



**MINUTES OF THE MEETING HELD ON 8 OCTOBER 2021**

CHAIRPERSON: MR HSIN-LUNG HUNG (CHINESE TAIPEI)

The Committee on Import Licensing held its fifty-fourth meeting on 8 October 2021 under the chairpersonship of Mr Hsin-Lung Hung (Chinese Taipei). The agenda proposed for the meeting was circulated in document WTO/AIR/LIC/13/Rev.1.

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The Chairperson opened the meeting by observing that, due to the COVID-19 travel and meeting restrictions, the meeting would take place in hybrid mode and that delegates could attend the meeting either in person or remotely. The agenda proposed for the meeting had been circulated in document WTO/AIR/LIC/13/Rev.1.

Before moving to the adoption of the agenda, the Chairperson recalled that, on 22 September 2021, the Committee had elected, by written procedure, Ms Lorena Rivera of Colombia as Vice-Chairperson for the period 2021-2022. He congratulated Ms Lorena Rivera on her election and welcomed her in her new position.

The representative of Indonesia proposed that the discussion of Agenda Item 9, regarding Indonesia's statement on India's Import Policy on Tyres, be merged with Agenda Item 8, raised by the European Union.

The agenda was adopted with the changes proposed.

## **1 MEMBERS' COMPLIANCE WITH NOTIFICATION OBLIGATIONS: DEVELOPMENTS SINCE THE LAST MEETING**

1.1. The Chairperson stated that he had been informed by the Secretariat that, to date, a total of 43 notifications had been received under various provisions of the Import Licensing Agreement since the Committee's previous meeting, 37 of which had been listed in the Airgram for consideration at that day's meeting. Two N/2 notifications (both from the European Union<sup>1</sup>) and four N/3 notifications (from Cuba; Hong Kong, China; Switzerland; and the United Kingdom<sup>2</sup>) had been received by the Secretariat after the Airgram had closed and before the meeting. These notifications would be reviewed at the Committee's next meeting.

1.2. The Chairperson highlighted that, as of 8 October 2021, 13 Members had not yet submitted any notification under any provision of the Agreement since joining the WTO. A total of 22 Members had not yet submitted any reply to the annual questionnaire under Article 7.3 of the Agreement, including the 13 Members just mentioned. For the sake of transparency, he urged all Members on the list to submit their notifications as soon as possible.

1.3. He recalled that submitting replies to the questionnaire under Article 7.3 of the Agreement was an annual notification obligation for all Members. As of 8 October 2021, only 27 Members had

<sup>1</sup> G/LIC/N/2/EU/15 and G/LIC/N/2/EU/16.

<sup>2</sup> G/LIC/N/3/CUB/11, G/LIC/N/3/HKG/25, G/LIC/N/3/CHE/17, and G/LIC/N/3/GBR/1.

submitted their replies to the questionnaire for 2020, and only 24 Members had submitted replies to the questionnaire for 2021. He noted that, over the past few years, there had been a declining trend in responses to the questionnaire. He stated that transparency was one of the key pillars of the rules-based multilateral trading system and strongly encouraged all those Members that had not yet submitted their replies to the questionnaire for 2021 to do so as soon as possible.

1.4. The Chairperson further noted that, since the Committee's previous meeting, a total of 23 new N/1 and N/2 notifications had been received. All N/2 notifications had been submitted using the revised notification form contained in document G/LIC/28. He thanked those delegations that had provided their notifications and encouraged others to do so as soon as possible. He recalled that the Secretariat stood ready to provide technical assistance to help Members to fulfil their notification obligations. Finally, he congratulated Botswana on having submitted its N/3 questionnaire notification for the first time in 2021.

1.5. The Committee took note.

## **2 WRITTEN QUESTIONS AND REPLIES FROM MEMBERS ON SPECIFIC TRADE CONCERNS**

### **2.1 Documents G/LIC/Q/EGY/4, G/LIC/Q/EGY/6 and G/LIC/Q/EGY/7**

2.1. The representative of the European Union stated that her delegation would address its questions to Egypt contained in documents G/LIC/Q/EGY/4 and G/LIC/Q/EGY/7, as well as Egypt's replies, contained in document G/LIC/Q/EGY/6, under Agenda Item 6.

### **2.2 Document G/LIC/Q/EGY/5**

2.2. The representative of the United States thanked Egypt for its replies to the questions. She said that her delegation was reviewing those replies and would revert with any further questions at the appropriate time.

2.3. The representative of Egypt stated that her delegation looked forward to further discussions of the replies that they had provided in document G/LIC/Q/EGY/5.

### **2.3 Document G/LIC/Q/IDN/44**

2.4. The representative of Indonesia said that his delegation wished to respond to Australia's concerns regarding commodity balance and automatic import licensing as part of the Omnibus Law. He said that the discussion of the commodity balance was aimed at supporting simplification and transparency in order to facilitate exports and imports. Indonesia stated that they would be able to provide more updates and information regarding the above-mentioned provisions after the internal process and the provisions' publication. His delegation also wished to highlight that their import regime was already efficient, and that the implementation of the above-mentioned provisions would not have brought about a change harmful to business sectors. He added that Indonesia was administering import licences automatically. In accordance with the Import Licensing Agreement, the application process took place over a short time-period, once all the required documents had been submitted and were complete and correct.

### **2.4 Document G/LIC/Q/IDN/45**

2.5. The representative of Japan said that his delegation would address this document under Agenda Item 12.

2.6. The representative of Indonesia said that his delegation took note of Japan's concerns regarding its import licensing of steel products. He said that the policy was intended to protect consumers by ensuring that all products met certain safety standards, technical regulations, and technical requirements. Indonesia also wished to highlight that the policy provided a transparent, simple, and fast import approval process. An application for import approval was processed electronically, and within a short time-period, once the required documents had been submitted and were complete and correct.

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## 2.5 Documents G/LIC/Q/PHL/5 and G/LIC/Q/PHL/6

2.7. The representative of the United States thanked the Philippines for the written replies to their questions. She noted that, while the answers provided clarity on some concerns, much uncertainty remained, and the United States was interested in hearing more from the Philippines on this issue. She added that transparency was a crucial part of the work of this Committee, including through Members' questions and timely notifications. Her delegation still had concerns about the Sanitary and Phytosanitary Import Clearance Regime of the Philippines and its potential to disrupt trade. She said that the application of this regime was especially concerning for certain commodities during certain times of the year. Her delegation hoped that the Philippines would make modifications to facilitate trade that were commensurate with the level of sanitary and phytosanitary risks posed by the importation of the relevant products; for instance, with the issuance of a single Sanitary and Phytosanitary Import Clearance (SPSIC) for multiple shipments and validity periods. On behalf of her delegation, she requested that the Philippines reply in full to the new questions that they had posed, as well as to the unanswered questions from the April meeting, which they had asked again in document G/LIC/Q/PHL/6. She concluded by stating that her delegation hoped to continue the bilateral engagement with the Philippines, as well as discussions at this Committee, to avoid any unnecessary barriers to trade.

2.8. The representative of the Philippines thanked the United States for their follow-up and additional questions on the Philippines' Sanitary and Phytosanitary Import Clearance Regime, contained in document G/LIC/Q/PHL/6. She said that her delegation had taken note of the United States' continued interest in this issue and that her Capital was considering how best and fully to reply to these questions, in addition to the written replies that they had recently circulated in document G/LIC/Q/PHL/5. She added that the replies they were working on would no longer be purely technical, because the questions had ventured farther, out into the realms of policy and politics. Her delegation also wished to assure all their trading partners, including the United States, of their cooperation in providing further replies and information to all questions as promptly as they could. They also wished to assure Members that their trading regime remained very open. Their trade practices and policies were fine-tuned to accommodate this openness against the multi-faceted backdrop represented by their domestic industries and a consumer base of 110 Million people to feed. The Philippines would revert to the United States with its replies in due course.

## 2.6 Document G/LIC/Q/TZA/1

2.9. The representative of the United States directed Members' attention to the written questions by her delegation to Tanzania, contained in document G/LIC/Q/TZA/1. She stated that her delegation was interested in hearing from Tanzania about their use of import licences, and in particular the use of import licences for meat, dairy, and poultry products, and the potential burden on trade. She noted her delegation's concern about reports of denied import permits for poultry and poultry products and reports of differences in policy for imports to Zanzibar versus mainland Tanzania. They hoped to better understand Tanzania's laws and regulations related to import licensing, as well as the process for import licensing, the basis for denials, and the process for appeals. Her delegation encouraged Tanzania to submit its annual questionnaire notification to this Committee, looked forward to engaging with Tanzania's delegation on their questions, and hoped to continue their bilateral engagement with Tanzania, as well as their discussions in this Committee

## 2.7 Document G/LIC/Q/ARG/21

2.10. The representative of the United States thanked Argentina for their written replies to its questions contained in document G/LIC/Q/ARG/21. She said that the answers gave them added clarity on some of the recent changes to Argentina's regime. They demonstrated the value of transparency through this Committee, including consistent notifications of new or changed measures, and engagement through Members' questions. Her delegation still had concerns about the import licensing regime of Argentina and its potential to burden trade and hoped that Argentina would reconsider the use of non-automatic licences and other ways to reduce formalities and facilitate trade. She concluded by noting that her delegation hoped to continue its bilateral engagement with Argentina, as well as their discussions in this Committee.

2.11. The representative of Colombia underscored the usefulness and relevance of the consolidated paper containing written questions and replies (G/LIC/W/51/Rev.5), which allowed delegations to

follow all topics of interest and access information and details that had been shared by Members. She thanked the United States for having drawn the attention of the Committee to this item and for its questions on the import licensing regime adopted by Argentina. She also thanked Argentina for the answers that it had provided in writing, as well as for the recent notifications, which they had also placed on this meeting's agenda. She stated that firms exporting to the Argentinian market had, over the last few months, experienced difficulties in foreign trade procedures. In particular, there had been constant changes in the procedures and delays in the processing times, despite all of the requirements having been met and the documentation requested by the authorities having been provided. She drew attention to the fact that some licences, which had previously been approved in not more than 72 hours, now required several weeks for their approval, with no reason or justification being provided for the delays. Nor were the firms involved requested to submit any additional details in order for the procedure to be finalized.

2.12. In addition to these delays in the approval of licences, the regime also limited the validity of import licences, in some cases to 90 calendar days, which undermined predictability in foreign trade operations and exposed entrepreneurs to significant uncertainty and high costs. She noted that, in the case of Colombia, entrepreneurs were, for the most part, small and medium-sized enterprises (SMEs). For this reason, her delegation wished to know the details of these licensing procedures, as well as the policy objectives of this licensing system. In addition, her delegation wished to know the criteria that were used to decide which products were covered under an import licensing regime, and which were not. Finally, her delegation wished to continue its constructive dialogue on this topic with the various relevant authorities in order to address the concerns of their entrepreneurs.

2.13. The representative of Argentina stated that, on 21 June 2020, her delegation had answered, in writing, all of the additional questions that had been asked by the United States in document G/LIC/Q/ARG/20. These explanatory responses were contained in document G/LIC/Q/ARG/21. She thanked the United States, the United Kingdom, and Colombia, for their interest, as expressed also in the previous meeting of this Committee, and hoped that these answers, in addition to those provided at the fifth trade policy review of Argentina, which took place in September 2021, would provide clarification regarding Argentina's import licensing regime. She also thanked Colombia and the United States for their additional questions and expressed her delegation's availability to continue with their bilateral exchanges.

## **2.8 Document G/LIC/Q/GBR/1**

2.14. The representative of the Russian Federation thanked the United Kingdom for its written replies and said that her delegation would circulate additional questions in writing, if any.

2.15. The Chairperson encouraged all Members to follow the procedures established in document G/LIC/4, and to make good use of this Committee to clarify any issue regarding other Members' notifications of import licensing procedures.

2.16. The Committee took note of the statements made.

## **3 NOTIFICATIONS**

### **3.1 Notifications under Article 1.4(a), Article 5.1-5.4 and Article 8.2(b) of the Agreement**

3.1. The Chairperson informed Members that one N/1 notification and 20 N/2 notifications, submitted by seven Members, had been listed for the Committee's consideration at that meeting. Two new N/2 notifications had been submitted after the Airgram had been issued and these would be reviewed at the Committee's subsequent meeting.<sup>3</sup> The larger number of N/2 notifications, as compared to N/1 notifications, could be explained by the fact that Members, who were introducing new licensing procedures or modifying existing ones, were overwhelmingly using the new notification template contained in document G/LIC/28, and were thus fulfilling their notification requirements under Article 1.4(a), Article 5.1-5.4 and Article 8.2(b) in one single notification form, namely the N/2 form.

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<sup>3</sup> The notifications in question were submitted by the European Union (G/LIC/N/2/EU/15 and G/LIC/N/2/EU/16.).

3.2. In addition, he informed delegations that, due to the large number of notifications on the agenda, and with a view to making the review process as efficient as possible, he would not read out the document symbol of each notification one by one. Instead, he proposed that the Committee review the notifications in groups, following a sequence by notifying Member. He noted that this approach did not prevent any Member from raising questions regarding any particular notification under review.

3.3. The following notifications under Article 5.1-5.4, Article 1.4(a), and Article 8.2(b) of the Agreement were reviewed by the Committee: Argentina (G/LIC/N/2/ARG/28/Add.9 and G/LIC/N/2/ARG/28/Add.10); Hong Kong, China (G/LIC/N/2/HKG/17); India (G/LIC/N/2/IND/12-G/LIC/N/2/IND/17); Macao, China (G/LIC/N/2/MAC/3); Tonga (G/LIC/N/2/TON/1-G/LIC/N/2/TON/8); United Kingdom (G/LIC/N/1/GBR/1/Add.1; G/LIC/N/2/GBR/8/Corr.1; G/LIC/N/2/GBR/12); and United States (G/LIC/N/2/USA/5).

3.4. The Committee took note of the notifications and statement made.

### **3.2 Notifications under Article 7.3 of the Agreement**

3.5. The Chairperson noted that 16 notifications had been listed for the Committee's consideration. Some of the notifications had been notified for 2021, while others had been notified for 2020. Four new N/3 notifications had been submitted after the Airgram had been issued and would be reviewed at the Committee's subsequent meeting.<sup>4</sup>

3.6. The following notifications under Article 7.3 were reviewed by the Committee: Argentina (G/LIC/N/3/ARG/17); Australia (G/LIC/N/3/AUS/14); Botswana (G/LIC/N/3/BWA/1); Canada (G/LIC/N/3/CAN/20); the European Union (G/LIC/N/3/EU/10); Guatemala (G/LIC/N/3/GTM/5); Honduras (G/LIC/N/3/HND/12); India (G/LIC/N/3/IND/20); Macao, China (G/LIC/N/3/MAC/24); Mexico (G/LIC/N/3/MEX/7); Norway (G/LIC/N/3/NOR/10); Panama (G/LIC/N/3/PAN/12); Philippines (G/LIC/N/3/PHL/14); Chinese Taipei (G/LIC/N/3/TPKM/12 and G/LIC/N/3/TPKM/12/Corr.1); Ukraine (G/LIC/N/3/UKR/14); and the United States (G/LIC/N/3/USA/18).

3.7. The Chairperson recalled that only 24 Members out of a total WTO Membership of over 130 (counting the European Union as one) had submitted replies to the annual questionnaire for the year 2021, and that the deadline for their submission had been 30 September 2021. He then presented a chart prepared by the Secretariat that illustrated a declining trend in the number of annual questionnaire notifications submitted by Members over the past few years. Therefore, he encouraged those Members that had not yet done so to submit their annual questionnaires as soon as possible.

3.8. The Committee took note of the notifications and statement made.

## **4 ANGOLA: IMPORT LICENSING REQUIREMENTS - STATEMENT BY THE EUROPEAN UNION**

4.1. The representative of the European Union reiterated her delegation's deep concern over Angola's Presidential Decree No. 23/19 aiming to protect domestic industries in a manner incompatible with WTO rules. She stated that this Presidential Decree could have proven detrimental to foreign investments in Angola, and that, beginning in 2019, the European Union had already raised these concerns at previous meetings of the Council for Trade in Goods, the Committee on Market Access, and the Committee on Agriculture, as well as in the Import Licensing Committee at its meeting of 21 April 2021.

4.2. She noted that, to date, Angola had not provided any substantive replies or explanations as to how it intended to bring this Decree under the remit of WTO rules. The European Union reiterated that, irrespective of the Decree's inconsistency with WTO rules, Angola still needed to provide a clear picture of the process set forth in the Decree, including any changes it wished to introduce, and in which sectors. The European Union remained supportive of Angola's intention to diversify its economy and to develop its domestic industry. Nonetheless, they once again urged Angola to review

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<sup>4</sup> The notifications in question were submitted by Cuba (G/LIC/N/3/CUB/11); Hong Kong, China (G/LIC/N/3/HKG/25); Switzerland (G/LIC/N/3/CHE/17); and the United Kingdom (G/LIC/N/3/GBR/1).

the relevant measures in order to ensure their compliance with WTO rules. Specifically, concerning the remit of the Committee on Import Licensing, the Decree did not provide information on how the restrictions were to be implemented. Notably, it was unclear if licences were to be used to manage the restrictions. Therefore, the European Union requested Angola to clarify this question. The European Union also reminded Angola of its obligation under the Import Licensing Agreement to notify the measures should licences be involved in the implementation of the Presidential Decree. Depending on Angola's engagement on this file, the European Union would further decide on an approach appropriate to ensure an adequate protection of its trade interests.

4.3. The representative of the United States underscored that her delegation continued to have significant concerns about Angola's Presidential Decree, issued in January 2019. Nevertheless, the United States had been pleased to hear Angola's statement at the Committee's 21 April 2021 meeting, indicating that they would be working on a possible review of the measure. In this respect, her delegation, like the European Union, wondered if Angola still planned to revise the Decree and, if so, if they had an update on such a review. In addition, the United States requested Angola to provide information regarding the implementation of the Decree, in light of WTO rules, as well as to comment on its potential impact on trade, investment, and businesses operating in Angola. While her delegation understood that the stated goal of this Decree was to increase domestic economic diversification and development, they remained concerned about the impact of the Decree on imports. The United States understood that the Decree targeted 54 products, mainly agricultural goods, and that it could potentially target more products in the future. Since the Decree's implementation, the United States had heard reports of confusion over how it was being enforced, and of delays facing goods at the border. US agricultural exporters were particularly concerned over delays that perishable goods might have faced amidst all of this uncertainty. She recalled that her delegation had also raised their concerns at the most recent meetings of the Committee on Market Access and the Committee on Agriculture.

4.4. The representative of Angola said that her Capital was continuing to work with the competent authorities to address the issues raised. She noted that Angola, as a developing country, had always been heavily dependent upon imports. Given this, the Government of Angola had decided to reverse the paradigm, to look at its fragile economy, and to create new administrative mechanisms to strengthen products for domestic consumption. The provisions of the legislation in question and in force did not focus on any type of protectionism, as the country was committed to the promotion of free competition, but rather on the promotion of national production, in conjunction with the implementation of a national policy for diversification of the economy. However, her delegation recognized that the objective of the WTO was to reduce obstacles to international trade and that its focus was to ensure stability and competition among Members, thereby ensuring their economic development.

4.5. She explained that the Decree implemented the Program to Support National Production, Export Diversification and Import Substitution – PRODESI. The strong dependence of the national economy on the oil sector was the main characteristic of the current imbalance in the country's economic structure. The experiences of several countries demonstrated that the sustainable development of other sectors of the economy, such as agriculture, fisheries, and industry, had to be considered in a logic of promotion, including with an effective focus on diversifying national production and generating wealth in those clusters with greater potential for generating value and increasing exports. The process of progressive diversification of the country's economic base, in terms of the internal market and exports, had to be based on adequate coordination between public and private investments, with the latter becoming the engine of productive activity.

4.6. She said that all inconsistencies in the Decree were being analysed and revised, and that certain terms were also under review, to harmonize them with the WTO's rules; the relevant provisions would be duly notified. She added that the Decree in question did not in any way prohibit the importation of any product originating from any other country or Member that was similar to the national product.

4.7. She stated that, whether the Decree also involved the application of temporary quantitative restrictions would depend on the determination by the Executive of the existence, in the year 2022, of an internal capacity to replace the imports in question, as well as the maintenance of stability and regularity in the supply of the respective goods to final consumers. Therefore, in 2022, an analysis of the internal market would be carried out to substantiate the existence of internal capacity at the level of national production. She concluded by reaffirming her delegation's commitment to the



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multilateral trading system, and by offering to provide any further clarifications that might help in resolving any disagreements through dialogue.

4.8. The Committee took note of the statements made.

## **5 CHINA: CHANGES TO IMPORT LICENSING FOR CERTAIN RECOVERABLE MATERIALS – STATEMENT BY THE UNITED STATES**

5.1. The representative of the United States recalled that her delegation had raised concerns about the changes to import licensing surrounding China's implementation of its import ban on solid waste, including recyclable and scrap materials, at several previous meetings of the Committee. She also recalled that they had requested China to notify to the Committee any changes to its import licensing regime. She noted that, unfortunately, China had yet to provide any information about its current import licensing procedures for recycled raw materials or other imports, or updates on any planned changes that would be sufficient to alleviate US concerns. At the same time, the United States reiterated its concern that certain scrap materials, such as bundled recycled newspaper, had been banned, whereas other more processed scrap materials, such as pulped paper and "smelter-ready" metals, were allowed. She asked China to explain the scientific basis that it had used to determine which categories of scrap materials were acceptable, and which were not.

5.2. In addition, her delegation continued to seek more information regarding the policy at issue, considering that China had yet to respond to their questions. Specifically, she asked if:

- China could explain the new import licensing requirements under this policy and state when it would notify these changes to the Import Licensing Committee;
- China would be developing a written regulation for importation, including what was "contaminated", or "clean", and what materials were allowed for importation, and if so, when;
- China would be notifying to the WTO its requirements for import, including relevant contamination requirements, which it had implemented for the importation of recycled raw materials;
- China could explain how these policies were consistent with China's pro-circular economy narrative, given that China appeared to include recyclable materials within the scope of "solid waste".

5.3. She said that her delegation looked forward to receiving China's responses to their questions and asked that China adhere to its notification obligations under the Agreement on Import Licensing Procedures, with respect to any new import measures, in a timely manner.

5.4. The representative of China recalled that this issue had been discussed several times in the Import Licensing Committee and other WTO bodies; therefore, for the sake of time, he simply referred to his delegation's statements made in those meetings.<sup>5</sup> He also highlighted that China had already banned, and had not imported any solid waste, since 1 January 2021, in order to protect public health and the environment. Meanwhile, recycling materials, such as copper, custom aluminium alloys, iron, and steel, were not considered as solid waste, and could be imported in the normal way, as long as they met China's already published national quality standards and posed no harm to human health and the environment.

5.5. The Committee took note of the statements made.

## **6 EGYPT: IMPORT LICENSING REQUIREMENTS FOR CERTAIN AGRICULTURAL AND PROCESSED PRODUCTS – STATEMENT BY THE EUROPEAN UNION**

6.1 The representative of the European Union noted her delegation's ongoing concerns over a number of measures implemented by Egypt, namely the quantitative restrictions for import of meat

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<sup>5</sup> See, for example, document G/LIC/M/52, paragraph 5.3.



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and poultry, as well as the recently announced new import measures, notified under the SPS Agreement, for seed potatoes.

6.2 First, regarding the import restriction on meat and poultry, mainly ducklings and canned meat, the European Union reiterated that the system of import permits under Prime Minister Decree No. 2080/2018 and Prime Minister Decision No. 222/2018 was inconsistent with Article XI of the GATT, as well as with several provisions of the Agreement on Import Licensing Procedures. Furthermore, Egypt had still not notified the two Decrees to the WTO. She said that, as her delegation had mentioned on previous occasions, the system of granting import permits lacked transparency: the procedures of the committees and the calendars of the meetings were not publicly shared; rejections of import permits were communicated orally without any possibility of appeal; and there were no rules stipulating under which conditions import permits were approved under each act. The European Union requested Egypt, in compliance with its WTO obligations, to stop applying quantitative restrictions on imports of meats and poultry originating in the European Union.

6.3 Regarding the second set of measures, the European Union was deeply concerned about Egypt's new measures, notified to the SPS Committee, on imports of seed potatoes. While Egypt had provided replies to the European Union's questions following the notification's circulation, she nevertheless wished to reiterate the following points:

- The new mechanism was designed in a way that, in practical terms, would have limited import volumes from the European Union and had an effect comparable to a quantitative restriction. Moreover, the introduction of a fee per tonne of imported seed potatoes to finance field inspections was equivalent of the imposition of a customs duty;
- The introduction of a pre-clearance system in the form of field visits in the European Union by Egyptian inspectors was very burdensome, costly, and made trade unviable. EU member States had efficient and effective national plant protection organizations, which could certify that imports complied with importing country requirements in accordance with international standards, notably the International Plant Protection Convention and related international standards;
- Egypt's technical requirements were not aligned with the growing cycle of seed potatoes in the European Union. Egypt demanded that import applications be submitted between 15 March and 15 April of each year, when EU potatoes had not yet been planted; indeed, most data needed for the application was not available at that time of year. The compliance of seed potatoes with Egyptian standards could only be assessed after harvest;
- The European Union requested Egypt to reconsider its new measures on the importation of seed potatoes and stood ready to engage with Egypt to discuss any concerns it might have in that respect.

6.4 The representative of the European Union added that, prior to that day's meeting, her delegation had received some replies from Egypt to their questions regarding the first set of import restrictions for meat and poultry; however, they had received those replies only very late on the previous day, and they were currently still analysing them. Therefore, they reserved their right to revert to Egypt with further questions or requests for clarification in advance of the Committee's next meeting.

6.5 The representative of Egypt confirmed that her delegation had provided its replies to the additional questions from the European Union, contained in document G/LIC/Q/EGY/7, on the previous day; in this regard, Egypt looked forward to the follow-up discussions and questions from the European Union. She stressed that Prime Minister's Decrees No. 2080/2018 and No. 222/2018 were not intended to create any quantitative restrictions on the import of poultry and meat. The main aim of the decrees was rather to regulate imports to ensure that they would not introduce any diseases and actually met the standards stipulated by the General Organization of Veterinary Services. She said that her delegation stood ready to engage in further discussions with all trading partners concerning the implementation of the two decrees. Regarding the import regime for potato seeds, she stated that the replies that they had provided the previous day would clarify many of the issues raised by the European Union. In this respect, she also recalled that her delegation had engaged bilaterally with the European Union in Capitals on this issue. In conclusion, Egypt had provided its detailed replies and additional questions had been addressed at bilateral level.

6.6 The representative of the United States noted that her delegation shared concerns similar to those of the European Union regarding Egypt's import licensing requirements for certain agricultural products. She found it encouraging to hear that some replies had been provided to the European Union's questions on the previous day; her delegation would certainly look at those responses. At the same time, she encouraged Egypt to notify to the Committee all applicable regulations and procedures, listing the products subject to import licensing, providing the eligibility to apply for an import licence, identifying the administrative body for requesting an import licence, and describing the criteria and documents considered when issuing an import licence.

6.7 The Committee took note of the statements made.

## **7 INDIA: IMPORT LICENSING REQUIREMENTS FOR BORIC ACID – STATEMENT BY THE UNITED STATES**

7.1 The representative of the United States noted that for some time her delegation had been concerned about India's import licensing requirements for boric acid, particularly with respect to the burdensome end-use certificates necessary for importation. She said that her delegation's concerns had begun more than a decade earlier, when India's Ministry of Commerce and Industry had introduced a rule stating that "Imports of Boric Acid for non-insecticidal purposes will be subject to an import permit issued by the Central Insecticide Board & Registration Committee under the Ministry of Agriculture." The import application required an applicant to attest "that imported material is not for sale but for use as per our own requirement as stated in this application." This statement in turn required that non-insecticidal boric acid could only be imported directly by a manufacturer and prevented independent traders from importing boric acid for resale purposes. The rule further required the importer of non-insecticidal boric acid to provide the precise end-use of the product prior to importation, as well as the historical import and production data of the finished product. This information was subject to a formal government review process. In addition, Indian importers had expressed their frustration about the fact that, in import licensing applications, they were required to supply information on past consumption of boric acid, and production of the finished product, which was information often unavailable to importers.

7.2 Therefore, the United States continued to request that India explain why boric acid, which had a toxicity level roughly equivalent to that of table salt, was the only insecticide that required an import permit for non-insecticidal use, considering its low toxicity level compared to other insecticides for which an import permit was not required. In closing, she recalled that the United States continued to request that India amend Schedule-I of the ITC (HS) Classifications of Export and Import Items, and eliminate the requirement that imports of boric acid for non-insecticidal purposes be subject to an import permit. Her delegation hoped that their recent bilateral negotiations in this area would bring about a mutually beneficial resolution.

7.3 The representative of India recalled that India had already submitted its written replies in documents G/LIC/Q/IND/12, G/LIC/Q/IND/14, G/LIC/Q/IND/16, and G/LIC/Q/IND/22, explaining the policy objectives and implementation issues in detail. For non-insecticidal use, domestic manufacturers of boric acid were required to submit annual production and sales data, whereas imports of boric acid for non-insecticidal use were exempted from the requirement of registration under the Insecticides Act. Import permits were issued on the basis of end-use certificates of. Various multi-use chemicals had been listed in the schedule to the Insecticides Act of 1968 since they were capable of being used both as insecticides and for other purposes. Boric acid was one of various multi-use insecticides that were subject to similar regulatory measures.

7.4 The Committee took note of the statements made.

## **8 INDIA: IMPORTATION OF PNEUMATIC TYRES – STATEMENTS BY THE EUROPEAN UNION AND INDONESIA**

8.1 The representative of the European Union reiterated her delegation's concern, already raised twice before the Import Licensing Committee, regarding India's licensing regime for importation of pneumatic tyres for motor cars, buses, lorries, motor scooters and motorcycles, introduced under Notification No. 12/2015-2020 on Amendments in Import Policy of Tyres of 12 June 2020. She said that, while the European Union welcomed the belated WTO notification by India of these measures, they continued to be concerned about the effect of the measures on the importation of tyres, which

had become highly restricted since June 2020. Only a limited number of licences had been granted to EU tyres manufacturers, and these licenses had been limited in terms of duration, quantity, and type of tyres. In particular, no licences had been granted for bus and truck tyres. The European Union recalled the requirement of Article 3.2 of the Import Licensing Agreement, according to which, non-automatic import licensing "shall not have trade-restrictive or -distortive effects on imports additional to those caused by the imposition of the restriction". The European Union also urged India, once again, to reconsider any implicit or explicit quantitative or other (for example, end-user principle) restrictions on the importation of replacement tyres that could be contrary to WTO requirements, by being discriminatory and favouring local tyre manufacturers.

8.2 The representative of Indonesia said that, technically, the importation of tyres by Indonesian manufacturers into India had been hampered since early 2020. This had happened because the Government of India had unilaterally stopped importing tyres from Indonesian exporters. In 2020, the Government of India had issued a new import policy, Notification No. 12/2015-2020, dated 12 June 2020, regarding Amendments in Import Policy of Tyres, which had changed the import criteria for tyres from "free" to "restricted". For this reason, there had been no imports of tyres from Indonesia into India during that period, considering that the Government of India had issued no import licences. At the beginning of 2021, the Government of India had issued import licences for tyres; however, these import licences were subject to restrictions, considering that only tyres meeting certain criteria could be exported to India. This policy had a huge impact, with a number of import licences being revoked due to the new provisions. In this regard, Indonesia sought further explanations from India regarding its pneumatic tyres import policy and regulations, a request that Indonesia had already made at the Committee's April meeting. In particular, Indonesia wished India to elaborate in detail on their import regime for pneumatic tyres, including the requirements to obtain import approvals and import recommendations, if any. Indonesia felt that the aforementioned arrangements were inconsistent with GATT provisions on national treatment to the extent that they discriminated against imports as compared to tyres manufactured locally. Indonesia requested the Government of India immediately to review the aforementioned policy to ensure that it met the principles and requirements of the WTO Import Licensing Agreement.

8.3 The representative of Chinese Taipei said that his delegation shared the concerns raised by the European Union and Indonesia. He noted that the situation had been ongoing for over a year, since India had announced its restrictive import measures on new pneumatic tyres in June 2020. He recalled that his delegation had repeatedly expressed their concern over the issue in this Committee, and that it was regrettable that they had to raise the question again at that day's meeting. He observed that, while, since December 2020, there had been some cases of successful applications from their companies, such successful applications had sharply declined to only about 40% of the average of the previous three years. His delegation understood that India was issuing import licences only for those categories of pneumatic tyres that were not produced domestically, and that it had also set a limit on imported tyres. In his delegation's view, this constituted a ban on the importation of tyres, thus clearly violating WTO rules prohibiting quantitative restrictions. For this reason, his delegation urged India to comply with the rules of the Agreement on Import Licensing Procedures and, in particular, ensure that non-automatic licensing procedures be implemented in a transparent and predictable manner; similarly, they should not have trade-restrictive or trade-distortive effects on imports additional to those caused by the imposition of the restrictions. In the meantime, Chinese Taipei requested India to share with Members its domestic practices for granting licences, and to take immediate measures to ensure that import licences could be issued in a timely, transparent, non-discriminatory, and predictable manner.

8.4 The representative of Japan expressed his delegation's ongoing concern that India was not publicizing enough information about the relevant details of its import procedures, including their rationale and criteria, to indicate whether or not it would grant an import licence. For this reason, Japan urged India to make, in due course, this information public, and to provide sufficient explanation of its import procedures. He noted that his delegation had sent a written questionnaire to India in late September, to which Japan requested a timely reply in writing.

8.5 The representative of the United States supported those delegations that had expressed their concerns regarding India's lack of notifications of its import procedures for tyres. Her delegation urged India to notify to the WTO the procedures set forth by Notification No. 12/2015-2020, of 12 June 2020, and to complete the annual questionnaire to meet its transparency obligations under the Import Licensing Agreement. They also requested that India review all pending applications in a timely manner.

8.6 The representative of India said that the non-automatic licensing requirements were administered in a manner consistent with the rules of the WTO Agreement on Import Licensing Procedures, including with respect to the time-frame for granting import licences. Import licences had been administered in a fair and equitable manner and a number of licences had been granted after approval by the Facilitation Committee. In particular, the measure had been taken in view of quality issues. Under the non-automatic licensing procedure, applications were examined and licences were granted based on the comments of the concerned administrative ministries, which were based on the criteria laid down for the purpose. She noted that, in the case of importation of tyres, the Committee had granted licences in almost all cases after examination of the applications.

8.7 The Committee took note of the statements made.

## **9 INDIA: QUANTITATIVE RESTRICTIONS ON CERTAIN PULSES – STATEMENT BY CANADA**

9.1 The representative of Canada stated that, as a high quality and reliable supplier of pulses, Canada had been most negatively affected by India's measures to limit the import of pulses. Canada was disappointed that pulses continued to be listed as import restricted under India's book of ITC HS Classification of Import and Export.

9.2 He noted that, for dried peas, no quota volume had been announced by India for the fiscal year 2021. Canada understood that the import of dried peas was, therefore, banned. Continuous quantitative restrictions and import bans on dried peas and other pulses had been in place for the past three years. Consequently, it was difficult for Canada to understand why India continued to claim that these measures were "temporary". Canada continued to question the legal interpretation provided by India to justify import bans, quantitative restrictions, and discretionary import licensing procedures, such as minimum import prices or limiting imports to one single port of entry for the importation of dried peas. Furthermore, Canada questioned why India was not able to meet its requirements to notify, to this Committee, changes to import licensing procedures for dried peas within 60 days, as prescribed in Article 5.1 of the Agreement on Import Licensing Procedures. He remarked that Notification No. 37/2015-2020, dated December 2019, had been notified to this Committee 512 days after its publication, and that India had also not notified Publications SO1225E and SO1260E, dealing with import licensing rules in quota volumes for dried peas, which had been introduced in March and April of 2020. In conclusion, Canada called upon India immediately and expeditiously to review its trade restrictive measures put in place on dried peas and other pulses and to implement alternative, WTO-consistent, policy options that promoted a predictable and transparent regime for pulses.

9.3 The representative of the European Union stated that her delegation was very disappointed by India's continued application of quantitative restrictions on pulses. The European Union shared Canada's concerns and were looking forward to India providing substantive replies to all of the questions raised. Similarly, the European Union looked forward to India reviewing and bringing its regime into conformity with the WTO rules.

9.4 The representative of the United States noted that her delegation shared the concerns of Canada and the European Union regarding India's import licensing requirements for select varieties of pulses. The United States also continued to urge India to consider less trade restrictive requirements and to notify future relevant measures and regulations in a timely manner.

9.5 The representative of India responded, as they had done on previous occasions, that notification G/LIC/N/3/IND/20 addressed various aspects of licensing procedures and quota utilization. This was an old issue that had been raised in various forums, such as the Committee on Agriculture, the Committee on Import Licensing, the Committee on Market Access, and the Council for Trade in Goods. India reiterated that the objective of the measures was to cater to the food and livelihood security of small and marginal farmers. India had been regularly reviewing the measures based on the market situation of pulses, owing to which the quota of pulses had been increased from time to time. In this regard, apart from the quota increase, the Government of India had further relaxed its import measures through DGFT Notification SO1858E, dated 15 May 2021, wherein restrictions on the import of Tur/Pigeon Peas, Moong, and Urad, had been withdrawn, and the import policy had been revised, from "restricted" to "free", with effect from 15 May 2021 until 31 October 2021.

9.6 The Committee took note of the statements made.

## **10 INDONESIA: IMPORT LICENSING REGIME FOR CERTAIN TEXTILE PRODUCTS – STATEMENTS BY THE EUROPEAN UNION AND JAPAN**

10.1 The representative of the European Union stated that, following the entry into force of Regulation No. 77/2019, imports of EU origin of finished textile items, notably carpets, were no longer possible into Indonesia. No licences had been issued for these finished products, and only raw materials or unfinished products, or materials imported for further processing, could obtain a licence. She reiterated that, as already noted in other WTO Committees, this resulted in a *de facto* prohibition of the importation of finished textiles. She pointed out that, to date, this measure had not been notified to the WTO, which was inconsistent with WTO transparency obligations. Moreover, the measures appeared to be inconsistent with Article XI of the GATT (*de jure* and *de facto* import prohibition through quantitative restrictions), as well as Articles 1 and 5 of the Agreement on Import Licensing Procedures (disproportionately cumbersome import licensing procedures and requirements).

10.2 In addition, the European Union considered that Indonesia's import regime for textiles products and textiles, as set forth in Regulation No. 77/2019 with regard to imports for purposes other than further processing by domestic producers, importers, their cooperating production parties and/or small and mid-sized industries, went also against the spirit and the letter of several provisions of the WTO Trade Facilitation Agreement. In light of these inconsistencies with WTO obligations and the severely restrictive impact on trade in carpets and other textile products, the European Union urged Indonesia to re-evaluate the measure at issue and bring it into conformity with WTO rules.

10.3 The representative of the European Union also noted that the import regime for textile products and textiles under Regulation No. 77/2019 was just one of many similar import regimes that Indonesia had adopted in recent times, such as Regulation No. 68/2020 on Import Provisions for Footwear, Electronics, and Bicycles/Tricycles, which had the clear and expressly stated objective of stimulating and protecting the domestic industry and curbing imports. She said that the measure raised serious concerns over its protectionist nature, and furthermore, it was pursued with policies, measures, and practices, of dubious WTO consistency. Her delegation had already raised this point at previous meetings of the Import Licensing Committee and, upon request from Indonesia, they had followed-up with detailed written questions, contained in document G/LIC/Q/IDN/43. In the absence of any reaction, her delegation invited Indonesia to provide its replies without further delay.

10.4 The representative of Japan noted that Indonesia had substantially prohibited the importation of certain textile products for retail sales by strengthening the import registration and approval system provided in the Minister of Trade Order No. 77 of 2019. Since the regulation's introduction, global exports of textile products to Indonesia had sharply dropped; indeed, global exports in 2020 had been approximately one tenth of what they had been in 2019. Exports of carpet products classified under HS57 had been hit particularly hard. Moreover, the previous February, Indonesia had implemented safeguard measures against the importation of carpet products classified under HS57. In their investigation, Indonesian authorities had determined the increase of imports without taking into consideration the sharp reduction in imports caused by the import registration and approval system. This determination had been possible because the Indonesian authorities had set the period of investigation as 2017 to 2019, that is, immediately prior to the aforementioned sharp reduction in imports. These safeguard measures applied extremely high tariffs, of around 150-200% *ad valorem*. Japan, therefore, considered that these measures did not fulfil the requirements for safeguard measures, especially the requirement stating that safeguards should be applied only to the extent necessary. He concluded by saying that Japan had serious concerns about these measures and urged Indonesia to eliminate them as soon as possible.

10.5 The representative of Indonesia stated that his Capital was still coordinating among several government agencies and would provide more information regarding the aforementioned provisions after his government had completed the exercise.

10.6 The Committee took note of the statements made.

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## **11 INDONESIA: IMPORT RESTRICTION: COMPULSORY REGISTRATION BY IMPORTERS OF STEEL PRODUCTS – STATEMENT BY JAPAN AND THE EUROPEAN UNION**

11.1 The representative of Japan stated that his delegation remained concerned by the requirement of compulsory registration for importers of steel products, based on Indonesia's Minister of Trade Order No. 3 of 2020. His delegation was continuously finding cases where the Indonesian authorities had issued a substantially smaller number of import licences for steel products than the number of licences applied for by importers, regardless of the type of licences concerned. He noted that this was having a trade restrictive effect on imports, and was possibly inconsistent with Article 3.2 of the Import Licensing Agreement and Article XI:1 of the GATT 1994. Japan urged Indonesia not to substantially reduce the amount of approved import licences as compared to the number of import licences applied for. Japan also requested that Indonesia clarify the rationale behind, and criteria for, the reduction in its import quotas. In particular, his delegation was concerned about the Minister of Industry Order No. 4 of 2021 providing that the Ministry of Industry would have considered the issuance of the Technical Consideration, necessary for import licences for trading companies called "API-U", by considering the domestic demand-supply balance in Indonesia. This provision was potentially inconsistent with Article 3.2 of the Import Licensing Agreement and other WTO Agreements. Japan therefore urged Indonesia to implement it in a WTO-consistent manner. On this issue, Japan had submitted a questionnaire to Indonesia, through this Committee, in July 2021. His delegation appreciated Indonesia's oral statements under Agenda Item 2, clarifying its general position; nevertheless, Japan needed further details in order for their concerns to be properly addressed. Japan thus requested Indonesia to reply in writing as soon as possible.

11.2 The representative of the European Union stated that imports of steel products into Indonesia were subject to restrictive and distortive licensing requirements, including the issuing of a technical regulation by the Ministry of Industry, taking into account the domestic balance between supply and demand. Furthermore, licences were issued in limited quantities, not always meeting the quantities applied for by importers. The European Union asked Indonesia for clarification as to its underlying rationale for restricting the quantities of licences granted, as well as the criteria applied to this end.

11.3 As noted under the previous agenda item, she said that her delegation was also concerned that this measure appeared to be inconsistent with Article XI of the GATT (*de jure* and *de facto* import prohibitions through quantitative restrictions), as well as with Article 3 of the Agreement on Import Licensing Procedures (non-automatic import licensing). In view of the above-mentioned inconsistencies with Indonesia's WTO obligations, and of their restrictive impact on trade in steel products, the European Union urged Indonesia to re-evaluate the measures at issue and bring them into conformity with WTO rules; in other words, by issuing licences for steel products automatically, without delays, and without limiting the quantities applied for by the importer.

11.4 The representative of the United States reiterated her delegation's concern, together with Japan and the European Union, about Indonesia's import licensing requirements for steel products, including registration and pre-shipment inspection requirements that had the potential to limit trade in this important area. Her delegation encouraged Indonesia to respond promptly to the questions that Japan had submitted to the Committee in document G/LIC/Q/IDN/45, and ensure that its authorities issued import licences automatically, without delays, and without limiting the quantities applied for by importers.

11.5 The representative of Indonesia reiterated his delegation's previous statement and took note of Members' concerns regarding its import licensing of steel products. He explained that this policy was aimed, in particular, at protecting their consumers by ensuring that all products met certain safety standards, technical regulations, and requirements. Indonesia also highlighted that the policy provided a transparent and simple process for import approval; that is, applications for import approval were processed electronically, and relatively swiftly, once the required documents had been submitted in a complete and correct manner.

11.6 The Committee took note of the statements made.

## **12 SRI LANKA: IMPORT BAN ON PALM OIL - STATEMENT BY INDONESIA**

12.1 The representative of Indonesia stated that his delegation had a specific trade concern regarding Sri Lanka's import ban on palm oil. He recalled that the Government of Sri Lanka had



issued Operating Instruction No. 8/2021 regarding a temporary suspension of palm oil importation, dated 5 April 2021. Furthermore, Sri Lanka had also issued the Imports and Exports Control Regulation No. 4/2021, dated 6 April 2021, which instructed that the imports of palm oil under HS code 1511 (1511.10.00, 1511.90.00 and 1511.90.10, 1511.90.20, 1511.90.30, and 1511.90.90) were suspended and subject to import licensing requirements as well as additional import licensing fees. The legislation for the above-mentioned regulations effectively entered into force on 5 and 7 April 2021, respectively.

12.2 He said that Indonesia was seeking responses from the delegation of Sri Lanka regarding the objectives and background of Sri Lanka's import ban on palm oil. He noted that, although Sri Lanka claimed that the palm oil import ban was temporary, the policy did not specifically mention its duration. Furthermore, he noted that Sri Lanka's policy could have systemic implications for the global palm oil trade. Indonesia felt that the prohibition on imports of palm oil by Sri Lanka was inconsistent with several WTO provisions, especially Article XI of GATT, Article 4.2 of the Agreement on Agriculture, and Article 3.2 of the Import Licensing Agreement. His delegation had found that, since the regulation's enactment, there had been a significant decline exports to Sri Lanka of palm oil and its derivatives; at the same time, there had also been an increase in exports of palm oil under high MFN tariffs. In addition, his delegation had also found that the Government of Sri Lanka had imposed an additional levy on palm oil imports of 0.4% of the c.i.f. value. For these reasons, Indonesia requested the Government of Sri Lanka to resolve the aforementioned matters and restore normal trade.

12.3 The representative of Colombia said that her delegation was interested in this topic and noted their concern regarding Sri Lanka's import restricting measures on palm oil. She recalled that Colombia was a producer and exporter of palm oil, derivative products, and palm oil biofuels. The global market dynamics of these products, as well as any restrictions, or limitations to their commercialization in various jurisdictions, affected their exports and market trends. She stated that the "operating instructions" released by the Government of Sri Lanka, through which imports of palm oil had been suspended or restricted, were of particular concern. She noted that Sri Lanka had presented no notifications of these measures under the Agreement on Import Licensing Procedures, which limited Members' knowledge of the policy objectives and procedures to commercialize palm oil and its derivatives. Her delegation requested clarifications from Sri Lanka regarding the measures adopted, their period of implementation, their justification, and the authorities in charge of their administration.

12.4 The representative of Sri Lanka stated that the information his delegation had provided to various WTO Committees remained valid regarding the concerns expressed by the delegations of Indonesia and Colombia. He noted that Indonesia had raised concerns over several procedures covered under the WTO Agreements, including under Article 3.2 of the Agreement on Import Licensing Procedures. He said that Sri Lanka's procedure complied with the provisions of the Agreement on Import Licensing Procedures and recalled that his delegation had made a comprehensive statement before the Committee on Market Access in this regard in April. He added that his delegation would coordinate with Capital on Indonesia and Colombia's additional concerns.

12.5 The Committee took note of the statements made.

### **13 THAILAND: IMPORTATION OF FEED WHEAT - STATEMENT BY THE EUROPEAN UNION**

13.1 The representative of the European Union reiterated her delegation's concerns about Thailand's import procedures for feed wheat and asked why they had not been notified in accordance with Articles 1.4 and 5 of the Import Licensing Agreement. She noted that her delegation had not yet received written replies to the written questions circulated as documents G/LIC/Q/THA/3 and G/LIC/Q/THA/4. She reiterated the request to understand on what basis the measures, announced as temporary, could be maintained for so long, and when they would cease to apply. Her delegation also wished to receive a detailed description of the import licensing procedures to be applied. She repeated the European Union's requests to receive relevant data about the actual situation of the corn market in order to better understand Thailand's justification of the measures. Based on the information her delegation had gathered, the average domestic prices had trended upwards since the introduction of the measures in late 2016.



13.2 As per its written questions, the European Union understood that the Government of Thailand had launched a support programme for corn production in September 2018 to provide incentives for rice farmers to divert their farming to corn during the drought period, and to fill the gap between domestic demand for corn and its domestic production. The programme provided both financial (minimum price guarantee, a crop insurance premium subsidy, and soft loans for inputs on management costs in the post-harvesting period) and non-financial support (marketing and technical assistance) to farmers who switched their farming from rice to corn. However, this seemed to be in contradiction with the alleged market oversupply of domestic corn; therefore, the European Union asked Thailand to clarify how government support for the expansion of corn production could be reconciled with an alleged market oversupply of domestic corn. She further noted that the above-mentioned support programme had ended in September 2019. A deficiency payment scheme had subsequently been introduced in its place, beginning from December 2019, with an even higher guaranteed price programme. She noted that this support programme had not been notified to the Committee on Agriculture; in this regard, she encouraged Thailand to notify the measure in a timely manner. She concluded by saying that, setting aside the questions pertaining to the market situation, the European Union had a significant concern over the WTO compatibility of Thailand's import licensing regime for feed wheat. Therefore, her delegation was looking forward to receiving Thailand's detailed written replies to the questions circulated.

13.3 The representative of Thailand said that the questions received from the European Union had been communicated to Capital, and they were being carefully reviewed by the relevant authorities. She explained that this matter was relevant to many government agencies and stakeholders. She informed delegations that Thailand was in the process of reviewing its import permit measures for feed wheat, including the increase in the MFN applied rates under Thailand's WTO commitments; however, the process had been delayed due to the COVID-19 pandemic. She noted that, on import statistics, the volume of imports had increased by 8.59% from 1.7 million tonnes in 2019 to 1.85 million tonnes in 2020. Thailand believed that the volume would continue to increase, in line with the global economic recovery from the pandemic. As for the notification of domestic support for feed wheat, Thailand was collecting information from its relevant authorities and her delegation would inform Members once they had received further information from Capital in this regard; indeed, her delegation would notify the WTO at the first opportunity.

13.4 The Committee took note of the statements made.

#### **14 IMPROVING TRANSPARENCY IN NOTIFICATION PROCEDURES OF THE AGREEMENT – REPORT BY THE CHAIRPERSON**

14.1. The Chairperson reported on the Committee's informal meeting of 20 September 2021. He read the following summary:

##### Import Licensing Website

14.2. The Secretariat made a presentation on the functions of the website, which was launched at the Committee's meeting last October. Since then, it has provided a very useful tool to Members and to the public. During the meeting, several Members expressed their support for the use and continuing update of the website. They also emphasized the importance of fostering the use of technology to facilitate Members' work on import licensing.

##### Members' Profiles and Sector Study

14.3. The Secretariat also introduced document RD/LIC/16, containing Members' Profiles on import licensing, which can be found on the Import Licensing website <http://www.importlicensing.wto.org>; and a sector study on five sectors, namely: Hazardous Chemicals; Rough Diamonds; Fertilizers and Pesticides; Pharmaceuticals; and Hazardous Waste, which has been circulated to Members and would be published under the Secretariat's responsibility shortly.

14.4. Some delegations asked questions about how the sectors were selected in the study and why the Committee was not consulted before such work was undertaken. Other delegations expressed appreciation for this type of research but wondered whether other sectors would be addressed in the future and whether the Members' Profile document would be updated.

14.5. The Secretariat responded that a mandate was not sought from the Committee because such work formed part of the Secretariat's own research functions and had been shared with the Committee only for transparency purposes. The Secretariat did not plan to expand or update these documents for the moment.

#### E-learning Module on Import Licensing

14.6. The Secretariat made a brief presentation of its e-learning module on Import Licensing Procedures. This module was launched in July 2021 and was available for use on the WTO e-campus.

14.7. Several delegations welcomed this e-learning module and underlined the importance of such capacity-building interactive tools. One delegation stated that they had used the new module and found it very useful and well designed. They noted that while the e-learning tool was very well developed, there were a few difficulties relating to signing in and registering on the WTO e-campus that would be important to address to facilitate access. The Secretariat would look further into the issue.

#### Online N2 Notifications

14.8. At previous meetings, Members had discussed the possibility of using the website to send notifications to the WTO. For this purpose, the Secretariat prepared a presentation giving Members an idea of what an online notification form might look like via the website. This tool reproduced, in an online form, the same N2 notification form currently being used, and which is contained in document G/LIC/28. The online form would provide an additional and voluntary means to send an N2 notification to the WTO.

14.9. If such a tool were introduced, Members would remain free to send N2 notifications to the WTO via traditional means (email, fax, or post). When a notification would be received via the online tool, it would then be converted into an N2 form and circulated as such.

14.10. Several Members expressed support for this type of digital tool to submit notifications. Some Members noted that such a tool should be available on a voluntary basis and that Members should remain free to notify through traditional means if that was their preference. Several Members posed questions to the Secretariat about practical aspects of the online notification system, including how it would interface with the issuance of the official WTO G/LIC/N series documents. Other Members encouraged the Secretariat to coordinate with parallel initiatives developed for other notification requirements in the WTO.

#### E-Agenda

14.11. The Secretariat also made a presentation on the eAgenda system that was introduced in the Committee on Market Access, as well as in the TBT and SPS Committees. Several delegations expressed support and appreciation for this type of digital tool, which they considered could simplify and improve Members' work in the Committee. One Member noted that her delegation was favourable to the development of this type of tool in all the subsidiary bodies of the Council for Trade in Goods (CTG). Some Members stated that such tools should be available on a voluntary basis. One delegation noted that, even if it was introduced on a voluntary basis, her delegation expected other delegations to use it for it to be a successful and reliable instrument. Other delegations noted that in an initial phase the eAgenda could be introduced as a pilot project, as had been done in other committees

#### N3 Annual Questionnaire

14.12. Members discussed the possibility of improving the format of the N3 annual questionnaire. Some Members expressed doubts about modifying it, noting that they did not want to lose any of the elements required by the existing questionnaire; thus, they did not consider updating it a priority. Other Members noted that completing the questionnaire represented a challenge, especially for Members with capacity constraints, and that the questionnaire would benefit from an updating, without losing any of its substantive elements.

### Notification Workshop

14.13. The Secretariat introduced the workshop that took place between 4 and 6 October. It was attended by more than 70 Capital-based government officials from 32 developing country Members and Observers. It was held virtually, on the Zoom platform, and consisted of identical sessions, one in the morning and the other in the afternoon, Geneva time, to accommodate Members from different time zones.

14.14. Several delegations expressed interest in this type of activity, including developed country Members who suggested that a similar activity could be organized for all WTO Members in different languages sometime next year. The Chairperson stated that if Members so required, such an activity could be organized in the coming year.

14.15. The Chairperson noted that, while more time was needed on some of these matters, he would continue to monitor the issues, communicate with Members, and keep reminding Members of their notification obligations.

14.16. This concluded the Chairperson's report.

14.17. The representative of the United States commented that her delegation appreciated having such a report of the informal session, including for the benefit of those delegations that had not been able to participate in it. She asked the Chairperson whether his statement with regard to the monitoring of these issues was meant to be specific to the N/3 discussion, or if it had referred more broadly to all of these transparency items.

14.18. The Chairperson clarified that he intended to keep monitoring all of these issues, but that, in respect of certain matters, more time might be needed before work could advance.

14.19. The representative of the United States then raised a concern regarding the Secretariat's Members' Profiles and Sector Study. She noted that her delegation had registered its concerns to the Secretariat following the circulation of the studies, including the concern that, in her delegation's view, the purpose of the studies was not exactly clear, and the analysis of the five sectors tended to focus on other agreements and additional background that did not always seem relevant to the work of the Committee. More specifically, she noted that the sector study mixed international conventions with the WTO import licensing commitments in a couple of the sectors, which was not useful from a WTO perspective. Furthermore, she noted that the intent of the authors' conclusions regarding changes to notifications was not clear, while based on recent discussions, there was no consensus in the Committee regarding the changing of notifications, even with the intent to improve data. In conclusion, her delegation urged the Secretariat to work closely with Members on any ideas for future reports.

14.20. The representative of the European Union expressed appreciation for the work of the Secretariat and for the Chairperson's detailed report on the Committee's informal meeting. She added that her delegation would wish for the report of the informal meeting to be circulated to Members; it would be useful for Members' further internal consultations with Capitals. Regarding the possibility of improving the format of the N/3 annual questionnaire, she noted that her delegation understood that the Chairperson would continue to explore the issue with Members. In addition, she said that her delegation stood ready to work on a new N/3 form, if there was any real need to improve the existing form, and if any new form would be made available on a voluntary basis, allowing Members the possibility to choose between them.

14.21. The representative of Colombia expressed appreciation for the Chairperson's report on the informal meeting. She said that her delegation was pleased to see this type of informal discussion taking place. She also thanked the Secretariat for its efforts in working on the virtual tools, the website, and the document analysis and research. Regarding the notification workshop that took place between 4 and 6 October, in English, she said that her delegation was hoping that this type of technical assistance could also be provided in Spanish, considering the need to train officials in Capital who may find it more difficult to attend such activities in English. At the same time, she acknowledged that the Secretariat was making efforts and was working towards providing these events in the WTO's three official languages.

14.22. The Chairperson said that his report on the informal meeting would be circulated shortly as requested by delegations, and that it would also be incorporated in the current meeting's minutes. In respect of delegations' interventions at the informal meeting, as well as at the current formal meeting, he observed that he had detected delegations' broad support to develop an eAgenda for the Import Licensing Committee, as well as a system of online notifications for N/2 notifications. Therefore, in light of the aforementioned discussions, he proposed that the Secretariat advance its work on an eAgenda by developing a pilot project, and also its work on a system of online notifications, via the Import Licensing website, based on the current N2 form, for the Committee's further consideration. In addition, he noted that it was his intention to further pursue these issues in informal consultations. To this end, he would convene an informal meeting of the Committee during the first quarter of 2022, ahead of the Committee's first formal meeting of next year, scheduled in April 2022, to allow progress to be made in all these areas.

14.23. The Committee took note of the Chairperson's report and of the statements made.

## **15 DRAFT REPORT (2021) OF THE COMMITTEE TO THE COUNCIL FOR TRADE IN GOODS (G/LIC/W/55)**

15.1. The Chairperson informed the Committee that a draft report, covering the activities of the Committee in 2021, had been circulated in document G/LIC/W/55 for the Committee's consideration. He noted that, since issuing the draft report, the Committee had received new notifications from Cuba; the European Union; Hong Kong, China; the Philippines; Switzerland; and the United Kingdom. The report would be updated to reflect those notifications, as well as new written questions and replies received as of the date of that meeting, 8 October 2021.

15.2. The representative of the United States requested that the updated report be circulated to Members, and that it be finalized through written procedures.

15.3. The Chairperson confirmed that the draft report would be updated, circulated for Members' examination, and then finalized through written procedures.<sup>6</sup>

## **16 DATE OF THE NEXT MEETING**

16.1. The Chairperson recalled that the Chairperson of the Council for Trade in Goods had held a meeting with the chairpersons of the CTG's subsidiary bodies to address the issue of overlapping meeting dates with a view to avoiding such situations in the future. In this regard, he informed delegations that the Secretariat had tentatively reserved Friday, 8 April 2022, as the date of the Committee's next formal meeting, on the understanding that the final date would be confirmed in an email circulated well in advance of the meeting, and that additional meetings could also be convened, as required.

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<sup>6</sup> The Committee's final Annual Report (2021) was circulated as document G/L/1406.