

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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INFORMATION TO ACCOMPANY NOTIFICATIONS UNDER SECTION C, AND APPLICATIONS UNDER SECTION D, OF ARTICLE XVIII

A. Questionnaire for the Guidance of Contracting Parties¹

General Notes

The purpose of the following list of questions and subject matters is to provide contracting parties notifying measures under Section C, or submitting applications under Section D, of Article XVIII with guidance as to the type of information which it would be useful for them to provide in order to ensure satisfactory and expeditious operation of those provisions. Section C of the Article, in particular, sets a number of time-limits within which certain action must be taken by the CONTRACTING PARTIES. These time periods are generally of very short duration and the system can work satisfactorily only if notifications submitted are accompanied by information which would enable the contracting parties to judge whether a consultation should be initiated and would expedite the conduct of any such consultation.

The list of questions is not meant to involve any obligation on the part of the contracting party concerned to furnish definite answers or produce data on all points; it is realized that the administrative machinery available in a contracting party may be inadequate for the provision of all such data. The list is purely indicative and the contracting party concerned should judge for itself what information or documentation could usefully be made available to the CONTRACTING PARTIES. If it so desires, the contracting party may consult the secretariat on the preparation of its notification or application.

A. Eligibility of the Notification or Application

1. (a) If the action is taken under Section C of Article XVIII, describe in the light of the provisions of paragraph 4(a) of Article XVIII:
 - (i) the standard of living in the country (it would be useful to give data on the per caput gross national product); and
 - (ii) the stage of development of the economy (it would be useful to indicate, for example, the proportions of the population engaged in agriculture, industry, mining and tertiary production or the values of the production of these branches).
- (b) If the action is taken under Section D, describe the stage of development of the economy (see paragraph 4(b) of the Article).

¹ Approved by the Intersessional Committee on behalf of the CONTRACTING PARTIES on 15 October 1958 (see BISD, Sixth Supplement pages 129-130 and IC/SR.41 and 42).

2. Describe the special difficulties which are being met or are expected to be met in the achievement of the objective outlined in paragraph 13 of Article XVIII and the reasons which make it necessary for the government to assist in the establishment of the industry.
3. Indicate the present rate of customs duty and other import charges, if any, on the product to be affected by the measure in question. Give the reasons why no measure consistent with the normal rules of the General Agreement (such as duties, subsidies, etc.) is considered practicable to achieve the objective in question.
4. Indicate the obligations under the General Agreement from which a release will be necessary for the introduction of the proposed measure.
5. Is the product the import of which is to be affected by the proposed measure the subject of a tariff concession included in the appropriate schedule annexed to the General Agreement? If so, indicate the contracting party or parties with which the concession was negotiated (and the instrument in which the concession is embodied). Provide statistics in addition to those supplied in response to question 15 below, which would indicate the main sources of supply and the volume and value of imports from such sources.

B. Nature and Scope of the Proposed Measure Affecting Imports

6. Specify the product the import of which is to be affected by the proposed measure (by giving the tariff item number and description).
7. Give a description of the proposed measure, the methods of its operation and the legal basis of its imposition and operation. Supply copies of the relevant law and administrative order, decree or regulations under which the measure will be administered.
8. State the contemplated duration of the measure and indicate if its scope is expected to be changed during that period; will the measure be progressively relaxed until it ceases to be applied at the end of the period?
9. State any measures to be taken to avoid, in the administration of the measure, discrimination as between sources of supply of the imported products.

C. Nature and Scope of the Industry to be Established

10. Describe the industry to be established¹ indicating its nature, organization and its relative importance in the economy as a whole. In the case of an industry to be substantially transformed, or expanded, or to be reconstructed, describe the present state of that industry.

¹ See the note ad Article XVIII, paragraph 2, etc., in Annex H to the General Agreement.

11. Describe the projected scale of the industry when it is completely established, indicating the estimated number of firms or enterprises, approximate number of employees, capital investment, level of production, etc., wholesale and retail prices of the product as compared with the imported product. If possible these data should be given for the various stages of the establishment of the industry.
12. Indicate whether the raw materials to be used in the manufacturing process are local or imported. If they are of indigenous origin, indicate the effect of the establishment of the industry on the supply situation and on the development of primary production.
13. Describe in general terms the natural conditions and other factors which favour the establishment of the industry in the country, and/or reasons why its establishment is considered desirable or necessary.
14. In what manner and to what extent is the establishment of the particular industry expected to have the effect of raising the general standard of living of the people of the country? If possible, supply estimates of added national income which the new production is likely to bring about in the form of (a) an economic exploitation of domestic resources and (b) increased wages and profits; if possible, assess the impact of the import substitution on the internal price level. These statements may be supplemented by a description of any indirect effects which the diversification of the economic structure, the new employment opportunities offered by the industry, or similar factors, are expected to have on the general economic structure of the country.

D. Effects of the Proposed Measure

15. Provide statistics showing, for the past five years, domestic consumption, imports and domestic production and exports (if any) of the product in question.
16. Give estimates of annual domestic consumption of the product during and at the end of the period in which the proposed measure is in force. In the light of these estimates show the probable volume and value of imports of the product during and after the same period, taking account of the supply available from the newly established industry in question. It would be useful to compare these with the imports that could have been expected in the absence of the proposed measure.
17. Indicate the present wholesale and retail prices of the product in question on the domestic market. An estimate of the changes in the prices during the period of development would be of use.
18. What effects will the establishment of the industry have on the demand for imports of capital equipment, raw materials and other goods? (An estimate of the overall effects of the measure on the total imports from various principal sources of supply of the product in question would also be useful.)

19. What means are contemplated to give effect to the proviso to paragraph 10 of Article XVIII, as required by paragraph 20 of the Article (e.g., steps to alleviate any harmful effects of the proposed measures on international trade, to avoid unnecessary damage to the commercial or economic interests of other contracting parties, etc.).