

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/21

3 October 1975

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## Multilateral Trade Negotiations

### Group "Non-Tariff Measures"

#### CONSULTATIONS OR DISCUSSIONS ON QUANTITATIVE RESTRICTIONS

##### Status Report and Proposed Procedure for Reports

1. At its meeting of April 1975 the Sub-Group "Quantitative Restrictions" agreed, inter alia, (MTN/NTM/2 paragraph 6(i)-(ii)), that as an initial step towards the working out of solutions, a process of information, examination and dialogue should be undertaken with respect to existing quantitative restrictions. This process should elucidate, inter alia, whether restrictions are maintained in accordance with the General Agreement and should also elucidate the economic and social circumstances underlying particular restrictions in importing countries.
2. The Sub-Group also agreed that the process would take place through detailed bilateral or plurilateral consultations or discussions between countries maintaining restrictions and countries notifying a direct trade interest in these restrictions through the secretariat, and might include specific suggestions for action in regard to individual restrictions. Flexibility should be allowed for developing countries to participate adequately in this process.
3. In GATT/LIR/1166 all interested countries participating in the Multilateral Trade Negotiations were invited to notify the secretariat of their desire to enter into consultations or discussions, specifying the countries with which they wish to consult and the specific quantitative restrictions, indicating the products affected, on which they would wish to consult.
4. As of 30 September 1975 twenty-one participants<sup>1</sup> have notified the secretariat of their desire to hold consultations or discussions. In addition, one participant has directly notified the countries with which it wished to consult. The notifications were made against forty-two countries, the European Communities and the Benelux countries. Both developed and developing countries are among the countries that have requested consultations and against which notifications have been made.

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<sup>1</sup>The European Communities and the Nordic countries count as one participant each.

5. Several points bearing on the scope of the consultations or discussions have been made by countries to whom requests for consultations or discussions were made. These are the following:

(a) A number of countries consider that consultations on products falling into Chapters 1-24 of the BTN should be deferred until agreement has been reached, in the Group "Agriculture", on the framework in which quantitative restrictions relating to agricultural products should be treated.

(b) A group of countries is of the opinion that measures like variable levies are not to be regarded as quantitative restrictions and, therefore, they fall outside the scope of the consultation.

(c) A group of countries considers that products for which quantitative restrictions are applied only against certain countries should be discussed in the working parties which are provided for by the respective protocols of accession.

(d) A number of countries expressed the opinion that for the time being problems concerning textile products covered by the Arrangement Regarding International Trade in Textiles should be dealt with in that context.

(e) Individual countries have replied that the restrictions in question were covered by Articles XII and XVIII, that they were maintained in accordance with Article XIX, that it would be inappropriate to consult on the system of import licensing or State trading, or on export restrictions on the ground that they are not covered by the Tokyo Declaration, or on notifications made by developed countries until such time when additional benefits can be ascertained that should accrue for the trade of developing countries as stated in the Tokyo Declaration and in the light of developments in the Multilateral Trade Negotiations as a whole and in the field of non-tariff barriers and quantitative restrictions in particular.

6. It is the understanding of the secretariat that several bilateral or plurilateral consultations or discussions have been held and are still being held between participants. In this connexion it will be recalled that the Sub-Group "Quantitative Restrictions" at its last meeting also agreed that the results of these consultations or discussions would be reported to the next meeting of the Sub-Group, scheduled to commence on 27 October 1975, by the countries involved in each of the consultations or discussions for analysis of the existing situation by the Sub-Group (MTN/NTM/2, paragraph 6(iii)).

7. In view of the large number of consultations or discussions held (see paragraph 4 above), a practical way should be found to provide the Sub-Group with a clear picture of the main points that have emerged while at the same time avoiding unnecessary details to be reported. It is therefore suggested that:

(a) the reports should be submitted to the Sub-Group orally by the exporting countries with respect to all consultations or discussions which they had requested. It would be understood that in cases where the reports are not agreed upon, the consulted countries would have the right to make comments on these reports;

(b) the reports should provide information which would enable the Sub-Group to carry out its task as defined in paragraphs 6(iii) and (iv) of MTN/NTM/2. The reports might therefore include, inter alia, reference to:

- (i) product areas and categories of measures involved;
- (ii) difficulties of a general nature and problems encountered, e.g. those affecting the holding of consultations and reasons for unsatisfactory outcome;
- (iii) any kind of agreement reached or prospects for any kind of solution or action (for example: what measures might be subject to further negotiations and what would be done to others);
- (iv) any conclusions or suggestions as to the further proceedings.