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Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 21 APRIL 2015

CHAIRPERSON: MR JUHA NIEMI (FINLAND)

The Committee on Import Licensing held its forty-third meeting on 21 April 2015. Vice-Chairperson Mr. Juha Niemi (Finland) chaired the meeting as a result of the re-posting in March 2015 of Chairman Mr Tsotetsi Makong (Lesotho). The agenda proposed for the meeting, circulated in document WTO/AIR/LIC/1/Rev.1, was duly adopted.

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

1.1. The Chairman informed the Committee that, since the last meeting and up to and including 14 April 2015, a total of **33** notifications had been received, including **7** notifications under Article 1.4(a) and/or 8.2(b); **10** under Article 5; and **16** notifications under Article 7.3. All of them had been listed in the airgram for the Committee's consideration. In particular, he congratulated Montenegro and Saint Vincent and the Grenadines for submitting their first ever notifications to the Committee. The notification (G/LIC/N/3/VCT/1) from Saint Vincent and the Grenadines would be considered at the Committee's next meeting.

1.2. With regard to notifications under Article 5, the Chairman informed the Committee that, since the last meeting, 10 notifications from 7 Members had been received and were included in the meeting's agenda for the Committee's consideration, including the first N/2 notification from Sri-Lanka. In this regard, he reminded Members to respect the timeline requirements of this provision and to notify the Committee of any new import licensing procedures or changes to existing procedures within 60 days of their introduction.

1.3. In addition, he brought Members' attention to the following: (1) Members who did not apply import licensing procedures or had no laws or regulations relevant to the Agreement were nevertheless required to notify the Committee of this fact; (2) N/1 and N/3 notifications were distinct obligations under this Agreement and served different purposes, they were not interchangeable or optional. Therefore, Members who had provided information concerning their laws and regulations with regard to import licensing in N/3 notifications were also kindly requested to submit separate N/1 notifications. In this respect, the Secretariat was available to help Members who still needed to complete their N/1 notifications, on a bilateral basis; (3) Article 7.3 of the Agreement obliged all Members to complete the Questionnaire on Import Licensing Procedures on a yearly basis and to submit it to the Committee by 30 September each year, as established in document G/LIC/3.

1.4. For the Committee's information, the Chairman noted that, as of 21 April 2015, **14** Members had not submitted any notification under any provision of the Agreement since joining the WTO. **27** Members had not submitted N/1 notifications under Articles 1.4(a) and/or 8.2(b) and **23** Members had never submitted their replies to the Questionnaire under Article 7.3. He emphasized that transparency was one of the key pillars of this Agreement. In this context, he encouraged Members whose notifications were overdue, in particular the Least Developed Countries (LDCs), to request for specific WTO technical assistance and, in doing so, to involve those officials from their national authorities who enacted and administered import licensing procedures. In this regard, he would report to the Committee on his informal consultations with some Members in more detail under Agenda Item 8.

1.5. The Committee took note of the statement made.

2 QUESTIONS AND REPLIES FROM MEMBERS ON SPECIFIC TRADE CONCERNS

Six documents containing questions on the licensing regimes maintained by other Members and six documents containing responses to written questions were reviewed in the meeting.

2.1 Questions from the EU to Angola (G/LIC/Q/AGO/1)

2.1. The representative of the European Union noted that the EU had recently submitted a set of questions to Angola seeking additional clarification on Angola's import procedures established by the Joint Executive Decree No. 22/15 of 23 January 2015, which seemed to set up a discretionary/non-automatic licensing system for out-of-quota importation of certain products.

2.2. She asked Angola to provide written replies to the following questions: (1) Whether the Decree was already in force and whether the relevant import procedures had been adopted and published, as well as more detailed information on the procedures to be followed by traders? (2) How to obtain detailed information both on the licence certificate and on the programme contract as required by Article 10.3 of the Decree? (3) How Angola would ensure that the import licensing procedures were applied neutrally and administered fairly and equitably, taking into account the provision contained in Article 6 of the Decree that reserved parts of the quotas to medium and large-scale national producers?

2.3. The representative of the United States shared the concern raised by the European Union.

2.4. The Committee took note of the statements made.

2.2 Questions from the EU to India (G/LIC/Q/IND/24)

2.5. The representative of the European Union thanked India for its replies to their questions of December 2013, submitted on 17 March 2015. However, the EU considered that India had failed to give sound justifications on the necessity for India to restrict imports of marble and marble products on quality, safety, security, and environmental grounds.

2.6. She recalled that this was an issue which the EU had been raising, along with other trade partners, for quite some time. Although fully convinced that countries could take measures whose objective was safety, security, and protection of the environment, the EU was still unclear as to how the import of marble and marble products put the conservation of Indian natural resources at stake; or how it posed safety, security, and environmental concerns in India, and how such issues were handled with regard to India's domestic natural stone and stone processing industry.

2.7. In particular, she called upon India to provide exact references to its domestic measures that aimed to have a similar impact on marble and similar stones, on quality, safety, security, and environmental grounds. In addition, the EU sought India's clarification as to how its import licensing and quota system, as applied to imports, could be justified from the point of view of the conservation of its domestic exhaustible natural resources, bearing in mind that imports of foreign marble into India did not affect the depletion of marble resources in India and, to an even greater extent, that restrictions on imports could trigger additional domestic production and an increased use of Indian natural resources.

2.8. Furthermore, noting that India justified the quantitative restrictions on the importation of marbles on security grounds, the EU representative asked India to explain how and on what basis India fixed the annual quota amount. She argued that India's reply failed to address its questions, included in the follow-up EU questions circulated in document G/LIC/Q/IND/24 on 10 March 2015, on the impact of the delay of the notification for the financial year 2014-2015 and in particular, the changed licensing period. The EU looked forward to receiving India's written replies to its questions.

2.9. In response, the representative of India thanked the delegation of the EU for their continued interest in India's import licensing policy and, in particular, the policy for marble and similar stones. He reiterated that marble and similar stones were restricted for import to India due to reasons of "conserving exhaustible natural resources", which was covered under Article XX(g) of GATT 1994. He further highlighted that not only imports but also domestic marble mining was subject to licensing and production control due to environmental concerns, as well as judicial pronouncements by Indian courts in this regard.

2.10. He explained that the quantitative restriction had been progressively relaxed from 300,000 metric tons (MT) in 2010 to 500,000 MT in 2011 and 600,000 MT in 2012. In the latest notification, No. 99(RE-2013)/2009-2014, dated 20 November 2014, the annual overall ceiling had been further increased from 600,000 MT to 800,000 MT.

2.11. He indicated that India had responded to all questions posed by interested delegations in the past and that its replies were contained in WTO documents G/LIC/Q/IND/18 (13 October 2011), G/LIC/Q/IND/21 (1 November 2012) and G/LIC/Q/IND/25 (17 March 2015). He confirmed receipt of the new set of questions from the EU in document G/LIC/Q/IND/24, dated

10 March 2015, on which his capital was consulting with the authorities concerned, and to which replies would be provided in due course.

2.12. The representative of the United States expressed concerns on the issue similar to those raised by the EU.

2.13. The Committee took note of the statements made.

2.3 Question from the EU to Nigeria (G/LIC/Q/NGA/2)

2.14. The representative of the European Union thanked Nigeria for the information submitted as a follow-up from the previous meeting of this Committee. The EU considered that Nigeria had failed to clarify the grounds on which importers were selected, and which importers were actually receiving licences.

2.15. She reiterated the EU's concerns with the new Guidelines and Policy Directives currently applied by the Nigerian Government to the importation of fish and fish products. In this regard, the EU had recently submitted a set of questions to Nigeria seeking detailed information on the import procedures in place for the importation of frozen fish.

2.16. She referred to Nigeria's submission of last October in which Nigeria claimed that the new Fish Import policy was still at the formulation stage. She asked Nigeria to update the Committee on the state of play of this measure, and invited Nigeria to submit detailed replies to the EU's questions, in particular clarifying where foreign governments and traders could find all relevant information relating to the application of these licensing measures, including source of information and legal basis; the procedures for submission of applications, the eligibility of applicants, the administrative body to be approached, the basis for granting a licence, the appeals procedures, and the period required for processing of applications.

2.17. In response, the representative of Nigeria thanked the EU for the questions. He informed the Committee that he had no further update on the issue at this stage, as the stakeholders were meeting in capital, as was his Ambassador. He expected that his delegation would have a clearer picture of the state of affairs on this issue by the time his Ambassador returned. He reiterated that, at least for the time being, it was very difficult to answer questions as to whether or not the measures were already in place.

2.18. The representative of the United States supported the European Union; Iceland; Norway; and Uruguay, in urging Nigeria to clarify the import licensing restrictions it had in place or was contemplating for fish products. He noted that the United States had heard reports that there might be a quota system for fish that would soon be implemented and he welcomed any further details on this aspect of the issue.

2.19. The representative of Norway echoed the concerns of the EU in this matter and considered the questions submitted by the EU in document G/LIC/Q/NGA/2 to be timely and appropriate. Norway looked forward to examining Nigeria's written responses to these questions.

2.20. The Committee took note of the statements made.

2.4 Replies from Turkey to the EU (G/LIC/Q/TUR/8) and additional questions from the EU to Turkey (G/LIC/Q/TUR/9)

2.21. The Chairman noted that documents G/LIC/Q/TUR/8 and G/LIC/Q/TUR/9 were closely related and proposed that they be reviewed together.

2.22. On document G/LIC/Q/TUR/9, the representative of the European Union thanked Turkey for their replies to the EU's questions and highlighted that the EU had submitted an additional set of questions on 17 February 2015, seeking further clarification with regard to three specific import licensing regimes, namely: (1) the surveillance licence regime; (2) the old, second-hand, and renovated goods regime; and (3) the non-fuel petroleum products regime. She wondered why these licensing regimes were not presented in Turkey's annual notification and looked forward to receiving detailed replies to all their questions.

2.23. The representative of Turkey recalled that Turkey had answered the questions from the EU in document G/LIC/Q/TUR/8, which was circulated by the Secretariat in October 2014. Referring to follow-up questions from the EU, he informed the Committee that his capital had provided answers for questions (1) and (3) yesterday, and that the answers to question (2) were still being worked on in capital. He confirmed that they would provide answers available currently to the EU and any other interested Member by e-mail after the meeting, and that, when all answers were complete, his delegation would send them to the Secretariat for circulation.

2.24. The Committee took note of the statements made.

2.5 Questions from the United States to Mexico (G/LIC/Q/MEX/1)

2.25. The representative of the United States thanked Mexico for its continued cooperation in addressing US concerns with regard to Mexico's import licensing requirement for steel products. He recognized and appreciated the fact that the approval process for import licences in Mexico had improved since it was first implemented. However, the United States continued to have concerns, particularly with the delays and additional costs that came as a result of needing to obtain a licence. He observed that most approvals still took longer than the time required to transport goods from the mill to the border, and that these delays had disrupted supply chains and imposed additional shipment/demurrage costs given that shipments had to remain at the border until licences were issued.

2.26. His delegation welcomed Mexico's efforts to establish an alternative scheme for steel import licensing and appreciated its continued cooperation so as to ensure that its efforts resulted in a truly automatic licensing system that did not disrupt legitimate trade. He hoped to continue bilateral communications with Mexico to resolve this issue and looked forward to Mexico's responses to its most recent questions.

2.27. The representative of Mexico thanked the United States of America for their interest in this issue and expressed willingness to continue work on and to resolve all concerns. He indicated that they were still working on the replies and would provide them as quickly as possible.

2.28. The representative of Canada registered Canada's interest in the questions submitted by the United States. He appreciated Mexico's cooperation in the ongoing bilateral work to address this issue. While recognizing that the approval rate under the system had greatly improved, he noted that it remained a fact that entry of goods was conditional upon presentation of specific information, and he encouraged Mexico to take steps to make its licensing system truly automatic.

2.29. The Committee took note of the statements made.

2.6 Questions from the United States to Viet Nam (G/LIC/Q/VNM/6)

2.30. The representative of the United States thanked Viet Nam for the submission of its Article 7.3 notification late last year. He pointed out that this notification seemed to cover only one class of products. However, it appeared that there might be other import licensing procedures covering certain other products also in place, as reflected in the Report of the Working Party on the Accession of Viet Nam to the WTO and, more recently, Viet Nam's trade policy review.

2.31. Furthermore, he highlighted that the United States continued to have concerns with regard to the import licensing requirements for distilled spirits, and looked forward to a response from Viet Nam to its previously submitted questions. While recognizing that the United States and Viet Nam had productive bilateral discussions on these topics and the capacity issues Viet Nam faced, the representative of the United States nonetheless encouraged Viet Nam to devote the time and resources necessary to meet their obligations in these areas.

2.32. The representative of Viet Nam took note of the questions from the United States, and hoped that responses from capital would be received and submitted to the Secretariat before the next meeting.

2.33. The representative of the European Union indicated that the EU shared the concerns expressed by United States of America and would also be interested in hearing the replies to the questions raised.

2.34. The Committee took note of the statements made.

2.7 Replies from Brazil to the EU on nitrocellulose (G/LIC/Q/BRA/19)

2.35. The representative of Brazil noted that they had given a summary of their oral reply at the last Committee meeting, and that the Secretariat had also circulated their written replies in document G/LIC/Q/BRA/19. Brazil therefore considered that the EU's questions had been comprehensively answered.

2.36. The representative of the European Union thanked Brazil for the replies submitted last November. However, the EU maintained its view that Brazil's import licensing procedures for nitrocellulose for industrial purposes represented a de facto ban, and that the situation for EU exporters of industrial nitrocellulose had not changed.

2.37. In particular, she noted that the non-automatic licensing regime established by Brazil was not a legitimate instrument to regulate trade and the use of this product for commercial purposes, such as printing inks, wood lacquer, or nail varnish. Industrial nitrocellulose with a content of less than 12.5% of nitrogen was a different product than nitrocellulose used for military purposes, which generally had nitrogen content of above 12.5%. She pointed out that Brazil was importing nitrocellulose for military purposes although the product cost about twice as much as industrial nitrocellulose. Therefore Brazil already acknowledged that industrial nitrocellulose and nitrocellulose for military purposes were different products.

2.38. She further highlighted the fact that the EU applied no restrictions on the import of industrial nitrocellulose and levied only very limited import duties. Therefore, the Brazilian producers of nitrocellulose acted as a monopolist supplier to their closed local market while benefiting from the EU's open market, which was a discrimination against EU competitors. The EU maintained that Brazil had failed to comply with the Agreement on Import Licensing and urged Brazil to remove its restrictions on the import of industrial nitrocellulose immediately, and notably the import licencing requirement.

2.39. The representative of Brazil thanked the EU for their continued interest in this subject. He noted that his delegation had not received any further question since their submission and thus he took note of the comments made today by the EU. He emphasized that Brazil did not share the view of the EU that industrial and military nitrocellulose were substantially and chemically different products except for the nitrogen concentration. He argued that, regardless of the nitrogen content, nitrocellulose posed risks to human health and, in this sense, the non-automatic licence regime was a legitimate instrument to regulate nitrocellulose trade and use in Brazil. He further noted that this subject had also been discussed bilaterally, and that it had been included in the agenda of the next meeting of the Brazil-EU Sub-Commission for Trade and Economic Issues that would take place in Brazil the following week.

2.40. The Committee took note of the statements made.

2.8 Replies from Ecuador to the EU (G/LIC/Q/ECU/8)

2.41. The representative of Ecuador stated that they had submitted written replies to the questions posed by the EU, as contained in document G/LIC/Q/ECU/8, and that his delegation was ready to clarify any issue or provide additional information on this subject bilaterally.

2.42. The representative of the European Union thanked Ecuador for their very detailed replies and confirmed that the EU did not have any additional question for Ecuador at this point.

2.43. The Committee took note of the statements made.

2.9 Relies from India to the EU (G/LIC/Q/IND/25)

2.44. The representative of India noted that this document was closely related to the matter covered in document G/LIC/Q/IND/24 and that therefore the intervention made by India in response to the EU's statement in the previous discussion might be taken on record also for this item.

2.45. The representative of the European Union confirmed that the EU position had been expressed under the previous agenda item when reviewing document G/LIC/Q/IND/24.

2.46. The Committee took note of the statements made.

2.10 Replies from Indonesia to the United States (G/LIC/Q/IDN/33/ADD.1)

2.47. The representative of Indonesia noted that they had submitted new replies to questions from the United States on 23 October 2014, circulated in document G/LIC/Q/IDN/33/Add.1, due to the fact that a wrong answer was provided mistakenly on the subject earlier.

2.48. The representative of the United States thanked Indonesia for the clarification on the addendum, which his capital was reviewing. He deferred his intervention on substance to Agenda Item 4.

2.49. The Committee took note of the statements made.

2.11 Replies from Nigeria to Iceland, Norway, and Uruguay (G/LIC/Q/NGA/1)

2.50. The representative of Nigeria noted that, during the last CTG meeting, the delegations of Norway, Iceland, Uruguay and Chile, had raised the same concerns, to which Nigeria had provided written answers. If the Members concerned were not satisfied with the responses provided by Nigeria they could provide follow-up questions in writing so that his Mission could transmit these to capital for further reflection. In this context, his delegation had not received any new written questions from those Members concerned.

2.51. The representative of Norway thanked Nigeria for providing written answers. He pointed out that Nigeria's last response indicated that its "new fish policy" was still at the formulation stage, and that Members had been informed of this several times and in different settings. However, he noted that an official document dated 9 March 2015 from the Office of the Honourable Minister of the Federal Ministry of Agriculture and Rural Development was addressed to fish importers and new investors in Nigeria. The document referred to "the new fish policy" and stated that "the Federal Ministry of Agriculture and Rural Development is in the process of determining the fish import quota allocations for the year 2015". In this context, Norway requested that Nigeria provide an update on the contents of the new fish policy, including where it was published, the quota introduced in the current year, and the accompanying guidelines mentioned in Nigeria's response last October. Furthermore, he asked whether a new ECOWAS Common External Tariff had been implemented in Nigeria and how this could affect Nigeria's WTO tariff commitment. He also sought clarification on how the mentioned measures would be in line with Nigeria's commitments under Articles XI and XIII of the GATT. He looked forward to receiving Nigeria's early reply.

2.52. The representative of Nigeria thanked Norway for bringing up this issue again. He noted that the letter had come from the Ministry of Agriculture and the Ministry of Trade would study the contents of the letter carefully to ensure that appropriate responses were provided as soon as possible. As for the ECOWAS CET, he was aware that it had come into force and the implementation process had started. However, in terms of the obligations and consistencies with WTO commitment, it would have to be looked into before they could respond appropriately. He confirmed that his government took the issue seriously and that his Ambassador was in the capital and was attending meetings among stakeholders. He would come back to the Committee as soon as they got a proper response.

2.53. The representative of Chile clarified that Chile did not join the concern on this occasion.

2.54. The Committee took note of the statements made.

3 NOTIFICATIONS

3.1 Notifications under Article 1.4(1) and/or Article 8.2(b) of the Agreement

3.1. The following seven N/1 notifications were reviewed at the meeting: Australia (G/LIC/N/1/AUS/2); Brazil (G/LIC/N/1/BRA/6); Cameroon (G/LIC/N/1/CMR/3); Mexico (G/LIC/N/1/MEX/6 and G/LIC/N/1/MEX/7); Montenegro (G/LIC/N/1/MNE/1); and Russia (G/LIC/N/1/RUS/5).

3.2. On document G/LIC/N/1/RUS/5, the representative of the Russian Federation explained that this notification reflected amendments to Resolution No. 228 of 24 March 2014, "*On measures of state regulation of consumption and turnover of ozone depleting substances*". Article 6 of this Resolution represented the obligations of juridical persons and individual entrepreneurs concerning turnover of ozone depleting substances. For reasons of governmental control, these obligations concerned only juridical persons and individual entrepreneurs whose operations were production, use, transportation, storage, recuperation, restoration, recirculation, and destruction. He pointed out that, according to the notification, such operations as "*transportation*" were removed from this list. In addition, the reporting form of (produced, used in storage, recuperated, restored, recirculated and destroyed) ozone depleting substances, turnover of which was the subject to state registration (Annex 1 to Resolution No. 228), had also been changed.

3.3. No comment was made on any of the other notifications.

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

3.2 Notifications under Article 5 of the Agreement

3.5. The following ten N/2 notifications were reviewed at the meeting: Australia (G/LIC/N/2/AUS/2); Brazil (G/LIC/N/2/BRA/6); Hong Kong, China (G/LIC/N/2/HKG/5 and G/LIC/N/2/HKG/6); Mexico (G/LIC/N/2/MEX/4, G/LIC/N/2/MEX/5 and G/LIC/N/2/MEX/6); Paraguay (G/LIC/N/2/PRY/4); Sri Lanka (G/LIC/N/2/LKA/1) and Viet Nam (G/LIC/N/2/VNM/2).

3.6. No comment was made on any of the notifications.

3.7. The Committee took note of the submissions.

3.3 Notifications under Article 7.3 of the Agreement

3.8. The Chairman noted that taking into consideration that the notification under Article 7.3 was an annual obligation, he invited Members to explicitly indicate "the year" at the beginning of their N/3 submissions, so as to help other Members and the Secretariat to identify the specific year to which the notification referred. In this regard, he encouraged Members to follow the practices of Australia, Canada, and China, as reflected in their latest N/3 notifications.

3.9. The following sixteen N/3 notifications were reviewed at the meeting, following the order set out in the airgram: Australia (G/LIC/N/3/AUS/7); Brazil (G/LIC/N/3/BRA/10); Canada (G/LIC/N/3/CAN/13); Chile (G/LIC/N/3/CHL/8); China (G/LIC/N/3/CHN/13); the European Union (G/LIC/N/3/EU/3); Liechtenstein (G/LIC/N/3/LIE/8); Malaysia (G/LIC/N/3/MYS/10); the Republic of Moldova (G/LIC/N/3/MDA/3); Montenegro (G/LIC/N/3/MNE/1); Nepal (G/LIC/N/3/NPL/2); Panama (G/LIC/N/3/PAN/6); Paraguay (G/LIC/N/3/PRY/4); Singapore (G/LIC/N/3/SGP/10); Trinidad and Tobago (G/LIC/N/3/TTO/12) and Zimbabwe (G/LIC/N/3/ZWE/4/Rev.1).

3.10. With regard to document G/LIC/N/3/MDA/3, the representative of the European Union expressed appreciation for the efforts undertaken by Moldova in order to submit the outstanding notifications and she informed the Committee that the EU was assessing the notification and might revert to Moldova with written questions at a later stage.

3.11. No comment was made on any of the other notifications.

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

4 INDONESIA'S IMPORT LICENSING REGIME FOR CELLPHONES, HANDHELD COMPUTERS, AND TABLETS - STATEMENT BY THE UNITED STATES OF AMERICA

4.1. The Chairman informed the Committee that this agenda item was included in the agenda at the request of the United States in a communication dated 8 April 2015.

4.2. The representative of the United States stated that the U.S. continued to have serious concerns with Indonesia's import licensing regime and in particular the import licensing requirements for cell phones, handheld computers, and tablets. He emphasized that the US continued to raise these concerns in this Committee in the hope that Indonesia would engage with the US on these issues and address its concerns satisfactorily.

4.3. Recognizing that Indonesia had responded to previous sets of questions with regard to these import licensing requirements, the US representative noted that serious outstanding issues remained, arguing that, based on certain provisions of the legal measures at issue–specifically Article 8A of the Ministry of Trade Regulation 38 of 2013, as well as further information they had gathered, the US suspected that these import licensing requirements were being used to reduce imports and force local manufacturing, for which the Ministry of Industry of Indonesia appeared to be reducing import quantities of these products apparently to incentivize companies to submit plans for local manufacturing in accordance with the Ministry of Trade Regulation 38.

4.4. He indicated that this situation was disturbing on two levels. First, because it appeared retroactively to impose local manufacturing requirements on licences issued prior to the adoption of the Ministry of Trade Regulation 38 in 2013. Second, the US questioned how quantitative restrictions and local manufacturing requirements could be WTO-consistent provisions of an import licensing regime.

4.5. While understanding and supporting Indonesia's desire to develop its economy and increase employment, the US expressed concerns regarding the approaches which Indonesia sought to achieve these goals, by using import licensing procedures to impose quantitative restrictions and local manufacturing.

4.6. He further requested Indonesia to provide any additional specific information regarding the amendments which the Ministry of Trade might be undertaking on its import licensing regulations for the products at issue and encouraged Indonesia to ensure that its import licensing requirements were consistent with the Import Licensing Agreement.

4.7. Finally, he emphasized that the relevant industry in this situation was a very important one to the United States and the global economy. The issue was quite serious and the import licensing requirements at issue were beginning to have a distortive effect on trade and investment in the region. Furthermore, the US believed that the import licensing requirements undermined the purpose and objectives of the WTO Information Technology Agreement for the relevant products.

4.8. The representative of Indonesia asked the US delegation to provide written questions so that she could forward these to her capital for response. She reiterated that the aim of this regulation was not to restrict imports but to protect consumers. In addition, she observed that the imports of cell phones into Indonesia had been increasing year by year, and mainly from the US; the EU; Japan; Korea; and other Members, and that this trend was continuing.

4.9. The representative of Chinese Taipei echoed the comment made by the US and emphasized that the IT products concerned were of great trade interest to its industry.

4.10. The representative of Japan supported the US remarks, indicating that Japan shared the concern mainly from a systemic perspective, and looked forward to Indonesia's explanation of the consistency of these measures within the WTO Agreements.

4.11. The representative of the United States thanked the delegate of Indonesia for her preliminary response and expressed their confusion with regard to her argument linking local manufacturing facilities with consumer protection.

4.12. The Committee took note of the statements made.

5 INDIA - IMPORT LICENSING REQUIREMENTS FOR BORIC ACID - STATEMENT BY THE UNITED STATES OF AMERICA

5.1. The Chairman informed the Committee that this item was included in the agenda at the request of the United States in a communication dated 8 April 2015.

5.2. The representative of the United States stated that the US had for quite some time been concerned with India's import licensing requirements for boric acid, particularly with respect to the burdensome end-use certificates necessary for importation. His delegation appreciated the answers provided by India with respect to this issue. He also acknowledged that the two sides had been able to discuss the issue during US-India bilateral Trade Policy Forum.

5.3. He further noted that the US appreciated the additional information provided as to which central government entities could issue the end-use certificate necessary for import, and had found the information available on the Central Insecticide Board and Registration Committee website to be transparent and useful. However, the US continued to have questions on the registration process concerning the involvement of sub-central entities in the approval process, the length of time for the approval process, and the limited quantities that appeared to be approved for import. While still having issues and questions on the overly burdensome end-use certification requirements for the importation of boric acid which impeded US boric acid exporters from exporting to India, the US looked forward to continuing bilateral communications with India to resolve this issue.

5.4. The representative of India thanked the US delegation for its continued interest in the issue. He noted that India had already responded to all questions posed by the interested delegations in the past.

5.5. These replies were contained in WTO documents G/LIC/Q/IND/12 (dated 8 October 2008), G/LIC/Q/IND/14 (dated 30 September 2009), G/LIC/Q/IND/16 (dated 1 November 2010), and G/LIC/Q/IND/22 (dated 1 November 2012). He pointed out that these responses properly explained the policy objectives of the measure as well as issues relating to its implementation. As a result, in the meeting of this Committee held on 29 October 2012, the delegation of the United States had expressed its desire to take the matter up bilaterally with India. The two capitals had engaged bilaterally on 27 August 2014 and 8 April 2015. In these meetings, the Indian side responded to all the issues raised and supplied the documents requested. India hoped that the bilateral discussions would help address the concerns expressed on this subject.

5.6. The Committee took note of the statements made.

6 BANGLADESH - IMPORT LICENSING PROCEDURES - STATEMENT BY THE UNITED STATES OF AMERICA

6.1. The Chairman informed the Committee that this agenda item was included in the agenda at the request of the United States in a communication dated 8 April 2015.

6.2. The representative of the United States pointed out that the Secretariat had circulated the most recent questions from the United States to Bangladesh on 21 February 2014, in document G/LIC/Q/BGD/5, and that his delegation had not received any written reply so far. He asked when they might expect to receive a response from Bangladesh.

6.3. The representative of Bangladesh responded that his Mission had conveyed the US concerns to capital. A written reply would be submitted in the near future.

6.4. The Committee took note of the statements made.

7 INDONESIA - IMPORT LICENSING REGULATIONS FOR THE IMPORTATION OF CARCASSES AND OR PROCESSED MEAT PRODUCTS - STATEMENT BY AUSTRALIA

7.1. The Chairman informed the Committee that this item was included in the agenda at the request of the delegation of Australia in a communication dated 10 April 2015. He also indicated

that the written question from Australia was circulated in document G/LIC/Q/IDN/34 on 16 April 2015.

7.2. The representative of Australia noted that, in December 2014, the Indonesian Government had issued Regulation of the Minister of Agriculture No. 139/Permentan/PD.410/12/2014 concerning importation of carcass, meat and/or processed meat products into the Territory of the Republic of Indonesia. The regulation limited imports of beef under Indonesia's import licensing regime to prime cuts, some manufacturing and fancy meat.

7.3. The regulation was subsequently amended by Regulation of the Minister of Agriculture No. 02/Permentan/PD.410/01/2015 concerning the Amendment of Regulation of Minister of Agriculture No. 139/Permentan/PD.410/12/2014, allowing imports of secondary beef cuts by state-owned enterprises in limited circumstances.

7.4. He stated that Australia was concerned that the measure effectively restricted the import of secondary beef cuts and offal and this regulation was unjustifiably trade restrictive as well. It had already affected Australian exports of boxed beef to Indonesia and Australian industry had already felt the effects of the regulation which was introduced without notice or consultation with trading partners.

7.5. He emphasized that the measure was in addition to existing trade-restrictive and administratively burdensome elements of Indonesia's import permit system for cattle and beef under Regulation of the Minister of Agriculture No. 139/Permentan/PD.410/12/2014 and Regulation of the Minister of Trade No. 46/M-DAG/PER/8/2013. For instance, Indonesia's system of issuing import permits for cattle and beef on a quarterly basis effectively acted as a quarterly quota on imports which already resulted in Indonesia paying higher prices.

7.6. In this context, he requested Indonesia to explain: (1) the objectives of the regulations in detail; (2) how the import restrictions on secondary beef cuts and offal were consistent with Indonesia's obligations under the Agreement on Import Licensing Procedures, including the obligations under Articles 2.2(a) and 3.2; and (3) how its import permit system for beef and cattle, including its issuance of permits on a quarterly basis, was consistent with Indonesia's obligations to ensure that import licensing procedures did not have trade-restrictive effects and was no more administratively burdensome than necessary.

7.7. He further indicated that Australia understood Indonesia's concerns over food security. Both countries were working together to address the issue through increasing the capability of Indonesia's beef industry. However, Australia encouraged Indonesia to look to alternative policies that were WTO-consistent and that did not restrict high-quality, safe and reliable Australian products into Indonesia's market.

7.8. The representative of Indonesia thanked Australia for their questions and would forward these to capital for response. As a preliminary response, she argued that the regulation was imposed with justified reasons to ensure that all goods which were imported to Indonesia had complied with the Government's rules and regulations. The aim of the import policy was to protect human health, animal and plant life, or the protection of the environment, and also to ensure that the imports of meat and/or processed products were free from animal infectious diseases. With regard to the concern on the issuance of the licence on the quarterly basis, it was due to the possible characteristics of the goods imported.

7.9. The representative of the European Union shared the concerns expressed by Australia and indicated that on a number of occasions the EU had expressed its concerns about a number of Indonesian import licensing requirements which had a real impact on trade flow between the EU and Indonesia. She hoped that measures taken in other fora would enable a resolution of this matter as quickly as possible.

7.10. The Committee took note of the statements made.

8 REPORT BY THE VICE-CHAIRPERSON ON HIS INFORMAL CONSULTATIONS WITH SOME MEMBERS

8.1. The Chairman reported on his informal consultations with a group of Members on notification-related issues on 27 March 2015. He explained that the objective of convening these informal consultations was: (1) to identify the difficulties/challenges of Members, the Least Developed Countries (LDCs) in particular, with regard to fulfilment of their notification requirements under this Agreement; (2) to explore the technical assistance needs of these Members.

8.2. He elaborated that three sessions of informal consultations were held on the same day. The first session focused on "Members that have not yet notified anything under this Agreement since their WTO accession". Fifteen Members were invited and five Members participated in these consultations. The second session focused on "Members which have not submitted N/1 notifications" and representatives from five Members joined the consultation. In the third session, nine "Members which have not yet submitted any N/3 notifications" were invited and representatives from four Members participated.

8.3. The Chairman found the consultations useful and he thanked Members for participating in the consultations. He provided his general assessment as follows. (1) He sensed that Members' awareness and understanding of notification obligations under this Agreement varied significantly. Some Members were not familiar with what needed to be notified and how to do so. (2) Capacity constraints were cited most frequently by participants as the main factor explaining their low compliance on notifications. Some highlighted staff shortages in Missions that resulted in priority being given to other WTO issues. Lack of institutional memory with regard to the Agreement as well as frequent changes of delegates in Missions were also mentioned as contributing factors. (3) Most participants emphasized the importance of technical assistance in this regard.

8.4. On technical assistance needs, the Chairman captured the following suggestions raised by the participants. (1) Organize National Workshops in capital to train officials of different ministries involved in import licensing administration. (2) Organize Regional workshops for trade officials of a particular region. (3) Organize a Workshop in Geneva for new delegates responsible for Import Licensing. (4) The Secretariat to provide specific technical support in Geneva to delegations in need on a bilateral basis. In addition, one Member suggested that each Member could establish a focal point in capital for notifications under this Agreement. Another Member suggested that senior officials also needed to be trained so that they were aware of their notification obligations.

8.5. On the idea of organizing a workshop in Geneva for newly arrived delegates responsible for Import Licensing, the Chairman encouraged interested Members to submit more concrete proposals on substance and to consult the Secretariat on how to follow up. With regard to national and regional workshops, he suggested that Members needed to designate "import licensing" as a priority area when requesting technical assistance from the Secretariat, so that targeted capacity building assistance could be arranged accordingly. Lastly, he expressed hope that the new Chairperson would continue this effort as appropriate.

8.6. The representative of Botswana welcomed the outcome of the informal consultations that were held on 27 March 2015. He informed the Committee that consultations were ongoing in capital for revising all legislation on the importation of goods into Botswana. The next step would be to compile all the laws so as to fulfil N/1 notification obligations as soon as possible. He noted that his capital had already submitted a TA request on WTO notifications with a view to facilitating the fulfilment of all notification obligations under the Import Licensing Agreement.

8.7. The representative of the European Union thanked the Chair and his predecessor for all the efforts made to increase the notification compliance of Members. She thanked the Secretariat for its support in helping Members in the preparation of all notifications. The EU invited Members having difficulties in fulfilling their notification requirements to touch base with the Secretariat and to look for appropriate technical assistance. She noted that the EU was open to explore all the options that the Chairman had put on the table and also to contribute to the discussion. She welcomed the Chair's suggestion to have a workshop in Geneva for new delegates and suggested that it be held back-to-back with a regular committee meeting, thus allowing the fullest participation of interested Members.

8.8. The representative of Australia stated that Australia supported any efforts aimed at improving transparency and would be happy to provide assistance in this regard.

8.9. The representative of the United States echoed their gratitude to the Chairman for the outreach and the on-going efforts by the Secretariat in helping improve transparency. He noticed that the discussion had been going on for several years and appreciated the continued efforts. He indicated that the US was open-minded with regard to the ideas that the Chairman had laid out to organize a workshop in Geneva and encouraged Members interested in this to come forward with something that they could react to and consider. He emphasized that the US shared the same goal of transparency and was open-minded as to how that could be achieved.

8.10. The representative of Nigeria suggested that, apart from holding a workshop that was dedicated to Geneva-based delegates, it would also be appropriate for capital-based officials to participate because in most cases responsibility lay with the capital.

8.11. The representative of the United States of raised a broader question regarding Members' notification of their laws and regulations. He asked why those laws and regulations could not be put on the website for Members to review directly rather than them having to be requested from the Market Access Division. He indicated that his delegation might raise it with the Secretariat.

8.12. The Secretariat (Mr. Xiaodong WANG) provided a preliminary response indicating that for the moment there were two options for Members to provide information regarding their domestic legislation: they could either provide a website link so that other Members could check and download the notifications themselves, or else they could provide a hardcopy to the Secretariat which would be kept by the Market Access Division. As for the US proposal, he noted that a few WTO Committees had started to invite Members to submit notifications on-line. This Committee could also explore the possibility in the future of establishing a website where Members could go and check the legislations of other Members.

8.13. The Chairman indicated that transparency was an extremely important part of the functioning of this rules-based multilateral trading system, and this was why he attached great importance to notifications. He thanked all delegations for their comments and positive support on this issue and invited those delegations who had some blanks with regard to notification obligations to contact the Secretariat bilaterally to ask and discuss what could be done about them. He noted that some of these issues could be solved rather easily. In this context, he asked the Secretariat, and perhaps the new Chair, to follow up on the idea of organizing a Geneva-based workshop for new delegates in connection with the Committee itself, as the EU had suggested. On the proposal of regional or national workshops, he urged all interested Members to submit requests to the Secretariat, prioritizing import licensing in their capacity-building needs.

8.14. The representative of the United States requested clarification from the Chair with regard to the next steps and emphasized that it would be important to hear from Members about the scope of the workshop. In response, the Chairman elaborated that the idea would need to be thought through and clarified. His intention was to invite interested Members to submit their concrete ideas on the Geneva/national workshop, including timing, content, etc., to the Secretariat and to other Members for discussion and decision.

8.15. The Committee took note of the report and the statements made.

9 DATE OF THE NEXT MEETING

9.1. The Chairman informed Members that the Secretariat had tentatively reserved Tuesday, 20 October 2015, for the next meeting of the Committee, on the understanding that additional meetings may be convened if necessary.

9.2. The Committee took note.

10 ELECTION OF OFFICERS

10.1. The Committee elected Miss Carrie I-Jen WU of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) as Chairperson of this Committee for the year 2015, and Mr Tapio PYYSALO (Finland) as Vice-Chairperson by acclamation.

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