

NOTIFICATION OF REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES FROM MALAYSIA¹

Responses from MALAYSIA to Questions from AUSTRALIA²

The following communication, dated 2 April 2007, has been received from the delegation of Malaysia.

I. PRODUCTS SUBJECT TO IMPORT LICENSING ADMINISTERED BY MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) UNDER CUSTOMS (PROHIBITION OF IMPORTS) ORDER 1988 - (MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY)

1. *Malaysia notes that non-automatic licensing is used for various products under this section "to regulate the flow of imports, to promote selected strategic industries".*

(i) *What strategic industries is Malaysia seeking to promote?*

Malaysia promotes the automotive as well as the iron and steel industries.

(ii) *Which products listed under this section are subject to quantitative restrictions?*

Import licensing is applicable to passenger and commercial vehicles as well as motorcycles.

(iii) *How are quotas for each of these products determined?*

Quotas are determined as a percentage of total domestic production for the respective industry.

(iv) *In relation to completely built-up motor vehicles, how are qualified Malaysian companies identified?*

(a) *What criteria (e.g. foreign ownership limits) are used to identify who is eligible for an import licence?*

Companies must be at least 70% Malaysian-owned.

¹ See document G/LIC/3, Annex, for the Questionnaire.

² G/LIC/4

- (b) *What is the objective of limiting import licenses to qualified Malaysian companies?*

To achieve socio-economic objectives

- (v) *Are domestic producers consulted at any stage of the consideration of granting an import licence?*

Yes, for models those are currently under production or expected to be in production.

II. IMPORTATION OF ROUND CABBAGE AND UNROASTED COFFEE BEANS - (FEDERAL AGRICULTURAL MARKETING AUTHORITY (FAMA))

4. *Malaysia notes that import licensing for these products are implemented for “the purpose of affording temporary protection to local cabbage growers and local manufacturers of coffee products”.*

- (vi) *How long will this temporary measure be in place?*

Import license is to ensure the orderly importation of round cabbages which is an important food crop for Malaysian.

- (vii) *Why is information on requirements for this import license not published?*

- (a) Does this mean that global quotas are not published?
- (b) How is the size of the quota established?
- (c) What are the criteria for establishing the quota?

- (viii) *How are quotas distributed?*

Round cabbages

The import licence requirements are published in the Malaysian Customs Tariffs (Harmonized System). Under Section 1B of Malaysia's country schedule in 1995, a commitment has been made to import a minimum of 25,812 tonnes of round cabbage every year. However, total imports of round cabbages into Malaysia often exceed the amount committed due to an increase in domestic market demand.

Malaysia does not apportion importation of round cabbages by country. Importers are free to choose the country from which to import the cabbages.

Coffee

The import licence on coffee bean is for monitoring purposes only and is issued based on demand by importers. No restrictions are imposed on the importation of coffee beans. Processed coffee is not subject to the import licensing requirement.
