

WORLD TRADE ORGANIZATION

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Committee on Import Licensing

DRAFT

REPORT OF THE COMMITTEE ON IMPORT LICENSING TO THE COUNCIL FOR TRADE IN GOODS

A. Background

1. The Agreement on Import Licensing Procedures (the Agreement) entered into force on 1 January 1995. This report addresses the work undertaken by the Committee on Import Licensing (the Committee) during 1995 and 1996 in respect of the implementation of the Agreement.
2. The Agreement establishes disciplines on the users of import licensing systems with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify, clarify and minimize the administrative requirements necessary to obtain import licences.
3. During the period under consideration, the Committee held four meetings on 3 May and 12 October 1995, and on 8 March and 23 October 1996 (G/LIC/M/1-4). It elected Mr. Calson Mbegabolawe (Zimbabwe) as Chairman and Mr. Jan Michalek (Poland) as Vice-Chairman for 1995, and re-elected them for 1996.
4. Participation in the Committee is open to all Members of the WTO. Governments granted observer status by the WTO General Council as well as the representatives of the IMF, UNCTAD and the World Bank attended meetings of the Committee as observers.
5. At its meeting on 12 October 1995, the Committee adopted its Rules of Procedure which were subsequently approved by the Council for Trade in Goods.

B. Implementation of the Agreement

6. During the period covered, the Committee adopted procedures for notification and reviews under the Agreement. As concerns the annual notifications provided for in Article 7.3, it agreed on revisions to the Questionnaire on Import Licensing Procedures and established a time-limit of 30 September to submit these notifications (G/LIC/M/2).
7. To date, [26] Members (the European Communities and its member States counted as one) have notified their legislation and/or publications pursuant to Articles 1.4(a) and/or 8.2(b) of the Agreement; [22] Members have submitted replies to the Questionnaire on Import Licensing Procedures pursuant to Article 7.3; [seven] Members have notified the institution of import licensing procedures or changes therein pursuant to Article 5. The Chairman of the Committee repeatedly expressed concern that many Members have not yet complied with the mandatory notification requirements of Articles 1.4(a), 8.2(b) and 7.3, and urged those Members which have not yet done so to submit their notifications without further delay. Members which do not apply import licensing procedures or have no laws or

regulations relevant to the Agreement were also requested to notify the Committee of this fact so that a complete picture can be obtained. The Annex reflects the current status of notifications.

8. On the basis of notifications submitted by Members under Articles 1.4(a) and/or 8.2(b), the Committee reviewed laws and regulations relevant to import licensing applicable in Argentina, Australia, Barbados, Canada, Chile, Colombia, Costa Rica, Cuba, Cyprus, the European Communities, Hong Kong, Jamaica, Japan, Malta, Mauritius, Morocco, Nicaragua, Pakistan, Peru, Romania, Swaziland, Turkey, Uganda, Uruguay and Zimbabwe.

9. Based on replies to the Questionnaire (Article 7.3), it reviewed import licensing and similar administrative procedures maintained by Argentina, Australia, Barbados, Canada, Chile, Colombia, Costa Rica, Cyprus, Ecuador, Hong Kong, India, Malta, Mauritius, Morocco, Nigeria, Norway, Peru, Romania, Trinidad and Tobago, Turkey, Uruguay and the United States.

10. The Committee further reviewed notifications relating to the institution of import licensing procedures or changes in these procedures submitted by Argentina, the European Communities, Japan, Malaysia, Nigeria, Pakistan and Romania.

11. The Committee took note of the invocation of the provisions of footnote 5 to Article 2.2 by 24 developing country Members. This invocation enables developing countries which were not Parties to the Tokyo Round Agreement on Import Licensing Procedures to delay the application of the provisions of subparagraphs 2.2(a)(ii) and (a)(iii) linked to automatic import licensing by not more than two years from the date of WTO Membership.

12. As concerns substantive issues arising from notifications of import licensing procedures which could be raised by Members, the Committee reached an understanding on review procedures in general with a view to facilitating and speeding up the review of notifications and minimizing any delays in providing clarifications or responses to such queries concerning notifications (G/LIC/M/4).

13. The Committee noted a proposal by the Chairman that all import licensing procedures, including those dealing with the administration of agricultural tariff quotas, should be notified to the Committee on Import Licensing and that any problems that might arise relating to duplication or overlapping of notifications should be taken up at the Working Group on Notification Obligations and Procedures (G/LIC/M/2).

14. The Committee took note of a request by the United States, Guatemala, Honduras and Mexico for consultations with the European Communities under, *inter alia*, the Agreement on Import Licensing Procedures, concerning the EC regime for the importation, sale and distribution of bananas (G/LIC/M/2).

15. The Committee also took note of a Decision by the General Council on the "Avoidance of Procedural and Institutional Duplication" (WT/L/29).

16. The Committee conducted its first biennial review of the implementation and operation of the Agreement under Article 7.1 on the basis of a factual report prepared by the Secretariat (G/LIC/M/4).

C. Conclusions and Recommendations

17. The implementation of the Agreement has proceeded at a normal pace. The Committee established its Rules of Procedure, agreed on procedures for notification and biennial reviews, reached an understanding on review procedures in general to deal with queries by Members in respect of notifications, and reviewed laws, regulations and import licensing procedures on the basis of notifications received.

18. The Committee recognizing the importance of notifications for the effective functioning of the Agreement, and noting the paucity of mandatory notifications received so far, recommends adherence by Members to these obligations.

ANNEX

- (i) Notifications of legislation and/or publications (Articles 1.4(a) and/or 8.2(b)) received from:
(26) (G/LIC/N/1/- series)

Argentina	EC	Pakistan
Australia	Hong Kong	Peru
Barbados	Jamaica	Romania
Canada	Japan	Swaziland
Chile	Malta	Turkey
Colombia	Mauritius	Uganda
Costa Rica	Morocco	Uruguay
Cuba	New Zealand	Zimbabwe
Cyprus	Nicaragua	

- (ii) Replies to the Questionnaire on Import Licensing Procedures (Article 7.3) received from:
(22) (G/LIC/N/3/- series)

Argentina	Cyprus	Nigeria
Australia	Ecuador	Norway
Barbados	Hong Kong	Peru
Canada	India	Romania
Chile	Malta	Trinidad & Tobago
Colombia	Mauritius	Turkey
Costa Rica	Morocco	United States
		Uruguay

- (iii) Notifications of institution of import licensing procedures or changes therein (Article 5) received from: (7) (G/LIC/N/2/- series)

Argentina	Nigeria
EC	Pakistan
Japan	Romania
Malaysia	

- (iv) Developing countries which have invoked the two-year delayed application provisions (footnote 5 to Article 2.2): (24) (G/LIC/1 and Add.1-3)

Bangladesh (as from 1.1.95)	Dominican Republic (9.3.95)	Myanmar (1.1.95)
Bolivia (13.9.95)	El Salvador (7.5.95)	Sri Lanka (1.1.95)
Brazil (1.1.95)	Gabon (1.1.95)	Thailand (1.1.95)
Burkina Faso (3.6.95)	Guatemala (21.7.95)	Tunisia (29.3.95)
Cameroon (13.12.95)	Honduras (1.1.95)	Turkey (26.3.95)
Colombia (30.4.95)	Indonesia (1.1.95)	United Arab Emirates (10.4.96)
Costa Rica (1.1.95)	Kenya (1.1.95)	Uruguay (1.1.95)
Côte d'Ivoire (1.1.95)	Malaysia (1.1.95)	Venezuela (1.1.95)