

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/192

1 June 1973

Limited Distribution

Committee on Trade and Development

INFORMATION ON QUANTITATIVE IMPORT RESTRICTIONS OF INTEREST TO DEVELOPING COUNTRIES EXAMINED IN GATT

Note by the Secretariat

1. At the twenty-fourth session of the Committee on Trade and Development, the Chairman in his summing-up referred to a number of general points¹ which appeared to emerge in connexion with discussions on quantitative import restrictions, including, *inter alia*, the suggestion that the Committee should be in a position to establish a list of items of interest to developing countries that should be the subject of action either within the framework of the multilateral trade negotiations or otherwise. The purpose of this note is to assist delegations in considering future action in this respect in the light of earlier discussions on quantitative restrictions in GATT and the compilation of lists of restrictions presented in the relevant GATT documents.

Group on Residual Restrictions

2. When considering its work programme in April 1969, the Group on Residual Restrictions decided that, since some of the products under restriction were receiving attention in other organs of GATT, the Group should, within the broad objective of seeking maximum liberalization, give priority attention to a few selected items (COM.TD/66, paragraph 11). Accordingly, and on the basis of consultations between the Chairman of the Group and interested delegations, the Group agreed to take up for examination a list of twenty-one products or product groups, extracted from a more comprehensive tabulation of restrictions in document COM.TD/W/93 (later revised in COM.TD/67) which was prepared by the secretariat on the basis of notifications made by developing countries in the context of the Kennedy Round and consolidated in an earlier document, COM.TD/23.²

¹COM.TD/90, paragraph 17.

²Committee III, established in 1958 under the GATT Programme of Action directed towards an expansion of international trade, compiled several lists of products of export interest to developing countries on the basis of notifications made by developing countries represented on the Committee. In response to an invitation to indicate products of interest to them in the context of the Kennedy Round of trade negotiations, a number of developing countries submitted details. A consolidated list of such products subject to restriction was supplied to the Committee on Trade and Development in October 1965 and reproduced with minor corrections and modifications in COM.TD/23.

3. At its seventeenth session in January 1971, the Committee on Trade and Development agreed that, in addition to continuing to seek possibilities for the removal of restrictions on the twenty-one products or product groups already examined by it, the Group on Residual Restrictions should take up other products identified as being of export interest to the developing countries in the Group and in the Joint Working Group on Import Restrictions. Subsequently, data were collected in document COM.TD/W/140/Rev.2 on an additional twenty-nine products and product groups in which developing countries had indicated an interest in the Joint Working Group. However, a number of items recorded as being of interest to developing countries in the annexes to the Joint Working Group report, such as live animals and cereals which were under examination elsewhere in GATT and certain manufactured items where only one developing country had indicated an interest, were excluded from the tabulations. In January 1972, the Group on Residual Restrictions reviewed action taken on the twenty-one products or product groups already examined and discussed possibilities for action on the other items identified.

4. In considering what further action might be taken on import restrictions affecting products of interest to developing countries, the Group of Three, in its second report (L/3710), recommended that the work of the Group on Residual Restrictions be reoriented to enable it to concentrate on items of significant trade interest to a number of developing countries.

Joint Working Group on Import Restrictions

5. The Joint Working Group was established by the GATT Council in January 1970 as a temporary ad hoc body to conduct consultations concerning quantitative import restrictions maintained by developed countries. As background for its work, the Group had before it an illustrative table of import restrictions (L/3377 and addenda) applied by eighteen developed countries which had been notified as being inconsistent with the provisions of the GATT and not authorized by the CONTRACTING PARTIES. The tabulations were compiled on the basis of notifications submitted to the Agriculture Committee and the Committee on Trade in Industrial Products, and corrections and additions received from individual contracting parties. Account was taken of notifications on State trading, restrictions covered by waivers, and on escape-clause action. The restrictions listed were not necessarily complete. For example, restrictions considered to be consistent with Article XX, some maintained under Article XXI, and some regarded as justified by Protocols of Accession had not been notified. The report of the Joint Working Group (L/3391/Rev.1) of March 1971 contained a revised consolidated table of import restrictions. This tabulation set out details of restrictions in force to the extent that restrictions maintained by the specified countries had been notified to the contracting parties in one context or another. Annex IV to the document contained an illustrative list of products with respect to which developing countries indicated specific interest at the meeting of the Group in January 1971 and Annex V provided details of notified restrictions or restraints imposed or maintained pursuant to the Long-Term Arrangement regarding international trade in cotton textiles.

6. In June 1971, the Council decided that the data assembled by the Joint Working Group should be kept up-to-date. A revised version of the annexes to L/3391/Rev.1 was circulated in February 1972 (COM.IND/W/67, COM.AG/W/74) on the basis of information available to the secretariat up to 31 December 1971. A further revision of the material is contained in document COM.IND/W/97 (also symbol COM.AG/W/92) dated 21 March 1973 and includes information available up to 15 March 1973.

Committee on Trade and Development

7. For the review of import restrictions on products of interest to developing countries in the context of the preparatory work for the trade negotiations, the twenty-fourth session of the Committee on Trade and Development had before it document COM.TD/W/179 and addenda 1 and 3, dated February and March 1973, showing revised details of restrictions as well as information on tariffs, levies and trade flows. The lists of items subject to restriction were those identified in the Joint Working Group report, and included products examined by the Group on Residual Restrictions, as well as the products which had not been covered by the Group (see paragraph 3). Add.1 of document COM.TD/W/179 provides information in respect of items for which exports to restricting countries by developing countries were recorded in 1970. The list of developing country suppliers in column 10 of the tabulations is based on information at the tariff-line level contained in the tariff study files, and in general includes developing countries which have been responsible for imports of \$1,000 or more of the item in question into the restricting country. Add.3 relates to products in respect of which exports from developing countries to restricting countries in 1970 were nil or negligible although exports were recorded to other developed markets, as well as a few items for which no trade was indicated but, presumably, where one or more developing countries had a potential interest in such trade. The developing country suppliers were listed in column 10 on the basis of imports at the BTN four-digit level into non-restricting developed country markets and where trade for any one supplier was generally in excess of \$50,000. Where trade in a particular item was relatively large and there were also a large number of suppliers, the cut-off point was increased according to the item under consideration to include the major suppliers.

Establishment of a list for action within the framework of the negotiations

8. It has been suggested in the Committee on Trade and Development that priority action should be taken on restrictions affecting exports from developing countries, especially those from the least-developed countries. As a basis for identifying such items subject to restriction, it could perhaps be accepted in principle that all products listed in addenda 1 and 3 are of interest to developing countries. If, however, in terms of the discussion at the last session of the Committee on Trade and Development, it is considered that a list of items of particular interest to developing countries including the least-developed countries should be established for priority action in the trade negotiations, it will be necessary to follow an appropriate procedure for this purpose.

9. In this connexion a list could be established without prejudice to the precise modalities for action which might be adopted in respect of particular restrictions such as those affecting certain broad classes of agricultural products and without excluding the right of developing countries to pursue their particular interests. It is to be expected that for the purpose of establishing such a list, some criteria relating to trade flows in individual items may need to be established. Although the preparation of the list and the collation of data are not tasks which could be conveniently undertaken by the Committee on Trade and Development, the Committee may wish to entrust these matters to a smaller group such as the Group on Residual Restrictions or any other appropriate body set up in connexion with the consideration of quantitative restrictions in the context of the negotiations.