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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 29 OCTOBER 2010

Chairperson: Mrs. Anna Ashikali (Cyprus)

The Committee on Import Licensing held its thirty-second on 29 October 2010. The agenda proposed for the meeting, contained in WTO/AIR/3645 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, 40 notifications had been received under various provisions of the Agreement on Import Licensing Procedures (three notifications under Articles 1.4(a) and/or 8.2(b), three under Article 5.1-5.4 and thirty-four under Article 7.3). As of the date of the meeting, out of a total Membership of 153 (counting each of the European Union member States individually), there remained 20 Members[1] who had not submitted any notification under the Agreement since joining the WTO. Nevertheless, she highlighted that during the past two years 2008 – 2010, some Members had submitted notifications for the first time, under Article 5 (Croatia, Former Yugoslav Republic of Macedonia, Malawi and Thailand); and,

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

under Article 7.3 of the Agreement (Cape Verde, Kuwait and Saint Kitts and Nevis). She encouraged other Members, particularly those who had not submitted any notification, to do the same.

1.2 A cumulative total of 96 Members, counting the European Union and its member States as one, had submitted notifications of laws and regulations (under Articles 1.4(a) and/or 8.2(b)). Only 34 Members, counting the European Union and its member States 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 Questionnaire[2], notifications under Article 7.3, a cumulative total of 98 Members, counting the European Union 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, as established in document G/LIC/3, was not often respected by many Members. With regard to the responses to the Annual Questionnaire, she 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 in order for Members to obtain a complete overview of the licensing regimes of all Members.

1.3 She also indicated that since 2009, at the request of the Chairperson and in light of the suggestions and ideas proposed and discussed at the informal meetings that had taken place, the Secretariat had prepared and sent specific letters to each one of the WTO Members. This was to remind them of their transparency obligations and to highlight the date of receipt of the last notification from their authorities, especially under Article 7.3 of the Agreement. These letters also contained an invitation to Members to review the status of their notifications in general and update them whenever necessary; they also included samples of statements to be used by those Members who had not introduced any changes or had introduced only a few to their import licensing regimes already notified to the Committee. The latter had proved to be acceptable and easily applicable and some Members had already adopted short statements in their notifications. She therefore encouraged other Members to do so and to contact, if necessary, the Secretariat for assistance in preparing their short notifications under Article 7.3 of the Agreement. With regard to the submission of draft notifications and the pertinent information (legal texts, summaries of the legislation and publications, samples of application forms, lists and tables indicating the goods to which ILPs apply, etc.), she invited delegations to submit them in electronic media compatible with the WTO software (Microsoft Word or similar) as this would help the Secretariat to promptly format and edit the draft notifications into WTO formats and/or provide suggestions or comments through the respective delegation in Geneva; it would also avoid mistakes that might occur when retyping the draft notifications, especially considering that these were submitted in the three different WTO languages and that some copies and attachments were lengthy and unclear. She also recommended that, in all cases, the Secretary of the Committee as well as the respective delegation in Geneva, be copied in the correspondence. She encouraged Members to consult the Secretariat whenever there were questions about the notification requirements and, in the case of developing and least developed countries, to ask for technical assistance to be provided in their countries with the participation of the national authorities responsible for enacting and administering import licensing procedures (ILPs).

1.4 The Committee took note of the statement made.

1.5 The Chairperson reminded delegations that according to the Understanding on Procedures for the Review of Notifications Submitted under the Agreement on Import Licensing Procedures

[2] The Questionnaire is annexed to document G/LIC/3.

(document G/LIC/4), Members had to provide their written questions to other Members sufficiently in advance of the meeting of the Committee. She encouraged delegations to do so as this would facilitate timely replies and contribute to a more effective and efficient use of the Committee's time. She also indicated that Members should respond in writing to questions formally submitted to the Committee.

1.6 She then informed the Committee that, as the Airgram and its Revision indicated, the following set of documents were before the Committee for its consideration: (i) submissions containing questions: document G/LIC/Q/COL/1 containing questions from Chile to Colombia; document G/LIC/Q/IDN/15 containing follow-up questions from the European Union to Indonesia; and, document G/LIC/Q/ARG/12 containing questions from Turkey to Argentina; and, (ii) submissions containing replies to the questions: document G/LIC/Q/ARG/11 containing the replies from Argentina to the questions from Canada, China, the European Union, Japan, Mexico, Peru and the United States; document G/LIC/Q/BRA/15 containing the replies from Brazil to the questions posed by China; document G/LIC/Q/TUR/6, containing the replies from Turkey to the United States; and, document G/LIC/Q/VEN/6 containing the replies from Venezuela to Mexico. She also informed the Committee that a communication from India, received on 28 October 2010, contained India's responses to the questions posed by the United States and that this would be circulated under the G/LIC/Q series[3] and considered at the next meeting.

1.7 The delegate of Chile informed the Committee that the Chilean exporters of cuts of chicken meat had not been able to export their products to Colombia since both HS tariff line 020713 and HS tariff line 020714 which corresponded, respectively, to "cuts and offal, fresh or chilled " and to "cuts and offal, frozen", were subject to import licences (IL); that during the last 12 months Colombia had not granted any of these import licences under the argument that these had been suspended on a temporary basis. In September 2009 "AGROSUPER", a Chilean company, reached an agreement with "Alimentos Andinos SA", a Colombian importing company, to export cuts and offal of chicken meat to Colombia. Even though the importer had the required zoo-sanitary permission to import, duly approved by the "Instituto Colombiano Agropecuario –ICA", and by the "Instituto de Vigilancia de Medicamentos y Alimentos –INVIMA", the Ministry of Commerce, Industry and Tourism (MCIT) had indicated that "there was a temporary restriction on this type of import" and never granted the IL. Since 2009, the Chilean authorities had been discussing the matter bilaterally with Colombia but had not obtained any reasonable explanation nor a mutually satisfactory solution. The Chilean private sector had recently reiterated its concern to the national authorities. Chile had had the intention to raise this issue at the Committee meeting that took place in April 2010, but agreed to deal with it in the context of the Bilateral Administrative Commission of the Free Trade Agreement between Colombia and Chile which took place during 5-6 May 2010. As a result of this, Colombia committed itself to revise the situation with a view to provide a solution within a short time-frame, but this had not been the case. Consequently, Chile had brought its concerns to the Committee's attention to facilitate the clarification of the issue by Colombia and to obtain an explanation for the measures it had been applying in light of the objective and provisions of the Agreement on ILPs. Chile considered the restrictions by Colombia to grant ILs did not comply with the Agreement and limited the Chilean exports to the Colombian market. Thus, Chile sought responses from Colombia to the questions contained in document G/LIC/Q/COL/1. He also indicated that Chile had brought this concern to the Committee, a multilateral forum, but that Chile reserved its position that, within the context of the Free Trade Agreement between Chile and Colombia, licences could not be applied to limit the access of the Chilean products into the Colombian market.

1.8 The delegate of Colombia informed the Committee that only a few days before the meeting the questions were received which in turn were conveyed to her authorities. Colombia had always

[3] Circulated as document G/LIC/Q/IND/16.

granted the highest importance to its trade relation with Chile; Chile's questions deserved all the attention, her authorities were preparing the responses and would provide them as soon as possible.

1.9 The delegate of Chile thanked Colombia for its statement and sought prompt and substantive responses from it.

1.10 The delegate of Turkey indicated that the questions to Argentina in document G/LIC/Q/ARG/12 concerning its import licensing regime and the restrictive practices it was applying, reflected the concerns of the Turkish industry; these practices had impacts on their exports to Argentina and represented a significant loss of markets. Refrigerators, air conditioners and washing machines where among the products affected by the changes in Argentina from an automatic to a non-automatic regime. The Turkish industry had reported not only lack of transparency and predictability in the system's implementation, but also long delays in obtaining licences; these were the major concerns because they were considerably longer than the time-frames established in the Agreement. Turkey asked Argentina to provide prompt and substantive responses; and to bring its regime and implementation in line with its WTO obligations.

1.11 The delegate of Argentina informed the Committee that her delegation would provide the responses to Turkey.[4]

1.12 Argentina's measures raised serious and systemic concerns, stated the delegate of the European Union; and, indicated that Argentina had been progressively extending the scope of its non-automatic IL regime from originally 38 products, to more than 400 tariff lines. This extension, combined with the significant delays in obtaining the required IL, had been creating difficulties to EU exporters. Argentina's replies to the various questions posed by Members had aggravated the concerns: the most recent replies denied that non-automatic import licensing should only be applied when necessary to implement an underlying measure.[5] This was inconsistent with GATT Article III:2, which indicated that "*non-automatic licensing procedures shall correspond in scope and duration to the measure they are used to implement, and shall be no more administratively burdensome than absolutely necessary to administer the measure*". Article 5(g) of the Agreement confirmed this by requiring that the notification of non-automatic ILPs included an indication of "*the measure being implemented through the licensing procedure*". A different interpretation of the Agreement would render GATT Article XI meaningless, since it would allow WTO Members to use arbitrarily IL regimes as a means to restrict imports for protectionist purposes.

1.13 The EU representative continued to indicate that Argentina, in its replies, had also tried to justify its non-automatic IL regime by referring to the need to "evaluate changes in trade flows". However, the EU was of the opinion that monitoring trade did not justify the recourse to a non-automatic ILP; this was only justified, where necessary, to implement a WTO compatible measure. Argentina's argument that these measures were necessary to verify compliance with technical standards was also weak. Argentina's reference to technical regulations adopted back in the 1990's to justify the introduction of non-automatic IL from 2007 onwards was difficult to understand; why had non-automatic ILs become necessary for some products for which the applicable technical standards had been in place for more than a decade?

1.14 The application of such a non-automatic import licensing regime also posed significant difficulties. First, delays in obtaining the licences went beyond the time-frames established in Article 3.5(f) of the Agreement. This provision established 30 days to issue an IL when applications were considered on a first-come first-served basis; and, a maximum period of 60 days if applications were considered simultaneously. But importers were experiencing delays over 100 days to obtain a

[4] See document G/LIC/Q/ARG/13 (and Corrigendum 1 in French and Spanish only).
[5] (G/LIC/Q/ARG/11, response 2).

licence in Argentina. Second, Argentinean authorities were reportedly imposing additional requirements on importers to those already included in the legislation, such as: commitments on trade balancing requirements with a view to reduce imports or increase production in Argentinean facilities, evidence of increase in exports of Argentinean products, or a process diagram showing the entire production cycle of the goods subject to the application. The EU found this incompatible with the core principle of the Agreement, according to which import licensing requirements could not be more burdensome than absolutely necessary to implement the underlying measure. Third, some rules applicable to the examination procedures for granting import licenses were not part of the Argentinean legislation (e.g. change from first-come first-served method of consideration of applications to simultaneous consideration). This was inconsistent with Article 1.4 (a) of the Agreement, according to which rules concerning ILPs should be published. As a result of this, and in addition to the negative impact on trade flows, the Argentinean ILPs also raised important systemic concerns, even more so if the G-20 commitment not to introduce new trade-restrictive measures to deal with the economic crisis was considered. The EU invited Argentina to bring its regime in compliance with its WTO obligations as soon as possible.

1.15 The delegate of the United States indicated that her authorities were troubled by the extensive use by Argentina of ILPs in a manner which restricted the ability for the US exporters to access the Argentine market. This had been indicated in past interventions and also in written submissions. The US had made many attempts to obtain clarification from Argentina on the operation of its IL regime or redress from its negative effects on trade from the US; Argentina had repeatedly responded with vague and unhelpful answers that confirmed the system's lack of transparency. To date, no serious explanation regarding the precise measures being implemented through the use of non-automatic import license procedures had been provided by Argentina. Moreover, Argentina had contradicted itself in attempting to provide such a justification: in document G/LIC/Q/ARG/11 Argentina responded to question two: "*the measures being implemented under the Agreement on Import Licensing Procedures are automatic and non-automatic import licensing. There is no specific underlying measure*". However, in the same document, Argentina then made a conflicting claim, stating that "*The decision to require non-automatic licensing of products that were previously subject to automatic licensing was prompted by the significant changes in trade flows for these products, which called for the establishment of a verification and monitoring mechanism, other than automatic licensing, that could more accurately evaluate the reasons for such changes*". In addition to the confusion over whether there was, or not, an underlying need for the licensing measures, her authorities had trouble understanding why the evaluation of trends and changes in trade flows would require a verification mechanism, and why the latter needed a non-automatic import licence. The continued reports received from exporters in the US stating that their shipments encountered delays of more than 60 days to obtain an import licence was an additional concern. Argentina claimed that all licenses were issued within 30-60 days; this assertion was difficult to understand, especially when eight Members in this Committee had expressed continued concerns about the same delays. Recent reports that Argentina had frequently requested additional information from importers in an attempt to delay the processing times to issue ILs were equally troubling. According to these, Argentina often required importers to complete an in-person "consultation" with the Ministry as well as provide additional information or additional copies of the IL applications; none of these were a normal practice, nor required for normal customs clearance, even for licensed goods. Moreover, during these burdensome and unnecessary requests, importers had indicated that Argentina "*stopped the clock*" on the processing time of applications and did not count the elapsed time in the 60 day period to issue an IL. The US delegation urged Argentina to uphold its commitment to the WTO and the Agreement on ILPs; and, to operate its import licensing regimes in a transparent and predictable manner according to WTO rules. Argentina should reform its import licensing regime to ensure the issue of ILs in a timely manner and applying procedures without trade restrictive effects. Given the number of Members in the Committee who had expressed serious concerns on this matter, the US requested an explanation from Argentina on what steps it was taking to address the concerns raised by these Members, including the US; and on how it intended to reform its import licensing system. Her delegation

looked forward to receiving details about this situation from Argentina, including how and when it would be remedied.

1.16 The delegate of China thanked Argentina for its responses to the joint questions. His authorities had carefully studied these but were still not convinced by the explanations and clarifications provided, some of which had created more confusion on Argentina's licensing system and practices. Chinese exporters continued to report their difficulties to trade with Argentina; in some cases the situation had even been aggravated because of the complicated and non transparent licensing requirements. As an example he mentioned that, in the past, some Chinese toy exporters reported that it took 2 to 3 months to obtain licenses; but currently the process was facing delays of 4 to 5 months. The toy industry was not the only sector seriously impacted by the measures; other sectors included footwear, textile and clothing, bicycle, motorcycle, tyre and miscellaneous products, which covered almost all the major Chinese exports to Argentina. His delegation had the following comments on Argentina's replies: (i) On the rationale for introducing and maintaining the non-automatic import licensing requirements, Article 3.2 of the Agreement on Import Licensing Procedures provided that "*non-automatic licensing procedures shall correspond in scope and duration to the measure they are used to implement … the measure*." From the context of the Agreement, the measure should be one of those adopted pursuant to relevant GATT provisions. Question two of document G/LIC/Q/10 asked Argentina to specifically identify the measures being implemented through non-automatic import licensing. Nevertheless, Argentina replied that there was no specific underlying measure as this created confusion, so if there was no underlying measure, what was the non-automatic licensing for? (ii) In its replies to Questions 4(a), 5, 10 and 13(c) of document G/LIC/Q/ARG/10, Argentina tried to explain that the introduction of some non-automatic import licensing measures was to verify, monitor or evaluate trade flows. China was not convinced by this explanation; licensing was also used in China for monitoring trade. However, China's procedure was automatic rather than non-automatic; automatic import licensing was sufficient enough for the said purpose. China invited Argentina to elaborate further on its verification and monitoring mechanism and on why the licensing procedure might be non-automatic; and, to explain how it ensured that the increase in non-automatic import licensing measures should not have additional trade-restrictive effects on imports to those caused by the imposition of the restriction, as provided in Article 3.2 of the Agreement. (iii) On technical regulation issues, China respected Argentina's right to implement standards or regulations for environmental purposes, safety and consumer protection. However, his authorities were not convinced that non-automatic import licensing was necessary to verify compliance with these regulations. While some of these regulations had already been in place for years, the dramatic increase in non-automatic licensing requirements started in 2008. China did not understand why the use of non-automatic licensing was necessary to ensure compliance. (iv) On the delays to grant licences, his delegation had taken note of the reply to question 3(a) that the Argentinean officials respected the time-limits prescribed in the Agreement on ILPs. However, Chinese exporters continued to report lengthy delays in practice. (v) China had other concerns on the arbitrariness, lack of transparency and predictability in the allocation and granting of licences. Some exporters had reported that, based on the importers performance in the previous year, the Argentine authorities started to reduce toy import quotas of each importer by a certain percentage. Up to now importers and exporters had not found any official publication explaining the reasons and criteria for such reduction.

1.17 The delegate of Japan echoed the previous speakers. In previous meetings his delegation had expressed that it was closely monitoring the Argentinean measures. The situation had not improved and Japanese industries were still experiencing significant delays in the issue of ILs, over the 60 days stipulated in the Agreement. Argentina's answers to the joint questions posed to it in G/LIC/Q/ARG/11 were not sufficient, even confusing. Japan asked Argentina to respond to Question 6 in G/LIC/Q/ARG/10 concerning the expected duration of the licensing procedures under Article 5.2(h) of the Agreement; and urged Argentina's government that its ILs complied with the WTO rules.

1.18 The delegate of Peru echoed the previous speakers; her authorities were also concerned by the increased number of products in Argentina subject to non-automatic licenses. Her authorities were closely monitoring the Argentine licensing system and had concerns that it was exceeding the 60 days' time period in the Agreement; this had a negative adverse effect on the importers and exporters of Peruvian products into Argentina, because it lacked predictability and legal certainty. The main objectives of the Agreement were to simplify the administrative procedures, provide transparency and guarantee their implementation through a fair and equitable administration so as to avoid restrictive or distorting measures; thus, it was necessary to examine whether the Argentinean non-automatic licensing system was consistent with the Agreement and with GATT 1994 Article XI. According to Article 3.2 of the Agreement, non-automatic licences would be used to administer underlying measures that were consistent with the WTO legal framework. Thus, licensing procedures should not have distorting or restrictive effects in addition to the underlying measures and might be related to the scope and duration of these; the non-automatic licensing system had not been established in the Agreement to monitor changes in trade flows. However, in G/LIC/Q/ARG/11, Argentina responded in Question 2 by stating that there were no underlying measures applicable by its non-automatic licensing system. Argentina had also stated in G/LIC/Q/ARG/8 and 11 that the main reason for imposing the non-automatic licences was the need to monitor changes in trade flows given the international economic crisis and its negative impact on the economy. She emphasized that according to the economic projections made by the WTO, a recovery from the crisis could be appreciated for 2010; and, asked Argentina to put an end to its regime which had a temporary nature.

1.19 The delegate of Mexico endorsed the previous statements; the Mexican exporters, particularly in the electronics industry, had indicated that long delays in granting licences went beyond 100 days. Mexico was concerned by the Argentine responses, by the increased number of products currently covered by the licensing system and by the time-frame it was taking to obtain a licence. She urged Argentina to provide clearer information about the concerns Members had raised and to eliminate the long delays that Mexican exporters were experiencing.

1.20 The delegate of Canada indicated that her delegation had systemic concerns on this issue, namely in the context of Members' transparency with regard to IL practices and on the implication it had in predictability in the trading system. Her delegation looked forward to obtaining further responses by Argentina; this issue had been raised in other WTO instances, this reflected its importance and the need for greater transparency in ILPs.

1.21 The delegate of Argentina thanked delegations for their statements and requested these in written. She recalled that Argentina's written responses were contained in G/LIC/Q/ARG/11.

1.22 The delegate of the European Union reminded Indonesia that despite the flexible approach showed by its authorities towards the EU exporters, her delegation considered Decree 56 as a breach of the provision in GATT and in the Agreement. This matter, of systemic importance for the EU, led to the follow-up questions by the EU in document G/LIC/Q/IDN/15, where it asked for further clarification of the replies by Indonesia in document G/LIC/Q/IDN/14. At the start of the meeting, her delegation had received the replies to the follow-up questions and would closely look at them. The issue was particularly important if the rumours on a possible prolongation for 2 more years of Decree 56 were confirmed.

1.23 The delegate of the United States echoed the statement by the EU and requested an update on the status of Decree 56 from Indonesia, which was notified in G/LIC/N/2/IDN/2. The US had understood that Decree 56 would expire in December 2010, but requested confirmation by Indonesia that the requirements contained in Decree 56 would expire and would not be renewed, including the requirement for exporters to complete an "import technical investigation". She also requested additional information from Indonesia regarding the scope of its import licensing regime and its most recent responses to the questionnaire on IL procedures. The US was concerned that parts of

Indonesia's IL regime had not been fully notified to the Committee. In reviewing Indonesia's past notifications and responses to the Annual Questionnaire, the full scope of the procedures was unclear, and certain requirements appeared to be absent. Exporters had reported to her authorities about new procedures, contained in 45/DAG/PER/9/2009, later amended in 17/M-DAG/PER/3/2010, and possibly in 39/2010. The original procedures appeared to require that companies obtained import licenses to import goods either for their own manufacturing or for further distribution, but not both. It appeared that 39/2010 had then further modified this requirement. Given the potentially burdensome and trade restrictive nature of such a requirement, especially when combined with other import requirements, the US requested Indonesia to provide additional information regarding the exact nature of the licensing procedures, including a justification for such a requirement; and, to indicate when Indonesia intended to notify these licensing procedures. The US also asked for clarification on the scope of products covered by these new requirements and if all imported goods would be subject to these new procedures once the requirement entered into effect. With regard to the structure of Indonesia's responses to the Annual Questionnaire, which seemed to contain responses organized by year, she asked Indonesia to elaborate on the reason for this structure. If the requirements listed under year 2007 were still in effect or if the requirements listed under year 2009 should be considered as the current set of requirements. The responses to the Questionnaire also appeared to omit certain products for which import licensing procedures were required, such as steel and iron; why were these measures not notified? In light of the above, the US asked Indonesia to review its previous responses to the Questionnaire and notifications and to ensure that the full scope of its import licensing procedures was appropriately notified to the Committee before the next meeting.

1.24 The delegate of Indonesia thanked the EU and the US for the follow-up questions regarding Decree 56/2008. Concerning the questions from the EU, his delegation had provided its responses to the EU at the start of the meeting and hoped the EU would find these satisfactory. He would convey the follow-up questions to his capital, as well as the concerns expressed at the meeting by the US. He asked for these in written form.

1.25 The delegate of Brazil reminded the Committee that at the last meeting he made a preliminary presentation of the replies to China, (G/LIC/Q/BRA/15); Brazil had explained the criteria used to determine which goods required non-automatic IL, as well as the compatibility of those criteria with the Agreement on ILPs. Brazil also explained that the objective of the non-automatic licenses for toys was to ensure that these complied with safety requirements in order to protect consumers. The responses also underlined the reasons why Brazil considered its licensing requirement was not more administrative burdensome than necessary to fulfil the objective of the measure. With respect to the information provided together with the application for a non-automatic IL, in the case of toys, Brazil indicated the legislation establishing these requirements as well as information on these specific requirements. The procedures followed by Brazil and its authorities in considering an application for ILs for toys were also described in the responses. He also informed delegations that the IL requirements for toys had the objective of ensuring that imported toys complied with the same safety standards imposed to domestic toys; these procedures were non-discriminatory in their application and consistent with Brazil's obligations in the WTO.

1.26 The delegate of China thanked Brazil for its replies; his authorities would continue monitoring trade with Brazil in the toys' industry.

1.27 The delegate of Turkey informed the Committee that his delegation had responded to the questions posed by the US in document G/LIC/Q/TUR/5. Turkey applied sanitary controls to distilled spirits during both the importation and production stages. A "control certificate", issued by the Ministry of Agriculture and Rural Affairs (MARA), aimed at ensuring food safety and protection of human health and life, was required to import these products into Turkey. This document with the aim of ensuring human health protection was not an IL by any means. Likewise, domestic producers of distilled spirits also had to obtain a production permit certificate from the MARA after having

proved that they fully met food conditions and requirements. In conclusion, imports of distilled products and domestic production of such products were subject to the same non-discriminatory procedures in fulfilling the sanitary controls, therefore, Turkey did not administer IL for distilled spirits.

1.28 The delegate of the United States thanked Turkey for its replies; nevertheless her authorities still had concerns on whether or not the TAB and MARA requirements to import distilled spirits might constitute an import licence. In this regard, her delegation sought additional clarification from Turkey; it would also submit follow-up questions. Turkey had claimed that this matter was being addressed in the TBT and SPS Committees, but Turkey had not notified these requirements either to the Committee on Import Licensing or to the TBT or SPS Committees. The US looked forward to working with Turkey to clarify this issue.

1.29 The delegate of Venezuela, when referring to the content of the replies to Mexico's questions in document G/LIC/Q/VEN/6, reiterated that the certificates of no-national production or insufficient national production clearly were not an import license and did not fall within the scope of Article 1 of the Agreement.

1.30 The delegate of Mexico thanked Venezuela for its replies; these were being analyzed by her authorities.

1.31 The Chairperson informed the Committee that the day immediately before the Committee meeting, India had submitted its responses[6] to the United States. These would be considered at the next meeting. The delegate of the United Sates thanked India for its responses.

1.32 The Chairperson informed the Committee that as indicated in the Airgram and its Revision, the European Union had informed that it would present some questions to Viet Nam on "Circular 24/2010/TT-BCT of 28 May 2010"

1.33 The delegate of the European Union informed the Committee that on 28 May 2010, the Ministry of Industry and Trade of Viet Nam issued Circular 24/2010/TT-BCT (Circular 24) on the application of automatic import licences (AIL) on a range of goods. Her delegation had repeatedly encouraged Viet Nam to notify Circular 24, but to date this had not happened. The 60 day deadline to which Article 5 of the Agreement referred to, expired on 28 July 2010. The EU wanted to know about Viet Nam's intention to notify this measure; and, recalled the importance of respecting notification obligations. The EU recognized that Viet Nam was currently facing economic challenges, notably concerning its trade deficit; the EU had understood that this measure was part of the measures adopted by Viet Nam over the past months to face the trade deficit. The EU delegation sought clarification from Viet Nam on the objective of this measure and on if it was meant to be temporary. According to feedback from the European industry concerning implementation of the measure, her authorities had been told that the administrative burden had increased and that delays in goods clearance had also increased, in some instances up to two weeks. Her authorities were concerned about the possible trade-restricting effects of the measure on imports subject to these automatic licensing procedures, particularly for perishable products.

1.34 The delegate of Viet Nam thanked the EU for its questions concerning Circular 24; his delegation had not received any instructions yet, but assured the EU that it would do its best to comply with the notification obligation; Viet Nam asked if the EU could send the questions in writing.

1.35 The delegate of the United States echoed some of the concerns raised by the EU; for more than a year, the US had requested Viet Nam to provide additional information on its IL regime and to

[6] Circulated as G/LIC/Q/IND/16.

properly notify it to the Committee on IL. As mentioned in past occasions, Viet Nam had not submitted any notifications since its accession in 2007, nor had it provided an updated response to the Annual Questionnaire. However, since then, it had indeed introduced several new licensing requirements. She encouraged Viet Nam to notify the full scope of its regime as soon as possible. The US was especially concerned about the most recent procedures, published in Circular 24, which significantly extended the scope of products subject to IL. It seemed that Circular 24 replaced the previously established requirements contained in Circular 17 and that, in addition to those products for which licenses were required under Circular 17, the new Circular 24 extended requirements to cover certain food and agricultural products as well as textile and apparel products. Her delegation sought additional explanation on how these new products were selected for inclusion in Circular 24; and, with what measures these requirements were being used to implement them. She urged Viet Nam to notify Circular 24 and to indicate if there had been any other changes to Viet Nam's import licensing regime since its accession; this was a basic requirement of WTO Membership and of this Committee and Viet Nam should acknowledge its responsibility in this area and provide the requested information.

1.36 The delegate of Canada indicated the interest of her authorities in Circular 24 and encouraged Viet Nam to submit its notification as soon as possible.

1.37 The delegate of Australia echoed the concerns expressed by previous speakers regarding Viet Nam's IL regime, including the recent Circular 24 which extended the list of goods subject to automatic IL requirements. He encouraged Viet Nam to notify its measures to facilitate Members' understanding of its rationale and implications.

1.38 The delegate of Viet Nam thanked delegations for their interventions; their concerns would be conveyed to his Capital.

1.39 The Committee took note of the statements made.

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[7], 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. Members should also submit the draft notifications as well as the pertinent information (legal texts, summaries of the legislation and publications, samples of application forms, lists and tables indicating the goods to which ILPs apply to, etc) in electronic media compatible with the WTO software since this would help the Secretariat to promptly format and edit the draft notifications into the WTO formats and to avoid mistakes that might occur when retyping the draft notifications. Copies of laws, regulations and information submitted under these provisions were available in the Secretariat. She informed the Committee that since the last meeting, three notifications had been received from the Former Yugoslav Republic of Macedonia, Paraguay and the United States.[8]

[7] G/LIC/3.

[8] Contained in documents G/LIC/N/1/MKD/3; G/LIC/N/1/PRY/2; and, G/LIC/N/1/USA/6, respectively.

2.2 The delegate from the United States thanked Ukraine for having submitted its notification so quickly immediately after its recent accession.

2.3 The Committee took note of the notifications and statement made.

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

2.4 The Chairperson recalled that under paragraphs 1 to 4 of Article 5, Members which 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 three notifications submitted by: Costa Rica, Malawi and Thailand, as listed in the Airgram and its Revision.[9] The notification from Thailand was not available in the three WTO official languages and would be considered at the next meeting, but she would invite delegations to raise any questions or comments to be considered by Thailand at the next meeting.

2.5 The Committee took note of the notifications from Costa Rica and Malawi.

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

2.6 The Chairperson informed the Committee that there were thirty-four notifications listed in the Airgram and its Revision convened at the meeting, received from Argentina; Armenia; Burkina Faso; Canada; Chile; Costa Rica; Croatia; the European Union; the Former Yugoslav Republic of Macedonia; Grenada; Honduras; Hong Kong, China; India; Japan; Korea; Kuwait; Macao, China; Namibia; Nicaragua; Nigeria; Norway; Peru; Qatar; Switzerland; Thailand; Trinidad and Tobago; Turkey; the United States and Zimbabwe.[10] She also informed the Committee that the notifications from Korea (G/LIC/N/3/KOR/9) and two notifications from Argentina (G/LIC/N/3/ARG/ 6 and 7) were not available in the three WTO official languages; and, that after the Airgram and its Revision were issued, one notification had been received from the Dominican Republic[11] under this provision. Thus, these notifications would be considered at the next meeting but she also invited delegations to raise questions or comments to be considered by these Members at the next meeting. She reminded Members that at the last meeting on April 2010, the notification from Switzerland contained in document G/LIC/N/3/CHE/5 was not available in the three WTO official languages and that this would be considered at this meeting.

2.7 The Committee took note of the notifications announced by the Chairperson.

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[9] Contained in documents G/LIC/N/2/CRI/2; G/LIC/N/2/MWI/1; and G/LIC/N/2/THA/1, respectively.

[10] (G/LIC/N/3/ARG/5/Corr.1); (G/LIC/N/3/ARG/6+7); (G/LIC/N/3/BFA/3); (G/LIC/N/3/CAN/9); (G/LIC/N/3/CHL/5); (G/LIC/N/3/CRI/7); (G/LIC/N/3/HRV/5); (G/LIC/N/3/EEC/13+Corr.1); (G/LIC/N/3/EEC/13/Add.1); (G/LIC/N/3/MKD/2); (G/LIC/N/3/GRD/4); (G/LIC/N/3/HND/1/Add.1/Corr.1); (G/LIC/N/3/HND/5); (G/LIC/N/3/HKG/14); (G/LIC/N/3/IND/11); (G/LIC/N/3/JPN/9); (G/LIC/N/3/KOR/9); (G/LIC/N/3/KWT/1); (G/LIC/N/3/MAC/13); (G/LIC/N/3/NAM/5&6); (G/LIC/N/3/NIC/2); (G/LIC/N/3/NGA/6); (G/LIC/N/3/NOR/5); (G/LIC/N/3/PER/6); (G/LIC/N/3/QAT/7); (G/LIC/N/3/CHE/6); (G/LIC/N/3/THA/3); (G/LIC/N/3/TTO/9); (G/LIC/N/3/TUR/10); (G/LIC/N/3/USA/7); (G/LIC/N/3/ZWE/3).

[11] Contained in document G/LIC/N/3/DOM/4.

3. Eighth Biennial Review of the Implementation and Operation of the Agreement under Article 7.1

3.1 The Chairperson recalled that Article 7.1 of the Agreement provided that "the Committee shall review as necessary, but at least once every two years, the implementation and operation of this Agreement, taking into account the objectives thereof, and the rights and obligations contained therein" and that the Seventh Biennial Review of the Implementation and Operation of the Agreement took place in October 2008. She referred to the background document prepared by the Secretariat, on its own responsibility and for the Committee's consideration, circulated as G/LIC/W/37, which covered the period from 21 October 2008 to 29 October 2010. She highlighted that the Secretariat had also included some figures which would help delegations to better assess Members' compliance with notification obligations under the different provisions of the Agreement, since its entry into force and during the review period 2008- 2010. She said that the document, as well as the annexes, would be updated to take into account the discussion at the present meeting. This report would be circulated in the G/LIC/- series.

3.2 The Committee agreed to adopt the report as updated.[12]

4. Report (2010) 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 2008, had been circulated in document G/LIC/W/36, 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/941 and Corr.1[13].

5. Other Business

Date of the next meetings

5.1 The Chairperson informed Members that the Secretariat had tentatively reserved Friday 15 April 2011 and Friday 21 October 2011 for the next meetings of the Committee, on the understanding that additional meetings would be convened if necessary.

5.2 The Committee took note of the information.

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[12] The final report was circulated as document G/LIC/21 and Corr. 1, dated 1 and 3 December 2010, respectively.

[13] Corrigendum in English only.