

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/C8
6 April 1979

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

MEETING OF 5 APRIL 1979

Summing-Up by the Acting Chairman

1. The Sub-Group met on 5 April 1979.
 2. It was agreed that the secretariat should act as Chairman for the present meeting.
 3. The Sub-Group invited the Secretary-General of UNCTAD or his representative to attend the meeting as an observer.
 4. At the end of the meeting, the Acting Chairman, on his own responsibility, made the following summing-up.
- A. QUANTITATIVE RESTRICTIONS
5. The Sub-Group took note of the situation in respect of the negotiations on quantitative restrictions.
 6. Many delegations expressed disappointment at the meagre results achieved in the negotiations in this area, which in the view of some delegations had been carried out mainly on a bilateral basis. Some delegations referred in particular to the lack of progress in dealing with quantitative restrictions not consistent with the GATT as well as restrictions of a discriminatory character. Reference was also made to pending proposals for a standstill against the establishment of new restrictions. Some delegations stated that the negotiations in this area were still continuing.
 7. Several delegations referred to proposals put forward by them earlier for the development of multilateral solutions in the area of quantitative restrictions, including proposals for special and differential treatment for developing countries.
 8. There was very broad support for a proposal put forward by one delegation that the CONTRACTING PARTIES should be invited to develop a multilateral solution in the field of quantitative import restrictions, and that they address themselves to this task as one of the priority issues to be taken up after the Multilateral Trade Negotiations were concluded. Some delegations referred to the need for

priority being given to action on quantitative restrictions affecting developing countries. On the other hand, some delegations, noting that negotiations in this area were still continuing, stated that their governments would wish to consider after the conclusion of the Multilateral Trade Negotiations how further progress might best be made in this area. One delegation expressed preference for bilateral procedures.

9. The Acting Chairman concluded that the Sub-Group had carried its work on quantitative restrictions as far as it could. The statements and discussion on the subject as reflected in this summing-up would be brought to the notice of the Trade Negotiations Committee.

B. IMPORT LICENSING PROCEDURES

10. The Sub-Group had before it the revised text of a draft Agreement on Import Licensing Procedures (MTN/NTM/W/231/Rev.1) circulated at the request of a number of delegations, as well as other proposals and documents listed in the airgram convening the meeting.

11. Delegations from a number of countries welcomed the revised text contained in MTN/NTM/W/231/Rev.1 as a compromise which provided a balanced solution for problems in this area. These delegations noted that the instrument was designed to deal with procedures rather than with measures, and was aimed at ensuring that licensing procedures would be neutral, transparent and equitable. They also stated that the Agreement contained provisions designed to make it easier for developing countries to become parties to it. They indicated that they were ready to forward the text of the Agreement to their governments for consideration, and expressed the hope that other delegations would be in a position to support the Agreement.

12. One delegation expressed the view that its import certificate and associated security system was covered by the footnote on page 5 of MTN/NTM/W/231/Rev.1, and was therefore to be considered as automatic. Other delegations expressed reservations in this regard, on the ground that the Agreement dealt specifically with procedures and not with import measures.

13. The Sub-Group noted the understanding stated by delegations that the provisions of the Agreement, and in particular paragraph 3 thereof, did not in any way modify obligations of contracting parties under Article I of the General Agreement in relation to administrative procedures. Paragraph 3 of the Agreement in MTN/NTM/W/231/Rev.1 should be interpreted in this context. In this connexion some delegations also stated that this Agreement, being limited to procedures, did not modify the application of the provisions of the General Agreement.

14. One delegation from a developing country explained the usage of the expression "automatic licences" in its import régime, and stated that it considered that such licences would be governed by the provisions of paragraph 14 of the Agreement.

15. The representative of one developing country stated that his authorities considered that the Agreement would not limit his country in the appropriate use of samples requirements. He also said that in cases where an export agreement was in operation, imports should be allowed on the basis of export licences, visas or permits issued by the exporting country where the export restraint agreement so provided. Some delegations, while expressing support for this concept, pointed out that the Agreement concerned only procedures on import licensing.

16. Some delegations from developing countries referred to specific proposals which they had sought to be included in MTN/NTM/W/231/Rev.1. One representative, while reserving his position on that text, referred to his proposal in MTN/NTM/W/233. He and some other delegations expressed the hope that an appropriate solution would be found in the course of further consultations.

17. Some delegations expressed reservations in respect of the provisions of paragraph 9 of the Agreement. Some delegations expressed doubt about the need for establishing a Committee on Import Licensing under the Agreement.

18. Some delegations expressed their readiness to continue to seek appropriate solutions for the difficulties that have been mentioned, in further bilateral consultations.

19. Several procedural questions related to the Final Provisions in MTN/NTM/W/231/Rev.1 were raised. Some delegations proposed that paragraph 17(a) be amended by insertion of "after being adopted by the Trade Negotiations Committee" after "This Agreement shall". A question was also raised regarding the provisions for accession to the Agreement by governments which are not contracting parties to the GATT or which have provisionally acceded to GATT. Some delegations proposed that in paragraph 19 the words "provided that by such date no less than two-thirds of the total number of States parties to the Multilateral Trade Negotiations have accepted or acceded to the Agreement" be inserted after "1 January 1980 and that the words "for the governments which have accepted or acceded to it by that date", in the same paragraph, be deleted.

20. It was noted that these differences of view on the procedural questions were of a general nature and not specifically related to the work of the Sub-Group. The Acting Chairman stated that these differences would be drawn to the attention of the Chairman of the Trade Negotiations Committee, the body responsible for the overall conduct of the negotiations, with the suggestion that he consider, in consultation with delegations, how these matters could best be dealt with.

21. Some delegations reserved the right to examine the French and Spanish language versions of the text in order to ensure their alignment with the English language version.

22. While noting the view of some delegations that there might be scope for further consultations in this area, the Acting Chairman concluded that the Sub-Group had taken its work as far as it could, and that he would transmit this summing-up, together with the text of MTN/NTM/W/231/Rev.1, to the Trade Negotiations Committee.