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COUNTRY NOTES ON THE SYSTEM AND METHOD OF IMPORT RESTRICTIONS[1]

Annex to the Seventh Annual
Report on Discriminatory Restrictions
(L/587)

The following notes are intended to provide a brief description of the systems and methods of discriminatory import restrictions covered by the report (L/587) and the more important changes in the period under review.

These notes were compiled by the secretariat from information supplied by the governments themselves and data gathered from the sources. They have been checked with the contracting parties.

AUSTRALIA

The System and Technique of Restrictions

With a few exceptions all imports are subject to licence. Apart from petroleum products all imports are limited either as to quantity or source. A few items are licensed freely from non-dollar sources whilst certain raw materials, specified in an "all countries" list, although subject to quantitative restrictions, are licensed from any source. All other imports are licensed either on a quota or a "case by case" basis.

1. Under the quota method quotas are determined as a percentage of the value of imports in a base period or as a percentage of previously established quotas. There are two categories of quotas. In Category A which, in the main, covers essential goods, quotas are established for individual items and are not transferable. Category B, covering less essential goods is, however, divided into seven broad sub-categories and an importer for whom a quota for a particular sub-category is established may use the quota for the importation of any of the products falling within that sub-category.

2. The case by case method applies, in the main, to items such as capital equipment, which do not lend themselves to quota restriction.

[1] This paper contains notes on eighteen contracting parties, and similar notes on five other contracting parties will be issued shortly. Delegations are requested to communicate any comments or further suggested changes to the secretariat as soon as possible.

The Discriminatory Application of Import Restrictions

Licences for goods from non-dollar countries are issued in a non-discriminatory manner either on a quota or case by case basis, the importer being free to determine the source of the imports. There is, however, a limited list of items for which importers may use only part of their quotas for imports from Japan.

Licences for imports from the dollar area are issued on a case by case basis chiefly for essential goods such as capital equipment, raw materials and components which are not available from other sources on reasonably comparable price, delivery and quality terms. Some licences are issued, however, for "token" imports of less essential goods.

Recent Changes

In July 1956, further reductions were made in the quotas for imports from non-dollar countries. At the same time the number of categories of goods subject to quota licensing was reduced to two (Categories A and B) and quotas were fixed at varying levels for different commodities within these categories. As explained above Category B was divided into seven sub-categories.

Three items were added to the list of goods which may be imported from any source.

AUSTRIA

The system and technique of restrictions

Under the present regulations about 300 of a total of 558 tariff items are subject to import licensing. In addition to these import licensing requirements, all imports not specified in an OEEC free-list require exchange licences.

Under the OEEC free list 90.3 per cent of the imports from OEEC countries are freed (basis 1952 trade). A dollar free-list specifies imports from Canada and the United States which are liberalized; exchange licences for these products are granted automatically. 40 per cent of the imports from Canada and the United States are freed (calculated on the basis of imports from these two countries in 1953).

Import and exchange licences are granted either under quotas established in accordance with bilateral agreements or on a case by case basis without fixed quota. No global quotas are in existence. At present bilateral agreements of various kinds are in force with about thirty-four countries. In certain cases licences are issued over and above the agreed quotas.

State trading

State trading is now confined to tobacco and tobacco products, salt and unprocessed alcohol, which can at present only be imported by the monopoly administrations. In 1953, foreign purchases by these administrations represented approximately 1 per cent of the total import trade.

BRAZIL

The System and Technique of Restrictions

Except for certain types of imports all private imports are subject to licence. Under the import control system, exchange certificates are sold at auction and import permits freely issued to holders of these certificates. For the purpose of auctioning these exchange certificates, commodities are classified into five categories according to their degree of essentiality and other criteria. Minimum premiums (or bids) per US dollar, or the equivalent in other currencies, have been established for each auctioning category.

Separate auctions are held for exchange certificates covering imports payable in different currencies. For imports from the seven countries participating in the limited convertibility scheme (Hague Club) single certificates are auctioned.

In the case of imports from a number of countries, the auctioning of exchange certificates is in accordance with quotas and currencies previously agreed upon in bilateral trade and/or payments agreements. Government imports and imports of petroleum products, printed matter and groups of equipment are outside the regular auctioning system; for these imports special regulations are in force.

Apart from the Hague Club arrangements, Brazil has trade arrangements with twelve of nineteen partners of payments agreements, and with one country with which no payment agreement has been concluded.

State Trading

The Government maintains a monopoly on the importation of wheat, which is usually effected under bilateral payments agreement at special exchange rates.

CEYLON

The System and Technique of Restrictions

1. The methods of restriction employed in the import control system can be grouped in four broad categories:

(1) the open general licence;

(2) the issue of individual licences at the discretion of the licensing authority;

(3) the issue of individual licences, at the discretion of the licensing authority up to a monetary ceiling; and

(4) the prohibition of imports.

2. Open General Licence No. 1 lists commodities which can be imported without an individual import licences from all countries other than the dollar area[1], Austria, Western Germany, Japan, Mainlaind China and the Eastern European countries. This Open General Licence covers most of the import trade from the countries to which it applies. Open General Licence No. 2 authorizes the import of a range of items from the dollar area. Open General Licence No. 3 applies to a few goods which may be imported from all sources except Australia, Austria, Western Germany, Japan, Mainland China and the Eastern European countries. Open General Licence No. 4 permits the import of certain goods from the same sources as are covered by Open General Licence No. 1, except the EPU area. Open General Licence No. 5 is reserved for imports from the Maldive Islands.

In 1955, 72.4 per cent of total imports were effected under open general licence.

3. The issue of licences at the discretion of the licensing authority - item 2 of paragraph 1 - applies to imports from Japan, Western Germany, Mainland China and the USSR, and to certain consumer goods from EPU countries and from the dollar area. There are no quantitative limitations to these imports and the licensing procedure has been put into effect only to encourage the "Ceylonization" of foreign trade.

4. The issue of licences at the discretion of the licensing authority up to a monetary ceiling - item 3 of paragraph 1 - applies to various classes of consumer goods from the dollar area.

Imports of beer, whisky, toys and confectionery from the dollar area are prohibited. Token imports are admitted. Furthermore, the importation from all sources of a range of miscellaneous goods which are produced locally is forbidden.

State Trading

Some essential items, such as rice, wheat, flour, sugar, sugar candy, palm sugar and red onions are imported only on Government account. In 1955 foreign purchases by the Government amounted to 25.4 per cent of total imports.

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[1] Liberia is not included

Recent Changes

In the licensing period 1955-56 the import prohibition for certain types of preserved fruits and stationery and cosmetics was abolished; imports of these goods were permitted at the discretion of the authorities, up to a monetary ceiling. In July 1956 several classes of goods including foodstuffs, raw and waste cotton, various types of oil and iron and steel manufactures, were brought under Open General Licence No. 2 so that imports from the dollar area could be effected free of individual licence. Concurrent with this measure all monetary ceilings were removed on imports of goods from the dollar area.

DENMARK

The System and Technique of Restrictions

Imports covered by a General Free List and Regional Free List are liberalized. Almost all the commodities specified in the General Free List (List B) can be imported from the dollar and EPU areas free of licence. The same applies to commodities in the Regional Free List (List C) when imported from the EPU countries. All other imports are subject to regulations.

The liberalization in respect of the dollar area or the EPU area of the remaining part of the commodities is effected through a system of open general licensing. The same system is used in respect of these commodities and the commodities listed under the General and the Regional Free Lists, when imported from most other countries.[1]

Further certain goods included in a Regional Licensing List can be imported from EPU countries and associated territories against licences which are issued on a regional basis. These regional licences are granted either to importers after previous consultation with the interested trade associations or on an individual basis.

For the importation from the dollar area of goods placed on the Regional Free List (List C) licences are granted when warranted by price considerations and other factors. For similar reasons licences are sometimes issued for imports from the dollar area of commodities specified in the Regional Licensing.

Under the various liberalization arrangements, at present 55 per cent of imports from the dollar area based on the import figures for 1953 are free of quantitative limitations, and 85 per cent of the imports from EPU countries, reckoned on the basis of imports on private account in 1948.

Licences are also issued for imports in accordance with quotas negotiated in bilateral trade agreements, Imports under bilateral agreements constituted

[1] These open general licence arrangements are sometimes referred to as the General Free Issue of Licence. Colombia is not included.

about 3 per cent of total imports in 1955. Trade agreements have been concluded with many OEEC countries, with certain Eastern European countries and with Argentina, Brazil, Colombia, Finland, Indonesia, Israel, Spain and Yugoslavia. The trade agreements with Finland, Spain and Yugoslavia contain a specific undertaking for open general licensing for goods liberalized in accordance with the Free Lists.

Finally licences are also issued for special cases and for imports of commodities destined for re-exportation.

Recent Changes

The liberalization percentage in March 1956 for imports from OEEC countries was raised from 78 per cent to 85 per cent (private imports in 1948). Concurrently the regulation requiring advance deposits for import of textiles was abrogated.

FRANCE

System and Technique of Restrictions

Most liberalized imports from OEEC countries and their associated territories can be effected without an individual import licence against an import certificate filled out by the importer. Licences for other liberalized imports are issued automatically.

Non-liberalized goods are imported under several procedures.

1. The Global Quota System: For a number of non-liberalized imports from OEEC countries, global quotas are established annually. Goods on this list may be imported from any country belonging to the EPU area within the limits of the global quota.

2. The purchasing programmes: Purchasing programmes are drawn up periodically in the light of the foreign exchange reserves and the requirements of the economy. Imports which fall within this licensing procedure include mainly:

(a) Imports payable in dollars: A dollar import programme is set up yearly for all imports from the dollar area (except Bolivia and Liberia) and Peru, and for imports of petroleum products from the Middle East when they are payable in dollars. Liberalized imports from Canada and the United States are not covered by this programme.

(b) Imports payable in sterling: An annual import programme is drawn up for goods originating in the United Kingdom and British territories (except the goods liberalized under the OEEC free list and those listed in the bilateral trade agreements with the United Kingdom, Australia, Burma, Ceylon, the Federation of Rhodesia and Nyasaland,

India, New Zealand, Pakistan and Thailand). Petroleum products imported from the Middle East and Venezuela and payable in sterling are also included in this purchasing programme.

(c) Imports payable in other currencies: Purchasing programmes are also set up for goods imported from countries with which payment agreements but no trade agreements are in force. Generally imports are permitted in accordance with the fluctuations in bilateral balances. This type of purchasing programme is set up for imports from Egypt, Ethiopia, Iran, Japan, Jordan, Paraguay, Syria, Turkey, Uruguay and the Yemen.

3. The bilateral quotas: All trade agreements provide for bilateral quotas. Such agreements have been concluded with all OEEC countries, except Turkey, all the countries of Eastern European countries and with Argentina, Brazil, Finland, Indonesia, Israel, Lebanon and Spain.

Imports are made in accordance with the quota arrangements. During the first quarter of 1956 the monthly average of imports effected under bilateral trade agreements amounted to 19.1 per cent of total imports.

4. Special licensing procedures:

(a) Under compensation arrangements certain imports of non-essentials which otherwise are restricted are permitted when linked with exports of certain products.

(b) Under the IMEX procedure individual licences are usually granted for specified raw materials, or other goods needed for the production of export goods.

(c) Certain imports are permitted under the EFAC and equipment procedures which allow exporters to retain certain percentages, varying according to the monetary zones, of the f.o.b. amount of their export proceeds for meeting their needs of supplies or equipment which are necessary for their enterprises.

State Trading

A range of miscellaneous products, such as butter, cereal meal, tobacco, petroleum products, solid mineral combustibles, gold, alcohol, explosives, matches, newsprint and ships come under State trading, or are imported by enterprises having an import monopoly.

Recent changes

In January and April 1956 further imports from OEEC countries were liberalized. The percentage of liberalization was thereby raised to 82.3 per cent (basis private imports from OEEC countries in 1948). In September new relaxation measures were taken.

In May 1956, the system of import certificates has been extended to apply to a great number of liberalized imports from the OEEC area.

At the beginning of 1956 certain products from Canada and the United States, representing 11 per cent of private imports from these countries, were freed (basis 1953).

GERMANY

The system and technique of restrictions

Pursuant to a Circular Order on Foreign Trade issued on 29 June 1954, import transactions are carried out under two types of procedures: the "declaration procedure" and the "individual licence procedure". Under the "declaration procedure" the importer simply notifies the import transaction by means of an import declaration. Imports of commodities subject to this procedure can be effected freely on the basis of a General Import Licence which covers all commodities specified in "free lists" and all import transactions permitted under notices for importers which are published from time to time by the licensing authority. The "individual licence procedure" applies to import transactions not carried out under General Import Licence; the importation of commodities falling in this category is effected on the basis of an individual import permit.

On 31 May 1956, the proportion of imports effected under the Declaration Procedure amounted to 78.1 per cent of total imports by taking 1953 as a basis. The percentage of imports carried out under the Individual Licence Procedure was 21.9 per cent, of which state trading and private trade accounted for 13.1 and 8.8 per cent respectively.

In the discriminatory application of import restrictions, a distinction is drawn between the following areas: the OEEC area, the non-OEEC countries clearing through EPU (also called the NPC area)[1], the dollar area[2], and the rest of the world. Imports from OEEC countries are more liberalized than imports from any other area. For contracting parties classified in the "rest of the world area", a special free list was unilaterally set up, which almost equals in scope the NPC free list; from the other countries a considerable number of products can be imported under the system of public notices described above.

For commodities subject to quantitative restrictions, certain quotas are agreed upon with a number of countries in bilateral agreements. When no quotas have been established bilaterally, import licences are granted unilaterally by giving greatest possible consideration to the countries' interests while, at the same time, taking account of the requirements of the German market. For a part of the restricted import trade, quotas are published under "publication concerning tenders". Many quotas are so large that they are not exhausted.

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[1] Non Participating Countries.

[2] The dollar area includes Peru.

Some of the bilateral arrangements are maintained to avoid changes in the trade pattern which could jeopardize the balance of payments. Others result from the trade and import policy of the partner countries as far as these stick to a system of bilaterally arranging their foreign trade. The bilateral quotas arranged under the agreements often represent a negligible part of the total trade with the partner country.

State trading

The Government or official and semi-official undertakings maintain a monopoly of imports of certain types of brandy and ratches. Imports of various products of the food and agricultural sectors are subject to state control on the basis of the "market regulation laws". In 1955, 9 per cent of total imports concerned imports subject to these market regulation laws.

Recent changes

Successive measures have extended the liberalization of OEEC import trade from 90.1 per cent to 91.5 per cent (percentage calculated as a proportion of private imports in 1949). Further, by measures taken on 19 June 1956, the free list granted for imports from the dollar area was expanded by the inclusion of about 600 new items. The scope of liberalization in dollar-area trade was thereby enlarged to 92.7 per cent by taking private imports of 1953 as a basis. Apart from this free-listing determined amounts of exchange were allocated for different categories of products which could be imported from the dollar area.

INDIA

The system and technique of restrictions

All imports are subject to licence. There are OGL's which permit importers to enter the goods listed therein without quantitative limitations from the countries or monetary areas specified. These OGL's include goods whose importation is essential to the national economy and the implementation of the industrialization programmes. All other imports require individual licences which are usually issued on the basis of the value of imports of the particular item in a base period; and for some items freely on application ("liberal licensing scheme"). Further, in the case of applicants who will be the actual users of the intended imports in an industrial manufacturing process, requests for licences are considered on an ad hoc ("actual user") basis. Provision is also made for granting licences to "newcomers", i.e. newly established importers. For some commodities, mainly capital goods and raw materials, there is a special procedure for the issue of licences on the basis of certified requirements. A token import scheme is in operation for certain items which do not normally qualify for licences either because the domestic production is adequate or because the product is not essential.

Twice a year, in June and December, full details concerning the licensing policy for the following half year are made public in the form of a book popularly known as the "Red Book".

The discriminatory application of import restrictions

For the purpose of import licensing, supplying countries are divided into two main groups, namely the dollar area and the soft-currency area. Currency-wise, there are two kinds of licence - soft-currency licences and the general licences, the latter valid for imports from both areas. The import policy for the dollar area is more strict and the issue of licences depends inter alia on the availability of imports from soft-currency sources and significant price differences and other commercial considerations. No distinction is made between one country and another within either currency area except that imports from South Africa are prohibited and certain imports from Pakistan are admitted more liberally than from other countries. India has entered into a number of bilateral trade agreements which operate within the general framework of the import controls and do not involve any discrimination between one country and another. If as a result of any bilateral negotiation, the import of any particular item is liberalized, the liberalization is automatically extended to all countries in the same currency group.

State trading

State trading which was previously confined to foodgrains, has, with the inauguration of the State Trading Corporation in May 1956, been expanded to allow the Government to handle imports and exports of certain essential commodities and particularly, trade with other state-trading countries.

Recent changes

In the two import programmes for 1956 certain imports were liberalized while some others were further restricted. The quotas for a number of goods which were or would soon be produced domestically in sufficient quantities were reduced. Various dollar quotas were stepped up and in some cases soft currency licences were validated to allow imports from dollar countries. Imports of some items which were removed from the "liberal licensing" list were put on a quota basis. In respect of a large number of items, the basic period was extended to include the 1954-1955 fiscal year so that fresh quotas were established on the basis of higher imports.

ITALY

The system and technique of restrictions

Except for a few specified items, all imports from the OEEC countries and their overseas territories are free of licence. On the basis of 1948 imports, the liberalization covers 99.1 per cent of total private imports from these countries. The same liberalization applies to imports of products from countries clearing through the EPU, from Afghanistan, Ethiopia, Indonesia, Libya, Saudi Arabia, Sudan, Thailand and Yemen. All non-liberalized imports from countries to which the OEEC free list applies are effected either under bilateral trade agreements or against individual licences issued on an ad hoc basis.

Imports of a good many products from the dollar area, South Korea, Lebanon and Peru are freely admitted against permits issued automatically by the customs. About 40 per cent of total imports from these countries have been liberalized. (Imports from Canada and the United States in 1953 as basis of calculation.) Other products which may be imported from the dollar area are subject to individual licences which are issued according to the essentiality of the products and the availability of freely convertible foreign exchange.

Imports from countries not belonging to the EPU or dollar areas, with which bilateral trade agreements are in force, are for certain products limited to the quotes established in the agreements, while for other products they can be effected without quantitative limitation. Trade with some countries with which no more satisfactory payment agreements could be concluded is settled on the basis of private or global compensation.

Bilateral trade and payments agreements are in force with thirty-eight countries, to which must be added the multilateral arrangements with Argentina and Brazil.

State trading

A range of miscellaneous products including bananas, wheat, wheat flour, tobacco, matches, salt and several chemical products are imported by the state or by enterprises to which exclusive privileges have been granted. In 1955 monopoly imports represented 3.2 per cent of total imports.

Recent changes

As a result of measures adopted in March 1956, the liberalization of imports from the dollar area, North Korea, Lebanon and Peru rose from 25 to 39.8 per cent (basis 1953 imports from the United States and Canada). In August 1956 licensing requirements were temporarily re-imposed on imports of certain fatty acids.

JAPAN

The system and technique of restrictions

A general control is exercized over imports through the allocation of foreign exchange and through the issue of individual import licences. Twice a year foreign exchange budgets are compiled and authorized imports are communicated, mainly through the procedure of "Import Announcements". Import licences are granted rather freely for certain types of essential goods; imports of non-essential goods are permitted at least in the minimum commercial quantities with a view to safeguarding the commercial interests of the exporting countries. Generally the issue of an import licence is conditioned upon a deposit (1 per cent or 5 per cent) which varies according to the nature and the value of intended imports.

The import control regulations provide for different licensing procedures: (1) For certain foodstuffs, raw materials and other essentials, there is an exchange allocation system, under which the importer must first obtain from the import trade control authorities an allocation of foreign exchange which will entitle him to an import licence. In the foreign exchange budget of the 1955/1956 fiscal year, the amount earmarked for imports in this category represented 83.8 per cent of the total budget. (2) There also exists an automatic approval system covering a range of goods (455 items) for which individual licences are issued automatically upon application. Under this system no quantitative limitations are set for each commodity and the original foreign exchange amounts budgeted for this category of goods can be supplemented when exhausted. In the fiscal year 1955/1956, 16.2 per cent of the total foreign exchange budget was reserved for imports under this scheme.

The discriminatory application of import restrictions

Because of currency problems a distinction is drawn between import controls applying to the "dollar treatment"[1] and the "sterling treatment"[2] areas.

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1 Afghanistan, the Belgian Monetary Area, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, the Dominican Republic, Ecuador, Eastern Germany, Guatemala, Haiti, Honduras, Hungary, Liberia, Mexico, Monaco, Nicaragua, Paraguay, Panama, Peru, El Salvador, Spain, Switzerland, Uruguay, United States of America, U.S.S.R., Venezuela.

2 The Sterling Area, Austria, China (Mainland), Denmark, Western Germany, Italy, Norway, Portugal, Sudan, Sweden, Thailand.

Except for the French union and the Philippines, which are treated like dollar area countries, all open account countries[1] receive the treatment of the sterling area. In addition, within these two broad groups of countries, import restrictions are applied differently depending on the existing trade agreements, the treatment accorded to Japanese goods by each country, the settlement arrangements and the trend of the trade balance with each country or each currency area.

For certain products imported under the foreign exchange allocation system, global quotas are established; for other goods controlled under this system quotas are allocated by country or currency area. In the 1955/1956 fiscal year, the global quota method applied to 49.4 per cent of the foreign exchange budget of the allocation system. The rest of this budget was divided into quotas by country or currency area and covered salt, leaf tobacco, rice, sugar, etc. Under the automatic approval system the source of imports is, in certain cases, specified. About ninety-six items (including crude rubber and tin) imported under this system are not admitted from the dollar treatment area. Coffee beans, cocoa beans, ground nuts and copra, are importable under this system from Indonesia only, and soya beans from Brazil and a few other countries.

Within the framework of the Anglo-Japanese payment agreement, efforts are being made to achieve an overall equilibrium in the trade with the sterling area countries. Some single quotas have been established for imports from the United Kingdom for certain woollen products, whisky, confectionery and other products. Open account arrangements (with a view to equilibrating trade) are in force with twelve countries. Trade agreements specifying commodities are maintained with nine countries.

State trading

The State has a monopoly on rice, wheat, barley, salt and leaf tobacco. Imports of these products are effected by private traders under the usual import procedures and sold to the Government or to the monopoly agent. During the fiscal year 1955/1956 the combined value of these products represented about 17 per cent of total imports.

Recent changes

The foreign exchange budget has been raised from $1,161 million in the first half and $1,455 million in the second half of 1955/1956 (fiscal year), to $1,543 million in the first half and $1,915 million in the second half of 1956/1957 respectively. Concurrently with this increase, the number of items under the automatic approval system was increased from 356 at the beginning of 1955/1956 to 529 in the first half and to 559 in the second half of 1956/1957, and the budget expanded from $190 million to $282 million (31 May 1956) and to $390 million (30 September 1956). Also the global

[1] Argentina, Brazil, China (Taiwan), Egypt, Finland, Greece, Indonesia, Netherlands, South Korea and Turkey.

quota budget which in the first half of 1955/1956 represented 43.6 per cent ($424 million) of the total budget for imports under the exchange allocation system, was extended to 59.8 per cent ($725 million) in the first half of and 86 per cent ($1,132 million) in the second half of 1955/1956.

With Germany, Italy, Sweden and Thailand open account transactions were abolished and replaced by cash transactions.

KINGDOM OF THE NETHERLANDS

The system and technique of restrictions

Under the import control system there are a number of free lists specifying commodities which can be freely imported into the Netherlands from designated areas. These free lists cover substantially all the import trade. For the importation of non-liberalized products licences are issued within the limits of quotas which are fixed either unilaterally or bilaterally under trade agreements. Absolute import quota restrictions are limited for the most part to certain agricultural products.

The discriminatory application of import restrictions

Somewhat different free lists apply to (i) the B.L.E.U., (ii) the OEEC countries, Egypt, Indonesia, New Guinea, Surinam and the Netherlands Antilles and (iii) the dollar area.

For the countries whose currencies are linked with those of the members of the OEEC, quantitative restrictions have been eliminated to virtually the same extent as for the OEEC countries. For a large number of free listed goods imported from the countries mentioned under (i) and (ii) above and from the countries belonging to the monetary sphere of the European Payments Union no licences are required; licences for the importation of most non-liberalized goods from the same areas are issued in a liberal way upon application. All imports from the dollar area require licences which are granted automatically for free listed goods while for non-liberalized goods licences are issued liberally. Imports from other countries are generally subject to licence, but for a large number of items licences are issued freely. Bilateral trade agreements have been concluded with most OEEC countries, Czechoslovakia and certain non-contracting parties. The volume of trade covered by quotas in bilateral agreements with contracting parties represents only a small part of total imports.

On the basis of 1955 trade the liberalization percentage for Benelux covers 95.6 per cent of the imports from OEEC countries. Present imports from the United States and Canada free from quantitative control represent nearly 90 per cent of total imports from these countries in 1953.

State trading

In 1955 State trading was completely abolished.

Recent changes

In 1956 import formalities were further simplified. Licences and import declarations were no longer required for a great number of products.

NEW ZEALAND

The system and technique of restrictions

Under the import control system there is a "World Exemption List" containing 159 items which may be imported from any source free of licence. For the control of all other imports a distinction is generally drawn between the "scheduled" and the "non-scheduled" countries. The scheduled countries comprise the dollar area, Japan and Korea.

A large number of products are exempted from licensing requirements when imported from the non-scheduled countries. Where licences are required they are issued without designation of source of supply in the non-scheduled area. For licensing purposes the imports from this area are divided in two categories:

(i) there is a category of products for which "basic allocations" are granted by reference to a previous representative period. The provision of such a basic allocation does not preclude the granting of additional licences, or licences to importers not qualifying for a basic allocation;

(ii) there is also a category of products for which applications for import licences are considered individually. Licences for the importation of some items in this category are granted liberally but in other cases they are only issued in exceptional circumstances.

Except for the importation of products specified in the World Exemption List, applications for licences to import goods from scheduled countries are in most cases considered individually, primarily on the basis of essentiality and availability from other sources, but significant price differences and other commercial considerations are also taken into

account when they are relevant. The system of basic allocation does not usually apply to imports from these sources, but special basic allocations have been established for certain traditional imports from Canada and the United States.

State trading

Imports of wheat are reseved to a State monopoly. The importation and marketing of citrus fruits, bananas and pineapples is carried out by an organisation set up by the merchants and having exclusive rights of importation by agreement with the Government. Cement is also exclusively imported by a purchasing organization of the domestic cement producers. Imports of all these commodities represented 2.80 per cent of total imports in 1955. With the exception of cement, the commodities in question are exempt from control when imported from non-scheduled countries.

Recent changes

The World Exemption List was further enlarged in 1956 and several additional items were freed from licensing requirements when imported from non-scheduled countries.

NORWAY

The System and Technique of Restrictions

There is a free list, specifying goods which may be imported from OEEC countries and their associated monetary areas, and from Czechoslovakia, Finland, Hungary, Israel, Poland, Rumania and the Spanish monetary area. Imports of items on the free list can be effected against declarations or against licences issued freely upon application. Under this list 78 per cent of private imports from OEEC countries (1948 basis) are liberalized.

Another free list which was set up in July 1956, covers approximately 83 per cent of the imports on private account from Canada and the United States in 1953. For imports of goods specified in this list, licences are issued automatically upon application.

For every calendar year, a global quota list is established. All goods specified therein may be imported up to a fixed monetary ceiling from any of the global quota area countries, i.e. the OEEC free-list countries. In July the global quota area was, with some exceptions, extended to include the dollar area.[1] Concurrently Chile, Paraguay, Peru and Uruguay were added to the global quota area.

The bulk of the import trade not covered by the free lists or the global quota list is effected under bilateral trade agreements or under compensation agreements. About 29 bilateral trade agreements are in force, of which 24 provide for quotas. In the period 1 October 1954 to 30 September 1955, the quotas established in bilateral agreements represented about 9 per cent of total Norwegian imports (imports of ships excluded). In these bilateral trade agreements provision is often made for token imports.

State Trading

There are three state monopolies concerned with foreign trade: (1) the State Grain Corporation, which has the exclusive right to import wheat, rye, barley and oats, and milled products thereof, and concentrates. Some imports of grain are made under bilateral trade agreements; (2) the Wine Monopoly, which is the sole importer of alcoholic beverages. Almost all the wine is imported under trade agreements; (3) the State Corporation for the importation of fishing tackle, which maintains a monopoly in the import trade of these commodities. In addition, imports of sugar, coffee, coal, cinders and coke should be considered as controlled by the Government. In 1956 several food products were reverted to private trade.

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[1] The dollar area does not include Liberia. Private cars and delivery trucks were not included in the global quota list applicable to the dollar area.

Recent Changes

Apart from the liberalization measures mentioned above, a few more items were added to the dollar free list in November 1956. In the import budget for 1956, foreign exchange allocations for a number of commodities were increased to the extent that demand is met. Further, the Norwegian Government has decided to include new items on the free list in the course of the first half of 1957. In addition to dried fruit, various articles of clothing, hats, gloves and footwear will be liberalized. The liberalization percentage will from 1 April 1957 be increased to 78.9 per cent for the imports from OEEC area and to 84 per cent for imports from dollar area.

PAKISTAN

The System and Technique of Restrictions

All imports are subject to licence. At the beginning of each half calendar year an announcement on import policy is made in the form of Public Notices which list the items for which import licences will be issued. Import quotas are fixed on the basis of average six-months imports in the preceding years in the light of the foreign exchange position, indigenous production, the essentiality of the items for industry, trade, etc. Individual import licences are issued to be valid for imports from all countries except for a few items imported with a single country licence under the terms of a trade agreement.

Bilateral trade agreements involving no quotas are in force with about fourteen countries; the agreements with France, Germany, Italy and Japan provide for the issue of single country licences once the partner's purchases of cotton have reached a specified quantity. Such single country licences cover a negligible part of the import trade.

Recent Changes

On 1 June, the Government announced the import programme for the second half of 1956. Some commodities were added to the licensing list, while some others were withdrawn. These changes were not intended to affect the level of total imports.

FEDERATION OF RHODESIA AND NYASALAND

The System and Technique of Restrictions

The importation of all goods not being the product or manufacture of the sterling area is subject to control. A distinction is generally drawn between the dollar area and the non-dollar/non-sterling area. The control is exercised in the following way:-

(a) Certain goods, mainly petroleum products, are covered by an open general licence, and can be imported freely from any source.

(b) With the exception of motor vehicles, second-hand clothing, cardboard and fibreboard, wrapping paper, paper bags and wrappers, all goods originating in certain non-sterling/non-dollar countries which are either contracting parties to GATT or members of OEEC[1] are on open general licence.

(c) On a wide range of goods from the dollar area licences are granted automatically on request and without quota limitation.

(d) For other goods the importation of which is permitted, an amount of foreign exchange is allocated for imports from the dollar area and another for imports from other non-sterling countries. Both of these are divided into global amounts for the various groups of products. Individual importers receive separate allocations within these global amounts; and their allocations may be utilized for imports from any country in the relevant area. Allocations granted for imports from the dollar area may, however, be utilized for imports from non-dollar countries.

Recent Changes

On the GATT/OEEC side, the only imports now remaining subject to quantitative restrictions are motor vehicles (passenger and commercial) and second-hand clothing. In all but five cases, that is motor scooters and motor cycles, cardboard and fibreboard, wrapping paper, paper bags and wrappers, the unrestricted items are on open general licence. In the five cases mentioned, individual licences have still to be obtained, but there is no quota and licences are given freely. In addition, imports of contractor's plant, such as dumpers and tippers, which were in the category of motor vehicles, have been derestricted.

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[1] Austria, Belgium, Brazil, Chile, Czechoslovakia, Denmark, Finland, France, German Federal Republic, Greece, Indonesia, Italy, Luxemburg, Netherlands, Norway, Peru, Portugal, Sweden, Switzerland, Turkey and Uruguay. GATT obligations do not apply between Japan and the Federation.

On the dollar side, during the past year, 385 customs tariff items and sub-items, which were formerly either prohibited or subject to quota, have been derestricted, making a total of 500 of the 720 tariff items and sub-items free from quantitative restriction. Further, certain imports from the dollar area and Japan, which are specified in two different lists, can be effected without quantitative limitations when destined for industrial uses. All imports which are not covered by the open general licences or "unrestricted" lists are limited by quota or, in the case of certain less essential goods, prohibited.

One bilateral trade agreement is in force with France. Under this agreement the issue of import licences for French automobiles is linked with French imports of tobacco from the Federation.

SWEDEN

The System and Technique of Restrictions

Except for printed matter, stereotype blocs and ice, which may be freely imported from any source, all items are subject to control. Different liberalization lists apply to (a) the EPU area, Finland, Indonesia and Yugoslavia and (b) the dollar area.[1]

Imports from the countries belonging to area (a) are liberalized to the extent of 92.6 per cent of private imports from OEEC countries in 1948. The liberalized products are specified in an OEEC free list and may be imported without licences. In addition, licences for importation of the majority of fatty raw materials and of fresh and frozen fillets of certain fish are freely granted. For salt herrings, goldsmith wares and pre ious stones, global quotas are established.

68 per cent of private imports from the dollar countries (1953 basis) are freed from quantitative restrictions. The liberalized products are specified in a dollar free list and may be imported from dollar countries free of licence. This list includes most engineering products, basic metals, industrial materials and various consumer goods. There is also a transit dollar free list for goods for which licences are freely granted provided payment is made in "transit" dollars or if they are purchased via non-dollar countries. Items in this category include aircraft, copper, lead, tin and zinc, coffee, copra and most fresh fruit.

Under a trade agreement with Spain licences are freely issued for imports of goods on the OEEC free list. Imports of coffee from Brazil and of citrus fruit from Israel can be effected free of licence.

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1 Colombia is not included.

For certain imports which are not free-listed, quotas are established either under bilateral trade agreements or in accordance with the limits set by an import budget drawn up on the basis of estimated currency availabilities. Trade agreements are in force with the majority of the OEEC countries, Spain and most countries in Eastern Europe. Imports are often allowed to exceed the quotas established. Applications for import licences for other non-liberalized goods are usually considered on an individual basis. Licences are issued liberally.

State Trading

The Government maintains a monopoly for the import of tobacco, machines for the manufacture of tobacco products, wines and spirits. Furthermore, when market prices for bread grains, meat, eggs and sugar fluctuate outside certain limits, the previous monopolies granted to special associations for the trade in these commodities can be reintroduced.

Recent Changes

During the first half of 1956, the OEEC free list was extended by the inclusion of certain types of fish and a few agricultural products. In January and July 1956, the dollar free list was enlarged by the addition of certain base metals, linseed oil, certain automobile parts, and various consumer goods. As from 1 September 1956 (in the case of sugar from 1 May 1956) quantitative restrictions on a number of agricultural products were lifted as long as prices remain within certain fixed limits.

TURKEY

The System and Technique of Restrictions

All imports are subject to licence and no quotas are established in advance. Importers must limit their applications for licences either to the actual amount of their imports in a reference period, or, for newly established importers, to a figure based on their registered capital. Licences for commodities of primary necessity and for certain commodities imported on a long-term basis are generally issued automatically. There are no special rules for the licensing of goods included in a "liberalization schedule" which is not being applied. Licences for imports from the dollar area are granted generally only when the products in question are essential and are not available from countries outside the dollar area. Imports from clearing account partners are kept within the limits of exchange proceeds accruing from those countries.

About twenty-four bilateral trade agreements are in force, some of which involve indicative quotas, while others simply provide for lists of goods without specific commitments.

State Trading

The importation of quinine, tea, manufactured tobacco, playing cards and certain types of alcoholic beverages, are under State monopoly. Imports of the articles concerned are subject to licence.

UNITED KINGDOM

The System and Technique of Restrictions

Under the British import control system a distinction is generally drawn between the dollar area, the sterling area, and the non-dollar non-sterling world. There is an Open General Licence enabling traders to import listed commodities from specified countries without restriction. A number of commodities, mostly raw materials, can be imported under the Open General Licence without restriction from any source. In addition, other commodities may be imported under the Open General Licence without restriction from specified countries, or groups of countries. For some commodities, there are open individual licences which permit individual importers to import without restriction, either from all sources or from specified countries or groups of countries, and which are equivalent in effect to the Open General Licence.

For goods not covered by these open licences the principal licensing methods employed are

(1) individual licensing within the limit of fixed quotas,

(2) individual licensing other than within quota limits.

Under the first of these two methods, individual licences may be issued either

(a) against bilateral quotas negotiated with the exporting countries; the total value of such quotas is now small, or

(b) against so-called global quotas extending to all countries in a group; mainly for goods once on open general licence from OEEC countries, their dependencies and many other non-dollar non-sterling countries, or

(c) for token quantities of goods traditionally exported by the United States and Canada; under the Token Import Scheme, or

(d) against other import quotas; mainly for foodstuffs and raw materials from the dollar area.

Under the second of the two methods, individual licences may be issued

(i) if the applications fulfil certain prescribed conditions or criteria, or

(ii) on an ad hoc assessment of the merits of the case.

The precise method varies with the type of goods. About one sixth of United Kingdom imports from all sources in 1955 consisted of goods subject to restriction.

Discriminatory Application of Restrictions

The extent of discrimination varies in different cases. From the sterling area all goods (with very few exceptions) are freely admissible. From the dollar area most consumer goods are admissible only in token quantities under the Token Import Scheme while other goods essential to the United Kingdom economy are admissible only within the limits of import quotas or under other arrangements. A considerable range of raw materials and basic foodstuffs are, however, freely admissible and here there is no discrimination. From non-dollar non-sterling countries imports are admissible more freely than from the dollar area but somewhat less freely than from the sterling area. About 94 per cent (on a 1948 basis) of all imports on private account from OEEC countries are now free of all restrictions. Some consumer goods remain subject to bilateral or global quotas.

Over half of the imports from the dollar area in 1955 comprised goods now free from restriction.

Bilateral Trade Agreements

The United Kingdom still has bilateral arrangements with most OEEC countries, with certain countries in Eastern Europe, and with Spain, Finland, Argentina and Japan. A primary object of these arrangements is to ensure a spread of imports and exports over the field of trade as yet unliberalized in which the respective countries have a traditional interest. The area of trade susceptible to bilateral discussion with OEEC countries now represents a very small proportion of total trade. In none of these arrangements is any undertaking given to ensure the import of any given quantity of goods, nor is there any limitation on the freedom of importers to establish facilities for imports from other countries.

State Trading

Items in which the state is now trading are confined to raw sugar (which will revert to private hands on 1 January 1957) and certain jute manufactures.

Recent Changes

Since the last report was issued a number of products were added to the list of products covered by the Open General Licence. The most important products so added in 1956 were wood pulp, certain paper making materials and certain kinds of paper and board. Bacon and pork were placed on open individual licence for certain countries when state trading ended in September.