
Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 19 OCTOBER 2009

Chairperson: Mrs. Anna Ashikali (Cyprus)

The Committee on Import Licensing held its thirtieth meeting on 19 October 2009. The agenda proposed for the meeting, contained in WTO/AIR/3454 and Revision 1, was adopted as follows:

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| 1. Members' compliance with notification obligations – Developments since the last meeting | |

1.1 The Chairperson informed the Committee that since the last meeting, 52 notifications had been received under various provisions of the Agreement on Import Licensing Procedures (eight notifications under Articles 1.4(a) and/or 8.2(b), fourteen under Article 5.1-5.4 and thirty under Article 7.3). As of the date of the meeting, out of a total Membership of 153 (counting each of the EC member States individually), there remained 21 Members¹ who had not submitted any notification under the Agreement since joining the WTO. She highlighted that in 2009 some Members² had submitted notifications for the first time under various provisions of the Agreement and encouraged them to continue complying with their notification obligations; she also encouraged those Members who had not yet submitted any notification, to do so without further delay.

¹ Angola, Belize, Botswana, Cambodia, Cape Verde, Central African Republic, Congo, Djibouti, Egypt, Guinea, Guinea Bissau, Mauritania, Mozambique, Myanmar, Nepal, St. Vincent & the Grenadines, Sierra Leone, Solomon Islands, Tanzania, Tonga and Vietnam.

² Croatia, Nicaragua, the Former Yugoslav Republic of Macedonia and Suriname.

1.2 Only a cumulative total of 96 Members, counting the European Communities as one, had submitted notifications on laws and regulations (under Articles 1.4(a) and/or 8.2(b)). Only 32 Members, counting the European Communities as one, had notified new licensing procedures or changes in the existing procedures (under Paragraphs 1-4 of Article 5); of this total, one Member (Papua New Guinea) had notified changes to import licensing procedures without submitting the initial notifications of legislation or replies to the Questionnaire. In addition, the Chairperson informed the Committee that, while Article 5.5 of the Agreement allowed Members to submit counter-notifications (where a Member considers that another Member has not notified the institution of a licensing procedure or changes in the procedures), no such counter-notifications had been received up to the date of this meeting. As to the replies to the Questionnaire³, notifications under Article 7.3, only a cumulative total of 95 Members, counting the European Communities as one, had submitted their replies since the entry into force of the WTO Agreement. For Article 7.3 notifications, the annual deadline of 30 September was not often respected by many Members. In brief, she stated, compliance with the notification obligations under the Agreement had improved but there still remained important gaps. She also reminded delegations that, twice each year, the CRN and the Secretariat sent periodic reminders to those Members who had not fulfilled their notification obligations; and, informed the Committee, that in 2009 the Chair had addressed specific letters to each one of the Members reminding them of their transparency obligations under the Agreement and highlighting the date of the last communication they had submitted under Article 7.3. Only 39 Members had responded to the Chair's request and submitted their responses to the Annual Questionnaire.

1.3 In brief, she stated, the compliance with the notification obligations under this Agreement had improved, but there still remained important gaps. She therefore urged all those Members who had not yet provided information on their laws and regulations relevant to import licensing, nor replied to the annual Questionnaire, nor notified the institution of new import licensing procedures or changes since their previous notifications to do so without further delay. She also highlighted that Members who did not apply import licensing procedures or had no laws or regulations relevant to the Agreement were also required to notify the Committee of this fact for Members to obtain a complete overview of the licensing regimes of all Members. If any Member had questions concerning these notification requirements, they would be welcome to consult the Secretariat or, in the case of developing and least developed countries, they could also ask for technical assistance.

1.4 The delegate of the United States referring to the informal discussions that had taken place on ways to improve the timeliness and completeness of notifications in the Committee, expressed that these were useful and recalled that several delegations, including her own, came up with concrete suggestions for improvement; in this regard she asked the Chairperson to update the Committee on the results and further steps or plans to hold further discussions on the matter.

1.5 In response, the Chairperson informed the Committee that Mr. Marco J. Kassaja, the Chair of this Committee, had informed the Chairperson of the TPRB of the results of the informal discussions and of the ideas and suggestions presented by Members. In light of these, he had prepared and sent specific letters to each one of the WTO Members reminding them of their transparency obligations and highlighting the date of the last notification received from their authorities, especially under Article 7.3 of the Agreement. In his letters he also invited Members to review the status of their notifications in general and update them whenever necessary, but only a few Members, less than 40, responded to his invitation. She also reminded Members that, at the last informal meeting, on 30 April 2009, some Members were of the opinion that discussions should continue but in an informal mode. However, the Chair was open to new ideas and ways to continue the discussion in this Committee on ways and means to improve the timeliness and completeness of notifications and other information flows. Discussions could be in an informal mode, or under an item in the agenda of the

³ The Questionnaire is annexed to document G/LIC/3.

next formal meeting. The Chair's position was due, to the interest that Members had expressed at informal meetings, as well as the fact that the issue had been a main concern of the Committee and its Chairs for at least the last four years.

1.6 The delegate of Australia echoed the query of the United States on the status of discussions on ways to improve compliance with transparency obligations. He appreciated the Chair's report and urged Members to comply with notification obligations.

1.7 The Committee took note of the statements made.

1.8 The Chairperson informed the Committee that, as the airgram and its revision indicated, the following documents were before it for consideration: document G/LIC/Q/CHN/22/Add.1 and Corr.1 containing questions from Australia to China; document G/LIC/Q/BRA/5/Add.1 containing questions from China to Brazil; document G/LIC/Q/ARG/8 containing the replies from Argentina to the questions from Canada, China, the European Communities, Japan and the United States⁴; document G/LIC/Q/ARG/9 containing the replies from Argentina to the questions from Peru⁵; document G/LIC/Q/BRA/11 containing the replies from Brazil to the questions posed by China⁶; document G/LIC/Q/BRA/12 containing the replies from Brazil to the questions posed by Thailand⁷; document G/LIC/Q/IND/14 containing the replies from India to the questions posed by the United States⁸.

1.9 The delegate of Australia thanked China for its initial replies⁹ to the questions relating to its import licensing regime on iron and iron ore¹⁰. Given that some of the initial questions had not been addressed by China, Australia had submitted follow-up questions in May 2009 (documents G/LIC/Q/CHN/22/Add.1 and Corr.1) for which responses were also still outstanding. His delegation had also noted that, since the last meeting, China had introduced import licensing procedures for other products, including milk way and milk powder, and would like China to assure that these new import licensing regimes were intended for monitoring purposes only and would not be used to control imports.

1.10 The delegate of China said that his delegation had received the additional responses to Australia's questions and was in the process of translating them into English to be circulated to the Committee.

1.11 The delegate of China informed the Committee that his delegation had follow-up questions¹¹ on the Brazilian non-automatic import licensing system applied to toys for which responses and clarifications by Brazil would be appreciated.

1.12 The delegate of Brazil thanked China for its follow-up questions on the import licensing procedures for toys and informed him that his authorities would provide answers soon.

1.13 The delegate of Peru said that her delegation was still concerned at the progressive and increasing list of products subject to import licensing prescriptions in Argentina which, in its view, could lead to unnecessary requirements in violation of the Agreement. Peru had additional questions related to Argentina's replies contained in document G/LIC/Q/ARG/9 and to the most recent

⁴ See also document G/LIC/Q/ARG/6.

⁵ See also document G/LIC/Q/ARG/7.

⁶ See also document G/LIC/Q/BRA/5.

⁷ See also document G/LIC/Q/BRA/7.

⁸ See also document G/LIC/Q/IND/11/Add.1.

⁹ See document G/LIC/Q/CHN/26.

¹⁰ See document G/LIC/Q/CHN/22 and Corr. 1.

¹¹ See documents G/LIC/Q/BRA/5 and 11.

Argentinean notifications, namely document G/LIC/N/2/ARG/18: (i) according to Argentina, the increased number of products covered by the non-automatic licensing mechanism was explained by the volatility of the international market. Peru would like Argentina to explain the relationship between the volatility of the international market and the purpose of the non-automatic licensing procedure which was to establish a pre-release verification mechanism to monitor and control imports of certain goods (section (g) of notifications G/LIC/N/2/ARG/12, G/LIC/N/2/ARG/12/Add.1, G/LIC/N/2/ARG/16 and G/LIC/N/2/ARG/18). Did this relate to Argentina's reply to the question contained in document G/LIC/Q/ARG/8, which referred to the need to extend the coverage of the system of non-automatic licences to certain tariff lines corresponding to products that were sensitive to changes in trade flows caused by the world economic and financial crisis? What specific criteria had Argentina used to determine that a tariff line was "sensitive" to fluctuations? (ii) With regard to question 1(c), Peru would like Argentina to explain what other procedures it had considered in order to achieve the objective of monitoring and controlling imports, and why it believed that non-automatic import licensing was the most appropriate and least trade-restrictive system. (iii) Regarding question 2, why were applications for non-automatic import licences now being examined simultaneously rather than on a first-come, first-served basis as before?

1.14 On the other hand there were cases where the Argentinean Ministry of Production required additional information in order to issue an import certificate for miscellaneous products (*Certificado de Importación de Productos Varios*, CIPV).¹² In this regard, Peru would like to know how such additional information contributed to achieving import licensing objectives, taking into account that that this could run counter to Article 1.5 of the Agreement on Import Licensing Procedures.

1.15 The delegate of Argentina said that Peru's additional questions would be conveyed to her Capital.

1.16 The delegate of the United States said that her delegation, along with other delegations, was greatly concerned about Argentina's import licensing system which was being used to restrict trade. The United States was also troubled by the lack of transparency of the current system and the burdens and delays Argentina was reportedly placing on imports. Her authorities had received numerous reports from importers and exporters, trade associations and press stating that Argentina was using its import licensing procedures in an attempt to improve its trade balance; companies had also reported that they had been told that their applications would not be approved unless they agreed to trade balance requirements established by the Secretary of Domestic Trade and that, in order to obtain an import licence, they also might show an increase in exports of the same dollar value of Argentina-originating goods. The US had serious concern about such balancing and mixing requirements, which established quantitative requirements for imports, and did not believe that import licensing systems should be used for such purposes. Her authorities would appreciate receiving from Argentina an explanation to these reports, including indication of the legal requirements authorizing this treatment as well as the pertinent copies for review by the Committee; she also requested Argentina to indicate, in greater detail, how it considered its policy to be WTO consistent.

1.17 The United States was also concerned about the significant delays in processing times which had trade-restricting effects. Although Argentina had denied that delays existed, industry and press reports indicated that importers experienced delays of 120 days or greater to obtain an import licence; such reports directly conflicted with Argentina's past statements, most recently at the April 2009 meeting, that all import licences were issued in the time periods prescribed by the Agreement. In its replies contained in document G/LIC/Q/ARG/8, Argentina claimed that the expansion of

¹² Such as a) brochures pertaining to and description of the goods that were the subject of the application. b) process diagram showing the entire production cycle of the goods referred to in (a). c) details of the inputs used. d) the origin of the inputs used and their relative share in the final production cost; and, e) the full list of the products manufactured by the producing/exporting company.

non automatic licensing requirements was necessary for certain sensitive products due to changes in the trade flows caused by the world economic and financial crisis; her delegation would appreciate receiving this response, but still questioning the specific underlying measure Argentina was implementing through this non-automatic import licensing regime. Reports about Argentina's current method of administering its import licences were extremely unsettling, she added, and its failure to provide an adequate explanation for its actions was even more troubling. The United States requested Argentina to uphold its commitment to the WTO Agreement on ILPs and to ensure that import licences were issued in a timely manner and no more administratively burdensome than absolutely necessary. Her authorities understood that Argentina had had lately some balance of payments concerns, but encouraged it to resolve them in a manner consistent with its WTO obligations. Her delegation would continue to follow this issue, and would be submitting specific questions shortly.

1.18 The delegate of the European Communities echoed the concerns expressed by Peru and the United States. The EC found the justification given by Argentina for increasing the criteria and requirements for IL unjustified and unconvincing. Reports on non-justified delays in issuing import licences were still being received by the EC; these delays represented a serious obstacle to European exports to Argentina; additionally, the extended requirements to grant import licences to an expanded number of goods was also a matter of concern. In its responses¹³, Argentina had asserted that the timeframe to grant automatic licences was established by Article 2 of the Agreement; the EC would like Argentina to clarify whether or not, in practice, this delay was respected. Argentina had also confirmed that non-automatic import licensing were mechanisms to confirm whether goods were complying with technical regulations and other requirements established by its current national legislation and to verify the veracity of data provided by suppliers; if goods complied with these, the pertinent institution granted licences within the time-frame established in the Agreement. The EC would like Argentina to explain when these technical regulations and other requirements had been established and to receive copies of them. Argentina had also said that the timeframes under Art. 3.5 of the Agreement were respected; the EC would like Argentina to confirm this. With regard to the delays and conditions to grant non-automatic import licences, Argentina had indicated that applications were examined on a first-come, first-served basis but that currently these were considered simultaneously; the EC would like to know what were the reasons and legal basis for this.

1.19 For the EC, the justification by Argentina for the verification procedures for environmental, security or consumer protection regulations with regard to Decree 26/2009, establishing non automatic licensing for new tyres, was also a matter of concern. Her delegation would like Argentina to explain what were those regulations; if they were for environmental or security reasons; when were they adopted; if it would receive copies of those regulations; and, on which basis Argentina considered that requirements to grant import licences were needed to assess compliance with these regulations. With regard to Decree 61/2009, through which Argentina had increased the coverage of certain tariff lines to import licensing, the EC would like to receive more information. Argentina had also mentioned that import licensing had been introduced on a transitional basis in order to verify whether the technical regulations and other requirements were respected by different kinds of goods; the EC would like to know when this regulation was adopted and to receive copies, also to know on what basis Argentina determined that the requirements for granting licences were necessary in order to guarantee the consistency with domestic legislation.

1.20 The delegate of Japan echoed the comments made by Peru, the US and the EC; industries in his country still had concerns on Argentina's import licensing system, especially on the delays in the issue of import licences and the lack of clarity. Japan would like to closely monitor Argentina's import licensing system.

¹³ See document G/LIC/Q/ARG/8.

1.21 The delegate of Argentina requested the questions in writing to be transmitted to her capital. With regard to the delays in issuing import licences and the copies of the pertinent legislation that had been notified, she stated that these delays were in accordance with the Agreement and that copies of the legislation were available from the Secretariat, but that Members could also address their request directly to her delegation.

1.22 The delegate of China said that Argentina's responses were still being studied in his capital.

1.23 The delegate of Thailand said that her authorities continued to review and follow the Brazilian two-track system applied to toys¹⁴ and were interested in receiving the written responses from Brazil to the additional questions put by China on the same matter.

1.24 The delegate of Brazil informed the Committee that the additional questions from China were under analysis and, once ready, would also be conveyed to Thailand.

1.25 The delegate of the United States thanked India for its responses to the questions on the import licensing procedure for boric acid¹⁵ in which India had stated that it was an automatic procedure. However, India appeared to exercise discretion in granting the quantity that could be imported under an import licence given that in the responses, it had also indicated that the quantity was based upon a recommendation of the Nodal Ministry as well as on the quantity imported by the applicant during the preceding five years. This procedure was having a negative impact on the US trade; she therefore requested clarification from India regarding how it considered its regime to be an automatic import licensing procedure. The issue of the import licence application related to the precise end-use requirement of boric acid and the impact that this requirement was having on the ability of intermediaries to sell non-insecticidal boric acid in India was another concern for her delegation and she requested India to explain, in greater detail, why this information was necessary and how the import licensing procedure ensured that the good was not being misused once imported into India. With regard to India's submission under Article 7.3 of the Agreement, she requested India to provide product specific replies to each question and to submit a list of those products subject to IL procedures as well as an indication of whether the procedures for these products were automatic or non-automatic since the references India had previously made to a website alone did not provide sufficient information to Members.

1.26 The delegate of India requested the US to send its questions in writing to be transmitted promptly to his capital.

1.27 The Chairperson informed the Committee that, immediately before the meeting started, two communications were received from Brazil and India, the first one containing Brazil's responses to the United States on its import licensing regime applied to lithium products and, the second one containing India's responses to the questions posed by Korea on the Indian import licensing scheme for steel products and other items. These two communications were available at the back of the room, and would be circulated as G/LIC/Q/BRA/13 and G/LIC/Q/IND/15, respectively. Though they would be considered at the next meeting, she invited delegations to comment on them.

1.28 The delegate of Brazil confirmed that his delegation had just circulated written replies to the questions posed by the US on the Brazilian IL procedures for lithium and lithium compounds; these answers were basically the same as those provided to the US at the two previous meetings of the Committee. They were recorded in the minutes of the meetings and were provided in written form with the aim that there were no more procedural pending issues relating to this issue.

¹⁴ See documents G/LIC/Q/BRA/7 and 12.

¹⁵ See document G/LIC/Q/IND/14.

1.29 The delegates of Korea and the United States thanked, respectively, India and Brazil for their responses.

1.30 The delegate of Mexico recalled that, at the previous meeting, her delegation had submitted written questions to Brazil and Venezuela¹⁶ regarding Brazil's import licensing system applied to motor vehicles and Venezuela's certificate of insufficiency or non-national production. Her delegation sought clarification from Brazil on the procedures it followed when considering applications for non-automatic import licences for motor vehicles and, specifically, into which category new motor vehicles fell - "products which may cause damage to human, plant or animal health; products capable of causing environmental damage; products classified as weapons or made for warlike purpose or products subject to non-tariff quotas and products subject to tariff quotas". What were the reasons for placing them in the respective category; what specific criteria were used to reject amendments to an import licence when these related to insignificant or minor changes such as variations in quantity, as provided in Article 1 of the Agreement, and to request the exporter to submit a new application to obtain another import licence for the same product.

1.31 From Venezuela her delegation would like to know: (i) what were exactly the "certificates of insufficiency" or "certificates of no-national production" to which a resolution referred and that were required for the importation of a number of products; (ii) if this was an administrative procedure in the sense of Article 1.1 of the Agreement, what was its justification; (iii) what criteria were used to determine the products whose importation was subject to these certificates; (iv) what information was required when applying for the certificates and what specific criteria did Venezuela use in approving or rejecting applications; (v) which was the authority in charge of issuing the certificates and what was the normal processing time; (vi) if it was possible to challenge the rejection of the application and if so, what was the procedure; and, (vii) if the measure establishing these certificates had already been notified to the Committee. Mexico looked forward to receiving written answers to its questions.

1.32 The delegate of Brazil informed the Committee that written responses to Mexico's questions on ILPs for motor vehicles would be submitted promptly.

1.33 The delegate of Venezuela informed the Committee that Mexico's questions were being consulted in his capital and written responses would be submitted soon.

1.34 The delegate of the United States recalled that at the last meeting her delegation asked if there had been any changes to Vietnam's IL regimes since its last notifications which were submitted prior to its accession to the WTO in 2007.¹⁷ The US was aware of one new import licensing requirement implemented since Vietnam's accession which had not yet been notified to the Committee. This was a circular issued in December 2008 establishing automatic import licensing requirements on a broad range of products. Her delegation encouraged Vietnam to notify the Committee of this new IL procedure and to circulate updated responses to the Annual Questionnaire.

1.35 The Committee took note of the statements made.

¹⁶ Contained respectively in documents G/LIC/Q/BRA/10 and G/LIC/Q/VEN/5

¹⁷ See document G/LIC/Q/VNM/1

2. Notifications

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

2.1 The Chairperson recalled that Articles 1.4(a) and 8.2(b) and notification procedures, as had been agreed by the Committee,¹⁸ required all Members to publish their laws, regulations and administrative procedures, and notify these to the Committee upon becoming a Member of the WTO, together with copies of any relevant publications or laws and regulations. Any subsequent changes to these laws and regulations were also required to be notified. She informed the Committee that since the last meeting, eight notifications had been received from Albania, Argentina, Canada, Croatia, India; Morocco; Turkey and the United States¹⁹ and that the notification from India, received after the airgram and its revision had been issued, was not available in the three WTO official languages. This would be considered at the next meeting but she invited delegations to comment on it so as to allow India to respond at the next meeting.

2.2 The Committee took note of the statements made and of the notifications received from Albania, Argentina, Canada, Croatia, Morocco, Turkey and the United States.

(ii) *Notifications under Article 5 of the Agreement (new import licensing procedures, changes to existing licensing procedures and reverse notifications)*

2.3 The Chairperson recalled that under paragraphs 1 to 4 of Article 5, Members who instituted licensing procedures or changes in these procedures, were required to notify the Committee within 60 days of the publication of these procedures. Paragraph 2 of Article 5 listed the information that should be included in such notifications. Members also had to submit copies of the publications in which this information was published. Furthermore, paragraph 5 of Article 5 provided the possibility of making counter-notifications, where a Member considered that another Member had not notified a licensing procedure or changes therein, in accordance with paragraphs 1-3 of Article 5. She informed the Committee that under this provision there were 14 notifications submitted by: Argentina; Croatia; Hong Kong, China; Indonesia; Korea and Singapore as listed in the airgram and its revision²⁰.

2.4 The delegate of the European Communities, regarding the notification submitted by Argentina in document G/LIC/N/2/ARG/4/Add.1/Rev.1, reiterated its concerns given the increasing requirements and criteria to obtain import licences. She requested from Argentina clarification on whether it had notified Regulation 11 of 25 January 2008 and if this regulation complied with paragraphs 7 and 8 of Article 1 of the Agreement. Argentina had also adopted Resolution 337 of 21 August 2009 extending the application of licensing procedures to several products such as motor vehicle parts and other related products; the EC requested Argentina to: (i) notify this regulation to the Committee; (ii) confirm whether the licensing procedures were automatic or non-automatic; and, (iii) explain what were the conditions for granting import licences. The EC would also appreciate detailed explanation on the specific product coverage of such procedures and on why the certificates of importation (certificados de importación) for motor vehicle parts and similar products were only required for end products. These questions would be circulated in written form.

¹⁸ G/LIC/3.

¹⁹ Documents G/LIC/N/1/ALB/3; G/LIC/N/1/ARG/3; G/LIC/N/1/CAN/2; G/LIC/N/1/HRV/4; G/LIC/N/1/IND/12; G/LIC/N/1/MAR/1/Add.1/Rev.1; G/LIC/N/1/TUR/8 and G/LIC/N/1/USA/5, respectively.

²⁰ (G/LIC/N/2/ARG/4/Add.1/Rev.1); (G/LIC/N/2/ARG/16/Add.1); (G/LIC/N/2/ARG/17-21); (G/LIC/N/2/HRV/1); (G/LIC/N/2/HKG/4); (G/LIC/N/2/IDN/2+Corr.1); (G/LIC/N/2/IDN/2/Add.1); (G/LIC/N/2/IDN/3); (G/LIC/N/2/KOR/1/Rev.1); (G/LIC/N/2/SGP/5).

2.5 With regard to Argentina's notifications contained in documents G/LIC/N/2/ARG/17 – 21, the delegate of Mexico informed the Committee that, concerning the licensing regime applied to electric and electronic products, her delegation would like further and detailed explanation from Argentina on the criteria mentioned in Resolution 251/09, notified in document G/LIC/N/2/ARG/21, which were applied by the Ministries of Economics and Production. In particular, Mexico would like Argentina to further elaborate on the requirements, the procedures and timeframe to issue import licences to such products, also to clarify if those non-automatic licences were subject to import quotas and, if so, what were the value and volume of such quotas. Mexican exporters of electric and electronic products were also concerned about the delays and rejection of applications due to minimal mistakes in filling out those applications; thus, she requested Argentina to explain which were the applied criteria to reconcile any minor errors or discrepancies when applying for import licences and, specifically, what did Argentina consider a minor error, if applicants had the opportunity to introduce amendments in case of minor errors and, if so what were the delays. Her authorities had understood that, in order to grant non-automatic import licences, the Argentinean authorities were permitted to request additional information beyond that which was published in the regulations establishing such measures. She therefore asked Argentina to clarify what additional information it usually required, which were the delays for applicants to provide the additional information and if these additional requirements could be listed to facilitate applicants' compliance with such requirements. Her delegation would provide these questions in writing.

2.6 The delegate of Argentina said that her delegation hoped to receive Mexico's and the EC's questions in writing so as to convey them to her capital.

2.7 The delegate of the United States said that her delegation continued to monitor the implementation of the Indonesian import licensing procedures established by Decree 56 (document G/LIC/N/2/IDN/2) and remained concerned about its scope. It would continue to bring its concerns to the attention of the Committee, as appropriate. In this vein, she requested clarification on issues such as: (i) what limitations were there on who could apply for an import licence; (ii) could non Indonesian companies apply to import products; (iii) had Decree 23/M-DAG-PER-6-2009 modified Decree 56 and, if so, when would Indonesia notify it so as to allow the US to review the amendments; (iv) what effect did the amendment have on the import licensing procedures for textile, apparel and made-up goods and which specific textile and apparel items were still subject to those procedures; and, (v) which import licensing procedures were applicable - those in Decree 56, those in the amendment 23/M-DAG-PER-6-2009, or both. The US continued to be interested in Indonesia's plan for the phasing out of all import licensing procedures for these goods; it would also appreciate receiving updated statistics on the number and frequency of import licences that had been denied in recent months, and the reasons provided for any rejections. Concerns also remained over the overall chilling effect on trade caused by the interplay of the cumbersome import licensing requirements established by Decree 56 and other procedures that might be completed in the country of importation and of exportation, including the accompanying pre-shipment inspection requirements. With regard to the necessity of the pre-shipment inspection requirements established by Decree 56, the US would address these issues in the appropriate Committee.

2.8 On the import licensing regime applied to iron and steel (documents G/LIC/N/2/IDN/2 and Add.1), particularly Regulation of the Minister of Trade No. 8/M-DAG-PER/2/2009 and its amendment in June 2009, the US requested Indonesia to clarify the process for obtaining import licences. Specifically, should importers seeking licences first obtain a technical consideration from the Ministry of Industry and then submit the information to the Ministry of Trade in support of their application? The US delegation would also appreciate receiving information on the process for obtaining the technical considerations from the Ministry of Industry; on what basis might this Ministry refuse to grant its consideration and how often had this Ministry denied requests from importers.

2.9 On Indonesia's import licensing regime applied to sugar, the US continued to have concerns and would continue to carefully monitor their implementation and effect on US traders. According to the notification in document G/LIC/N/2/IDN/3 and the responses to the US questions²¹, it seemed that Indonesia was using the licensing system to regulate who imported sugar, how much was imported and when it could be imported. Therefore, her delegation requested clarification from Indonesia on how it considered its regulations to be WTO compliant and how two different regimes could work together, the latter given that Indonesia's notification indicated that refined sugar (1701.99.11.00 and 1701.99.19.00) was subject to both non-automatic and automatic import licensing procedures. The US also sought confirmation from Indonesia on whether or not there was a requirement for importers to purchase domestic sugar supplies prior to receiving permission to import; and, requested information on the number of applications to import sugar that had been submitted over the last year and, how many of these had been approved and how many rejected. The US would circulate these questions in writing.

2.10 The delegate of the European Communities echoed the concerns expressed by the US delegation on Indonesia's Decree 56-08 which, according to Indonesia was not an IL regime but was designed to register importers. Indonesia had also mentioned that when information required in article 2.3 of Decree 56 was provided, registration took place within the following seven working days and that, upon registration, the import licence was automatically issued. The EC considered that if import licences were automatically delivered on the basis of the quantities specified in the import plan, as mentioned in Article 2.3 of Decree-56, there were *de facto* procedures. Therefore, Decree 56 should be notified under Article 5 of the Agreement. If no relationship existed between the import plan mentioned in Article 2.3 of Decree 56 and the issuance of import licences, the EC would like Indonesia to clarify the legal basis on which it supported such a measure. Her delegation was also interested in obtaining the complete list of documents required by Indonesia to support an application as well as the conditions to deny it. The EC would submit these and further questions in writing to Indonesia.

2.11 The delegate from Indonesia said his delegation hoped to receive the questions from the US and the EC in writing so as to convey them to his capital.

The Committee took note of the notifications and of the statements made.

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

2.12 The Chairperson informed the Committee that there were 30 notifications listed in the Airgram and the Revision convening this meeting, received from Cameroon; Canada; Costa Rica; Dominican Republic; Ecuador; The European Communities; Ghana; Grenada; Honduras; Hong Kong; China; Japan; Macao, China; Mauritius; Morocco; Nicaragua; Nigeria; Norway; Oman; Senegal; Singapore; Suriname; the Separate Customs Territory of Taiwan, Penghu; Kinmen and Matsu; Thailand; Trinidad and Tobago; Turkey; Ukraine; Uruguay and the United States²². Of these, thirteen

²¹ See document G/LIC/Q/IDN/9/Add.1.

²² G/LIC/N/3/CMR/3; G/LIC/N/3/CAN/8; G/LIC/N/3/CRI/6; G/LIC/N/3/DOM/3+ADD.1; G/LIC/N/3/ECU/3; G/LIC/N/3/EEC/12+ADD.1; G/LIC/N/3/GHA/4; G/LIC/N/3/GRD/3; G/LIC/N/3/HND/3; G/LIC/N/3/HKG/13; G/LIC/N/3/JPN/8; G/LIC/N/3/MAC/12; G/LIC/N/3/MUS/3/CORR.1; G/LIC/N/3/MAR/7/REV.1; G/LIC/N/3/NIC/1; G/LIC/N/3/NGA/5; G/LIC/N/3/NOR/4; G/LIC/N/3/OMN/4; G/LIC/N/3/SEN/3; G/LIC/N/3/SGP/7; G/LIC/N/3/SUR/1; G/LIC/N/3/TPKM/2/REV.1; G/LIC/N/3/THA/2; G/LIC/N/3/TTO/8; G/LIC/N/3/TUR/9; G/LIC/N/3/UKR/2; G/LIC/N/3/URY/4; and G/LIC/N/3/USA/6.

notifications²³ were not available in the three WTO official languages; these notifications would be considered at the next meeting. She also reminded the Committee that, at the last meeting, the notification received from the Dominican Republic (G/LIC/N/3/DOM/3), was not available in the three WTO official languages and that this would be considered at the present meeting together with its Addendum.

2.13 The Committee took note of the notifications from Cameroon; Dominican Republic; Ghana; Honduras; Hong Kong, China; Japan; Macao China; Morocco; Norway; Oman; Senegal; Singapore; Thailand; Trinidad and Tobago; Turkey and Uruguay.

3. Eighth Transitional Review under Paragraph 18 of the Protocol on the Accession of the People's Republic of China (WT/L/432)

3.1 The Chairperson recalled that the Seventh Transitional Review of the implementation by China of the WTO Agreement and of the related provisions of the Protocol, under paragraph 18 of the Protocol of Accession of China (WT/L/432), had been carried out in 2008 by the subsidiary bodies of the WTO, including the Committee on Import Licensing, which had a mandate covering China's commitments under the WTO Agreement or China's Protocol of Accession. The Committee's report to the Council for Trade in Goods on that review was circulated in document G/LIC/19. The Committee would conduct the Eighth Transitional Review at this meeting. She also informed the Committee that, since the last meeting, the Secretariat had received, after the airgram and its revision convening this meeting had been issued, a communication from China containing information required by paragraph IV:3 of Annex 1A of the Protocol of Accession which had been circulated in document G/LIC/W/35.

3.2 The communication of the People's Republic of China stated that no major changes had occurred on China's import licensing regime since 2008. The *Catalogue of Goods Subject to Automatic Import Licensing of 2009*, published in MOFCOM and GAC Joint Announcement No.103 of 2008; and, the *Catalogue of Goods Subject to Import Licence Administration of 2009*, published in MOFCOM, GAC and AQSIQ Joint Announcement No. 99 of 2008, listed all the products subject to import licensing procedures, except for those under Tariff Rate Quota (TRQ) administration. All the administrative rules could be found in *China Foreign Trade and Economic Cooperation Gazette* and could also be obtained from MOFCOM website: (WWW.MOFCOM.GOV.CN).

3.3. The Committee took note of the communication circulated by China.

3.4 The Chairperson suggested that, to conclude the Eighth Transitional Review under Paragraph 18 of the Protocol of Accession of the People's Republic of China, a factual report on China's transitional review be submitted to the Council for Trade in Goods (CTG). As had been done previously, this factual report would refer to the relevant paragraphs of the minutes of this meeting as well as to the information received from China. The relevant paragraphs of the minutes which reflected the discussion would be annexed to this report.

3.5 The Committee so agreed. The report to the CTG on the Eighth Transitional Review was circulated in document G/LIC/20.

²³ Received from Canada; Costa Rica; Ecuador; the European Communities; Grenada; Mauritius; Nicaragua; Nigeria; Suriname; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Ukraine and the United States.

4. Report (2009) of the Committee to the Council for Trade in Goods

4.1 The Chairperson said that the Committee was required to submit an annual report on its activities to the Council for Trade in Goods, (CTG). A draft report to the CTG, covering the activities of the Committee in 2009, had been circulated in document G/LIC/W/34 for the Committee's consideration. The information covered in the draft report, including its Annex, would be updated to reflect the notifications received up to the present meeting, as well as the discussion at this meeting.

4.2 There were no comments on the draft report. The Committee agreed to adopt the report, subject to the updating. The report as revised and adopted was circulated as document G/L/903

5. Other Business

(i) Information on technical assistance activities related to the Agreement on Import Licensing Procedures

5.1 The Chairperson informed the Committee that, since the last meeting of the Committee, one technical assistance activity had taken place, in Ecuador. The general objective of this activity was to enhance the administrative capability of the different authorities to clearly understand the aim, purposes and particularities of the Agreement. Training was also provided to enable the authorities to differentiate between the two types of import licences and other trade barriers whose legitimate objectives could be better obtained through less trade-restrictive and less trade-distorting measures than import licences such as technical regulations, sanitary and phyto-sanitary measures, etc. These areas were covered as suggested by the local authorities to better respond to the Annual Questionnaire as well as to concerns and questions raised by Members on import licensing procedures. As a result of this, Ecuador had circulated document G/LIC/N/3/ECU/3. Two requests for national seminars had been received by the Secretariat from Tanzania and Paraguay. These activities would take place in early 2010.

5.2 The Committee took note of the information.

Date of the next meetings

5.3 The Chairperson informed Members that the Secretariat had tentatively reserved Monday, 26 April 2010 and Monday 25 October 2010 for the next meetings of the Committee, on the understanding that additional meetings would be convened if necessary.

5.4 The Committee took note of the information.
