

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1566

27 September 1961

Limited Distribution

COUNCIL

25 September - 6 October 1961

REVIEW OF THE PROCEDURE FOR DEALING WITH RESIDUAL IMPORT RESTRICTIONS

Note by the Executive Secretary

1. At the seventeenth session the CONTRACTING PARTIES approved a set of procedures for dealing with residual import restrictions and instructed the Council to review these procedures in the light of experience and to report its views to the CONTRACTING PARTIES. It was agreed that this review should be carried out by the Council at its meetings in September 1961, so that a report could be submitted to the nineteenth session.
2. These procedures are set out in Basic Instruments and Selected Documents, 9th Supplement, on pages 19-20. A definition of the scope of notifications which CONTRACTING PARTIES are expected to make pursuant to paragraph 7 of these procedures is to be found in C/M/4 on pages 10-11, and on page 1 of L/1563.
3. In accordance with paragraph 7 of the procedures and in response to requests made by the Executive Secretary, a number of CONTRACTING PARTIES have supplied lists of their residual restrictions or other relevant information. Some of these replies, set out in L/1470 and Add. 1, were placed before the CONTRACTING PARTIES at the eighteenth session (see SR.18/2). All the replies received to date have been put together in a new consolidated document L/1563, which is before the Council. It was agreed at the last session that this item should be on the agenda for the Council meeting in September 1961 when the review referred to above of the efficacy of the procedures would be carried out.
4. Paragraphs 8 and 9 of the procedures describe the sequence in which the provisions of Articles XXII and XXIII could be resorted to by interested contracting parties. Action along these lines has been taken in relation to the restrictions applied by two contracting parties, namely, Italy and France.

(i) Consultations with Italy

5. At the fifteenth session in November 1959, the Government of Italy, having ceased to be entitled to apply restrictions under Article XII, undertook to submit a report to the sixteenth session on measures taken and on a programme proposed for the progressive elimination of the remaining import restrictions. In January 1960 and at the sixteenth session in May 1960, the CONTRACTING PARTIES were apprised of certain liberalization measures undertaken by Italy.

6. At the sixteenth session the Italian Government expressed its readiness to enter into consultations under Article XX:1 on the remaining restrictions, and such a consultation was initiated by the United States. The Governments of Canada, Australia and New Zealand claimed a substantial trade interest in a varying range of the products which were the subject of the consultation and participated therein. In the course of this consultation, held in September 1960, the Italian Government announced important measures of liberalization, whereupon the consultations were directed to a more limited negative list of restrictions. It was also learned that Italy was at that time actively engaged in considering further measures. At the close of the seventeenth session in October 1960, the CONTRACTING PARTIES agreed that, should it be so requested by the United States, the Chairman should promptly appoint and convene a working party to consider the Italian restrictions which had been the subject of consultation under Article XXII:1.

7. Such a request was subsequently received and a working party was accordingly convened. It was understood that the working party would proceed within the framework of paragraph 2 of Article XXII. In the course of the meetings of the working party, held in March 1961, the Italian Government announced a series of further measures which it intended to take in the near future. The discussions at the working party, which covered various aspects of the Italian import restrictions, were reported to the CONTRACTING PARTIES in document L/1468. Paragraph 19 of the report noted that Italy would report on the implementation of the liberalization measures it had promised and submit a new list of its residual restrictions, and undertook to present a programme to the CONTRACTING PARTIES before 31 July 1961 regarding setting out its plans for the elimination of the residual restrictions. (For reports by Italy on these points see L/1468/Add.1 and 2.)

8. The CONTRACTING PARTIES have been informed also that Japan has been engaged in consultations under Article XXII:1 with Italy concerning the Italian restrictions. While the consultation was in progress Italy removed a substantial number of items from its restricted list applying to Japan. Italy has recently accepted a request by Israel for an Article XXII:1 consultation between the two countries.

(ii) Consultations with France

9. France disinvoked Article XII in June 1960. In November 1960 the United States requested a consultation under Article XXII:1 with France concerning the products which remained subject to quantitative restriction when imported into France from the United States. Certain other contracting parties (Canada, Australia, New Zealand and Israel), pursuant to the procedures relating to joint consultations, were joined in the consultation with respect to the products in which they had a substantial interest. At the outset of the consultation, which was held in April 1961, France reported a further extension of liberalization, effective at the end of March 1961, in addition to that made at the end of 1960. As a result of these new measures, a considerable number of products were removed from the list of items remaining under restriction. Practically no industrial item remained on the restricted list; restrictions remaining were mostly in the agricultural field.

10. The CONTRACTING PARTIES were informed of this consultation at the eighteenth session and noted that some of the contracting parties which had participated in it reserved the right to bring this matter before the Council at its meeting in September 1961, and that they hoped the French Government would be in a position by that time to indicate what further measures of liberalization had been or would be taken.

11. In May 1961, the Government of Uruguay requested a consultation with France on French restrictions which affected certain Uruguayan exports (L/1496). This consultation was held in September and provided an opportunity of exchange of views on the nature and scope of the restrictions in question as well as other effects on trade. It was understood this consultation was requested by Uruguay as a part of its general policy of seeking improved access to foreign markets for Uruguayan products.