

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 16 OCTOBER 1986

Chairperson: Ms. D. Dwoskin

1. The Committee on Import Licensing held its sixteenth meeting on 16 October 1986.

2. The agenda of the meeting was as follows:

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3. The Chairperson opened the meeting by welcoming Hong Kong, Nigeria and Poland as new signatories to the Agreement in 1986. Hong Kong had become a Party in its own right with effect from 23 April, Nigeria had accepted the Agreement on 24 March, and Poland had accepted subject to approval on 23 April. The total number of signatories was now twenty-six.

A. Information available on import licensing procedures

4. The Chairperson drew the attention of the Committee to the following documents which had appeared since the last meeting of the Committee in March 1986: LIC/3/Add.15; L/5640/Rev.2; L/5640 Add.1/Suppl.1, Add.7/Rev.2, Add.8/Rev.1, Add.13/Rev.1, Add.14/Rev.1, Add.18/Suppl.1, Add.20/Rev.1, Add.21/Rev.1/Suppl.2, Add.25/Suppl.1, Add.29/Rev.1, Add.31, Add.32, Add.33, Add.34, Add.35, Add.36 and LIC/10. The addenda to the L/5640 series constituted the replies to the Questionnaire on Import Licensing Procedures.

5. The Chairperson referred to document L/5640/Add.37 which had just been circulated and which contained a communication from Egypt.

6. The representative of Egypt informed the Committee that recently the Government of Egypt had taken a number of economic measures, one of which was

of utmost relevance to the work of the Committee. He referred to document L/5640/Add.37 which contained a reference to Ministerial Decree No. 333 of 1986 (Egyptian Ministry of Economy) under which the two import rationalization committees which were responsible to receive and approve import applications had been abolished. This meant that the procedure itself had ceased to exist and that one could not therefore consider that there was now an import licensing procedure system in Egypt. He further considered that this communication should satisfy the concerns of this Committee for information on import licensing procedures required from Egypt. In reply to a question by the representative of the European Economic Community, he indicated that there still existed a monitoring system for imports, but there was no licensing system as such. Accordingly importers were entitled to approach commercial banks directly for the issuing of the necessary letter of credit for their imports, but the commercial banks did not give a green or red light to those imports.

7. The representative of the United States thanked the Egyptian delegation for the information provided. He added that if Egypt declared that it did not have a licensing system, he was satisfied that this met the information requirement under the Agreement.

8. The representative of Australia also thanked Egypt for this notification. At the same time she welcomed what she understood to be an initial response to the Questionnaire by Peru. She also noted the contribution that these notifications provided to the transparency of the Agreement and of the trading system generally.

9. The representative of the United States said that he had hoped to submit an update of the US licensing procedures, but was still waiting for certain information which would enable him to submit a single all-inclusive document in the near future.

10. The representative of New Zealand confirmed that with effect from 1 July 1986, in total some 400 items subject to non-automatic import licensing had been transferred to "license on demand", which was an automatic procedure. This procedure itself would be eliminated entirely within twelve months. Two further items had been exempted from any kind of import licensing procedures as of the same date. Hence, outside specific industry plans for the phasing out of licensing, since 1 July 1986 some two-thirds of all items which had been subject to non-automatic import licensing procedures had been exempted from this procedure in New Zealand. His delegation would continue to provide updated information to the Committee on the elimination of the remaining items.

11. The Committee took note of the statements made under this agenda item.

B. Implementation and Operation of the Agreement

12. The Chairperson recalled the discussion at the previous meeting (LIC/M/15, paragraphs 10-15) and the requests for clarification that had been made.

13. The representative of Canada having recalled his question (LIC/M/15, paragraph 14) concerning the European Community's practice of allocating global import quotas to individual member States, the representative of the

European Economic Community replied that his authorities had supplied Canada annually with information on the utilization of the quotas which related to fish and two other products. He did not think, however, that this was essential information for other Parties to the Agreement. Furthermore, he felt that this whole issue was not really an issue for the Licensing Committee nor a problem to be dealt with under the Agreement. In the view of his delegation, the alleged under-utilization of the quotas in question was not the result of the licensing procedures being applied but of the existence of regional quotas, whose utilization was in no way hampered by the way in which they were administered.

14. The representative of Canada reserved the right of his delegation to revert to the question.

15. The Committee took note of the statements.

C. Work Programme

16. The Chairperson recalled that since the last formal session of the Committee, a number of informal consultations had been held on the work programme on the basis of briefing papers by the secretariat and informal notes by the United States and Hong Kong. Concerning Part I of the Work Programme, draft guidelines for Points A, B, C and D had been discussed and the state of work was as contained in the latest secretariat note of 9 October. With respect to points E and F she recalled that the brief exchange of views which had taken place at the previous meeting on the basis of an inventory of national procedures prepared by the secretariat seemed to indicate that there was no need for draft guidelines in this area. She noted that there were still a number of outstanding issues with regard to the draft guidelines. In particular, doubts had been expressed on the appropriate interpretation of Article 3(e) and its relevance to Articles 3(c) and 3(d). Under these conditions, she felt that delegations may need more time for reflection and she suggested that the Committee might be better served by having more informal discussions on the guidelines. In reply to a question by the representative of the United States on the legal status of the guidelines, she suggested that this question might be taken up when the Committee had completed its work on the substance. Concerning Article 1.1 she drew attention to the proposals of the European Economic Community contained in the secretariat note dated 9 October.

17. The representative of the European Economic Community reminded the Committee that at its last meeting, (as had been reflected in LIC/M/15, paragraph 24) his delegation had felt there might be a split approach to the question of definitions, one approach for automatic licensing and one for non-automatic licensing. Their latest document had to be seen in that context; its purpose was to try and set up a criterion which could be used to define what a licensing system was, and what it was not.

18. The Chairperson suggested that this question could also be dealt with, in further informal consultations. It was so agreed.

D. Uruguay Round

19. The Committee discussed the question of the relevance of the Ministerial Declaration adopted in Punta del Este in September 1986 to its future work.

No specific suggestion for negotiations had been put forward in the Committee, although some issues that had arisen in the context of the existing Work Programme seemed to go beyond the scope of the Agreement and might therefore require further consideration. The Committee decided to discuss the issue in informal meetings, including the appropriateness of making a contribution to the work of the Group of Negotiations on Goods before 19 December 1986.

E. Report (1986) to the CONTRACTING PARTIES

20. The Committee adopted its Report (1986) to the CONTRACTING PARTIES.

F. Date and Agenda of the next meeting

21. The Committee agreed to hold its next meeting in March 1987, the exact date to be fixed in consultations with delegations. The agenda of that meeting would include the following items:

1. Information Available on Import Licensing Procedures.
2. Implementation and Operation of the Agreement.
3. Preparations for the Fourth Biennial Review of the Implementation and Operation of the Agreement under Article 5.5.
4. Work programme.
5. Other Business.