

NOTIFICATION OF REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING  
PROCEDURES UNDER ARTICLE 7.3 OF THE AGREEMENT<sup>1</sup>

Replies of KOREA to Questions from JAPAN<sup>2</sup>

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

I have the pleasure to enclose herewith Korea's replies to the questions posed by your delegation at the meeting of the Committee on Import Licensing, which was held on 22 April 1997.<sup>3</sup>

**Question:** concerning the request for English version of the Foreign Trade Act and the subsidiary legislation.

**Reply:** The Foreign Trade Act and its Presidential Decree were revised and became effective on 1 March 1997. English versions of this legislation will be notified to the WTO as soon as translations are completed.

**Question:** related to the latest change of import licensing regime of Korea.

**Reply:** Korea abolished the import licensing system by changing it from a positive-list system to a negative-list system. This change was made through the revision of the Foreign Trade Act, effective 1 March 1997, with a view to streamlining export/import procedures.

However, in accordance with the results of the GATT/BOP consultations of April 1989, and with the Uruguay Round negotiations on agricultural products, eight beef-related items (HS 10 digits), which will be liberalized in 2001, are still subject to the regime.

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<sup>1</sup>G/LIC/N/3/KOR/1.

<sup>2</sup>See Understanding reached by the Committee on Import Licensing (G/LIC/M/4, paragraphs 5, 6, 9 and 10).

<sup>3</sup>G/LIC/M/5, paragraph 25 and G/LIC/Q/KOR/2.

**Question:**        **concerning Korea's position on consistency with WTO/GATT rules of Import Diversification Programme.**

**Reply:**            Korea's Import Diversification Programme was introduced in 1978 to redress Korea's persistent and structural bilateral trade deficit with Japan and to alleviate trade imbalances.

It is still maintained due to the continuing and snowballing trade deficit with Japan.

However, since the WTO was established and circumstances have greatly changed under the new world trading system, the Korean Government will scrap the system by gradually phasing-out the covered items by the end of 1999.