



MINUTES OF THE MEETING HELD ON 29 OCTOBER 2012

CHAIRPERSON: MR. PIERRE-EMMANUEL BRUSSELMANS (BELGIUM)

The Committee on Import Licensing held its thirty-sixth meeting on 29 October 2012. The agenda proposed for the meeting, contained in WTO/AIR/4029, was adopted as follows:

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At the start of the meeting the Chairperson indicated that under the agenda item "Other Business" he would inform the Committee of the informal consultations he had held with delegations on a draft notification form for notifying under Article 7.3 of the Agreement, and a draft text on the use of electronic versions of attachments to notifications submitted under the different provisions of the Agreement.

1 MEMBERS' COMPLIANCE WITH NOTIFICATION OBLIGATIONS – DEVELOPMENTS SINCE THE LAST MEETING

1.1. The Chairperson informed the Committee that since the last meeting, 51 notifications had been received under various provisions of the Agreement on Import Licensing Procedures (seven under Articles 1.4(a) and/or 8.2(b), fourteen under Article 5.1-5.4 and thirty under Article 7.3). He recalled that at the 27 April 2012 meeting, he had reported that out of a membership of 153,

counting the European Union as one Member (EU-27), there remained 15 Members<sup>1</sup> who had not submitted any notification under the Agreement since joining the WTO. In this regard, he announced that since the last meeting, three Members had submitted their first notifications: Viet Nam under Articles 1.4(a) and 8.2(b), and Article 5; and Nepal and Paraguay under Article 7.3 of the Agreement<sup>2</sup>.

1.2. As of 29 October 2012, 102 Members (counting the EU-27 as one) had submitted notifications of laws and regulations (under Articles 1.4(a) and/or 8.2(b)). Thus, 28 Members were yet to submit their notifications under these provisions. Only 40 Members (counting the EU-27 as one) had notified new licensing procedures or changes in the existing procedures (under Paragraphs 1-4 of Article 5); of this total one Member (Papua New Guinea) had notified changes to import licensing procedures without submitting the initial notifications of legislation or replies to the Questionnaire.

1.3. He urged those Members who had not yet provided any information on their new licensing procedures or changes to the existing procedures, to submit without further delay, their notifications under Article 5 of the Agreement and to make use of the notification forms adopted by the Committee at its meeting in April 2011.

1.4. He also reminded the Committee that, while Article 5.5 of the Agreement allowed Members to submit counter-notifications (where a Member considered that another Member had not notified the institution of a licensing procedure or changes in the procedures), to date, no such counter-notifications had been received.

1.5. As to the replies to the Questionnaire<sup>3</sup> (notifications under Article 7.3), a cumulative total of 104 Members (counting the EU-27 as one) had submitted their replies since the entry into force of the WTO Agreement. Thus, 26 Members had yet to submit their notifications under this provision. As for Article 7.3 notifications, he highlighted that Members who did not apply import licensing procedures or had no laws or regulations relevant to the Agreement were also required to notify the Committee of this fact in order for Members to obtain a complete overview of the licensing regimes of all Members. The responses to the Annual Questionnaire should be submitted to the Committee before 30 September of each year, as established in document G/LIC/3. In 2012, the Committee had received notifications from 35 Members only, thus the deadline of 30 September had not been respected by many Members. He thanked Nepal and Paraguay for having submitted their first responses to the Questionnaire.

1.6. He also indicated that, as had been previously done by his predecessors, he sent out letters to Members reminding them of their transparency obligations and highlighting the date of the last notification received from their authorities. These letters also contained an invitation to review the status of their notifications in general and update them whenever necessary. The letters also included samples of statements to be used by those Members when no changes or few changes had been introduced to their import licensing regimes already notified to the Committee. The latter had proved to be acceptable and easily applicable and in fact, several Members had used such statements to notify.

1.7. He also recalled that at its meeting of 11 April 2011, the Committee had agreed that two notification forms for notifying under Articles 1.4 (a) and/or 8.2(b) and under Article 5 of the Agreement could be used, on a voluntary basis, by Members to notify under such provisions. The Chairperson informed delegations that these forms were circulated in document G/LIC/22, and that the templates were also available on the Members' website under: WTO Resources/Market Access - Import Licensing/Template G/LIC/N/1 and G/LIC/N/2, respectively. Since the launch of these forms, 21 Members had repeatedly used them. He encouraged other delegations to do the same to facilitate their task of complying with their notification obligations under the Agreement. He was confident that these efforts would result in increased and enhanced transparency; assist

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<sup>1</sup> Belize, Botswana, Congo, Djibouti, Egypt, Guinea, Guinea Bissau, Mauritania, Mozambique, Myanmar, Nepal, Saint Vincent and the Grenadines, Sierra Leone, Solomon Islands, and Tanzania.

<sup>2</sup> Up to 29 October 2012 the following Members had not submitted any notification under the Agreement since joining the WTO: Belize, Botswana, Congo, Djibouti, Egypt, Guinea, Guinea Bissau, Mauritania, Montenegro, Mozambique, Myanmar, Samoa, Saint Vincent and the Grenadines, Sierra Leone, Solomon Islands, Tanzania and Vanuatu.

<sup>3</sup> The Questionnaire is annexed to document G/LIC/3.

government officials and traders to acquaint themselves with the rules and administrative ILPs currently applied by Members and consequently, allow for the smooth flow of international trade. He said that this was only the first step and therefore, encouraged Members to continue with this informal process of consultations in order to enhance transparency.

1.8. He also invited Members to submit their notifications in Microsoft Word version in order for the Secretariat to promptly process these notifications into the WTO formats and/or provide suggestions or comments thereon. This would also eliminate errors that might occur when retyping the notifications. Any additional information (legal texts, summaries of the legislation and publications, samples of application forms, lists and tables indicating the goods to which ILPs apply to, etc.) should also be submitted in an electronic format compatible with WTO software (Microsoft Word and/or PDF). He recommended that in all cases, the Secretary of the Committee, as well as the respective delegation in Geneva, be copied in the correspondence. He encouraged Members to consult the Secretariat whenever they had questions on notification requirements and in the case of developing and least-developed countries, to request technical assistance for their national authorities who enacted and administered import licensing procedures.

1.9. The Committee took note of the statement made.

1.10. Moving to the questions and replies circulated under the G/LIC/Q/- series, the Chairperson informed the Committee that, since the last meeting, five documents<sup>4</sup> containing questions and replies concerning licensing systems maintained by some Members had been circulated according to the procedures agreed to by the Committee for the review of notifications (document G/LIC/4). He indicated that there were three documents pending from the previous meeting<sup>5</sup>.

1.11. Given that four out of the eight documents before the Committee concerned questions posed to and replies by Indonesia, the Chairperson invited delegations to consider them together. These documents referred to livestock and livestock products; Decrees 56/2008 and 57/2010; and restrictions on horticultural products.

1.12. The delegate of the United States said that the various concerns of her delegation had been raised to Indonesia in writing, discussed bilaterally and multilaterally at the WTO, and also at the highest level of her authorities. However, this had been to no avail. As regarded the measures on horticultural products, her authorities had requested Indonesia not to implement these until the US and other Members had been given the opportunity to comment. In response, Indonesia had indicated that a new measure would be put in place, but this appeared to be even more prohibitive. On livestock and livestock products, there were similar concerns. Indonesia had submitted several notifications on its import licensing regime, however, these did not provide further clarity since the required copies of the legislation and regulations had not been provided. It was unclear how Indonesia's system, its wide licensing requirements or the underlying implemented measures were WTO consistent. Indonesia's system was complex, multi-layered and multi-dimensional for ensuring that few, if any, imports - particularly horticultural and livestock products - entered its market. This not only had commercial consequences for a number of Members but also systemic consequences for the WTO as a whole.

1.13. The speech delivered by the Indonesian President before the World Export Development Forum where he emphasized the need to ensure that "businesses, especially SMEs, and entrepreneurs truly benefit from greater linking of growth measures to the rest of the world" to achieve growth in trade, investment and sustainable development, raised hope that Indonesia would begin to believe in its own competitive abilities. Her delegation sought from Indonesia written responses to the joint questions that had been posed.

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<sup>4</sup> Listed in the airgram as follows: Questions from: (i) The United States to Indonesia (G/LIC/Q/IDN/21); (ii) The United States, the European Union and Japan to Indonesia (G/LIC/Q/IDN/22 and G/LIC/Q/22/Add.1); (iii) The United States, Canada, the European Union and Japan to Indonesia (G/LIC/Q/IDN/23); and (iv) Turkey to India (G/LIC/Q/IND/20). Responses from: Indonesia to Canada and the United States (G/LIC/Q/IDN/20).

<sup>5</sup> Listed in the airgram as follows: (i) Questions from Switzerland to Brazil (G/LIC/Q/BRA/16); and (ii) Responses from: Indonesia to the United States (G/LIC/Q/IDN/18), and Viet Nam to the United States (G/LIC/Q/VNM/3).

1.14. The delegate of the European Union reiterated her delegation's concerns over Indonesia's regulations 24/2011, 50/2011 and 3/2012 on horticultural products, and animal and animal products as they negatively impacted EU exports to Indonesia. Indonesia enjoyed a trade surplus with the EU (€9 billion in 2011 of which €3.7 billion was SPS-related). However, EU companies found it increasingly difficult to enter the Indonesian market.

1.15. Import conditions should be in conformity with WTO obligations, transparent, and avoid trade distortions as committed to by G-20 leaders. Nevertheless, Indonesian regulations introduced new procedures to the import licensing regime, set quantitative restrictions for a number of products, and added administrative measures. These changes were either never notified or were notified after the due date - except for draft regulation 50/2011 which was notified under the Sanitary and Phyto-sanitary (SPS) Agreement (G/SPS/N/IDN/43). Her delegation had commented on the SPS measure, in particular on the fact that the whole import procedure was considered burdensome and was having a negative impact on trade; however, the comments were not considered. The EU encouraged Indonesia to notify its new regulations using the new notification forms where appropriate.

1.16. The delegate of Japan shared the concerns expressed by other Members and requested Indonesia's assurance that its measures were in line with its WTO obligations. Japan would continue to closely monitor this issue and work with other interested Members.

1.17. The delegate of Canada thanked Indonesia for its responses in G/LIC/Q/IDN/20 and indicated that, as specified in document G/LIC/Q/IDN/23, some of these responses raised further concerns, particularly with regard to the timely publication and notification of new procedures and the due consideration to be given to Members' comments. Indonesia's IL regime could not be considered automatic since it required that fulfilment of domestic demand should be taken into account before issuance of an import licence. Indonesia was therefore asked to respond to the previous questions on compliance of its IL regime with Article 3 of the IL Agreement.

1.18. The delegate of Australia reiterated the concerns over Indonesia's application of a trade-restrictive import permit system for live cattle and beef imports. This created uncertainty for Australian producers and exporters of beef and live cattle. Australia was still concerned by Indonesia's revised horticulture import regulations, contained in Ministry of Trade (MOT) Regulation 60 and Ministry of Agriculture (MOA) Regulation 60, and sought from Indonesia transparency on these decisions, and hoped to continue the bilateral discussions.

1.19. The delegate of New Zealand thanked Indonesia for its notification in G/LIC/N/2/IDN/12 regarding the revised import licensing regulations (MOA and MOT Regulations 60), and for the bilateral and multilateral discussions held on these issues. New Zealand, however, was still concerned by the impact of those measures on trade in horticultural products as well as the possible impact that the revised Food Law (passed into law on 18 October 2012) might have on imports of food products to Indonesia. He invited Indonesia to notify all its measures related to import licensing so as to enable WTO Members to fully consider the implications.

1.20. The delegate of Indonesia first referred to the questions concerning the status of MOT Regulations 45/2009, 17/2010 and 39/2010, and indicated that these regulations had been revoked and replaced by MOT Regulations 27/2012 and 59/2012. The latter did not regulate import licensing but rather explained the procedure for obtaining an importer's identification number required for administrative purposes. Licences were issued within 10 days from the receipt of the application. Regarding the notification of MOT Regulation 57/2010, internal consultations were under way in order to promptly notify the regulation. Regulation 57/2010 was necessary to create a maximum level of healthy trade practices and a propitious business environment for the goods it covered. Indonesia would promptly submit its written responses.

1.21. He then explained that the "Import Recommendation for Horticultural Products" (RIPH), required importers to first obtain a written approval from the "Director General of Marketing and Processing of Agricultural Products" of the MOA, and then obtain a written approval from the Director General of Foreign Trade of MOT. However, there was only one administrative body to be approached since these approvals were considered an internal procedure within the MOA and the MOT. As long as the required documents were submitted in a complete and correct manner the applications were always approved. Thus, according to Article 2 of the Agreement, this regime

was automatic. There were no additional licences, permits or certificates as it had been referred to in G/LIC/Q/IND/22. The IL regime was intended to ensure consumer protection and food security.

1.22. As regarded Regulations 03 and 30/2012, he reported that the former had been revoked and replaced by MOA Regulation 60/2012 which was notified on 23 October 2012 and entered into force on 28 September 2012. MOA Regulation 60/2012 was amended first by MOT Regulation 38 of 2012 and then by MOT Regulation 60 of 2012 which also entered into force on 28 September 2012, amending several provisions contained in MOT Regulation 30/2012. MOT Regulation 38 of 2012, currently in force, was aimed at delaying the application of the provisions concerning the imports of horticultural products. Indonesia would provide further clarifications and responses to Members' questions and concerns.

1.23. The Committee took note of the statements made.

1.24. The Chairperson drew the Committee's attention to document G/LIC/Q/IND/20 containing follow-up questions from Turkey to India on its import licensing regime and quota system for marble and similar stones. He informed the Committee that just prior to the meeting, India had submitted its responses in writing and that they would be circulated in the G/LIC/Q/ document series<sup>6</sup>.

1.25. The delegate of Turkey indicated that as one of the world's leading producer and exporter of natural stones, Turkey was concerned over the import licensing regime applied by India to marbles and similar stones, an issue that had been taken up by this Committee since 2011 when Turkey posed questions in writing to India in document G/LIC/Q/IND/17. However, India's responses required further clarification as many aspects remained unclear; consequently Turkey had posed follow-up questions in document G/LIC/Q/IND/20.

1.26. The follow-up questions referred, among other issues, to: the applicable legislation which regulated imports under the HS codes No. 25151220 and 25151290; further clarification on how the import licensing restriction alleviated the "safety, security or the environment" concerns and, particularly, if India could cite any scientific study indicating that marble processing and marble mining had hazardous effects on the environment; as well as how India, as an exporter, regulated the internal processing of marble to take into account safety, security and environmental concerns. Turkey would review the responses that India had submitted prior to the meeting.

1.27. The delegate of the European Union supported Turkey's statement. The EU had received several complaints from its industry regarding India's licensing regime, the imposition of an annual import ceiling below the potential imports when allocating quotas, and the use of a minimum import price. She invited India to comply with its WTO obligations.

1.28. The delegate of Oman stated that as an exporter of certain marble products to India her country had followed closely the discussion on India's import licensing regime and shared Turkey's concerns and questions posed to India. Oman was concerned that India had not properly notified its import licensing system under Article 5 of the Agreement. India had not notified regulation No. 65-RE-2012/2009-2014, dated 1 August 2011, nor Policy Circular No. 37, dated 8 August 2011, to which India had referred in its replies (G/LIC/Q/IND/18) to the questions from Turkey (G/LIC/Q/IND/17). Oman was also concerned by the lack of clarity in India's measures and notifications, and the process for allocating import licences which appeared to be inconsistent with Article 3 of the Agreement governing non-automatic import licensing schemes. India maintained a WTO inconsistent quota on imports of marble and considered that its import restrictions were justified on environmental grounds. However, it had neither clearly identified what precise environmental harms or risks were associated with imports of marble nor explained how import restrictions might be the least trade restrictive way of addressing those concerns. Omani exports to India were finished marble products and therefore would not give rise to any environmental concerns in India.

1.29. Concerns also related to the use of minimum prices for imports of marble. These could be inconsistent with both Article XI of GATT 1994 and the Customs Valuation Agreement (CVA). According to India, the use thereof was to ensure the quality of goods. However, this was not a

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<sup>6</sup> Circulated in document G/LIC/Q/IND/21, which will be considered at the next meeting.

legitimate basis for imposing such prices. Oman called on India to clarify the relationship between the goal of ensuring the quality of imported goods and the alleged environmental protection objective. She was confident that the issue would be solved in this Committee.

1.30. The delegate of the United States stated that their concerns were similar to those raised by Turkey in respect of other products subject to import licensing requirements in India, such as boric acid. At the meeting of 14 October 2011, the US had reiterated its request to India that instead of referring Members to its general DGFT website, India provide a list of products subject to automatic licensing requirements and another one on products subject to non-automatic licensing requirements. India should also provide copies of its regulations as required by Article 1.4(a) of the Agreement on Import Licensing Procedures.

1.31. Like Turkey, her delegation was also interested in India's clarification on how the import licensing restriction on marble and similar stones alleviated the concerns regarding "safety, security or the environment". In this regard she sought clarification on the following: (i) how India regulated internal processing of marble and similar stones regarding safety, security and the environment when, according to Turkey's statement, India was the second largest granite exporting country in the world; particularly, whether India imposed similar measures on domestic sandalwood, marble and stones; (ii) if the administrative procedures used to implement the import licensing regime were in conformity with the relevant provisions of GATT 1994, as required by Article 1.2 of the Agreement on Import Licensing; (iii) if the administrative measure India intended to administer through its IL regime was a quota system; and (iv) explanation of the WTO legal basis to justify the use of a licence fee to establish a floor price.

1.32. The delegate of India recalled that, as announced by the Chairperson, India had submitted its replies to the Secretariat before the start of the meeting. The products covered by HS code 25151220 and 25151290 were restricted for imports as per Chapter 25 of Schedule I- Import Policy under ITC (HS) 2012. The procedure to import such restricted items was contained in paragraph 2.36 of the Handbook of Procedure (Vol.-I) which was available on the website <http://www.dgft.gov.in>. He requested the US and Oman to send their questions in writing so that he could convey them to his capital. The Committee took note of the statements made.

1.33. The Committee took note of the statements made.

1.34. The Chairperson drew the Committee's attention to document G/LIC/Q/BRA/16, which was pending since the last meeting and which contained questions from Switzerland to Brazil on its RADAR import authorization system.

1.35. The delegate of Switzerland stated that the questions posed by his delegation to Brazil referred to the RADAR import system which was a burdensome authorization system.

1.36. The delegate of the United States had the same questions as Switzerland. The US also had concerns about Brazil's SISCOMEX system and the lack of transparency regarding Brazil's import licensing procedures. The Committee took note of the statements made.

1.37. The delegate of Brazil informed the Committee that the written replies to the questions from Switzerland were being prepared by his authorities and would soon be submitted. The RADAR system was not an import licensing procedure, but rather a risk-management system which allowed the Brazilian customs administration to monitor trade operations and identify those that could pose higher risks from a CISCO perspective. He indicated that in the context of the RADAR system, any company could apply for registration without limitation on the amount of imports. However, to apply for the RADAR registration system a company had to provide information to the customs administration demonstrating its capacity to operate foreign trade.

1.38. The Committee took note of the statements made.

1.39. The Chairperson drew the Committee's attention to document G/LIC/Q/VNM/3 containing the responses from Viet Nam to the questions posed by the United States in G/LIC/Q/VNM/2 on Viet Nam's notification and further modification of its import licensing regime. In August 2012, Viet Nam had issued Circular No. 23/2012/TT-BCT on certain steel products. Procedures therein were more complicated than what could be considered an automatic import licence. She asked

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when Viet Nam intended to notify this regulation and to provide Members an opportunity to examine and discuss it. Overall, Viet Nam was asked to fully explain its import licensing requirements, including its responses to the 2012 Questionnaire.

1.40. The delegate of the United States thanked Viet Nam for notifying the Circulars questioned by her delegation at the last meeting of the Committee; however, there was still some confusion as to which legislations had or had not been notified, and which ones had not been notified but were yet being implemented. Concerning notification G/LIC/N/1/VNM/1, it was unclear what exactly Viet Nam was notifying. There was a vague reference to Circular 24 and an offer to provide the "English translated version of the legislation"; but the legislation was not identified anywhere in the notification. Her delegation had requested and received the legislation from the Secretariat (Market Access Division). However, the list of products "specified in attached appendix No. 01" was missing, as were all of the appendices cited in the Circular. Thus, concerns remained not only on the procedures contained in Circular 24 and the need thereof, but also the consistency of the import licensing requirement that Viet Nam was implementing with the GATT 1994. The Committee took note of the statements made.

1.41. The US had asked Viet Nam about any other changes to its import licensing regime since its accession, but there had been no answer. Circular No. 14/2011/TT-BTTTT (Circular 14) was issued on 7 June 2011, replacing the earlier Circular No. 02/2006/TT-BBCVT dated 24 April 2006 (Circular 02). Circular 14 which established a number of procedural and financial barriers to the importation of mobile phones, was set to come into effect on 1 August, 2011 but had not been notified. She asked when Viet Nam intended to notify this Circular and what the relationship was with Circular 32 that also addressed telephones.

1.42. In August 2012, Viet Nam had issued Circular No. 23/2012/TT-BCT on certain steel products. Procedures therein were more complicated than what could be considered an automatic import licence. She asked when Viet Nam intended to notify this regulation and to provide Members an opportunity to examine and discuss it. Overall, Viet Nam was asked to fully explain its import licensing requirements, including its responses to the 2012 Questionnaire.

1.43. The delegate of the European Union, supported the statement by the US and welcomed Viet Nam's recent decision to temporarily suspend the automatic import licensing system in Circular 24. Nevertheless, she encouraged Viet Nam to withdraw entirely this measure so as to build a stable and predictable trading environment for economic operators. She also invited Viet Nam to notify all its measures currently in force such as Circulars 22, 23, 31 and 42 in order to give a full overview of its import licensing requirements which still remained unclear.

1.44. The Committee took note of the statements made.

## **2 INDIA'S RESPONSES TO THE QUESTIONS POSED IN DOCUMENT G/LIC/Q/IND/19 – REQUEST BY THE UNITED STATES**

2.1. The Chairperson informed the Committee that in a communication dated 18 April 2012, the Secretariat was requested to include in the agenda the following item: "India's responses to the questions posed in document G/LIC/IND/19 – Request by the United States". India had submitted its responses in writing just before the meeting<sup>7</sup>.

2.2. The delegate of the United States indicated that her delegation had not had the opportunity to consider India's responses and therefore could have further questions. The situation for boric acid had not changed since 2008 when her delegation had first raised this issue in the Committee, nor had India provided a satisfactory response during the last five years. The US hoped that India would resolve this longstanding trade barrier and, in this vein, rather than repeating its questions, her delegation wanted confirmation from India that it would work together with the US, at the WTO and also bilaterally, towards identifying the action needed to allow entry of US boric acid into the Indian market. The US requested clarification on the following: (1) whether US exporters had failed to meet any entry requirements under Indian law; (2) if so, what the requirements were as well as the documentation, and to which governmental agency such documentation would have to be submitted and, (3) how India would ensure that importers of boric acid had access to the same

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<sup>7</sup> Circulated in document G/LIC/Q/IND/22, which will be considered at the next meeting.

distribution channels as domestic boric acid producers who could sell directly to distributors rather than to end-users only.

2.3. The delegate of Turkey recalled that at the last meeting of the Committee his delegation had joined the US on the concerns expressed over India's import licensing regime applied to boric acid. Turkey was particularly interested in the responses to the following: the scientific evidence which led the Indian authorities to classify boric acid as hazardous chemical; the reason for requiring registration of non-insecticidal boric acid imports to the Central Insecticides Board (CIB); whether domestic producers of boric acid were also subject to similar requirements when supplying the domestic market. In this vein, he indicated that the judgement of the "High Court of Kerala", dated 15 February 2012, stated that importers were required to fulfil an impractical condition as they were obliged to apply for registration by the CIB for imports of boric acid whose use was other than an insecticide; this condition was found arbitrary, unreasonable and in violation of fundamental rights of the importers. He requested India to clarify whether at the end of the licencing process, importers were allocated the amount of boric acid they had applied for, or if it was the responsible authority that determined the amount to be imported.

2.4. The delegate of India recalled that India's responses had been submitted before the start of the meeting and that boric acid was a multi-use product with one of its most important use being that of an insecticide. Its imports were regulated under the Insecticide Act, 1968 and further by Orders issued by the Department of Agriculture and Cooperation under File No. 17-2/2004-PP-I (Vol. VI) dated 26 August, 2005 and 31 July, 2006. All the procedures and relevant information concerning the importation of boric acid were available on India's official website.

2.5. The Committee took note of the statements made.

### **3 THAILAND - IMPORT LICENSING PRACTICES FOR MARBLE AND SIMILAR STONES – STATEMENT BY TURKEY**

3.1. The Chairperson informed the Committee that in a communication dated 23 August 2012, the Secretariat was requested to include in the agenda the following item: "Thailand - Import Licensing Practices for Marble and Similar Stones - Statement by Turkey".

3.2. The delegate of Turkey stated that as a country endowed with almost 40% of the world's natural stones reserves, Turkey had a major interest in the mining sector so as to ensure that its exporters traded under fair conditions as prescribed by the WTO rules. Turkey ranked 28th among 132 countries in terms of production value and the mining sector had a share of 2.9% of the country's total exports. Turkey had a substantial interest in the trade of natural stones since its exports of "cut or sawn marble" to Thailand corresponded to 0.02% in 2011; while those of "crude marble" amounted to 0.7%. Following recent reports received from Turkish exporters, his authorities were carefully examining Thailand's import licensing systems.

3.3. The report prepared by the Secretariat for Thailand's Trade Policy Review (TPR) showed that imports into Thailand of crude and processed marble had been subject to import licensing since 1999. The last TPR Report also cited marble (2515) and "worked monumental or building stone (6802)" to be among the products subject to import licensing and prohibitions. In both cases the IL measure was considered as non-automatic whose rationale was to encourage and protect domestic industry. "Worked monumental or building stone" were also cited among the products subject to import licensing in Thailand's notification under Article 5 of the Agreement, but crude marble had not been mentioned among these products.

3.4. During bilateral consultations both in Bangkok and Geneva, Thailand had indicated that the rationale of its system was for safety and environmental controls and accordingly licensed products also had to comply with restrictions on cutting and processing so as to ensure the adequacy and sustainability of local manufacturing. Turkey wanted to know whether it was only the HS Code 6802 or both 6802 and 2515 that were currently subject to the import licensing system. Thailand was asked to provide the legislation currently in force regarding the import licensing regime on these products, the rationale thereof and indicate if such legislation had been notified to the WTO. If the rationale was for safety and environment controls, reliable scientific data should be provided. Explanations were also requested on the procedures, criteria and time for acquiring



an import licence, whether there were similar requirements imposed on domestic producers of crude and processed marble. Turkey requested written responses from Thailand to its questions.

3.5. The delegate of the European Union stated that her authorities had also received complaints from their industry over Thailand's current import licensing regime on marble and similar stones. The EU was also interested in receiving clarification from Thailand as regarded the reason and objective of the restrictions, and reminded Thailand of its past statements when it committed itself to eliminate import restrictions on marble and similar stones and implement a new system to open up its market. She invited Thailand to comply with its WTO obligations.

3.6. The delegate of the United States shared the concerns of other speakers. Their statements demonstrated that transparency should be emphasized in the Committee. She invited Thailand to notify its practices without further delay.

3.7. The delegate of Thailand informed the Committee that the agency responsible for imports of marble and stones had been in contact with the Turkish delegation with a view to accommodating its trade concerns. Statistics showed the importance that exports of marble and similar stones had for Turkey. During the period 2009 - 2011, the global export of such products had significantly increased. Turkish exports of such products to Thailand had experienced a similarly positive trend.

3.8. The Committee took note of the statements made.

3.9. The delegate of the European Union stated that following the notification in document G/LIC/N/3/AUS/5 her delegation had submitted written questions to Australia<sup>8</sup> and hoped to receive written responses thereto. In response, the delegate of Australia informed the Committee that her capital had sent the responses to the EU and that they would soon be distributed. The delegate of the EU requested that these questions and responses be included in the agenda of the next meeting.

3.10. The Committee took note of the statements made.

## 4 NOTIFICATIONS

### 4.1.1 Notifications under Articles 1.4(a) and/or 8.2(b) of the Agreement (publications and/or legislation)

4.1. The Chairperson recalled that Articles 1.4(a) and 8.2(b) and notification procedures, as had been agreed by the Committee<sup>9</sup>, required all Members to publish their laws, regulations and administrative procedures, and notify these to the Committee upon becoming a WTO Member, together with copies of any relevant publications or laws and regulations. Any subsequent changes to these laws and regulations were also required to be notified. He informed the Committee that under these provisions and since the last meeting, seven notifications<sup>10</sup> had been received from seven Members. He thanked Viet Nam for having submitted its first notification under Articles 1.4(a) and 8.2(b).

4.2. The Committee took note of the notifications.

### 4.1.2 Notifications under Article 5 of the Agreement (new import licensing procedures, changes to existing licensing procedures and reverse notifications)

4.3. The Chairperson recalled that under paragraphs 1 to 4 of Article 5, Members who had instituted licensing procedures or changes in these procedures, were required to notify the Committee within 60 days of the publication of these procedures. Paragraph 2 of Article 5 listed the information that should be included in such notifications. Members also had to submit copies of the publications in which the information was published. Furthermore, paragraph 5 of Article 5 provided the possibility of making counter-notifications, where a Member considered that another

<sup>8</sup> See documents G/LIC/Q/AUS/1 and G/LIC/Q/AUS/1/Corr.1.

<sup>9</sup> G/LIC/3.

<sup>10</sup> Documents G/LIC/N/1/ALB/4; G/LIC/N/1/ISR/2; G/LIC/N/1/MAC/4; G/LIC/N/1/TPKM/7; G/LIC/N/1/TTO/2; G/LIC/N/1/TUR/10; and G/LIC/N/1/VNM/1.

Member had not notified a licensing procedure or changes therein, in accordance with paragraphs 1-3 of Article 5. He informed the Committee that there were fourteen notifications listed in the airgram submitted by six Members<sup>11</sup> under this provision. He also informed the Committee that a notification submitted by Argentina under this provision and circulated after the airgram was issued, would be considered at the next meeting<sup>12</sup>. He thanked Viet Nam for submitting its first notification under this provision.

4.4. The Committee took note of the notifications.

#### **4.1.3 Notifications under Article 7.3 of the Agreement (Replies to the questionnaire on Import Licensing Procedures)**

4.5. The Chairperson informed the Committee that there were thirty notifications received under Article 7.3 of the Agreement from 28 Members as listed in the airgram.<sup>13</sup> He thanked Nepal and Paraguay for submitting their first notifications under this provision. He opened the floor for comments on the notifications.

4.6. The delegate of the European Union reiterated her request that Australia's responses to the EU's written questions be considered at the next meeting.

4.7. The Committee took note of the notifications and the statements made.

### **5 DRAFT REPORT (2012) OF THE COMMITTEE TO THE COUNCIL FOR TRADE IN GOODS**

5.1. The Chairperson said that the Committee was required to submit an annual report on its activities to the Council for Trade in Goods (CTG). A draft report to the CTG (document G/LIC/W/40/Rev.1) covering the activities of the Committee in 2011 had been circulated for the Committee's consideration. The information covered in the draft report, including its Annex, would be updated to reflect the notifications received up to the date of the meeting and the outcome of the discussion at this meeting.

5.2. There were no substantive comments on the draft report. The Committee agreed to adopt the report, subject to the update. The revised report was circulated as document G/L/1011.

### **6 NINTH BIENNIAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT UNDER ARTICLE 7.1**

6.1. The Chairperson recalled that Article 7.1 of the Agreement provided that "the Committee shall review as necessary, but at least once every two years, the implementation and operation of this Agreement, taking into account the objectives thereof, and the rights and obligations contained therein" and that the Eighth Biennial Review of the Implementation and Operation of the Agreement had taken place in October 2010. He referred to the background document G/LIC/W/41 and G/LIC/W/41/Corr.1 prepared by the Secretariat on its own responsibility and for the Committee's consideration, covering the period 30 October 2010 to 29 October 2012. The document as well as the annexes would be updated to take into account the discussion at the present meeting. This report would be circulated in the G/LIC/- series.

6.2. The Chairperson also informed Members that he would hold informal consultations on how the Tenth Biennial review could be a more proactive and dynamic process. This would be an opportunity to inter alia update the notification procedures adopted in October 1995, take stock of the suggestions made by Chairpersons concerning the responses to the Annual Questionnaire; and

<sup>11</sup>Documents G/LIC/N/2/ARG/25; G/LIC/N/2/IDN/4 - 12; G/LIC/N/2/ISR/2; G/LIC/N/2/MYS/5; G/LIC/N/2/THA/3; and G/LIC/N/2/VNM/1.

<sup>12</sup> Document G/LIC/N/2/ARG/4/Add.1/Rev.1/Suppl.1.

<sup>13</sup>Documents G/LIC/N/3/AUS/5; G/LIC/N/3/BRB/6; G/LIC/N/3/HRV/7; G/LIC/N/3/EU/1; G/LIC/N/3/EU/1/Add.1; G/LIC/N/3/HND/7; G/LIC/N/3/HKG/16; G/LIC/N/3/ISR/2; G/LIC/N/3/JPN/11; G/LIC/N/3/MLI/3; G/LIC/N/3/MAC/15; G/LIC/N/3/NPL/1; G/LIC/N/3/NZL/2; G/LIC/N/3/NIC/4; G/LIC/N/3/NOR/7; G/LIC/N/3/PAN/3; G/LIC/N/3/PRY/1; G/LIC/N/3/PER/8; G/LIC/N/3/QAT/9; G/LIC/N/3/SGP/8; G/LIC/N/3/ZAF/5 and G/LIC/N/3/ZAF/5/Corr.1; G/LIC/N/3/CHE/8; G/LIC/N/3/THA/5; G/LIC/N/3/TPKM/3; G/LIC/N/3/TTO/10; G/LIC/N/3/TUR/12 and G/LIC/N/3/TUR/12/Corr.1; G/LIC/N/3/UKR/5; G/LIC/N/3/USA/9; and G/LIC/N/3/URY/6 and G/LIC/N/3/URY/6/Add.1.

adopt guidelines on the electronic submission of attachments such as copies of laws, regulations and administrative orders.

6.3. The Committee took note of the information and agreed to adopt the report as updated.<sup>14</sup>

## **7 OTHER BUSINESS**

### **7.1.1 Report by the Chairperson on the informal consultations**

7.1. The Chairperson referred to the informal consultations that had taken place prior to the regular meeting, and recalled that in April 2012 the Secretariat was asked to prepare, for Members' consideration, a draft notification form to facilitate Members' responses to the annual questionnaire contained in G/LIC/3 as provided for in Article 7.3 of the Agreement, and a draft text on the use of electronic versions of attachments to notifications submitted under the different provisions in the Agreement. With regard to the former, he indicated that during the informal consultation, delegations made several comments on the proposed form, its benefits and appropriateness, and that a revised form which included comments and suggestions from Members would be circulated and discussed again in the context of an informal consultation to be held in due course. As regarded the draft text on the use of electronic attachments, the Secretariat continued with internal consultations with a view to finding the best procedures for processing such attachments and additional information.

7.2. The Committee took note of the information.

### **7.1.2 Dates of the next meetings**

7.3. The Chairperson informed the Committee that the Secretariat had tentatively reserved Monday, 22 April 2013 and Tuesday, 22 October 2013<sup>15</sup> for the next meetings of the Committee on the understanding that additional meetings would be convened if necessary.

7.4. The Committee took note of the information.

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<sup>14</sup> The final report was circulated as document G/LIC/24.

<sup>15</sup> In light of the forthcoming 9th Ministerial Conference, the meeting initially scheduled to take place on Monday, 22 October will now take place on Friday, 11 October 2013.