

GENERAL AGREEMENT ON TARIFFS AND TRADE

Group on Quantitative Restrictions
and Other Non-Tariff Measures

MEETING OF 21 OCTOBER 1983
Note by the secretariat

Chairman: Ambassador A. Onkelinx (Belgium)

1. The Group met on 21 October 1983.
2. The Chairman recalled the three-stage approach to its work adopted at its first meeting (NTM/2, paragraph 8):

Stage I Compilation of an adequate information base for the work of the Group.

Stage II Review of existing quantitative restrictions and other non-tariff measures, the grounds on which these are maintained, and their conformity with the provisions of the General Agreement, so as to achieve the elimination of quantitative restrictions which are not in conformity with the General Agreement or their being brought into conformity with the General Agreement, and also to achieve progress in liberalizing other quantitative restrictions and non-tariff measures.

Stage III Consideration of the Group's findings and conclusions, and preparation of its final report.

He also recalled that the Group had agreed that adequate attention would be given to the need for action on quantitative restrictions and other measures affecting products of particular export interest to developing countries at each stage of the Group's work.

3. The Group discussed the following items:
 - A. Stage I - Information base for the review;
 - B. Stage II - The review;
 - C. Timetable for further work; and
 - D. Progress report to the Council.
- A. Stage I - Information base for the review

4. The Chairman recalled that information on quantitative restrictions had been compiled by the secretariat in documents NTM/W/6 and Add.1,

according to a format described in NTM/W/5, and containing general Country Notes on all contracting parties followed by a table of restrictions maintained, organized product by product. The table identified, by means of an asterisk against the CCCN number, products of export interest to developing countries, also listed in NTM/W/4/Rev.1. As had been agreed, and without prejudicing the future work of the Group, the documentation on quantitative restrictions was comprehensive with regard to product and country coverage. Some information on quantitative restrictions was also to be found in Part IV of the Inventory of Non-Tariff Measures (industrial products) (NTM/INV/IV) and, for agricultural products, in the Agricultural Inventories (AG/DOC/2 and AG/DOC/3 series).

5. The Chairman recalled that, as outlined in document NTM/W/7, information on other non-tariff measures was available in the industrial inventories (NTM/INV/I-V and Addenda), the agricultural inventories (AG/DOC/- series) and the documentation of the Committee on Trade in Agriculture (AG/FOR/- series).

6. Commenting on the documentation on quantitative restrictions, some delegations regretted the absence of detailed and up-to-date information for a number of the contracting parties and suggested that these contracting parties be asked to notify the restrictions they maintain. One delegation, speaking for a group of countries, said that it attached importance to the inclusion of export restrictions in the documentation on quantitative restrictions.

7. The Group agreed that this documentation provides an adequate basis for its work on the understanding that it is necessary to ensure the continuation of the work of collecting information from all contracting parties, as well as improving the quality of that already available. The Group therefore agreed that it could now proceed to Stage II of its work. The secretariat was requested to invite contracting parties to improve, where necessary, existing information, for inclusion in NTM/W/6.

B. Stage II - The Review

The Group initiated discussion of Stage II of its work.

(i) Quantitative restrictions

8. The Chairman suggested that at its next meeting the Group should take up NTM/W/6 and Addenda and examine them with the aim of identifying, for each individual measure, the grounds on which it was maintained and its conformity with GATT provisions. He suggested, however, that the Group would not at that meeting examine measures affecting agricultural products. For these products, any relevant information obtained in the Committee on Trade in Agriculture would be incorporated in NTM/W/6 and the Group would re-examine the situation on a date to be agreed and in the light of developments in that Committee. With regard to textiles, the Chairman drew attention to the work being carried out in other bodies of the secretariat (the review of MFA agreements in the TSB and the specific work programme laid down by Ministers for the whole textiles sector) and proposed that the Group also re-examine the situation on a date to be agreed.

9. The Chairman suggested that first, contracting parties wishing to do so would make a general statement regarding the grounds and justification for their quantitative restrictions and other members of the Group would then have an opportunity to ask general questions and make general comments. Second, the information in NTM/W/6 would be examined by product sections in the CCCN classification. The first section to be examined would be mineral products. However, if so wished, individual chapters within a section, e.g. chapter 73 (iron and steel), could be taken separately; this would be seen in the course of the review. Contracting parties would present information on grounds and GATT conformity for those measures. Other members of the Group would then have an opportunity to ask questions or to make comments on each presentation and to raise any points which they might have on products in the CCCN section concerned. Third, adequate attention would be given, in the course of the review, to products of particular export interest to developing countries.

10. One delegation emphasised the importance of adopting a procedure for the review stage that would lead in the end to the desired result, trade liberalisation. Seen in this light, quantitative restrictions fall into four categories not all of which would require equal attention: (a) temporary restrictions in conformity with GATT (e.g. for balance of payments reasons); (b) more permanent restrictions, but also in conformity (e.g. as embodied in Protocols of Accession); (c) restrictions not in conformity with the GATT (e.g. so-called "residual" restrictions); and (d) restrictions as to the conformity of which no agreement existed and which would therefore require the most attention in the Group. Whatever the approach adopted, the aim of the next meeting must be to get information on the grounds and GATT conformity of the individual measures maintained.

11. Several delegations argued that the Group's work had to be directed principally at the objective of achieving the elimination of restrictions not in conformity with the GATT. A group of delegations held the view that the question of GATT conformity ought to be seen in the broad and balanced context which was the background for the Ministerial Declaration and that the grounds on which particular measures were maintained were as important to examine as GATT conformity. Another delegation expressed the view that the question of GATT conformity of measures was of paramount importance and that once the Group had established that particular measures had no GATT justification, the grounds on which such measures were maintained would be of no relevance and should not be examined by the Group. Certain delegations expressed concern that the discussion of grounds on which particular restrictions were maintained could not reopen any discussion nor prejudice the position of delegations on the GATT conformity of measures which had already been recognized as inconsistent with GATT provisions and that the conclusions of the Group could in no way challenge the already established findings and resolutions of the CONTRACTING PARTIES in this respect.

12. As regards the question of restrictions on agricultural and textile products, the Group noted that this should be reverted to at a later stage of the Group's work. Some delegations stated that a decision on examination of these measures by the Group should or could be postponed pending the outcome of work in other bodies of the GATT, some of these delegations adding that this should not create any presumption for the work

of the Group in so far as agriculture was concerned. Others felt that, according to the Ministerial Declaration, these two sectors should not be treated differently from the others and that differences in emphasis and approach would ensure that the work of the Group did not duplicate that of bodies of the GATT: it was thus a question of when, rather than whether, these measures were to be reviewed by the Group. Some delegations indicated that they might consider reverting to the treatment of textiles at the next meeting. One delegation expressed concern that according different treatment to MFA and non-MFA restrictions might appear to confer some degree of legality to the former. In the field of agriculture, attention was drawn to the necessity of examining restrictions on fishery products should these not be the subject of examination in other GATT bodies.

13. On the procedure to be followed in the review of measures on other products, although some delegations would have preferred a country-by-country approach and some felt that an examination of specific products would become necessary, there was general acceptance of a proposal by the Chairman to carry out the review sector by sector, with the opportunity given for general country statements on grounds and GATT conformity as well as the possibility of dealing with certain individual chapters and with individual products separately, if need be. Several delegations noted the usefulness of having general statements available before the next meeting. One delegation pointed to the importance of all contracting parties participating in the review stage of the Group's work. Another delegation suggested that the secretariat be requested to prepare a list of contracting parties that had not notified their measures to the Group.

14. A number of delegations stressed the importance, in the light of both the Ministerial Declaration and the ultimate aim of trade liberalization, of according priority attention to measures affecting products of export-interest to developing countries. One delegation stated that the list of such products (NTM/W/4/Rev.1) could not be considered definitive but should remain open to amendment in the context of changing conditions in developing countries.

15. The Chairman summed up the debate and referred to a number of specific points that had been made, among them being the following points. Consideration would be accorded to the procedure for ensuring that adequate attention be given to measures affecting products of particular export interest to developing countries. The Group should revert at a later stage to the question of fisheries, as for other products in Chapters 1-24 of the CCCN, and re-examine the situation in the light of developments in other bodies of the GATT. He concluded by saying that any matter that would seem to require further consideration prior to the Group's next meeting might be taken up in informal consultations.

16. The Group agreed to the procedural suggestions made by the Chairman.

17. Finally, the Chairman suggested that, given the complexity of the matter, delegations might, as far as possible, supply any relevant information to the secretariat in writing, before or at the next meeting, on a purely informal basis. He also noted the secretariat's willingness to assist individual delegations in their preparations for the meeting.

(ii) Other non-tariff measures

18. The Chairman suggested that in the area of other non-tariff measures opportunity would be given in the review to delegations to ask questions or make statements on the grounds and GATT conformity of measures in the Inventory (NTM/INV/I-V and addenda). He suggested that the Group might also consider whether priorities might be established among the categories of other non-tariff measures for the purposes of Stage III of its work, and see how measures in any such categories could be addressed. He also suggested that the same procedure as for quantitative restrictions be adopted for the agricultural and textiles sectors (see paragraph 8 above).

19. Several delegations stressed the importance of treating quantitative restrictions and other non-tariff measures equally. Some delegations considered, that there might be better prospects for trade liberalisation in the area of non-tariff measures other than quantitative restrictions.

20. The Group took note of the statements made and agreed with the Chairman's suggestions in paragraph 18 above.

C. Timetable for further work

21. The Group agreed that the purpose of the next meeting, to be held on 5-9 December 1983, would be to review existing quantitative restrictions and other non-tariff measures, the grounds on which these are maintained, and their conformity with the provisions of the General Agreement, in accordance with the procedure set out in paragraphs 8, 9 and 18 above.

22. The Group agreed that the week of 6 February 1984 be set aside for a possible further meeting, and that the Group conclude Stage II of its work at a meeting to be held in the week of 9 April 1984. It also agreed that further meetings could be set, if necessary, to achieve this aim.

D. Progress report to the Council

23. The Group agreed that the Chairman should present, on his own responsibility, a progress report on the Group's work to the Council. This report was subsequently issued as NTM/3.