

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

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Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

QUANTITATIVE RESTRICTIONS

Addendum

1. At its meeting of October/November 1975, the Sub-Group "Quantitative Restrictions" agreed that delegations should endeavour to send to the secretariat summary notes with respect to the consultations in which they had participated as exporting or importing countries. The Sub-Group also agreed that the secretariat would assemble and distribute these summaries for the further work of the Sub-Group (MTN/NTM/9, paragraph 9).
2. At the meeting of the Sub-Group in March 1976 there was widespread support for the view that the consultations should be kept open, but that the process should be accelerated and that the delegations should endeavour, in advance of the next meeting, to send to the secretariat summary notes with respect to the consultations in which they had participated (MTN/NTM/14, paragraph 6).
3. The following communication has been received from the delegation of India (Annex) concerning consultations held with the United States, Australia, the European Economic Community and Canada.
4. Delegations which have not yet submitted summary notes are invited to do so without delay.

ANNEX

1. In accordance with the procedures agreed upon by the Sub-Group "Quantitative Restrictions" in April 1975, India had notified her desire to hold consultations with the United States, Canada, the European Economic Community, Sweden, Norway, Finland, Austria, Japan, Australia, New Zealand and Switzerland. So far initial consultations have been held with the United States, Australia, EEC and Canada. These have been in the nature of a preliminary exchange of views, without prejudice to the negotiating positions to be adopted by the parties concerned.

2. The consultations that have taken place so far are summarized below:

United States

3. The representative of the United States stated that imports of textiles into the United States were governed by the provisions of the Arrangement Regarding International Trade in Textiles and, therefore, they did not wish to discuss textiles restrictions in the Sub-Group. The representative of India stated that textiles were one of their major items of export interest and could not be ignored. India would, therefore, like to register her interest in this industry in the context of discussions in the Sub-Group. Moreover, the representative of India pointed out that the MFA was valid only up to 1977 and the results of the MTN would be implemented only around that time.

4. The representative of the United States clarified that the quota restrictions on imports of peanuts were imposed under the provisions of section 22 of the United States Agricultural Adjustment Act, in respect of which there was a waiver under the GATT dating since March 1955.

5. The representative of India took note of the fact that imports into the United States of sugar, derived from sugar beets or sugar cane, were regulated under a global-tariff quota.

6. The representative of the United States mentioned that the imports of stainless steel flatware were subject to a tariff-rate quota. In his view, this was basically a tariff problem and the United States would prefer to discuss this matter in Group "Tariffs".

7. The representative of India took note of the fact that there were no quantitative restrictions applied on import into the United States of "prepared parts of footwear of all materials" (64.05) and of "iron or steel tube and pipe fittings" (73.20).

Australia

8. The representative of Australia considered that although textiles restrictions fell within the competence of the Sub-Group, it was desirable, from a practical viewpoint, not to duplicate consultations held under the MFA. The representative of India emphasized that the MFA was temporary and was due to expire in 1977. The discussions in the MTN were more fundamental and would, in any case, only take effect around that time. India would, therefore, like to discuss barriers to trade in textiles in the Sub-Group.

9. On the question of action taken under Article XIX of the General Agreement, the representative of Australia considered that this was of a temporary nature. He agreed that such action did have a tendency to be prolonged, but he maintained that this was not so in the case of Australia. He did not, therefore, see any advantage in discussing temporary measures of an emergency nature. However, they would have no objection to discussing Article XIX if India felt that this would be helpful.

10. The representative of Australia clarified that the quantitative restrictions on sugars and molasses(17.01, 17.02, 17.03 and 17.05) could not be regarded as trade barriers as Australia herself was a leading producer of sugar on very competitive terms.

11. The representative of India also took note of the fact that there were no quantitative restrictions on "pickles of all types" (20.01), "bovine cattle leather" (41.02) and "goat-skin leather" (41.04).

European Economic Community

12. The delegation of the EEC declined to discuss quantitative restrictions on textiles products on the grounds that these were covered by the provisions of the Arrangement Regarding International Trade in Textiles. As regards restrictions on items falling within BTN chapters 1 to 24, they stated that such matters should be discussed in Group "Agriculture".

13. The delegation of the EEC also explained that they did not consider their licensing system in itself as being restrictive. In most cases, the system was automatic in nature and only discretionary licensing could be regarded as restrictive.

14. The representative of India expressed concern at not having an opportunity to discuss quantitative restrictions on textiles and on agricultural items. If these two sectors were left out, a large part of the trade of developing countries would stand excluded from the negotiations, which clearly was not the intention. The representative of India further pointed out that the MFA was temporary and was

due to expire in 1977, while the discussions in the MTN were more fundamental and their results would only take effect around that time. He stated, therefore, that barriers to textiles trade would need to be discussed in the Sub-Group and hence, India's request on these items should remain on the table.

15. The delegation of the EEC confirmed that imports into Ireland from India of "rubber tyres and tubes for vehicles" (40.11) were subject to discretionary licensing. It was explained that this measure had been taken in order to re-structure the domestic industry in Ireland, and that it was not intended to be permanent.

16. The delegation of the EEC explained that import restrictions on "woven fabrics of jute, over 150 cm. in width" (57.10) were not applied to imports from India, except in the case of France. In France, the measure has been taken to protect the domestic industry.

17. Similarly, the delegation of the EEC stated that restrictions on import of "umbrellas and sun-shades" (66.01) were applied by France to protect the domestic industry from certain low-price countries.

18. The delegation of the EEC also mentioned that quantitative restrictions on the following items were applied by France and the Federal Republic of Germany as a measure of protection for their domestic industry:

- (a) glazed sets, flags and paving, hearth and wall tiles, other than of common pottery (69.08),
- (b) tableware and other domestic articles of porcelain or china (69.11),
- (c) tableware of other kinds of pottery (69.12).

19. The delegation of the EEC explained that the quantitative restrictions on import of "other toys" (97.03) were applied by France to protect the domestic industry which was predominantly in the small-scale sector. The representative of India was assured that the quotas for this item could be increased.

20. The representative of India took note of the fact that there were no restrictions on "plywood veneered, panels, inlaid wood" (44.15) in the Federal Republic of Germany. It was also noticed that imports of "jute yarn" (57.06) and of "tubes and pipes of iron and steel" (73.18) have been liberalized in all member States.

21. The representative of India also took note of the fact that there were no restrictions on imports from India of the following items:

- (a) 64.01 - footwear (United Kingdom);
- (b) 64.02 - footwear of leather (Ireland);
- (c) 85.03 - primary cells and batteries (France);
- (d) 85.10 - portable electric batteries and magnet lamps (France);
- (e) 85.21 - thermionic, etc. valves and tubes (United Kingdom).

Canada

22. The representative of Canada explained that import of "cotton yarn" (ex 55.05 A and B, corresponding to Canadian tariff lines 52101-1 and 52107-1) was subject to an automatic licensing system that was applicable to imports from a number of countries, including India; it was also intended to be temporary in nature.

23. The representative of Canada also stated that import of "filament rayon lining fabrics" (ex 51.04 B) was subject to a so-called voluntary export restraint under the MFA. The restraint was temporary. However, he did not wish to exclude discussion of such restrictions within the framework of the MTNs.

24. The representative of Canada mentioned that import shirts, knitted or woven, for men and boys, and women and girls (covered by BTN 61.03 and 61.04) were subject to temporary safeguard action under Article XIX of the General Agreement. The representative of India took note of the fact that the Canadian authorities were currently reviewing the position in this regard and that the results of this review would be known shortly.

25. The representative of India also took note of the fact that there was no quota restriction on imports into Canada of electric power machinery (85.01).