

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

Questions from JAPAN to KOREA²

The following communication, dated 8 April 1997, has been received from the Permanent Mission of Japan.

Points to be Clarified

1. Can the Government of Korea provide detailed information on the current operation of its Import Diversification Programme under which the approval of an Association of Foreign Trading Agents of Korea is required for imports of products exported by the country that had the largest trade surplus with Korea for the last five years?
2. Does the Government of Korea still maintain this Programme just to monitor foreign trade trends and maintain foreign trade statistics?
3. How can the Government of Korea explain consistency of this Programme with Articles I, XI and XIII of GATT 1994?
4. If measures based on this Programme are deemed not fully consistent with the relevant GATT 1994 provisions, can the Government of Korea abolish this Programme as well in advance as possible?

(Supplementary Explanation)

The Republic of Korea has indicated in its replies to Questionnaire on Import Licensing Procedures (G/LIC/N/3/KOR/1) that the purpose of import licensing is not to restrict the quantity or value of imports but to monitor foreign trade trends and maintain foreign trade statistics. On the other hand, its notification under Articles 1.4(a) and 8.2(b) (G/LIC/N/1/KOR/1) refers to pages 38-40 of the Trade Policy Review report (WT/TPR/S/19) prepared by the WTO Secretariat which discusses this Programme.

We are of the view that measures based on this Programme have been inconsistent with the relevant GATT 1994 provisions and need to be notified to the Committee on Import Licensing, although Korea has promised to abolish those measures entirely by the end of 1999.

¹G/LIC/N/3/KOR/1

²See Understanding reached by the Committee on Import Licensing (G/LIC/4).