

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5553

10 October 1983

Limited Distribution

REPORT (1983) OF THE COMMITTEE ON IMPORT LICENSING

1. This report, submitted under Article 5.5 of the Agreement on Import Licensing Procedures, sets out developments in the implementation and operation of the Agreement since the Committee's last report on 16 November 1982 (L/5411). In addition, in accordance with the procedures agreed to by the Council at its meeting of 20 April 1983 (C/M/167), it deals, in a separate section, with the matters on which the CONTRACTING PARTIES had agreed to focus in their decision on MTN Agreements and Arrangements adopted at the Ministerial Meeting in November 1982 (BISD 29S/18)

2. The Agreement on Import Licensing Procedures entered into force on 1 January 1980. As of 10 October 1983 there were twenty-three signatories to the Agreement: Argentina, Australia, Austria, Canada, Chile, Czechoslovakia, Egypt, the European Economic Community, Finland, Hungary, India, Japan, New Zealand, Norway, Pakistan, Philippines, Romania, South Africa, Sweden, Switzerland, United Kingdom on behalf of Hong Kong, United States and Yugoslavia. Argentina has signed the Agreement subject to ratification.

3. The following twenty-six contracting parties have observer status in the Committee on Import Licensing: Bangladesh, Brazil, Colombia, Cuba, Gabon, Ghana, Indonesia, Israel, Ivory Coast, Jamaica, Republic of Korea, Malaysia, Malta, Nigeria, Peru, Poland, Portugal, Senegal, Singapore, Spain, Sri Lanka, Tanzania, Thailand, Trinidad and Tobago, Turkey and Zaire. Tunisia and four non-contracting parties, Bulgaria, Ecuador, Mexico and Venezuela are also observers. Two international organizations, IMF and UNCTAD, have attended meetings of the Committee in an observer capacity.

Developments since the Committee's last report (L/5411)

4. The Committee has held its seventh, eighth and ninth meetings on 13 December 1982 (LIC/M/7 and L/5525), 11 July 1983 (LIC/M/8 and L/5525) and 6 October 1983 (LIC/M/9 and L/5552).

5. One developing country Party which had specific difficulties with the requirements of sub-paragraphs (d) and (e) of Article 2.2 of the Agreement notified the Committee that, as provided in footnote 3 to the Agreement, it would delay the application of these sub-paragraphs by two years from 6 October 1983, the date of entry into force of the Agreement for that Party.

6. During the reporting period, signatories communicated regularly to the Committee, in accordance with Article 5.4 of the Agreement, changes in their laws and regulations and in the administration of such laws and regulations relevant to the Agreement (LIC/1 and addenda). Copies of publications containing information on new rules concerning import licensing procedures or lists of products subject to licensing requirements were made available to the secretariat as and when published (LIC/3, corrigenda and addenda). In addition, most signatories have brought up-to-date the data supplied by them in response to the GATT Questionnaire on Import Licensing Procedures. The status of such notifications as of 28 March 1983 is contained in document L/5106/Rev.2.

7. At its seventh, eighth and ninth meetings, the Committee reverted to the question of the need to ensure compliance by one Party with the provisions of Article 3(c) of the Agreement relating to the publication of import quotas, which it had addressed at previous meetings (L/5411, paragraph 8). At its eighth meeting the Party concerned provided information regarding import quotas on some of the products at issue. At its eighth and ninth meetings, the Committee noted that its invitation to the Party to make all efforts to find a satisfactory solution to the problem was still outstanding .

8. The Committee carried out its second biennial review of the implementation and operation of the Agreement at its meeting on 6 October 1983 on the basis of a background document prepared by the secretariat (LIC/7). The results of the review, including any additional information on their respective licensing procedures exchanged by signatories, will be reflected in the minutes of the ninth meeting (LIC/M/9) and in the relevant documents of the Committee in the LIC/series.

Review of the operation of the Agreement in accordance with the Ministerial Decision of November 1982 on MTN Agreements and Arrangements

9. The Committee has examined the adequacy and effectiveness of the Agreement in the light of its operation since its entry in force. The work carried out so far under the Agreement has permitted a marked improvement in transparency with regard to import licensing procedures and their operation. The Committee has provided a forum for the discussion of particular problems related to the fulfilment of the objectives of the Agreement.

10. In the light of the experience to date, the Parties consider that the Agreement is adequate to ensure the discipline necessary to prevent trade distortions arising from the operation of licensing procedures. The effectiveness of the Agreement depends on continuing efforts being made by all Parties to maintain and increase transparency, and ensure a fair and equitable application and administration of licensing procedures and practices, notably through the full use of the consultative and review functions of the Committee.

11. During its review of the operation of the Agreement under the Ministerial Decision of November 1982, the Committee discussed possible ways of dealing with any obstacles that might exist to the acceptance of the Agreement by interested Parties and agreed to revert to this question at a future meeting.