asked whether any of these quotas had been allocated to an importer which was also a domestic producer of like goods. His delegation was also interested in the allotment of quotas on individual types of non-citrus fruit juice. He also asked to be informed of the number and names of quota holders on categories such as fruit juices, fruit pulp and puree, tomato products and miscellaneous food preparations. The representative of Japan said that he would transmit the enquiries by the representatives of New Zealand and the United States to his authorities.

12. The Committee reverted to the discussion held at the previous meeting on the non-publication of quotas on a few exceptional items by Japan (LIC/M/6, paragraphs 34 and 35). The representative of Japan informed the Committee that the Japanese authorities had decided to publish the total aggregate amount of quotas on several agricultural and fishery products. The category of such items was classified as miscellaneous and the amount of imports relating to each product was small. It had therefore been appropriate to set up and publish import quotas for the total aggregate amount of those products. Concerning leather and leather products, he reiterated that his authorities were not in a position to publish import quotas due to social and political difficulties in the leather industry, which consisted of small-scale enterprises that lacked international competitiveness. However, in taking note of the discussion in the Committee relating to this subject, his authorities were making an effort to provide statistical data on the actual value and quantity of imports of leather, leather products and leather footwear.

13. The representative of Chile stated that despite a marginal improvement in the supply of information to the Committee on the publication of quotas, Japan's observance of its obligations under Article 3(c) of the Agreement was far from being satisfactory. First, the Japanese authorities had decided to publish the total aggregate amount of quotas covering a number of agricultural and fishery products which were not similar or directly competitive with one another. In this connection, he asked the Committee for confirmation that in terms of the Agreement the information to be given should be on a product basis rather than on a group of products basis. Secondly, the Japanese delegation was providing statistics on the imports carried out under the quotas on leather and leather products, but this was not the same as publishing the quantity or value of import quotas applied to those products and providing all the other elements of information required for full transparency in terms of Article 3(c).

14. The representative of the European Economic Community also welcomed efforts made by the Japanese authorities to publish quotas on imports of miscellaneous agricultural and fishery products. However, his delegation reserved its position on the adequacy of publishing a basket quota which did not cover products which were more or less substitutable. Concerning the publication of quotas on leather and leather products, the Committee

was confronted with a situation where the Japanese delegation stated that they were unable to comply with a specific provision of the Agreement. The arguments of political and social difficulties in an industry raised by Japan could not justify their refusal to comply with obligations of transparency under the Agreement.

15. The representative of the United States said that certain internal difficulties should not be invoked to undermine the transparency that the signatories of the Agreement were seeking in the area of import licensing procedures. The representatives of Australia and the United Kingdom on behalf of Hong Kong said that the information requested from Japan related to products of special export interest to them in the Japanese market.

16. The Chairman concluded the discussion on non-publication of quotas on a few exceptional items by Japan, as follows:

- (i) the Committee noted that this was the fifth occasion on which it had discussed the matter. It noted the additional statements by the representatives of some members of the Committee and by Japan. It welcomed the efforts made by the Japanese delegation and the information which would be made available;
- (ii) the Committee noted that Japan did not publish the overall amount of quotas to be applied by quantity and/or value on a few exceptional items, namely leather products, and any change thereof as provided in Article 3(c);
- (iii) the Committee therefore invited Japan to comply with Article 3(c) of the Agreement without delay;
- (iv) the Committee further noted that Japan proposed to publish the information relating to the quotas on several agricultural and fisheries products and that some delegations reserved their position pending the receipt of the information;
- (v) in that context, the Committee also noted that all members of the Committee maintained their rights under Article 4 of the Agreement.

17. The Committee took note of the conclusions by the Chairman.

C. Date and agenda of the next meeting

18. The Committee agreed to hold its next meeting in the first half of June 1983, the exact date to be fixed by the Chairman, in consultation with delegations. The agenda of the meeting would include the following items:

- (i) Information available on import licensing procedures.
- (ii) Implementation and operation of the Agreement.
- (iii) Other business.