

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

LIC/W/56

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Committee on Import Licensing

DRAFT MINUTES OF THE MEETING HELD ON 26 MARCH 1991

Chairperson: Mrs. L.A. Berrig

1. The Committee on Import Licensing held its twenty-eighth meeting on 26 March 1991.

2. The agenda contained in GATT/AIR/3158 was adopted.

A. Election of Officers

3. The Committee elected Mrs. Lourdes A. Berrig (Philippines) Chairperson and Mr. John Clarke (Hong Kong) Vice-Chairperson for 1991.

B. Status of signatories and observers

4. The Chairperson informed the Committee that since the last meeting, Bolivia had become an observer. There had been no change in the status of signatories to the Agreement.

5. The representative of Bolivia asked the Committee to note that in becoming an observer to the Committee, Bolivia was fulfilling a commitment undertaken in the context of Bolivia's accession to the GATT.

C. Information available on Import Licensing Procedures

6. The Chairperson reported that since the last meeting new replies to the GATT Questionnaire on Import Licensing had been received from Singapore (L/5640/Add.33/Rev.2), Finland (L/5640/Add.6/Rev.2), Hong Kong (L/5640/Add.36/Rev.4), Austria (L/5640/Add.35/Corr.3), the European Communities (L/5640/Add.21/Rev.2/Suppl.1), Yugoslavia (L/5640/Add.20/Rev.3), Argentina (L/5640/Add.27/Corr.4) and the United States (L/5640/Add.40/Rev.2). Publications containing information on import licensing procedures had been received from New Zealand (LIC/3/Add. 28, 30, 31 and 33) and Canada (LIC/3/Add. 29 and 32).

7. Information on Implementation and Administration of the Agreement had been received from New Zealand (LIC/1/Add.43, 44 and 46) and Hong Kong (LIC/1/Add.45).

8. The representative of Romania informed the Committee that the customs tariff and the licensing system were currently the main trade policy instruments in Romania. Following events at the end of 1989, the first steps had been taken by early 1990 for a transition towards a market economy, the complete restructuring of the Romanian economy according to criteria of profitability and efficiency, the elimination of the administrative and bureaucratic methods of central economic planning, and the introduction of mechanisms based on economic criteria.

9. In that context, efforts to establish a new trade policy based on GATT principles and rules, which could also meet the requirements of a period of transition to a market economy, had led among other things to the establishment of a new system of export and import licensing, with the elimination of restrictions previously existing in that area. The system now in force had been established by Government Decision No. 6/1991 and Order No. 49/1991 of the Ministry of Trade and Tourism. The system took into account the provisions of the Agreement on Import Licensing Procedures.

10. Under the new system, the importing of goods had been liberalized, and automatic import licensing remained for statistical purposes. With the agreement of the ministries concerned, the Ministry of Trade and Tourism could establish quantitative restrictions in the case of an imminent threat of balance-of-payments disequilibrium if the goods could be bought under competitive conditions on the domestic market or in order to create normal foreign exchange reserves, while complying with the relevant GATT provisions. So far, Romania had not had recourse to quantitative import restrictions. If it proved necessary to introduce such restrictions, they would be published and notified in accordance with GATT rules.

11. He stressed that the import licensing system was a liberal one despite the major difficulties currently facing the Romanian economy. In particular, a large trade deficit had been recorded in 1990 because of a drop in exports and a large rise in imports, and Romania's foreign-exchange reserves had reached a very low level. Nevertheless, the licensing system could facilitate the process of opening up the economy, bringing domestic prices into line with external prices, enhancing economic efficiency under conditions of external competition, and integrating the Romanian economy into the European and world economies.

12. He stated that the new import licensing system would shortly be notified in accordance with GATT procedures, and Romania's reply to the questionnaire on import licensing would be communicated in the near future.

13. The Committee took note of the information provided.

D. Relationship of the Committee's work to the Uruguay Round

14. The Chairperson informed the Committee that discussions on amending the Agreement on Import Licensing Procedures had taken place under the auspices of the Negotiating Group on MTN Agreements and Arrangements. A text containing proposed amendments to the Agreement was contained in document NG8/W/83/Add.1/Rev.3.

E. Preparation of biennial review

15. The Chairperson informed the Committee that the sixth biennial review of the Agreement was scheduled take place at the Autumn 1991 meeting of the Committee and urged signatories to respond to the request (GATT/AIR/2946) to update their replies to the questionnaire on import licensing procedures as soon as possible. The Committee agreed to ask the Secretariat to prepare the necessary documentation.

F. Other Business

16. The Chairperson informed the Committee that the Director-General of GATT had received a request from the Union of Soviet Socialist Republics for observer status in the Committee on Import Licensing. The request was circulated to the Committee.

17. The Committee noted that the request was described as a "further step by the USSR Government to examine the prerequisites of a future accession to the GATT and its legal instruments, in particular the Agreement on Import Licensing Procedures". In this context, the Committee took note of the decision reached by the GATT Council at its meeting on 16 May 1990 to grant the USSR observer status in the Council, and also of the Council's agreement to review the whole issue of the status of observers and the rights and obligations of observers at the end of 1992.

18. The Committee agreed to grant observer status to the USSR, and in this regard it recalled that it had agreed at its meeting on 29 April 1980, regarding the Participation of Observers, that "Observers may participate in the discussions but decisions shall be taken only by signatories", and that "The Committee may deliberate on confidential matters in special restricted sessions". The Committee also noted that observers received documents relating to the meetings they attended.

19. It was emphasized that this decision would relate only to observership in the Import Licensing Committee, and did not prejudice action in the other Tokyo Round Code Committees.

20. The Chairperson welcomed the representative of the USSR to the meeting as an observer to the Committee on Import Licensing, and said that the Committee appreciated the interest shown by the USSR Government in becoming acquainted with the methods of work of the Committee in order to develop a better understanding of the prerequisites of a future accession to the Agreement on Import Licensing Procedures. She recalled that accession to the Agreement was subject to separate procedures from those applicable to the granting of observer status. The Committee encouraged the USSR to provide it with reports from time to time on its economic reform process as it related to import licensing.

21. The representative of the USSR expressed the gratitude of his delegation for efforts that had resulted in a positive decision on granting observer status in the Committee to the USSR. This status offered the USSR an opportunity to get acquainted with the work of the Committee which was responsible for following the implementation of an important legal instrument of the GATT. His delegation was of the opinion that there would be due "feedback" while the import licensing system and respective legislation of the USSR were evolving in the general context of economic reforms. He also said that his Government would keep Committee members periodically informed on import licensing procedures in his country.

22. The Committee agreed that the Chairperson would consult with delegations on an appropriate time for the Committee to hold its next meeting?