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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 11 APRIL 2011

Chairperson: Mrs. Anna Ashikali (Cyprus)

The Committee on Import Licensing held its thirty-third meeting on 11 April 2011. The agenda proposed for the meeting, contained in WTO/AIR/3729, which was circulated on 1 April 2011 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, a total of 20 notifications had been received: two notifications under Articles 1.4(a) and/or 8.2(b) on legislation/publications; eight under Article 5.1-5.4 on new licensing procedures or changes to the procedures in force; and ten under Article 7.3 – replies to the Questionnaire. As of the day of the meeting, out of a total Membership of 153, counting the European Union (EU-27) as one, there remained 17 Members[1] who had not submitted any notification under any provision of the Agreement since joining the WTO. She highlighted the fact that, since the last meeting, three Members had submitted the first replies to the Annual Questionnaire: Cambodia, Central African Republic and

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

Tonga. She urged all Members who had not yet provided any information on their laws and regulations relevant to import licensing to submit their notifications before the Committee without further delay and indicated that Members who did not apply licensing procedures or had no laws or regulations relevant to the Agreement, were also required to notify the Committee of this fact in order to obtain a complete overview of the licensing regime of all Members.

1.2 As to notifications concerning Members' laws and regulations (under Articles 1.4(a) and/or 8.2(b)), only a cumulative total of 98 Members, counting the EU-27 as one, had submitted notifications. Thus, 28 Members had yet to submit their notifications under this provision. Under paragraphs 1 to 4 of Article 5, only 34 Members, the EU-27 counted as one, had notified new licensing procedures or changes in the existing ones. Of these, one Member (Papua New Guinea) had notified changes to its import licensing procedures without submitting the initial notification of legislation or its replies to the Questionnaire. The Chairperson urged those Members who had not yet notified either their new licensing procedures or changes in existing procedures to do so. She informed the Committee that, while Article 5.5 of the Agreement allowed Members to submit counter-notifications, up to now no such counter-notifications had been received.

1.3 As to the replies to the Annual Questionnaire under Article 7.3, she informed the Committee that a cumulative total of 101 Members, counting EU-27 as one, had submitted their replies to the Questionnaire since the entry into force of the WTO Agreement; thus, 25 Members had yet to submit their responses to the Questionnaire. She also recalled that the annual deadline for the responses was 30 September; a deadline often not respected by many Members and urged those Members who had not yet responded to the Questionnaire to submit their responses without further delay. She highlighted that Members who did not apply import licensing procedures nor had no laws or regulations relevant to the Agreement were also required to notify the Committee of this fact in order to obtain a complete overview of the licensing regimes of all Members.

1.4 She informed the Committee that since 2009, at the request of the Chairperson and in light of the suggestions and ideas proposed and discussed at the informal meetings, the Secretariat had been preparing and sending specific letters to each one of the WTO Members. This was to remind 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. 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 which had not introduced any changes or only minor changes to their import licensing regimes already notified to the Committee. She stated that the latter had proved to be acceptable and easily applicable; that many Members had been using such statements to notify[2] and, in light of this, she encouraged other Members to do so and to contact, if necessary, the Secretariat for assistance in preparing the short notifications under Article 7.3 of the Agreement. She invited Members to submit the draft notifications in Microsoft Word for the Secretariat to promptly format and edit the draft notifications into the WTO formats; additional information such as legal texts, summaries of the legislation and publications, samples of application forms, lists and tables indicating the goods to which ILPs applied to, should be submitted in electronic format compatible with the WTO software. She also encouraged Members to consult the Secretariat whenever there were questions on notification requirements and; in the case of developing and least developed countries, to request for technical assistance to be provided in their countries with the participation of the national authorities who enact and administer import licensing procedures.

1.5 The Chairperson informed the Committee that, since the last meeting, three documents containing replies concerning licensing systems maintained by some Members had been circulated in

[2] See documents G/LIC/N/3/COL/8 and G/LIC/N/3/HND/4, respectively.

the G/LIC/Q/- series.[3] Document G/LIC/Q/ARG/13 contained the responses by Argentina to the questions posed by Turkey in document G/LIC/Q/ARG/10.

1.6 The delegate of Turkey thanked Argentina for its responses and indicated that not only were these not fully satisfactory but that there had been no improvement in the implementation. The number of products subjected to non-automatic licensing procedures had increased recently and exceeded 400. Turkish industries were still reporting their concerns on the non-predictability and lack of transparency with respect to the implementation; they also complained about the long periods of responses to applications which exceeded the timeline indicated in the Agreement. He requested Argentina to bring its non-automatic licence regime in compliance with the WTO obligations.

1.7 The delegate of the European Union stated the issue of Argentina's import licensing measures had been raised in the WTO on several occasions, the last time at the Council for Trade in Goods (CTG) meeting on 21 March 2011, where the statements made by the EU, the US and Japan were supported by many other delegations. At that meeting her delegation also made a report on the consultations requested by the CTG Chair in November 2010. Despite these consultations, the concerns the EU had raised had not yet been addressed; moreover, Argentina had recently extended the scope of non-automatic licensing procedures(NALs), to around 200 new products, including high end cars with big engines, certain car parts and mobile phones. These measures followed an informal demand from the Argentinean Ministry of Industry to the car importers to reduce imports by 20 per cent Car importers in Argentina were also complaining about delays at customs and homologation processes; given that various consignments were blocked since February 2011.

1.8 The NALs scheme now covered almost 600 products, a worst picture given the impact it had on imports from the EU to Argentina since the scheme covered imports of around US$ 1,382 million or 15.5 per cent of total imports form the EU. This picture was even more alarming when considered in the context of other measures adopted to pursue import substitution in Argentina.

1.9 In the view of her delegation, the NALs were not in line with Argentina's WTO obligations, were part of an imports substitution policy with the aim to improve the trade balance and to systematically discriminate a number of imported product. Despite repeated requests at WTO level and bilaterally, Argentina had failed to provide any convincing evidence to the contrary. Non-automatic import licensing measures were only justified where necessary to implement a WTO compatible measure; this was the meaning of Article 3.2 of the Agreement on Import licensing which stated that "non-automatic licensing procedures shall be no more administratively burdensome than absolutely necessary to administer the measure". This was confirmed by Article 5(g) by requiring that the notification of non-automatic import licensing regimes to this Committee included an indication of "the measure being implemented through the licensing procedure". The EU considered that a different interpretation of these articles would render Article XI of GATT 1994 meaningless, since it would allow WTO Members to use arbitrarily import licensing regimes as a means to restrict imports for protectionist purposes.

1.10 Furthermore, she added, the procedures for examining import licensing applications in Argentina lacked transparency, and some of its elements were not regulated in Argentinean legislation. Thus, NALs were just one of the means used by the Argentinean authorities to restrict imports. She asked Argentina to provide more information on the scope and coverage of the non-automatic

[3] Listed in the airgram as follows: Questions: from (i) Peru and (ii) Canada, China, the European Union, Japan, Mexico, Peru and the United States to Argentina (G/LIC/Q/ARG/7/Add.1 and G/LIC/Q/ARG/10); from the United States to India (G/LIC/Q/IND/11/Add.1) and to Turkey (G/LIC/Q/TUR/5). Replies: from Brazil to questions from the United States (G/LIC/Q/BRA/13) and from Mexico (G/LIC/Q/BRA/14); and, from India to questions from Korea (G/LIC/Q/IND/15).

licensing system and on how Argentina would take into account the EU concerns. She finally called Argentina to comply with its WTO obligations within the best possible timeframe.

1.11 The delegate of Japan in supporting previous speakers, indicated that there had been no improvement in relation to the delay of issuing import licences in Argentina since the issue was raised at the CTG meeting in November 2010. The required timeframe to issue import licences had continued to exceed the period stipulated in the Agreement on Import Licensing. Resolution 45/2011 had expanded the scope of products covered by the non-automatic import licensing in Argentina; this had created adverse impacts on Japanese companies which operated in Argentina. In the case of manufacturing companies, at least one third of intermediate materials needed for production were covered by the non-automatic licensing; this would inevitably affect the pace of production in Argentina. He also indicated that imported vehicles were the biggest problem; Japanese companies had been notified at the end of 2010 that in the current year import licences would be reduced by 20 per cent of the actual importation during 2010. His authorities requested Argentina to ensure the smooth issuance of import licences within the timeframe stipulated in the Agreement and also sought transparency in the related procedures.

1.12 The delegate of Switzerland reiterated the systemic and economic concerns of her delegation regarding Argentina's ILPs. Argentina had so far failed to put its IL system into conformity with WTO obligations or to provide a WTO consistent explanation for it. With the extension of the scope of Argentina's NALs last February, the situation had even worsened. She urged Argentina once again to put its IL system into conformity with the WTO commitments.

1.13 The delegate of the United States reiterated the concerns of his delegation over the nature and application of Argentina's import licence regime, which was significantly impacting imports into Argentina from a number of WTO Members, including the United States. Since October 2008, Argentina had begun progressively expanding the number of products subjected to licensing procedures, but over the past two years had failed to address the US concerns and those of other Members. The situation regarding import licensing had become increasingly problematic for US exporters; according to reports received, it would appear that Argentina was using these measures to improve its trade balance by restricting imports and promoting exports. His authorities also continued to receive numerous reports about the lengthy delays encountered in obtaining a non-automatic import licence. US companies not only were concerned about the added costs and uncertainty associated with exporting to Argentina as a result of these measures, but were also concerned about the negative effects of products being sold increasingly on the grey market due to distortions created by Argentina's import procedures. Despite concerns raised by various Members in this Committee, Argentina had yet to respond satisfactorily to these concerns; Argentina had also failed to take action to resolve this issue and rather, had expanded its import licensing regime. In addition, and in spite of repeated requests, Argentina had failed to provide an appropriate justification in support of the measures being implemented through its non-automatic import licence requirements. His authorities had also raised their concerns in other WTO bodies like the Goods Council on 21 March 2010. At that CTG meeting his delegation had requested Argentina to take immediate steps to address this issue and provide responses to four specific issues: (i) an indication of the WTO legal basis for the use of these import licensing procedures, at this or at the next CTG meeting; (ii) information concerning the time period for approving licences, together with an explanation on the length of time for approval and, information concerning the reported exporting requirements that companies had to commit to in order to obtain an import licence; (iii) an indication of the specific steps Argentina had taken to address the trade distorting effects to its import licensing regime; and (iv) an explanation of why certain countries were being excluded from these requirements, as indicated in various news reports and local reports published in Argentina.

1.14 The delegate of Australia supported the previous statements on the systemic concerns and the expansion and operation of the NALs procedures in Argentina which, in the view of her delegation, led towards an import substitution program. She sought further explanation from Argentina in order to prove that its NALs procedures were in line with Article 3.2 of the Agreement.

1.15 The delegate of Korea echoed the concerns raised by the previous speakers regarding Argentinean Resolution 45 recently adopted; his authorities had been monitoring the Argentinean import licensing measures. Despite the concerns that had been raised in this regard in this Committee, Argentina had maintained these procedures and even increased the scope of product to which the procedures applied to; Argentina had strengthened the trade effects of its NALs rather than address Members' concerns. The new items Argentina had recently added to the list of products to which the NALs applied to include the motor vehicle importer certificate; according to Resolution 45, it seemed that Argentina would only approve import licences if importers submitted a plan stipulating they would export the same amount as they had imported. His authorities believed that these conditions violated the main principles in the Agreement and requested Argentina to apply its import licensing regime in a transparent and predictable manner and invited Argentina to take action in bringing and implementing this regime in line with its WTO obligations.

1.16 The delegate of Peru echoed the concerns expressed by previous speakers on the Argentinean Resolution 45/2011 which increased the number of products subjected to NALs procedures from 400 to 600. This had important consequences on Peruvian industries, especially the SMEs which were a source of employment in her country. Peru's concerns referred to the licensing system itself and to the delays in granting import licences which went far beyond the timeframe established in the Agreement. She recalled that at the last CTG meeting in March 2011 her authorities in the statement they made, posed questions to Argentina concerning the legality of the NALs, in particular, the response that their objective was to establish a transitional measure as indicated in documents G/LIC/N/2/ARG/7/ADD.4; 10/ADD.1, 14/ADD1; 15/ADD.1; 16/ADD.2; 20/ADD.1; 22/ADD.1, 13 and 24. Peru was of the opinion that a statistical monitoring system could not justify the establishment of a NALs system given that Article 3.2 of the Agreement stated that NALs were aimed at administering other measures which might be in line with WTO rules and provisions.

1.17 Argentina had not yet informed in any of its notifications what the underlined measures which justified its licensing scheme were, nor explained the reason which led it to select certain products over others. Peru was of the view that according to Article XI of GATT 1994 the import licensing scheme was a trade restriction and was not compatible with the WTO provisions; therefore, Peru sought information on the measures that would justify the NALs system for textile products and other products.

1.18 The delegate of Canada stated that her authorities still had concerns with the licensing measures adopted by Argentina. She highlighted the need for transparency and consistency with the obligations contained in the Agreement on Import Licensing and indicated that Canadian exporters were concerned about the lack of clarity in the administration of the NALs system as well as about the recent extension to a broader scope of products as stipulated in Resolution 45/2011. She requested further information from Argentina to address these concerns.

1.19 The delegate of Mexico echoed the concerns mentioned by previous speakers. Her authorities questioned a non-automatic import licensing system leading to the obstruction of trade and applicable to an increasing number of products. Resolution 45/2011 recently issued by the Ministry of Industry of Argentina, subjected to NALs procedures about 180 products and tariff headings; this had created a general alarm and generated uncertainty among the Mexican exporters since there was lack of clear information on the whole system and on the reasons which justified and led to the increased number of products covered by the NALs system. The discretionary application of the procedures, the delays

in granting the applications impeded, from the trading perspective to continue carrying out the trade projects envisaged to date. Her delegation sought from Argentina detailed information on the implementation and operation of the NALs system and on the timeframe to consider applications. She urged Argentina to address these concerns which seemed to be trade barriers and affected exporters.

1.20 The delegate of Argentina indicated that the NALs system covered a very small number of tariff lines which represented only six per cent of a total of some 411 products and that according to Resolution 45/2011 another 157 tariff lines had been added to the system. With regard to imports, he asserted that these had increased in 2011 by some 45 per cent, and that concerning those who were not subjected to the system, imports had increased by 45 per cent. He also indicated that the WTO figures indicated that the increase in the world trade within the same period was about 22 per cent, which was half of the import increase in Argentina. Therefore, the NALs system was not a barrier to trade. Argentina had not rejected any import licensing application and its authorities had complied with the various requisites in assessing, verifying and granting import licences. This was an integral assessment including technical regulations which applied to any product circulating in the Argentinean market. Past delays had been carefully considered and Argentina had put in place, since 16 March 2011, an online system to consider applications. Thus, Argentina had complied with its obligation under Article 3.3 of the Agreement on Import Licensing and had published sufficient information so as to allow other Members and traders to be aware of the rules governing the licensing system. He indicated that the concerns raised would be addressed by his authorities and that all the Resolutions that had been published in the new official Gazette provided more information on the NALs system. The NALs system did not constitute in any way a barrier to imports and it was compatible with the WTO procedures and rules, he finally asserted.

1.21 The delegate of the United States thanked India for its responses contained in G/LIC/Q/IND/16. Nevertheless his authorities continued to be concerned about the import licensing procedures regarding the precise end-use of boric acid and the impact the end-use requirement was having on the ability of intermediaries to sell non-insecticidal boric acid in India. This created a negative impact on the ability of the US exporters to sell the product in India. He sought from India explanation on why this information was necessary, especially, since there was not a similar requirement for domestic sales and on how could India assert that this import licensing procedure would ensure that boric-acid would not be misused once imported into India.

1.22 The delegate of India stated that he would get back to this issue after having consulted his authorities and requested the questions in writing in order to convey them to his capital.

1.23 The delegate of the European Union thanked Indonesia for its replies in document G/LIC/Q/IDN/16 to the EU's follow-up questions on Decree 56/2008 on Registration of Importers. However, her delegation would like further clarification with regard to question number 3 in document G/LIC/Q/IDN/15 concerning the "special importer identity number". In this regard she asked Indonesia to clarify if in case the two conditions set out in the response to obtain the so-called Special Importer Identity Number were met - submission of the import identity number and a photograph of the responsible person - the issuance of the Special Importer Identity Number would be automatic or not. She also reminded Indonesia that Decree 56 2008 which extended Decrees 8 and 22/2009 and which in turn had been extended on 28 December 2010 for another two years by Decrees 54 and 57/2010 was considered by the EU questionable not only under GATT 1994, but also under the specific provisions in the Agreement on Import Licensing Procedures. She also reminded Indonesia of its transparency obligations under the Agreement and of the prior publication of any regulation concerning import licensing in order to enable WTO Members to become acquainted with them. She finally asked Indonesia if it had the intention, and when, to notify its import licensing legislation under articles 5.1 – 5.4 of the Agreement.

1.24 The delegate of the United States sought from Indonesia an update on the status of Decree 56, notified in document G/LIC/N2/IDN/2 since his authorities had acknowledged that this had been renewed by the Ministry of Trade Regulation 57/M-DAG/PER/12/2010 dated 29 December 2010. He also asked Indonesia to clarify why it had decided to renew the regulation beyond its original planned expiration date, if there were differences between Regulation 57/2010 and the previous regulation, and if so, what were the differences? Since it had not been notified yet to Members he requested Indonesia to indicate when it planned to do so. Indonesia's import licensing regime had not been notified in full and there remained some procedures and requirements unclear. In support of this, he mentioned that US exporters had reported that they were concerned about new procedures contained in Ministry of Trade Regulation 45/2009, as amended by Ministry of Trade Regulation 17/2010 and Ministry of Trade Regulation 39/2010. The original procedures appeared to require that companies obtain import licences to import goods either for their own manufacturing or for further distribution, but not both. In this regard he asked Indonesia to explain why it was necessary to differentiate between imports used in the production process and imports used in sales and distribution, also to explain how Regulation 39/2010 modified this requirement.

1.25 His delegation would also like to receive additional information on the exact nature of the licensing procedure, including a justification for such a requirement and clarification on the scope of products covered by the new requirements. He also asked whether all imported goods were subjected to the new procedures and requested explanation from Indonesia on the structure of its responses to the Questionnaire, circulated in G/LIC/N/3/IDN/4, particularly what were the reasons for such a structure, if the requirements listed under year 2007 were still effective or if the requirements listed under year 2009 should be considered the current set of requirements. Since the responses to the Questionnaire appeared to omit certain products for which import licensing procedures were required, such as steel and iron, he asked Indonesia what the reasons were for not having yet notified these measures. He therefore, asked Indonesia to review its previous notifications and its responses to the Questionnaire and to ensure that the full scope of its import licensing procedures was appropriately notified to the Committee on Import Licensing. His delegation would submit these questions in writing and hoped to receive a prompt response from Indonesia.

1. 26 The delegate of Indonesia indicated that Decree 56/2008 was designed to address illegal trade and favour the development of an effective tracking system. The selection of products was made following a criteria based on quantitative data and adequate infrastructure and represented the vast majority of imports to Indonesia. He also clarified that Decree 19/2005 had been revoked and was no longer applicable; meanwhile Decree 65/2008 did not regulate importation. Therefore, there was no duplication of procedures. Although the Decree required an import plan the purpose of this was only to provide import data which eventually would contribute to Indonesia's economic growth. The Decree merely regulated importers' registration, did not intend to create barriers to imports, and his delegation would convey Member's concerns to his capital.

1.27 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[4], 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

[4] G/LIC/3.

these laws and regulations were also required to be notified. She informed the Committee that under these provisions there were two notifications received from Lesotho, and Morocco, documents G/LIC/N/1/LSO/1 and G/LIC/N/1/MAR/1 and Corr.1, respectively.

2.2 The Committee took note of the notifications.

(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 there were nine notifications listed in the airgram submitted under this provision by Argentina in documents G/LIC/N/2/ARG/7/Add.4; 10/Add.1; 14/Add.1; 15/Add/1; 16/Add.2; 20/Add.1 and 22Add.1 and in documents G/LIC/N/2/ARG/13/Corr.1 and G/LIC/N/2/ARG/24.[5] She also recalled that at the last meeting of the Committee in October 2010, a notification received from Thailand under this provision and contained in document G/LIC/N/1/THA/1, was not available in the three WTO official languages; consequently it would be considered at this meeting.

2.4 The delegate of the United States thanked Argentina for the additional notifications contained in documents G/LIC/N/2/ARG/7/Add.4; 10/Add.1; 14/Add.1; 15/Add/1; 16/Add.2; 20/Add.1 and 22Add.1; since the translations were made available in the other two official languages only a few days prior to this meeting, he asked that these notifications be held over to the next meeting.

2.5 The delegate of the European Union indicated that, on these notifications, her delegation would like to revert to the intervention she had made previously on Argentina's non-automatic import licensing procedures. She also called upon Argentina to review its notification system, which was not clear and made it difficult to find what exactly had been notified given the current presentation and format. She also requested that this item remain on the agenda for the next meeting.

2.6 The delegate of Peru also indicated that she would like to revert to the statement made earlier under Agenda Item 2-A where mention to these notifications from Argentina had been made by various delegations. In these notifications there was no indication on which were the underlined measures that would be applied with the licensing regime; Argentina should clarify the legal framework for these NALs procedures in the case of textiles and other products.

2.7 The delegate of Turkey thanked Argentina for the corrigendum in document G/LIC/N/2/ARG/13/Corr.1 and indicated that he would like to revert to this notification at the next meeting.

2.8 With regard to documents G/LIC/N/2/ARG/13 and G/LIC/N/2/ARG/24, the Chairperson informed the Committee that in September 2007 Argentina sent two resolutions to be circulated to Members: Resolution MEyP 47/2007 and Resolution MEyP 67/2007. Given that these two resolutions were attached to a single note, inadvertently, only Resolution 47/2007 was circulated in document G/LIC/N/ARG/13, but indicating the products covered by the other resolution. Thus, the

[5] G/LIC/N/2/ARG/7/Add.4; G/LIC/N/2/ARG/10/Add.1; G/LIC/N/2/ARG/14/Add.1; G/LIC/N/2/ARG/15/Add/1; G/LIC/N/2/ARG/16/Add.2; G/LIC/N/2/ARG/20/Add.1; G/LIC/N/2/ARG/22Add.1; G/LIC/N/2/ARG/13/Corr.1 and G/LIC/N/2/ARG/24.

corrigendum to document G/LIC/N/2/ARG/13 clarified the product coverage of Resolution 47/2007, and document G/LIC/N/2/ARG/24 contained the information concerning Resolution 67/2007.

2.9 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)

2.10 The Chairperson informed the Committee that there were ten notifications received from 20 Members listed in the airgram: Albania; Cambodia; Central African Republic; China; Dominican Republic; Gambia; Lesotho; Macao China; the Philippines and Ukraine.[6] She recalled that at the last meeting two notifications from Argentina contained in documents G/LIC/N/3/ARG/6 and 7, as well as a notification from Korea in document G/LIC/N/3/KOR/9 were not available in the three WTO official languages and that, consequently, these would be considered at the present meeting. She also informed the Committee that, after the airgram was issued, two notifications were received from the Dominican Republic and Tonga; these would be considered at the next meeting; nevertheless, she invited delegations to raise questions or comments at this meeting to be considered by Dominican Republic and Tonga at the next meeting. Finally, she congratulated Cambodia and Central African Republic for having submitted their first notifications to the Committee.

2.11 The delegate of Guatemala thanked Ukraine for its responses to the Annual Questionnaire contained in document G/LIC/N/3/UKR/3 and indicated his authorities were concerned by the regime applied to imports of raw sugar during 2010. According to Ukraine's Protocol of Accession No.14 regarding the quota contingents, Ukraine should be applying as from 2011 "first come, first served" principle to increase transparency and facilitate an equitable distribution of quotas. Nevertheless, through Resolution 204, approved on 28 February 2011, Ukraine had amended the procedures to allocate and grant the quotas to import raw sugar. This contradicted the purpose of facilitating and simplifying trade when importing raw sugar to Ukraine. He sought clarification from Ukraine on the following: to which type of licences, automatic or non-automatic, did Paragraph 2 of the Resolution referred to? Since licences would be approved by the Ministry of Trade, based on reports by the agricultural authorities, what would be the criteria, requirements and timeframe for granting licences in each of the various bodies involved? Would the method set up in Resolution 2004 for granting licences be a mixed one or not? He finally requested Ukraine to bring its new system in conformity with the commitments it undertook when joining the WTO and to provide more information on the various changes.

2.12 The delegate of Ukraine stated that the new system to allocate tariff quotas (TQs) did not create any problem on importation of raw sugar. Quota allocation was based on the "first come - first served basis". His delegation had already notified this issue to the Committee on Agriculture, and would submit a notification to this Committee. There had been several meetings held with Guatemala to explain the new system for TQs allocation. He finally invited Guatemala to submit written question and indicated that his authorities were open to any discussion on this matter.

2.13 With regard to Argentina's notifications contained in documents G/LIC/N/3/ARG/6 and 7, the delegate of the European Union asked that they revert to the next meeting.

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

[6] G/LIC/N/3/ALB/5; G/LIC/N/3/KHM/1; G/LIC/N/3/ CAF/1; G/LIC/N/3/CHN/9; G/LIC/N/3/DOM/4; G/LIC/N/3/GMB/3; G/LIC/N/3/LSO/2; G/LIC/N/3/MAC/13/Rev.1; G/LIC/N/3/PHL/8; and G/LIC/N/3/UKR/3.

3. Other Business

(i) Information on results of the informal discussions on Transparency related to the Agreement on Import Licensing Procedures

3.1 The Chairperson recalled that, following the invitation by the Chairman of the General Council made in 2009 and addressed to all the Committee Chairs requesting them to consult with Members on ways to improve the timeliness and completeness of notifications on trade measures within their respective areas of responsibility, this Committee held several informal meetings where the issue was discussed. Delegations who intervened at the informal discussions on transparency had unanimously highlighted the importance of improving compliance with notification obligations, and encouraged the subsequent Chair of this Committee to continue within the Committee, the discussions on ways and means to improve timeliness and completeness of notifications.

3.2 She also recalled that, as a result of the informal process, in April 2010 delegations requested her to compile two Room documents presented by some Members containing ideas and suggestions to improve transparency and flow of other information related to the Agreement on ILPs. At the October 2010 informal meeting, not only did she present a compiled text of the two Room documents prepared under her own responsibility, , but also she requested, under her own responsibility, the Secretariat to prepare two notification forms relating to the notification procedures under Articles 1.4(a) and/or 8.2(b), and Article 5 of the Agreement. The majority of delegations who intervened at that meeting welcomed the latter and expressed that these forms could be useful and helpful not only to facilitate compliance with the notification obligations under the provisions mentioned above, but also to better understand and convey the pertinent information and rules concerning the administration of their ILPs. Some others, while welcoming the initiative, indicated that they were not yet in a position to adopt electronic forms to notify under the transparency provisions in the Agreement on ILPs.

3.3 She also informed the Committee that, in an informal meeting prior to this meeting, delegations who intervened reiterated and highlighted the importance of the forms, the benefits that would be derived from use thereof, such as upgrading the quality and standardizing the information submitted by Members, facilitating the tasks of officers responsible for notifications in their capitals, and therefore encouraged the use of forms, on a voluntary basis, to notify under Article 1.4(a) and/or 8.2 (b) and Article 5 of the Agreement. Few delegations highlighted these benefits and advantages but indicated they were still not in a position to adopt such forms, but that they would not oppose to their use by Members who wish to do so.

3.4 She concluded that as a result of two years of informal discussions, there was wide support for the use of the forms on a voluntary basis, which in real terms meant that if some Members decided to use the forms, they could do so to fulfil their notification obligations under the Agreement, while the ones who would like to continue using the formats they had customarily been using would continue to do so. In light of the above, and as announced at the informal meeting which took place immediately before this meeting, she requested the Secretariat to circulate the forms in the G/LIC document series and to make them available to Members, indicating that these were forms that could be used on a voluntary basis by Members who would like to fulfil their notification obligations under the said provisions; she also requested the Secretariat to post the forms on the Members' website to facilitate usage.

3.5 Finally, she expressed her gratitude to all delegations who had so actively taken part in the informal consultations and discussions and who also presented ideas and suggestions that had been put in place by many Members and the Secretariat. She was confident this would result in increased and enhanced transparency, which would help governments and traders to be acquainted with the rules and administrative ILPs currently applied by Members and consequently would allow

international trade to flow smoothly, and encouraged all delegations to continue this process in the future.

3.6 The Committee took note of the information and agreed that the forms be circulated in the G/LIC document series and posted on the WTO Members website.

4. Date of the next meeting

4.1 The Chairperson informed Members that the Secretariat had tentatively reserved Monday, 31 October 2011 for the next meeting of the Committee, on the understanding that additional meetings would be convened if necessary.

4.2 The Committee took note of the information.

5. Election of Officers

5.1 The Committee elected by acclamation Mr. Flavio SOARES DAMICO (Brazil) as Chairperson of the Committee, to hold office until the end of the first meeting of 2012, under Rule 12 of the Committee's Rules of Procedure (G/L/147). It also elected by acclamation Mr. Gustavo BOSIO (Israel) as Vice-Chairperson.