
Committee on Import Licensing

Original: Spanish

**NOTIFICATION OF REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING
PROCEDURES UNDER ARTICLE 7.3 OF THE AGREEMENT¹**

Replies from ECUADOR to questions posed by the UNITED STATES²

The following communication, dated 26 September 2002, has been received from the Permanent Mission of Ecuador.

Please be informed that Ecuador is particularly keen to comply with its obligation to notify the WTO concerning its laws, regulations and other administrative procedures related to import licences and permits. The National Government is deploying a major institutional effort to this end. The Central Bank of Ecuador, which grants approval in the *documentos únicos de importación* (import licences), is working on a procedure for the on-line processing of data through banks nationwide and directly via the Internet that takes no more than five minutes per operation. Work is also under way on a joint project with the institutions involved in foreign trade transactions, aimed at automating formalities and information transfers. It will come on stream over the next few months and will dispense with documentary formalities and enable economic agents to complete the entire import procedure in a matter of minutes by electronic means.

Accordingly, the Foreign Trade and Investment Council (COMEX) has ordered that a comprehensive review be made of the products currently subject to import licensing. This will be completed in the months ahead.

To comply fully with its WTO notification obligations in all spheres, Ecuador will be requesting the necessary technical assistance from the Organisation.

With reference to the questions posed by the United States regarding the notifications required by the Committee on Import Licensing, I am enclosing herewith the replies formulated by the Ministry of Agriculture and Livestock.

¹G/LIC/N/3/ECU/1.

²G/LIC/Q/ECU/1.

Question: Ecuador indicates that the products subject to licensing are those which are dangerous to human or animal health, arms and ammunition, and products which have an adverse environmental impact. Could Ecuador specify the products subject to prior authorization and list the items covered by tariff-rate quotas?

Reply:

Items covered by tariff-rate quotas:

Whole turkeys, poultry cuts and offal, wheat (all headings, for human consumption only), barley, flint maize, sorghum, malt, not roasted, wheat starch, maize (corn) starch, soya oilcake, oilcake of colza, milk powder, glucose, glucose containing fructose and glucose syrup

Question: Could Ecuador cite the law or the regulation under which licensing is maintained? Can the Government abolish the licensing system without legislative approval? Ecuador has not answered questions 6. I-XI of the Questionnaire. It has not provided information on its tariff-rate quota items. Could the Member comment on this?

Reply:

Replies to questions 6(I)-6(XI) of the Questionnaire on Import Licensing Procedures³:

Reply 6(I): Information on the allocation of quotas and formalities for filing applications for licences is published through Inter-Ministerial Agreements in the Official Register, for public information.

Reply 6(II): The total size of each quota is allocated, as appropriate, on a yearly basis.

Reply 6(III): Tariff quota goods are basically allocated to traditional importers, with a margin for new importers. There is no general rule to allocate quotas exclusively to domestic producers of like goods, though this may sometimes occur. The main criterion for allocation to traditional importers is that in-quota imports are wholly used as raw materials for the importers' own consumption and not for speculation purposes. Unused allocations are not added to quotas for the succeeding period, as this would be tantamount to allocating an annual volume in excess of the negotiated volume, thus failing to strictly abide by the commitment undertaken. Moreover, tariff quotas are not cumulative, as specified in the Modalities for the Establishment of Binding Commitments in Agriculture. The names of importers to whom licences have been allotted have not been made known to governments and export promotion bodies of exporting countries, basically because this was not requested and all importers already have their own suppliers.

Reply 6(IV): No deadline is established, because as these are allocated to enterprises or natural persons requiring the product(s), the enterprises and persons concerned file their applications as soon as the information and the modalities regarding the allocation of each quota appear in the Official Register.

Reply 6(V): Once the information and the modalities for the allocation of each quota have been published in the Official Register, the speed with which applications are processed depends on the length of time needed for the internal processing of import documents; this usually takes three to five working days.

³ See document G/LIC/3, Annex, for the Questionnaire.

Reply 6(VI): The period of importation begins immediately, although the date may vary depending on how long it takes for the importer to complete the corresponding procedures with the other institutions involved.

Reply 6(VII): This depends on the nature of the product. The relevant bodies are the Ministry of Agriculture and Livestock, in the case of an agricultural product, and the Ministry of Public Health, in the case of an agricultural product for human consumption; in all cases, the Central Bank is in charge of administrative and statistical registration and control and Customs is responsible for border control.

Reply 6(VIII): The method of allocation may vary depending on factors such as the quota volume and the number of enterprises or persons involved, but the most frequently used method is that of traditional importers.

Replies 6(IX), (X), (XI): None of the cases described in these questions applies to Ecuador.
