

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/331/Add.1
17 March 1955

Limited Distribution

ANNEX TO THE FIFTH ANNUAL REPORT UNDER ARTICLE XIV:1(g)

Country notes on the Discriminatory Application of Import Restrictions

The following notes are intended to provide a brief description of the systems and methods of discriminatory import restrictions covered by this report, and the more important changes in the period between the writing of the fourth report in October 1953 and the present report in February 1955.

These notes were compiled by the secretariat from information supplied by the governments themselves and data gathered from other sources. They were checked with the delegations attending the Ninth Session.

AUSTRALIA

All imports are subject to licence. Imports from countries other than the dollar area are licensed in a non-discriminatory manner, mostly on a quota basis, importers being permitted to bring in goods, up to the value licensed, from any country outside the dollar area. (Except for a limited list of reserved items which are still licensed separately, imports from Japan are now licensed on the same basis as other non-dollar imports.)

Licences for imports from the dollar area are issued chiefly for essential goods which are not available from other sources in adequate quantities or on reasonably comparable cost and delivery terms.

Recent changes

Further relaxations of restrictions on non-dollar imports were introduced in April 1954; essential imports were licensed freely and quotas for less essentials were raised.

These imports, with a few exceptions, were placed again under quota control in October 1954, the quotas for the period between 1 April 1954 and 31 March 1955 being fixed at 100 per cent of imports in the base year 1950/51.

AUSTRIA

The import of specified goods is subject to licence. Licences are granted on the basis of foreign exchange available for payment either without fixed quotas or under quotas established in accordance with bilateral agreement. No global quotas are in existence. There is no import prohibition and compensation transactions are not used except with countries for which no clearing agreements exist.

Recent changes

The percentage of imports from OEEC countries which were free from restrictions was raised from fifty in December 1953 to sixty in March 1954, to seventy-five in May, and to eighty-three in December 1954.

BRAZIL

Except for certain minor items and goods classified as "super-essential", all imports are subject to licence. Licences are granted to holders of exchange certificates, purchased at auction. For the purpose of allocating exchange for auction, imports are classified into five categories according to their essentiality and other criteria.

Imports of newsprint, fuel and wheat are controlled by specialized agencies, which determine the place and currency for purchase. Other products are classified according to their essentiality to the Brazilian economy, into five categories. The import of essential and less essential goods is permitted from all currency areas, subject to the possibility of providing the necessary exchange for payment in each area. Non-essential goods may be imported only from areas with which Brazil has a favourable balance of payments.

BURMA

All imports are subject to licence. Licences are issued on a currency area basis, that is, they are valid either for imports from the hard-currency area, or from the soft-currency area. Within the specified area the holder of a licence is free to choose any source of supply. The total monetary ceiling available for each area is allotted for all items to be licensed.

Imports from the hard-currency area are generally limited to governmental and industrial requirements and essential goods not obtainable from the other area. Licences for imports from the soft-currency area are issued on a more liberal basis. A number of essential goods including basic textiles, machinery, scientific instruments, essential foodstuffs, are covered by open general licences which permit their free importation from soft currency countries.

CEYLON

Imports from hard-currency countries, in particular the dollar area, are limited to the category of goods that are essential for industrial and agricultural development.

Four open general licences are in force which authorize specified imports from different groups of countries. OGL No. 1 authorizes the import of specified items from all countries other than those in the dollar area, certain European countries and Japan. OGL No. 2 provides for the free import of specified items from the dollar countries. OGL No. 3 authorizes a few items to be imported from all countries except Australia, Germany and Japan. The fourth OGL covers imports of a limited number of items, which may be imported from certain soft-currency countries.

As for goods not covered by open general licences, two lists are published, one showing the goods licensable from all areas and the other showing goods licensable from dollar sources and Japan. "Monetary ceilings" are provided for the import of all goods in the second list and for some items from European Payments Union countries in the first list.

Recent changes

Licensing control was withdrawn from five groups of imports from the sterling area and EPU countries (except Germany) and, in the case of three groups, also from the dollar area and Germany.

CHILE

All imports are subject to licence. Licences are issued within the limits set in a foreign exchange budget which is divided into two sections to cover (a) the dollar area and (b) other countries. Quotas for permitted imports are fixed on the basis of the different currencies available for payment. As an exception some goods are permitted to be imported from certain countries with which Chile has bilateral commercial agreements. Certain listed luxury goods are permitted to be imported under licences issued in accordance with export receipts from wine and the newly mined gold.

DENMARK

I. Unrestricted imports

- (a) A global list consisting of raw materials, semi-manufactures, which may be imported without licences from any sources and irrespective of the currency required for payment.
- (b) A regional free list consisting of a wide range of commodities, which may be imported from EPU countries without licences under certain conditions.

- (c) Free licensing arrangements in respect of certain commodities from EPU countries. Advance deposits are required for the imports of specified categories of goods eligible under this arrangement.

II. Restricted imports

- (a) Licences issued under quotas established in bilateral agreements.
- (b) Licences issued on a regional basis for imports from the EPU countries and associated territories.
- (c) Licences issued for commodities for which no quotas have been fixed in bilateral trade agreements. The licensing policy is usually very liberal for goods of the same categories as liberalized under I(b) and (c) when imported from countries outside the EPU area.
- (d) Licences for imports from countries with which no trade agreements exist, e.g. the dollar area.

Recent changes

Relaxations were made in the issuing of licences for imports from the dollar area and in including dollar imports in a free list. Thus, by January 1955, 38 per cent of dollar imports had been liberalized.

FINLAND

All imports are subject to licence and no global quotas are established. Applications for licences are considered individually on their merits, taking account of the balance-of-payments and monetary reserve position, and, where a non-convertible currency is involved, of the payments position with the country or currency area in question. Bilateral trade and payments agreements have been entered into with the majority of Finland's trading partners, with a view to balancing the trade accounts and licences for imports covered thereby are issued within the quotas established.

FRANCE

All imports are subject to licence. For licensing purposes, imports are divided into three categories: (a) imports payable in dollars; (b) imports payable in EPU countries; and (c) imports payable in other currencies.

A large proportion of imports from OEEC countries have been listed for free licensing without restriction. Certain imports are carried out through quotas fixed within the limits of the currencies available for payment. The quotas may either be allocated among supplying countries in proportion to the imports during a representative period, or may be globally fixed in accordance with the purchasing programme. Some quotas are fixed within the framework of bilateral trade and payments agreements.

Imports from the dollar area are, in general, subject to more strict restriction.

Recent changes

The percentage of liberalized imports from OEEC countries was raised from twenty in October 1953, to fifty-three in April 1954, to fifty-seven in September and sixty-five in October. A level of 75 per cent was reached at the end of 1954.

GERMANY

All imports are subject to licence. The lists of imports from OEEC countries which are free from restrictions has been enlarged, and licences are issued freely and without limitation for those goods which are included in that list. This free licensing procedure is also applied to certain imports from countries with which Germany has bilateral trade and payments agreements and also with other countries where payments for imports may be settled through the EPU. A substantial proportion of imports from the dollar area is, however, contained in a free list for unrestricted licensing.

Applications for licences for imports from countries other than those in the above-mentioned categories as well as for all imports subject to a quota are considered individually.

Recent changes

The percentage of liberalized private imports from OEEC countries was raised to 90.1 in July 1954. A free list, which was only slightly more limited in scope than its list of liberalized imports from OEEC countries was introduced in March 1954 for imports from non-OEEC countries which settled their accounts through EPU.

In November 1953 the Government announced its intention of removing the restrictions on certain imports from the dollar area, and by mid-February 1954, 46 per cent of its private dollar imports had been freed from control.

INDIA

All imports are subject to licence but some goods are covered by open general licences. The OGLs include goods whose free importation is not likely to put a sudden strain on the exchange resources. For many other items which remain under control, licences are issued freely upon application.

For purposes of import licensing, supplying countries are divided into two currency areas, namely, the dollar area and the soft-currency area. Licences are divided into soft-currency licences and general licences, the latter valid for exports from both areas. As a rule, the import policy for the dollar area is more strict. Certain items are licensed more freely for imports from Pakistan than from other sources. No imports are allowed from the Union of South Africa.

Recent changes

During the second half of 1954, some limited liberalization took place both in the administration of restrictions and in the granting of supplementary licences over the quotas provided. Higher quotas were provided for imports of a large number of essential goods from soft-currency countries and for some imports from the hard-currency area. Licensing restrictions were totally removed for certain goods.

ITALY

All imports from the dollar area countries are subject to licence, with the exception of a number of items of essential materials for which imports are admitted without restriction through permits issued automatically by the customs subject to compliance with the currency provisions regulating the payment of goods.

Imports from the EPU area are free of licence, with the exception of a few specified items.

Imports of many items from countries with which Italy has concluded special agreements, but for which payments are not made through EPU, are limited in accordance with the quotas provided in such agreements. There is, however, a de facto system under which additional imports may be affected within limits.

Recent changes

The list of products which can be imported freely from the dollar area was enlarged in August 1954.

NETHERLANDS

Imports from the dollar area are generally subject to licence, and licences are issued within quota limits fixed on the basis of estimated dollar availabilities. A number of essential items are included in a free list, and may be imported from the dollar area without restriction.

About 95 per cent of the imports from Belgium and Luxemburg, are free from quantitative control. 92 per cent of its private imports from OEEC countries are liberalized; for these goods licences are issued automatically upon application.

Recent changes

The dollar free list was progressively enlarged and quota restrictions were eliminated for a large number of items.

NEW ZEALAND

With the exception of those commodities which are included in a World Exemption List and which may be imported from any source free of licence, all imports from "scheduled countries" require an import licence. Essentiality and availability from other sources are, in general, the primary factors for determining whether licences will be issued for the importation of a particular product from scheduled countries, but significant price differences and other commercial considerations are taken into account where they are relevant.

For imports from non-scheduled countries, there is an extensive list of items exempt from licence requirements. Goods which are exempt from licensing may be imported from any non-scheduled country and where licences are still required they are issued without specification of the country of supply and may be used to import goods from any non-scheduled country.

Recent changes

Some imports from the dollar area were liberalized; the list of items permitted to be imported from the dollar area was enlarged, the licensable value was increased for a larger number of products, and a considerable number of items were added to the World Exemption List. As regards imports from soft-currency countries, some additional items were added to the extensive list of goods exempted from licensing.

The special exchange allocation scheme which was introduced in 1952 to deal with the balance-of-payments difficulties and which applied to imports from all sources, was discontinued as from 1955.

NORWAY

Seventy-five per cent of private imports from the OEEC countries may be imported without restrictions, either against a declaration or licences issued freely upon application. This free list is also applied to imports from all other EPU countries and several other countries outside this area.

All other imports, including dollar imports, are subject to licence. However, about 75 per cent of the total private imports from the United States and Canada is subject to a liberal import regime, under which licences for imports of raw materials, industrial equipment and other essential goods are normally granted automatically upon request.

PAKISTAN

All imports are subject to licence. An import policy is announced every six months which lists the items for which import licences will be issued. Permitted imports are licensed within quotas. Barter agreements have been made for the exchange of certain commodities.

With the exception of some items subject to bilateral commitments, import licences are issued to be valid for imports from all countries. Licences valid for imports from a single country are issued in cases where these are called for by obligations under bilateral trade agreements.

Recent changes

The distribution between dollar and non-dollar import licences was abolished from the beginning of 1955.

FEDERATION OF RHODESIA AND NYASALAND

The importation of all goods not being the product or manufacture of the sterling area is subject to control. In extension of the measures previously applied in Southern Rhodesia, the control is exercised in the following way:

- (a) Certain goods, mainly petroleum products, are covered by an open general licence.
- (b) A wide range of goods is on an "unrestricted list", for which import licences are granted automatically on request and without quota limitation or discrimination as to currency area of supply. A further "unrestricted list" of additional items is confined to goods originating in OEEC countries.

(c) For other goods the importation of which is permitted, an amount of foreign exchange is allocated for imports from the dollar area and another for imports from other non-sterling countries. Both of these are divided into global amounts for the various groups of products. Individual importers receive separate allocations within these global amounts; and their allocations may be utilized for imports from any country in the relevant area. Allocations granted for imports from the dollar area may, however, be utilized for imports from non-dollar countries.

Recent changes

The import policy adopted by the Government of Southern Rhodesia for the first half of 1954 provided for further relaxation of restrictions; more goods were added to the Unrestricted List and new or increased currency allocations were provided for some consumer goods. The Federal Government of Rhodesia and Nyasaland assumed control of imports into Southern and Northern Rhodesia and Nyasaland in April 1954, and beginning with the second half of the year, extended to the whole area the pattern of foreign currency releases previously followed by the Southern Rhodesian Government. Restrictions were relaxed by way of increased quotas, by enlarging the list of licensable goods and the Unrestricted List, by introducing the special OEEC unrestricted list, and by placing certain goods under open general licence. This process has been extended for the current licensing period (half year ending 30 June 1955).

SWEDEN

Licences are required for all imports except for those goods which are included in free lists. A large number of products is listed for unrestricted importation from all sources, and 92 per cent of private imports are listed from EPU and certain other countries.

For those imports which remain subject to individual licence, quotas are established either under bilateral trade agreements or, when no such agreements exist, in accordance with the limits set by an import budget drawn up on the basis of estimated currency availabilities.

Recent changes

Restrictions on dollar imports were gradually relaxed. The list of products free from all restrictions came into force in October 1954.

TURKEY

All imports are subject to licence and no quotas are fixed in advance. Licences for imports from the dollar area are granted generally only when the products in question are essential and are not available from countries outside the dollar area. Applications for the import of goods included in a "liberalization schedule", which is not being applied, are considered in accordance with an established programme and on the basis of the exchange available for payment.

Recent changes

The liberalization list was introduced in September 1953 when changes were made in the administrative system and in the listing of goods for various licensing purposes. The list has, however, not been put into force. Further changes were announced in September 1954, whereby the control was tightened.

UNITED KINGDOM

Under the import control system, a distinction is generally drawn between the dollar area, the sterling area and the non-dollar, non-sterling area. There are World Open General Licences covering a number of commodities, mostly raw materials, which importers can purchase without restriction from any source. In addition, there are Open General Licences permitting traders to import listed commodities without restriction from specified countries or groups of countries. These licences usually relate to one of the three following groups of territories - the sterling area; the sterling area, OEEC and certain other non-dollar countries; and all non-dollar countries. For some commodities, Open Individual Licences permitting imports without restriction, are issued to particular importers. These also cover imports either from all sources or from specified countries or groups of countries.

Individual licences permitting the import of specified quantities of goods not covered by open licences are issued against bilateral quotas or global quotas or are considered on an individual basis. Most of the global quotas now in operation cover imports from a group of countries within the non-dollar, non-sterling area. Only a few quotas are world-wide in application.

The extent of discrimination varies according to the nature of the particular commodities and their essentiality to the domestic economy. In regard to raw materials, a policy of non-discrimination has been adopted over a considerable range of products, notably softwood, wood pulp for paper, cotton, raw wool, many oils, raw drugs, aluminium, copper, lead, zinc and nickel. In the case of some of these commodities importers are issued with

Open Individual Licences. In cases of most other raw materials no restrictions are imposed on imports from sources outside the dollar area and Open General Licences are in force. Imports from the dollar area are generally subject to individual licence but these are issued relatively freely where such imports are needed to meet the requirements of industry.

One or two important foodstuffs are purchased on public account. Wheat, flour, coarse grains and other animal feeding stuffs are covered by Open Individual Licences. Many foodstuffs and manufactures may be imported without restriction from the sterling area, OEEC countries and certain other non-dollar countries. However, the import of many foodstuffs and manufactures from the dollar area is still restricted, and in some cases prohibited or allowed only under the Token Import Scheme.

Recent changes

The number of items covered by world open general licences or through the issue of open licences to individual importers have been increased. The liberalization list covering goods freed from licensing restrictions when imported from Western Europe and certain other countries has been enlarged, and the United Kingdom's percentage of liberalized imports from OEEC countries, which stood at fifty-eight in March 1953, was raised to eighty-two. The quotas for many of the goods which remain subject to restriction have been increased.

Markets have been re-opened for such important dollar commodities as grain, copra and cotton; the existing market in raw fur skins has been put on a more regular trading basis by the removal of all quantitative import restrictions.

URUGUAY

With the exception of a few items, imports are subject to licence. For licensing purposes global quotas are established for various currencies according to their availability. Within these global quotas individual importers are allotted quotas within which licences are issued. The restriction of imports is also achieved through exchange measures.

JAPAN

A unified control is exercised over imports through the allocation of foreign exchange and through the issue of individual import licences. Sources of imports are determined with a prime consideration of maintaining balance in trade with the respective settlement areas. In trade with the Open Account settlement countries the policy of equating bilateral trade at the highest possible level is pursued; in trade with countries in the sterling area, efforts are being made to achieve an overall equilibrium within the framework of the Anglo-Japanese Payment Agreement; and in trade with the dollar area, the principle of non-discrimination between countries within the area is maintained. In addition, imports from a country or an area with which Japan has a payment and/or trade agreement are made in conformity with requirements set out in the agreement.