
Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 4 APRIL 2001

Chairperson: Mr. Albert Wright (Denmark)

The Committee on Import Licensing held its thirteenth meeting on 4 April 2001. The agenda proposed for the meeting, contained in WTO/AIR/1519, was adopted.

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1. Notifications

(i) *Notifications under Articles 1.4(a) and/or 8.2(b) (publications and/or legislation)*

1.1 The Chairman said that there were ten notifications before the Committee for review: from Colombia (G/LIC/N/1/COL/1/Add.1), Czech Republic (G/LIC/N/1/CZE/2), Dominica (G/LIC/N/1/DMA/1), Hungary (G/LIC/N/1/HUN/4), India (G/LIC/N/1/IND/3), Jordan (G/LIC/N/1/JOR/1), Liechtenstein (G/LIC/N/1/LIE/2), Oman (G/LIC/N/1/OMN/1), Switzerland (G/LIC/N/1/CHE/2) and Uruguay (G/LIC/N/1/URY/2). Regarding the status of notifications relating to laws and regulations, since the entry into force of the WTO Agreement, the Committee had received notifications under these two provisions from only 67 Members (EC and its member States counted as one Member). All Members were required to notify their laws, regulations and administrative procedures, and submit copies of any relevant publications or laws and regulations upon becoming a Member of the WTO. Any subsequent changes to these laws, regulations and administrative procedures were also required to be notified. He requested all those Members which had not yet provided any information of their laws and regulations relevant to import licensing to submit their notifications without further delay. Members which did not apply import licensing procedures or did not have laws or regulations relevant to the Agreement were also required to notify the Committee of this fact for it to obtain a complete overview of the licensing regimes of all

Members.

1.2 Regarding Oman, the representative of the United States said that Oman had notified Ministerial Decision No. 71-2000 on import licensing procedures but had not submitted responses to the import licensing questionnaire. Did this signify that Oman had no import licensing restrictions? Also, did Oman regulate the import of products with health and security implications, for example explosives or narcotics? Were these products regulated with a system of prior import authorizations? She noted that the Agreement required notification of prior licensing requirements even when they were wholly compatible with WTO rules, for example in the areas of public health and safety, sanitary and phytosanitary.

1.3 The delegate of Oman said that Oman would be notifying on the questionnaire. Oman did not apply any import licensing procedures.

1.4 Regarding Dominica, the representative of the United States said they were seeking clarification on the purpose of the requirements in G/LIC/N/1/DMA/1.

1.5 Regarding the notification by India, the representative of the United States said that with regard to G/LIC/N/1/IND/3 and G/LIC/N/2/IND/3, India listed changes to its import licensing policy. Did the list contained in the document remove the listed items from coverage of India's licensing system? If so, was the importation of these items now subject only to tariffs as a regulatory mechanism excluding requirements and restrictions associated with national security or health and safety? If not, could India outline the nature and scope of any other regulatory regimes restricting import of these products, and also what items remained under discretionary licensing regimes, for example under the regime described in G/LIC/N/3/IND/4. What was the timetable for further liberalization of these remaining requirements?

1.6 The representative of India looked forward to receiving the written questions in due course and pointed out that India's import/export policy had undergone changes from 1 April 2001 which he hoped to notify in the coming weeks. He would nevertheless look into the questions and give detailed answers.

1.7 The representative of Jordan informed the Committee that their legislation had been devised and the new draft import-export law had been approved by the Cabinet. This draft law was in full compliance with the legal WTO requirements and it was expected that it would be approved fully in a special session of the Parliament to be held in May. This would be notified.

1.8 The Chairman proposed that the Committee take note of the notifications as well as the comments and statements made. It was so agreed.

(ii) Notifications under Article 7.3 of the Agreement (Replies to Questionnaire on Import Licensing Procedures)

1.9 The Chairman said that since the last meeting, replies to the Questionnaire had been received from the following 20 Members: Burkina Faso, Colombia, Costa Rica, Dominica, Estonia, EC, Hong Kong China, Hungary, India, Jordan, Liechtenstein, Romania, Singapore, South Africa, Switzerland, Trinidad and Tobago, Tunisia, Uganda, United States and Zimbabwe. In addition, since the airgram for this meeting was issued, three more replies had been received from the Czech Republic, Liechtenstein, and Macau, China. These would be on the agenda for the next meeting. Regarding the current status of notifications under Article 7.3, since the entry into force of the WTO Agreement, replies to the Questionnaire had been received from a total of only 68 Members, the EC and its member States counted as one Member: 11 Members had submitted notifications in 1995, 22

Members in 1996, 25 Members each in 1997 and 1998, 20 Members in 1999, 32 Members last year, and 6 Members up to now this year. The current membership of the WTO totalled 140. The Agreement required all Members to submit replies to the Questionnaire annually, by 30 September. Notifications were overdue from many Members. He requested these Members to submit their notifications without further delay. Even those Members which have not made any changes to their import licensing procedures since their previous notification, or which do not apply import licensing procedures, were required to notify this fact to the Committee. He then turned to the notifications before the Committee: Burkina Faso (G/LIC/N/3/BFA/1/Add.1), Colombia (G/LIC/N/3/COL/1/Add.2), Costa Rica (G/LIC/N/3/CRI/3), Dominica (G/LIC/N/3/DMA/1), Estonia (G/LIC/N/3/EST/1), European Communities (G/LIC/N/3/EEC/3 and Addenda 1-26), Hong Kong, China (G/LIC/N/3/HKG/4), Hungary (G/LIC/N/3/HUN/3/Add.1), India (G/LIC/N/3/IND/4), Jordan (G/LIC/N/3/JOR/1), Liechtenstein (G/LIC/N/3/LIE/2), Romania (G/LIC/N/3/ROM/2/Add.1), Singapore (G/LIC/N/3/SGP/3), South Africa (G/LIC/N/3/ZAF/3), Switzerland (G/LIC/N/3/CHE/3 and Add.1), Trinidad and Tobago (G/LIC/N/3/TTO/3), Tunisia (G/LIC/N/3/TUN/3/Add.1), Uganda (G/LIC/N/3/UGA/1/Add.1), United States (G/LIC/N/3/USA/3), Zimbabwe (G/LIC/N/3/ZWE/1/Add.1-2).

1.10 Regarding Costa Rica, the representative of the United States said that the notification described its licensing system for allocating imports under the system of TRQs established as part of the Uruguay Round negotiations. Her delegation was reviewing Costa Rica's submission and would provide written questions and comments as soon as possible.

1.11 Regarding Jordan, the representative of the United States said that Jordan had notified its import-export law No. 14 and outlined its import licensing procedures in G/LIC/N/3/JOR/1. She sought clarification on the purpose of some of these requirements, for example in section 1 it listed that rice, wheat, sugar, barley, corn and cigarettes in addition to wheat flour, corn biscuits, mineral water, table salt, used automobile cars, used electronic equipment and milk for industrial uses were subject to import licensing. Document G/LIC/N/2/JOR/1 indicated that licensing for rice, wheat, sugar, barley, corn and cigarettes had been eliminated. Jordan indicated that the remaining import licences were maintained mainly for statistical purposes as well as health and safety purposes. Were the remaining items under automatic or non-automatic licensing? In section 8 of G/LIC/N/3/JOR/1, it listed potatoes, onions, garlic, fresh fruits and vegetables as being subject to prior authorization for importation by the agricultural marketing organization, and that the requirement was maintained for statistical purposes. Could Jordan clarify if these were subject to automatic or non-automatic import licensing? For example, was the requirement solely for statistical purposes or did the agricultural marketing organization regulate the quantities imported?

1.12 The representative of Jordan said that concerning the second question, it was for statistical purposes and would be considered as automatic licensing. The new draft import-export law took care of what was automatic and non-automatic licensing and he assured that import licensing had been eliminated on wheat, barley, corn, rice, sugar and cigarettes. The details were notified in the questionnaire.

1.13 The Chairman said that since the airgram for this meeting was issued, three more replies had been received from the Czech Republic, Liechtenstein and Macau, China. These would be on the agenda for the next meeting. He proposed that the Committee take note of the notifications and the comments and statements made by delegations. It was so agreed.

(iii) *Notifications under Article 5 of the Agreement (New Import Licensing Procedures or Changes)*

1.14 The Chairman said that there were only six notifications before the Committee: India

(G/LIC/N/2/IND/3), Jordan (G/LIC/N/2/JOR/1), Liechtenstein (G/LIC/N/2/LIE/2), Poland (G/LIC/N/2/POL/1), Switzerland (G/LIC/N/2/CHE/2) and Venezuela (G/LIC/N/2/VEN/2).

1.15 The representative of the United States, regarding G/LIC/N/2/POL/1, said that Poland had stated that its import licensing regime for worn clothing was valid until December 2000. Had it been renewed? The representative of Poland had been unable to provide an expert for today's meeting, but thought that the Act had not been extended. He asked the US to provide their question in writing in order to pass it to Warsaw for confirmation.

1.16 Regarding Venezuela, the representative of the United States said that in G/LIC/N/2/VEN/2 Venezuela had again notified a change in its licensing system, without having notified the system itself nor responded to the import licensing questionnaire as called for. At the last meeting, she had suggested that Venezuela provide both copies of its legislation in response to the Questionnaire as required, so that they could be reviewed at the next meeting of the Committee. She renewed this request. In addition she noted that Venezuela's submissions to date related solely to the TRQs negotiated on agricultural products during the Uruguay Round. She believed that Venezuela maintained other import licensing requirements, both for health and safety and for other purposes, and she requested that Venezuela also notify these licensing requirements and provide the Committee with information on their scope and administration.

1.17 The representative of Venezuela said she could not at this stage provide specifications on this issue to the US concerning the issue of health and safety considerations. She would be grateful for presentation of this question in writing in order to send it to her authorities to provide the answers. Concerning the responses to the questionnaire, unfortunately it was not possible to be ready for this meeting even though her authorities had made headway concerning the consideration of the legislation in this respect.

1.18 The representative of the United States noted that Brazil in previous meetings had provided certain information and responses to questions on its licensing regime to the EC and to Switzerland. He recalled that at the last meeting the Chairman had also encouraged Brazil to circulate those responses to other Members of the Committee. His delegation had not yet received those responses and asked whether the Chair or the Secretariat had been in contact with Brazil on this point.

1.19 The Chairman said he had not but said the question was whether there was anything to hinder the questions and answers being circulated. He assumed unless informed otherwise that Brazil has no objections to what was agreed in the last meeting.

1.20 The delegation of India made a general remark concerning all the three notification requirements. While Members had a right to make oral comments at the meeting of the Committee, he felt it would be useful if the questions could be sent in advance to the concerned delegations, so that there could be a response either in writing before the meeting or orally at the subsequent meeting.

1.21 The Chairman welcomed the suggestion and asked if the Committee had any objections to making best endeavours to comply with that procedure. That did not seem to be the case. In conclusion he proposed that the Committee take note of the notifications as well as the comments and statements made. It was so agreed.

2. Members' compliance with notification obligations

2.1 The Chairman said that a main concern of this Committee was the lack of compliance of Members with the notification obligations under the Agreement. The Committee had had a discussion on this issue at its October 2000 meeting, and several proposals were made by delegations to remedy this situation, as recorded in the minutes of the last meeting, in paragraph 3 of G/LIC/M/12. In spite

of reminders and urging from the Committee at each meeting, and periodic reminders from the Central Registry of Notifications, the situation did not seem to have improved. In fact, many Members have not submitted any notification at all since joining the WTO. The Agreement (under Articles 1.4(a) and 8.2(b)) and the procedures agreed by the Committee required notifications relating to publications and legislation relevant to import licensing; the first such notification had to be made upon becoming a Member of the WTO, and any changes thereafter. Replies to the Questionnaire on Import Licensing Procedures (under Article 7.3) had to be submitted every year. In addition, the Agreement contained a notification obligation in paragraphs 1 and 3 of Article 5, which required Members to notify the Committee when they established new import licensing procedures or made changes in these procedures. However, there existed a large gap between what was required by the Agreement and the actual number of notifications received. At the last meeting, several Members had suggested possible ways of remedying this situation: One proposal was that all Members, which had not done so yet, make a special commitment to bring themselves fully up to date regarding the notification of their legislation; and for the annual questionnaire, to make a single "best efforts" notification covering all of the time periods for which a notification was due; another suggestion was that the Secretariat and other Members provide assistance to the newest Members of the Committee and those that had never notified to encourage compliance; in particular, Members that used licensing to operate tariff rate quotas on agricultural goods to be encouraged to comply. Also, that Members should participate more fully in reviewing the notifications; and those who had difficulties in notifying to inform the Committee or the Secretariat to see how assistance could be provided. The Committee agreed at the last meeting to have this item on the agenda for today's meeting with a view to agreeing how to ensure full compliance of all Members with the obligations to notify.

2.2 The representative of the Philippines said that the Philippines had not been up to date with their notification obligations. Members might wish to follow a procedure used in the Market Access Committee, that of a multilateral review by several groupings of countries. For delegations in each particular group, the Secretariat could prepare a paper outlining where each country was with regards to notification obligations, and in the multilateral review delegations would be encouraged to inform the Committee of the problems that they were facing, and why they found it difficult to comply. The Secretariat also could start approaching countries that had not made any notification at all. A good number of Members were overwhelmed by all the notification obligations so maybe it would help if the Secretariat could start contacting those delegations that had not made any notification at all as a first step.

2.3 The representative of the United States said that the transparency provided by compliance with the notification obligations of this Agreement was one of the great benefits of the WTO. Licensing, by its nature, created disincentives to trade even when it was necessary for technical, as opposed to trade policy, purposes. The ability of WTO Members to receive information on these systems and to encourage compliance with the substantive requirements of this Agreement helped to reduce this problem. She shared the disappointment that the number of WTO Members providing information to this Committee was not rising faster. She noted that the US' written questions submitted to delegations last autumn had also for the most part not found response, and the US was still waiting for answers from Bahrain, Bangladesh, Bolivia, Chad, Haiti, Iceland, Madagascar and the UAE. She did not prejudge the reasons for the lack of notifications and response and suspected in some cases it was an oversight, or there had simply been a lack of coordination. While ultimately only delegations themselves could take responsibility for their compliance with WTO provisions, this Committee might be able to be helpful in alerting delegations, both in Geneva and in capitals, of the need to address the transparency obligations of the Agreement.

2.4 She suggested that the Chairman, on behalf of the Committee membership, communicate directly with all delegations that had not as yet provided the information requested under Articles 1.4, 7.3 and 8.2 of the Agreement, inviting them to provide the necessary information and indicating that the Secretariat stood ready to consult with delegations that sought clarification and assistance in

pulling those submissions together. She also suggested that the Chairman remind delegations of outstanding requests for information from other Committee Members. She noted that several WTO Members among the 20 largest trading economies in the WTO which she believed to have significant licensing regimes had not yet taken the opportunity to provide the required information. She was certain that they were anxious to provide the information and would move to do so if encouraged by the Committee. She wondered if it would be possible as well for the Chair to speak with Members about this problem when they came from capitals for their trade policy reviews. This was an approach currently being used by the Subsidies Committee and it might help. The US remained ready to work with the Chairman and delegations on any reasonable methods of addressing this problem.

2.5 The representative of the European Communities had repeatedly stated her concern at the lack of notifications. It was of great concern to note that half of the WTO Members had not notified yet. She suggested that the Chair or the Secretariat get into contact with those countries who had not yet notified or with those who had problems in notifying. Further, it should be possible for the countries who had problems in notifying to explain their technical assistance needs in order to correct the situation.

2.6 The representative of Chile said Chile was preparing this year's notification. Regarding the systemic problem, Members should be able to better comply with their notification obligations. Chile's experience had been positive elsewhere: Chile had been able to coordinate the TPR with the IDB which could be of use for licences too. Likewise, there was a multilateral examination as to why Members had not sent data to the IDB. Perhaps there should be more informal meetings of this Committee in order to review this problem and not leave it till September or October for a formal meeting to receive only notifications by a few Members.

2.7 The representative of Switzerland supported the proposals made by the US and the EC. It was a good idea that the Chair contact those delegations which had not yet complied with their notification obligations in order to better understand what the problems were; he supported the suggestion made by the US to take advantage of the trade policy reviews to flag to those delegations that some notification requirements were still pending.

2.8 The representative of the Czech Republic did not know if a multilateral review was the best remedy. He did not think that the regular notification obligations as they were enforced in the Agreement on Import Licensing were comparable to such a new element as the IDB. He welcomed the idea of the Chairperson contacting through a letter those delegations which had problems. On the idea of using TPR, the import licensing regime was a part of the Secretariat's report, so in principle delegations should give information about their import licensing regimes, including legislation. This was not a very quick exercise because of the rhythm of TPRs, but better than nothing.

2.9 The representative of the United States said that one theme that might be worth thinking about for the next meeting was the possibility of doing something on a region-wide basis and to have an informal meeting relating to a particular region or the countries in that region that had not yet made any notifications and maybe take them up together to see if one could generate notifications which would be available before the formal session in the autumn. However, Members might have reservations about creating yet more meetings here at the WTO between sessions.

2.10 The representative of India said he shared the concerns of Members regarding lack of compliance with notification obligations by more than half of the total Membership. For the present, he felt that instead of sending out one letter from the Chairman to the concerned delegations, it would be useful if periodical reminders, say every two months, could be sent out by the Chairman to the delegations, not only reminding them of their non-compliance but also to tell the Committee of their problems and technical assistance needs in fulfilling these obligations.

2.11 The representative of Venezuela could not agree to the Philippine and Chilean proposals. She believed that the nature of notifications in this Committee was such that it differed from problems countries had with the IDB. As concerned the EC and the US proposals, these were useful and she thought the Secretariat assistance had been positive. She believed that the possibility of using the TPR could be useful in encouraging countries to notify.

2.12 The representative of the Philippines said that as a first step, if the multilateral review would be too difficult, she encouraged the Secretariat to make personal approaches to those countries that had not made even one notification, and find out their problems.

2.13 The representative of Chile said that if Members had a problem of capacity or understanding the Agreement, they needed technical assistance to know what the problems were. When a Member had stated its problems it would realise that another Member had had the same problems and might have found an easier way of solving this, so maybe it would be important to have a new meeting in order to deal with this on an unofficial basis so Members could talk it over to determine what kind of technical assistance by the Secretariat would be necessary. The fact of just sending a letter annually saying where notifications had not been made and for which year might not be sufficient.

2.14 The representative of the European Communities had some reservation as concerned the proposals by Chile and the Philippines at this stage. To increase the amount of meetings did not necessarily improve dynamism within a Committee. Members should ask the Chair and the Secretariat to enter into contact with the countries who had problems in notifying or who had not yet notified, to identify with them their problems in order to give them the appropriate technical assistance. This was a first stage. The use of the TPR examinations was useful and it might be used in order to improve the status of notifications in this Committee.

2.15 The representative of the Czech Republic welcomed the letter approach. The Chair could annex the respective part of the notification handbook to concerned delegations, giving an overview of notification obligations, and their formats, with examples.

2.16 The Chairman said that in a first phase, the Chairman and the Secretariat should send a letter to all Members who had not notified at all, along with the relevant parts of the notification handbook. There was a proposal for having a type of multilateral review and that could be one of the steps that could be taken, but perhaps one should wait until there was an overall assessment of the problems before holding an informal meeting.

2.17 The Committee took note of all the statements made.

3. Other business

3.1 The Chairman informed Members that the Secretariat had reserved 9 October 2001 for the next meeting of the Committee, on the understanding that additional meetings would be convened if necessary.

4. Election of officers

4.1 The Chairman noted that the Chairman of the Council for Trade in Goods, pursuant to paragraph 6.3 of the "Guidelines for Appointment of Officers to WTO Bodies", had carried out informal consultations on a slate of names for appointment as Chairpersons to the different subsidiary bodies of the Council for Trade in Goods. The proposed nominations were taken note of by the Council for Trade in Goods at its meeting on 14 March 2001. With respect to this Committee, the

Chairman of the Council for Trade in Goods had proposed Ms. Simone Rudder of Barbados as Chairperson. He proposed that the Committee agree by acclamation that Ms. Simone Rudder be elected as Chairperson for the coming year. It was so agreed.

4.2 The Agreement also provided for the election of a Vice-Chairperson. Consultations in this regard indicated that there was agreement among delegations that Ms. Nancy Johnston of the United States should be elected as Vice-Chairperson for this year. He proposed that the Committee elect Ms. Nancy Johnston as Vice-Chairperson also by acclamation. It was so agreed.

4.3 The representative of India conveyed his delegation's appreciation for the excellent work done by the Chairman of this Committee, especially concerning the compliance with the notification obligations by Members. He also conveyed their appreciation for the work done by the outgoing Vice-Chairperson.

4.4 The meeting was adjourned.
