

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

Replies of KOREA to Questions from NEW ZEALAND²

The following communication, dated 7 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 1997.³

Question: Could Korea please expand on the statement in reply 4 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?" We would query whether a system of import licensing is necessary simply for the purpose of monitoring trade. Has Korea considered alternative mechanisms for achieving this?

Reply: Korea's Import Licensing System, which had been maintained until the end of 1996, was simply for the purpose of monitoring trade trends.

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.

¹G/LIC/N/3/KOR/1.

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

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

Question: **Could Korea further clarify how it administers quotas for products subject to restrictions as to their quantity or value; in particular, the criteria and conditions by which import licences are allocated?**

Reply: All items, except eight beef-related products (and one item as a safeguard measure) can be imported without an import licence or quantity restrictions.

Criteria and terms for the allocation of import quotas for the eight beef-related items are described in the administering programme of the tariff quota, notified in G/AG/N/KOR/1, dated 31 May 1995.

The coverage of the programme, which currently includes 113 items (HS10 digits) will be phased out on a semi-annual basis by the end of 1999 - 25 items in January of each year, and an adjustable number of items to be determined by the latest data on the trade deficit in July of each year.