

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/257

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Limited Distribution

IMPORT RESTRICTIONS APPLIED UNDER ARTICLE XII

A Note on the intensification of restrictions and on the imposition of new restrictions since the Eighth Session

A. INTENSIFICATION

1. Under the established intersessional procedures for consultations and action under Article XII - XIV, a contracting party modifying its import restrictions is required to furnish detailed information to the secretariat for circulation to other contracting parties and for consideration by the Chairman and the Executive Secretary so that they may determine whether there is a prima facie case for the initiation of a consultation under Article XII:4(b). Several governments have accordingly supplied data on the modifications introduced since the Eighth Session in their import restrictions applied under Article XII, and these have been distributed:

Australia	L/191 & 244
Ceylon	L/176
New Zealand	L/256
Rhodesia	L/182
Sweden	L/243
South Africa	L/190 & 209
United Kingdom	L/180

2. The following notes briefly describe the modifications which appear to involve an intensification of restrictions. The note on Australia is based on the recent notification by the Australian Government and the other notes are based on unofficial information.

Australia

It was announced on 30 September 1954 that import controls were to be tightened to prevent importers from obtaining goods beyond their reasonable needs for the remaining six months of the licensing year ending on 30 March 1955, and that this would involve a limitation of the quotas established for Category A goods. The decision was said to have been made in the light of the prospects for Australia's balance of payments in 1954-1955. The press statement issued by the Government on 1 October says in part that during the licensing year from 1 April 1954 to 31 March 1955, licences for those goods which were placed on not-quota-restricted basis from 1 April last will be issued on the basis of 100 per cent of imports in the base year 1950/51, except certain materials such as raw cotton, crude rubber, crude asbestos, nitrate of soda and rock phosphate which will continue to be licensed on the NQR basis. It was explained that:

"The system of NQR licensing was first introduced on a small scale in April last year. It was very considerably widened as from 1 April this year when it was made to include practically all goods previously in the A category and a substantial part of those previously subject to licensing on an administrative basis. Since goods formerly in the A category were licensed before 1 April on the basis of 90 per cent of base year imports, importers will be able to obtain in the current licensing year licences to a value rather more than 10 per cent greater than their previous quotas. It is calculated that on the new basis imports in 1954/55 of goods now subject to NQR licensing will be approximately £300 million as compared with £250 million in 1953/54." (see L/244)

Chile

In February 1954 the Government published an extended list of prohibited imports which contained about 1,000 items classed as non-essentials including industrial products of the type made in Chile.

Denmark

It was reported in August 1954 that the Danish Government had decided to reduce the number of motor-cars that may be imported into that country by about 8,000 a year. This constitutes a 50 per cent cut in such vehicles. Cars imported under the Dollar Award Export Scheme were not affected.

Indonesia

It was reported in May that Indonesia would tighten its restrictions on imports of certain textiles with a view to affording more effective protection to the domestic batik industry. Foreign Commerce Weekly referred to protective measures taken in February, by a Ministry of Trade and Industry Decree, to enable domestic manufactures to compete with foreign goods. The tightening of restrictions was officially announced by the "Central Revenue Office" of the Indonesian Government. In September the Indonesian Government decided to cease provisionally to make currency allocations for the importation of primary materials and some manufactured goods.

Pakistan

The import licensing scheme for the second half of 1954 issued on 10 July reduced the number of items for which licences would be issued from 274 to 144. The items affected were mainly luxury goods. The number of consumer goods which would be granted import licences was thus reduced, but at the same time a wider scope for the purchase of basic raw materials and capital equipment necessary for the industrialization of the country was allowed.

Turkey

Under the import control system introduced on 1 November 1953 the amount which importers have to deposit with a bank when applying for an import licence was raised from 4 per cent to 10 per cent of the import value. In addition, importers were required to effect a minimum payment in advance between 70 and 90 per cent of the import value as soon as they received the licence. Further, it has been reported that the new foreign trade regulations, published on 23 September 1954, were designed to cut imports to the barest necessities and to enforce stricter government control. These are reported to be the outcome of an all-round drop in exports during recent months and of a poor harvest heavily reducing the surpluses of cereals for export.

Japan

It was announced by the Japanese Government on 29 September 1954 that the import budget for the six-month period ending 31 March 1955 provided for available imports amounting to \$1,090 million, which is \$456 million less than in the corresponding period of the previous financial year.

B. NEW RESTRICTIONS

Belgium and Luxemburg

Belgium and Luxemburg are understood to maintain import restrictions on certain products. One recent action in this field has been the extension of licensing control to imports of textiles since October 1953. It was announced in August that during the second half of 1954 imports of printed textiles of rayon or staple fibres would be limited to 50 per cent of imports during the corresponding period in 1952, except in cases where official undertakings with certain countries provide for different arrangements.

Peru

The Peruvian import prohibition of motor-cars, introduced in November 1953 to be effective for six months until the middle of May, was prolonged until the end of August 1954. The prohibition was removed on 13 August 1954 and from that date the importation of vehicles has been subject to authorization from the Ministry of Finance based on recommendations from the Peruvian Automobile Association.

(The introduction of the prohibition on motor-cars and action taken by the Executive Secretary were reported to the Intersessional Committee in February 1954 - see IC/SR.12.)

