



Committee on Import Licensing

MINUTES OF THE MEETING HELD ON 20 APRIL 2018

CHAIRPERSON: MR FAWAZ ALMUBALLI (KINGDOM OF SAUDI ARABIA)

The Committee on Import Licensing held its forty-eighth meeting on 20 April 2018 under the chairpersonship of Mr Fawaz Almuballi (Kingdom of Saudi Arabia). The agenda proposed for the meeting was circulated in document WTO/AIR/LIC/7.

1 MEMBERS' COMPLIANCE WITH NOTIFICATION OBLIGATIONS – DEVELOPMENTS SINCE THE LAST MEETING	2
2 WRITTEN QUESTIONS AND REPLIES FROM MEMBERS ON SPECIFIC TRADE CONCERNS.....	2
2.1 Document G/LIC/Q/ARG/16	2
2.2 Document G/LIC/Q/CHN/27	3
2.3 Document G/LIC/Q/EGY/1	5
2.4 Document G/LIC/Q/RUS/4	6
2.5 Document G/LIC/Q/VNM/7	7
2.6 Document G/LIC/Q/BRA/22	7
2.7 Document G/LIC/Q/THA/4	8
3 NOTIFICATIONS.....	8
3.1 Notifications under Articles 1.4(a)/8.2(b) of the Agreement	8
3.2 Notifications under Article 5 of the Agreement.....	9
3.3 Notifications under Article 7.3 of the Agreement.....	9
4 INDONESIA – IMPORT LICENSING REGIME FOR CELLPHONES, HANDHELD COMPUTERS AND TABLETS - STATEMENT BY THE UNITED STATES	9
5 INDONESIA – IMPORT LICENSING REQUIREMENTS RELATED TO MILK SUPPLY AND CIRCULATION – STATEMENT BY THE UNITED STATES.....	10
6 INDIA – IMPORT LICENSING REQUIREMENTS FOR BORIC ACID – STATEMENT BY THE UNITED STATES	12
7 INDIA – IMPORT REQUIREMENTS FOR BEANS OF THE SPECIES VIGNA MUNGO HEPPER OR VIGNA RADIATA WILCZEK AND PIGEON PEAS (CAJANUS CAJAN) – STATEMENT BY AUSTRALIA	13
8 IMPROVING TRANSPARENCY IN NOTIFICATION PROCEDURES OF THE AGREEMENT – REPORT OF THE CHAIRPERSON.....	15
9 DATE OF THE NEXT MEETING	17
10 ELECTION OF OFFICERS	17

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

1.1. The Chairperson informed the Committee that a total of 39 notifications had been received since the last meeting, of which 33 were listed for consideration. The following new notifications would be reviewed at the Committee's subsequent meeting: new N/1 notification from India; new N/3 notifications from India, Mali, and the Russian Federation; new N/2 notifications from Japan and Seychelles; as well as Brazil's written reply to the European Union.

1.2. The Chair pointed out that, as of 20 April 2018, 15 Members had not yet submitted any notification under any provision of the Agreement since joining the WTO. With regard to the N/1 notification concerning Members' laws and regulations, as well as where to find sources of relevant information, 25 Members had still not submitted any such notification. In addition, 24 Members had not yet submitted any replies to the Questionnaire under Article 7.3.

1.3. He also pointed out that only 22 Members had submitted their replies to the Questionnaire for 2017. Among those 22 Members, only ten Members had submitted their replies either before or immediately after 30 September 2017, namely Argentina; the European Union; Hong Kong, China; Japan; Mali; Mauritius; Panama; Switzerland; Chinese Taipei; and Ukraine. Australia, Canada, and China had submitted their N/3 notifications for year 2016. For the sake of transparency, he urged other Members to submit their replies to the Questionnaire as soon as possible.

1.4. The Committee took note of the Chair's report.

2 WRITTEN QUESTIONS AND REPLIES FROM MEMBERS ON SPECIFIC TRADE CONCERNS

2.1 Document G/LIC/Q/ARG/16

2.1. The representative of the European Union thanked Argentina for its notification of Trade Resolution No. 523/2017 and its implementing rules, on the meeting's agenda under item 3.2. She noted that the EU had submitted a set of detailed questions in the hope of receiving further clarification of certain aspects of Argentina's import licensing procedures currently in place and, in particular, with regard to the amendments introduced by Trade Resolution No. 523/2017 and its implementing rules.

2.2. More specifically, she underlined the following main areas where the EU sought further information:

- The EU wished to receive a detailed list of products subject in Argentina to import licensing procedures, with a clear indication of how the amendments introduced by Resolution No. 523/2017 had affected each product concerned;
- the EU wished also to receive further clarification of the amendments introduced in Resolution No. 5/2018, of 8 January 2018. In this regard, while the EU acknowledged that this resolution had been notified and circulated, in document G/LIC/N/2/ARG/Add.2 (agenda item 3.2), it was still not sufficiently clear, on the basis of that notification, what were the products affected and what the import licensing procedures to be applied. Therefore, the EU requested Argentina to further develop the procedures described under point (c) of page 2 of its notification;
- the EU noted that Argentina had declared that the system used both automatic and non-automatic import licensing procedures and had stated that "the aim of the non-automatic licensing system was to establish an appropriate prior verification system for ensuring compliance with the conditions governing the importation of the goods, in accordance with the provisions of Annexes II to XV to Ministry of Production Resolution No. 523/2017 and the amendments thereto, Secretariat for Trade Resolutions No. 898/2017 and No. 5-E/2018". The EU requested Argentina to describe how the prior verification system functioned in practice;
- lastly, it was unclear to the EU whether or not Argentina was moving towards a greater reliance on non-automatic licensing procedures, or rather if Argentina intended to

replace non-automatic licence procedures by a scheme of technical regulations. The EU requested Argentina to provide further information in this regard.

2.3. In response, the representative of Argentina welcomed the EU's interest in Argentina's licensing system as applied to the different items of concern to the EU. He noted that, regarding the annual questionnaire, Argentina had answered all questions in accordance with the established template. Concerning document G/LIC/N/2/ARG/28, he clarified that one of the objectives of the economic policy implemented by the Government since December 2015 was the establishment of a transparent and predictable foreign trade system with a view to facilitating international trade-related operations. In that context, a review of trade policy was ongoing, and Argentina's policy direction had indeed been evolving away from a largely non-automatic licensing system and towards a system based increasingly on automatic licensing procedures. He confirmed that his delegation would provide its answers to the EU's questions in writing.

2.2 Document G/LIC/Q/CHN/27

2.4. The representative of the European Union indicated that the EU had submitted a set of detailed questions to China that sought clarification regarding China's replies to the 2016 annual questionnaire. The EU looked forward to receiving China's equally detailed responses to its questions.

2.5. The EU wished to underscore the following main points, as raised in its written questions:

- (i) The EU regretted that China had not yet submitted its annual notification for 2017 and wished to know when China intended to do so;
- (ii) the EU wished to receive a complete list of products subject in China to non-automatic import licences, as well as a complete list of products subject to automatic import licences;
- (iii) the EU wished also to receive a detailed description of the procedures applicable to waste products, and to know whether or not China envisaged making any amendments to the current procedures;
- (iv) the EU reiterated the need for China to notify its procedures applicable to waste products and, in the absence of such notification, the EU requested China to provide the following information:
 - detailed information on products subject to ban from 1 January 2018;
 - detailed information on changes in the list of products subject to non-automatic import licences (restricted solid waste) and automatic import licences (non-restricted solid waste) from 1 January 2018;
 - detailed information on changes on the conditions for the issuance of import licences; that is, import licences no longer issued to traders but only to processors in China.

2.6. The representative of Japan stated that Japan held a significant interest in the restrictions imposed by China on the import of scrap materials, and that his delegation had already expressed concerns similar to those of the EU at the most recent meetings of the CTG and the TBT Committee. Japan's understanding was that these restrictions had already had a significant impact on the exports to China of many Members, and wished to continue discussions with China and other Members on this issue.

2.7. The representative of the Republic of Korea thanked the EU for raising this important issue. He indicated that Korea, too, had concerns and interests regarding changes in China's import licensing regulations on waste materials. He argued that, given the huge impact on the global recycling chain and environment, large economies, such as in the case of China, should ensure that such measures were applied in a cautious and transparent manner.

2.8. To clarify these measures, Korea wished China to reply to the following questions: (1) at the CTG's most recent meeting, the Chinese delegation had indicated that these measures had been

notified to the TBT Committee; was China referring to a series of TBT notifications that had been circulated on 15 November 2017? (2) regardless of any notifications made to the TBT Committee, Korea believed that China still needed to notify these measures under Article 5 of the Import Licensing Agreement; (3) on 19 April 2018, China announced a plan to further restrict imports of 32 kinds of waste material. Korea requested China to clarify its reasoning and criteria for selecting these 32 kinds of waste material, and when the new restrictions would be notified. In conclusion, Korea urged China to notify new import-related measures in a more transparent and timely manner so as to be then in full compliance with the Import Licensing Agreement, and so as to avoid unnecessary negative impact on trade and the environment. Korea would keep a close eye on any future developments.

2.9. The representative of the United States highlighted that the US supported the EU's request for more clarity with regard to changes in China's import licensing regime, and specifically the EU's request for a detailed list of products subject to non-automatic import licenses.

2.10. The US still had significant concerns over the uncertainty, non-transparency, and trade-restrictiveness in China's implementation of its measures applying to the import of certain recoverable commodities and recovered materials. She recalled that her delegation had already raised the issue of certain recoverable commodities and materials at the October 2017 meeting of the Committee, and on that occasion had requested China to notify to the Committee any changes it might make to its import licensing regime. The US had also requested more detailed information concerning whether or not China intended to ban or further restrict the import of ferrous and non-ferrous scrap.

2.11. She continued that the US had been troubled to learn of China's planned addition of 32 types of scrap materials to the Catalogue of Banned Import Solid Waste, including various types of ferrous and non-ferrous scrap. The US was also disappointed that China had not provided sufficient information about its current import licensing procedures, nor any planned changes in that regard, to alleviate Members' concerns. In this regard, she respectfully requested China to adhere in a timely manner to its notification obligations under the Agreement on Import Licensing Procedures in respect of any new import licensing measures, in particular for ferrous and non-ferrous metals. The US also requested China to halt its implementation of existing measures, and any new proposed measures, and consider less trade-restrictive alternatives instead.

2.12. The delegation of Australia appreciated China's efforts to reduce pollution. However, the Australian Government was concerned by China's licensing arrangements for waste and scrap imports; Australia also shared the concerns raised by other Members. He pointed out that the impact of the measures on Australian exporters would be significant, and might cause a large amount of waste to go to landfill instead of being recycled in China and recovered for intermediate materials. He requested further clarification of China's specific public health, animal or plant, and environmental protection objectives, and how these objectives would be fulfilled by the measure?

2.13. His delegation questioned if the measure was not more trade restrictive than necessary to achieve the objectives desired. In addition, Australia noted that, just that week, China had imposed new restrictions on additional categories of waste and scrap; Australia wished to receive an explanation as to whether or not these changes had been notified to the WTO and, if so, if a period for comments from Members had also been indicated. Finally, he again urged China to reconsider these standards and to allow for a comprehensive consultation process.

2.14. The representative of Canada shared the concerns raised by other Members over China's waste and scrap policy, as well as the concerns raised in the EU's written questions to China regarding China's import licensing regime. Canada encouraged China to clarify which specific goods were subject to its automatic and non-automatic import licensing regime, as well as the procedures applicable to the import of goods listed under the category of solid waste. Finally, he encouraged China to notify all of its measures to the WTO as soon as possible, and in accordance with the Import Licensing Agreement.

2.15. In response, the representative of China thanked the EU and other Members for raising their questions on China's import licensing regime. He indicated that his delegation had forwarded these questions back to Capital, where they were being carefully reviewed. He reiterated that China was

fully committed to implementing all of the WTO Agreements, including the Agreement on Import Licensing Procedures, and that written replies would be provided as soon as possible.

2.3 Document G/LIC/Q/EGY/1

2.16. The representative of the European Union regretted that Egypt had never submitted any notification under the Import Licensing Agreement – neither under Article 7.3, nor Article 5, nor Article 1.4. The EU urged Egypt to fulfil its notification obligations and asked Egypt if its annual notification was currently under preparation. If not, the EU wished to know Egypt's reasons for failing to do so.

2.17. She noted that, in past years, imports had been rationalized on the basis of complicated import procedures. In particular, a number of new laws, decrees, and procedures, had been issued and implemented in 2017. However, none of this legislation had been notified to the WTO.

2.18. In the absence of any notification, the EU had submitted a set of detailed questions in the hope of receiving from Egypt further clarification regarding Egypt's import licensing procedures currently in place. More specifically, the EU wished to know the full picture of the relevant legislation in place, including with regard to the products that were subject to import procedures (both automatic and non-automatic), and the specific procedures applicable on each of those products, in accordance with Article 5.2 of the Import Licensing Agreement. In addition, the EU wished to receive further clarification from Egypt of the mandatory registration requirements set by Decree No. 43/2016, which entered into force on 16 March 2016, and of how those requirements complied with Articles 1, 2, and 3 of the Import Licensing Agreement.

2.19. In response, the representative of Egypt thanked the European Union for its questions in document G/LIC/Q/EGY/1. He noted that the questions were currently being considered in Capital, but that he would nevertheless address briefly several of the points that had been raised.

2.20. On transparency and notifications, he reiterated that Egypt, as clearly stated during its most recent trade policy review, was fully committed to fulfilling its notification obligations. Recognizing the importance of transparency, Egypt was currently taking stock of all its trade-related regulations, including import licensing procedures, which had not previously been notified in order to prepare and submit the appropriate notifications in the context of the relevant WTO Committees. He pointed out that this task required enormous human and technical capacity, especially in light of the often complex and detailed structure of notification requirements. As a developing country, Egypt intended to seek technical assistance from the WTO.

2.21. Regarding Egypt's laws governing import licensing procedures, he explained that, in general, the Import and Export Law No. 118/1975, and its executive regulation in Ministerial Decree No. 770/2005, including their amendments and complementary decisions, were the main regulations governing import licensing procedures in Egypt, notwithstanding that the administration and application of the procedures included in the decree were conducted by a number of different authorities. He added that certain products were subject to other regulations, as set by the relevant regulatory authority, such as wireless telecommunication devices, for example, which were subject to the National Telecommunications Regulatory Authority.

2.22. On imports of products listed in Annex 1 of Decree No. 770/2005, and its amendments, he noted that the importation of those listed products was suspended for SPS, national security, religious, or environmental reasons.

2.23. Regarding import licensing procedures for importation of certain agricultural commodities, he indicated that Prime Minister's Decree No. 2992/2016, and Ministerial Decree No. 24/2017, set out the import permit requirements for wheat grains, corn used for the feed industry, and soya bean seeds. The General Organization for Export and Import Control (GOEIC), was the sole Egyptian authority in charge of inspecting consignments upon their arrival to ensure compliance with Egyptian standards and requirements. In this vein, it was worth underscoring that the purpose of such procedures was to facilitate trade by appointing a single entity to be responsible for the process.

2.24. On importing into free zones, he noted that free zones were considered a special regime where dealings were conducted in accordance with special customs and tax provisions; specifically,

procedures for importing into free zones were governed by Investment Law No. 72/2017, and its executive regulation in Prime Minister's Decree No. 2310/2017.

2.25. In addition, he indicated that Egypt did not consider Decree No. 43/2016 to be an import licensing procedure as per the definition stipulated in Article 1.1 of the Agreement on Import Licensing Procedures, arguing that the decree only required the registration of manufacturing plants or companies owning trademarks, with no requirement to renew the registration process as long as the documents submitted were valid; there were no further requirements on new importers of the products of the registered company. Further, the Decree had been notified to the TBT Committee before its entry into force, and since then Egypt had held a number of bilateral meetings with interested Members, including the EU, on the fringes of the TBT Committee, which Egypt believed to have been very constructive, and which reflected positively on the application of the Decree. Therefore, Egypt remained ready to engage with interested Members on this issue within the framework of the TBT Committee.

2.26. In this context, regarding the EU's Question No. 6 in document G/LIC/Q/EGY/1, Egypt would like to seek more clarification from the EU with regard to the relevance of that question to import licensing procedures.

2.4 Document G/LIC/Q/RUS/4

2.27. The representative of the European Union stated that the EU regretted that the Russian Federation had not yet submitted its annual notification in accordance with Article 7.3 of the Import Licensing Agreement and asked Russia when it would do so. Turning its focus to the advance questions on the meeting's agenda, the EU hoped to receive further clarification from Russia of the procedures to be followed for the importation of certain specified medicines and pharmaceutical products.

2.28. The EU noted that, since the introduction of the Good Manufacturing Practice (GMP) certificate requirements, in January 2016, the importations of pharmaceutical products were subject to complicated, burdensome, and discriminatory procedures. She argued that the GMP certification, as currently implemented in Russia, raised concerns not only regarding the WTO National Treatment principle, but also as concerned its undeniable import licensing dimension.

2.29. The EU was interested in understanding the different procedures applied to importers wishing to obtain GMP certifications, and what justification existed for applying a different set of procedures to importers compared to domestic producers. In particular, the EU invited the Russian Federation to explain why a domestic applicant could obtain a GMP certificate, together with its marketing authorization, while an importer had first to obtain the GMP certificate and subsequently, as a separate step, the relevant marketing authorization. The EU also wished to know what the average time was for obtaining the GMP certificate for a domestic compared to a foreign applicant.

2.30. She noted that the EU was raising these questions at the IL Committee because the procedures for obtaining GMP certificates for an importer could be understood as a "licence", thus falling within the scope of Article 1.1 of the Import Licensing Agreement.

2.31. The EU wished the Russian Federation to clarify whether or not it had envisaged any amendments to the current procedures, and also if it could confirm that a bill of law had been sent to the Duma early in 2018? Any information regarding the current status of this draft law would also be appreciated. In addition, the EU would welcome any information on relevant rules and procedures to allow operators to rectify formal errors in their GMP certification applications once these had been submitted to the Russian authorities.

2.32. In response, the representative of the Russian Federation thanked the EU for its questions. She pointed out that her delegation had recently submitted to the Secretariat a new reply to the annual questions and that this notification would be circulated shortly. Concerning the EU's other questions, she replied that internal consultations were being held among the relevant authorities in Capital. In the meantime, she emphasized that, in Russia's view, the Good Manufacturing Practices fell under the scope of the TBT Agreement rather than the Agreement on Import Licensing Procedures.

2.5 Document G/LIC/Q/VNM/7

2.33. The representative of the United States thanked Viet Nam for addressing their concerns and indicated that currently the US had no further questions.

2.34. The representative of the European Union indicated that the EU had appreciated Viet Nam's efforts when preparing its replies to the questions from the US. However, her delegation noted that the last annual notification submitted by Viet Nam dated back to 2014. The EU wished to understand the reasons for this, as well as to learn of any actions being taken by Viet Nam so as to enable it to catch up on its outstanding notifications.

2.6 Document G/LIC/Q/BRA/22

2.35. The representative of the European Union recalled Brazil's commitment last year to revise its annual notification (as well as its quantitative restrictions notification), and to clarify the import licensing procedures applied by Brazil to imports of nitrocellulose; in this regard, the EU regretted that Brazil had not yet submitted its annual notification for 2017, and asked Brazil to indicate when it would do so and to explain the reasons behind the delay.

2.36. The EU continued to be concerned over the importation of nitrocellulose for industrial use and, to further clarify the issue, had recently submitted a new set of questions. The EU thanked Brazil for its replies, which were currently under review. Her delegation would revert to Brazil on this issue at a later stage.

2.37. She reiterated that a stability test on industrial nitrocellulose had demonstrated that EU products had the highest safety standards worldwide, and that these products were stable and would not decompose dangerously, even if they dried out. In this regard, she recalled that the competent authorities in Brazil allowed for the transportation and use of around 9,000 tonnes of industrial nitrocellulose from Brazil's monopolist producer, NQB, in printing ink, wood coating, and other end-user industries in Brazil. On these grounds, she argued that national security in Brazil would not be negatively affected by EU imports. The EU asked Brazil to comment on this particular aspect, and to reply in writing to the EU's questions in writing.

2.38. In response, the representative of Brazil thanked the EU for this opportunity to further clarify Brazil's import licensing regime for nitrocellulose. He informed the Committee that a written reply had been submitted by Brazil and would shortly be circulated. He reiterated that Brazil's regime applied to the importation of nitrocellulose was fully compatible with WTO rules and rejected any suggestion to the contrary.

2.39. He clarified that:

- (i) Imports of nitrocellulose, as well as of all chemicals containing a certain nitrocellulose content, was not prohibited but was subject to prior licensing because of safety risks;
- (ii) nitrocellulose required particularly strict controls due to its explosive nature and its detonation speed. All products classified under HS subheading 3920.12, even those with lower nitrogen concentrations, had these characteristics. For this reason, Brazilian statistics and the WCO itself did not distinguish between products with a greater or a lesser degree of nitrogen concentration, or between products for military or industrial use;
- (iii) Brazil did not agree that industrial nitrocellulose and military nitrocellulose were distinct products based solely on nitrogen concentration. Therefore, the statement contained in Question No. 4 of document G/LIC/Q/BRA/22, affirming that Brazil agreed that there was a difference between military and industrial use nitrocellulose was simply wrong;
- (iv) given its characteristics, nitrocellulose could potentially be used in the production chain of items that might then compromise national defence and public safety. The risks of nitrocellulose included potential accidental detonation during transportation and handling, and its deliberate use in criminal acts, military assaults, or terrorist attacks. Such risks were not purely theoretical. Brazil had observed with great concern recent

incidents in this regard, including a case of militia groups in the Middle East obtaining low content nitrocellulose, which the EU would qualify as industrial nitrocellulose, manufactured in Germany;

- (v) it was also important to clarify that the regulations in place in Brazil on the importation of nitrocellulose applied to products of any origin. The assumption that Brazil was granting licences only to Uruguay was not correct. Brazilian official statistics registered imports in past years from Switzerland and the US, for example, but not from Uruguay. Furthermore, there was no bilateral understanding in place to facilitate import of nitrocellulose from Uruguay, and nor was nitrocellulose imported from that country.

2.7 Document G/LIC/Q/THA/4

2.40. The representative of the European Union noted with regret that Thailand had not submitted any annual notification of its import licensing procedures since 2013. The EU strongly encouraged Thailand to comply with its notification requirements and wished Thailand to explain the reasons behind its delay. She also reiterated the EU's concern over Thailand's import procedures for feed wheat. In this regard, the EU had now submitted an additional set of advance questions, which were in response to Thailand's request raised at the Committee's previous meeting.

2.41. The EU wished to understand on what basis the measure could be maintained, and for how long, and to receive a detailed description of the import licensing procedures to be applied. In addition, the EU repeated its request to be provided with all the relevant data concerning the actual situation of the corn market so as to evaluate whether or not Thailand's justification of the measure on grounds of corn oversupply was, in the EU's opinion, legitimate and acceptable.

2.42. Furthermore, the EU understood, as per its written questions, that importation of corn from ASEAN was permitted for the period of February to August, and that this period might be extended until October, this indicating a potential increase in the import volume of corn; however, this appeared to contradict the claim of an alleged market oversupply in domestic corn. Therefore, the EU wished Thailand to clarify how the possible extension of such period could be reconciled with the claim of an alleged market oversupply of domestic corn.

2.43. The EU looked forward to receiving detailed written replies to its questions circulated in documents G/LIC/Q/THA/3 and G/LIC/Q/THA/4. At the same time, the EU asked Thailand if it intended to notify its import procedures for feed wheat, in accordance with Articles 1.4 and 5 of the Import Licensing Agreement.

2.44. The representative of Canada seconded the EU's questions and reiterated Canada's systemic concerns on this issue. He encouraged Thailand to submit its notification on procedures for feed wheat as soon as possible.

2.45. In response, the representative of Thailand thanked the EU and Canada for raising their questions and concerns regarding Thailand's procedures for the importation of feed wheat. He reiterated that the import permit for feed wheat was a temporary measure, and noted that his delegation had forwarded the recent EU questions to Capital. He informed the Committee that internal consultations were ongoing with a view to finding a suitable solution to this issue. He confirmed that Thailand would provide written replies to the Committee once his delegation had received the relevant update from Capital.

2.46. The Committee took note of the statements made.

3 NOTIFICATIONS

3.1 Notifications under Articles 1.4(a)/8.2(b) of the Agreement

3.1. The following N/1 notifications were reviewed by the Committee: Botswana (G/LIC/N/1/BWA/1); Liechtenstein (G/LIC/N/1/LIE/4, G/LIC/N/1/LIE/5, and G/LIC/N/1/LIE/6); Macao, China (G/LIC/N/1/MAC/7); Paraguay (G/LIC/N/1/PRY/8); Switzerland (G/LIC/N/1/CHE/5, G/LIC/N/1/CHE/6, and G/LIC/N/1/CHE/6/Rev.1); and Ukraine (G/LIC/N/1/UKR/7).

3.2. On document G/LIC/N/1/BWA/1, the Chairperson congratulated Botswana for submitting its first notification under the Agreement and encouraged Botswana also to submit its first reply to the annual questionnaire.

3.3. The representative of the European Union appreciated Botswana's efforts and hoped that the country would soon submit its annual notification under Article 7.3 and inform Members of the various administrative procedural details in place for its different regulations.

3.4. The representative of Botswana expressed sincere gratitude to the Secretariat for its valuable and continuous support in the fulfilment of its notification obligations under the Import Licensing Committee. He noted that the technical support received by Botswana had enabled Botswana to overcome its capacity constraints and, despite other difficulties, Botswana remained committed to fulfilling all of its notification obligations.

3.5. The Committee took note of the notifications submitted and of the statements made.

3.2 Notifications under Article 5 of the Agreement

3.6. The following N/2 notifications were reviewed at the meeting: Argentina (G/LIC/N/2/ARG/28/Add.1, G/LIC/N/2/ARG/28/Add.1/Corr.1, and G/LIC/N/2/ARG/28/Add.2); Paraguay (G/LIC/N/2/PRY/8 and G/LIC/N/2/PRY/8/Corr.1); the former Yugoslav Republic of Macedonia (G/LIC/N/2/MKD/2); and Ukraine (G/LIC/N/2/UKR/7).

3.7. The representative of the European Union thanked the above-listed Members for their notifications. She indicated that the EU wished to take the opportunity to raise the issue of the new Indonesian import policy on alcoholic beverages. In particular, the EU was aware that the Indonesian authorities were finalizing a new ministerial regulation that would then govern this sector. She noted that, based on the EU's information, a new implementation decree would be issued by end-April, but companies could already begin the relevant procedures to obtain an import license. In this regard, the EU requested Indonesia to clarify what exactly the relevant procedures were in order to obtain a licence, and also to inform Members of the following: (i) where the description of these procedures had been published; (ii) when the new import licensing scheme would be notified to the WTO.

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

3.3 Notifications under Article 7.3 of the Agreement

3.9. The following N/3 notifications were reviewed at the meeting: Canada (2016) (G/LIC/N/3/CAN/16); China (2016) (G/LIC/N/3/CHN/15); European Union (2017) (G/LIC/N/3/EU/6); Georgia (2017) (G/LIC/N/3/GEO/7); Japan (2017) (G/LIC/N/3/JPN/16); Kazakhstan (2017) (G/LIC/N/3/KAZ/2); Macao, China (2017) (G/LIC/N/3/MAC/20); the former Yugoslav Republic of Macedonia (2016-2017) (G/LIC/N/3/MKD/16 and G/LIC/N/3/MKD/17); Nicaragua (2017) (G/LIC/N/3/NIC/9); Norway (2017) (G/LIC/N/3/NOR/9); Paraguay (2017) (G/LIC/N/3/PRY/5); Qatar (2017) (G/LIC/N/3/QAT/13); Singapore (2017) (G/LIC/N/3/SGP/13); the United States (2017) (G/LIC/N/3/US/14); and Malaysia (2017) (G/LIC/N/3/MYS/13).

3.10. Concerning document G/LIC/N/3/MKD/6 and 7, the representative of the former Yugoslav Republic of Macedonia explained that its intention in submitting two N/3 notifications was to correct some minor mistakes and add detail to the information available. He also informed the Committee that licences for import, export, and transit, as well as for allocation of tariff quotas, had been administered electronically through a single window and one-stop system since 2008.

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

4 INDONESIA – IMPORT LICENSING REGIME FOR CELLPHONES, HANDHELD COMPUTERS AND TABLETS - STATEMENT BY THE UNITED STATES

4.1. The representative of the United States noted that her delegation had long-standing and serious concerns with regard to Indonesia's import licensing regime and, in particular, the import licensing requirements for cell phones, handheld computers, and tablets. She recalled that, in the questions that the US had addressed to Indonesia, the United States had sought clarity regarding

the specific requirements of Indonesia's import licensing regime, and an understanding of the rationale for the requirements overall. While acknowledging the responses that Indonesia had provided in 2017, she stated that these responses did not resolve US concerns with the import licensing requirements at issue, and that in certain instances Indonesia had not sufficiently addressed the question that had been asked of it.

4.2. In this regard, the US continued to seek Indonesia's explanation for why the import licensing requirements treated 3G and 4G technology differently. She noted that the answers received from Indonesia had also confirmed that the two types of products were treated differently but had not explained the rationale behind this difference in treatment; her delegation requested Indonesia to do so. She observed that, based on Indonesia's responses, it appeared that Indonesia's system favoured imports intended for further processing as opposed to imports of finished products.

4.3. Furthermore, it remained unclear whether or not domestic companies were subject to equivalent requirements to those imposed upon importers. For example, there appeared to be a different requirement for domestic companies in respect of the use of distributors. When asked to provide similar legislative or regulatory requirements for domestic producers based on their products being either 3G or 4G LTE-enabled, Indonesia had stated that these requirements applied to registered importers.

4.4. She also noted that Indonesia had issued additional regulations—Ministry of Industry Regulations 68/2016 and 29/2017, and Ministry of Communication and Information Technology Regulation 23/2016—which contained additional procedures for obtaining certifications necessary prior to obtaining an import licence. In this regard, the US continued to question whether this import licensing regime was consistent with the principles of the WTO in general, as well as how these requirements could be considered no more administratively burdensome than necessary.

4.5. She emphasized that these issues, which had also been raised by her delegation on multiple previous occasions, were serious. The US believed that these import licensing requirements had distorted trade and investment in an important and dynamic sector, and a sector that was significant both to the US and global economy. She appreciated that Indonesia had notified some of these measures to this Committee, but continued to urge Indonesia also to notify all of the associated measures, including Ministry of Industry Regulations 108/2012, 68/2016, and 29/2017, KOMINFO Regulation 23/2016, and KOMINFO Circular Letter 518/2017. In brief, the US urged Indonesia to reconsider these import licensing requirements for cell phones, handheld computers, and tablets.

4.6. The representative of Chile thanked the US for raising the issue. He expressed systemic concern with regard to Indonesia's import licensing regime, and in particular with how it applied to agricultural products. He also requested Indonesia to comply fully with the notification requirements under this Agreement; namely, by notifying modifications to legislation in a timely manner, and by removing requirements that were more trade restrictive than necessary.

4.7. In response, the representative of Indonesia thanked the US for its continued interest in Indonesia's market for the products concerned. He argued that regulations on imports of cellular telephones, handheld computers, and computer tablets, as governed by the Regulations of the Ministry of Trade of the Republic of Indonesia, were intended to secure compliance with Indonesia's Law on Trade, Law on Industry, and Law on Standardization and Conformity Assessment. Their primary objective was to ensure that 4G devices met Indonesia's national standards and to protect the end-users of the devices in question. He pointed out that the obligations stipulated in the regulation were also applied to Indonesia's domestic industries. In addition, he informed the Committee that Indonesia had already notified its regulation regarding certification of cellular telephones, handheld computers, and computer tablets to the Committee on Technical Barriers to Trade in document G/TBT/N/IDN/116.

4.8. The Committee took note of the statements made.

5 INDONESIA – IMPORT LICENSING REQUIREMENTS RELATED TO MILK SUPPLY AND CIRCULATION – STATEMENT BY THE UNITED STATES

5.1. The representative of the United States stated that the US remained very concerned about recent developments regulating the dairy industry of Indonesia. She pointed out that, in July of last

year, Indonesia had issued Ministry of Agriculture Regulation 26/2017, concerning Milk Supply and Circulation (MOA Regulation 26/2017), which appeared to make the grant of an import recommendation for dairy imports conditional on a local partnership agreement. Furthermore, MOA Regulation 26/2017 also called for the issuance of several implementing regulations. One such regulation under consideration by Indonesia would further subject animal products, including milk and milk products, to the restrictive import licensing scheme that was already in place for other products. The US was concerned that MOA Regulation 26/2017 and its related and implementing measures would restrict US dairy exports to Indonesia and create disadvantageous conditions for dairy importers for milk processing businesses.

5.2. She noted that her delegation held long-standing concerns over Indonesia's import licensing regime in general, and in particular in the area of agriculture. She understood that Indonesia's Director of Processing and Marketing of Livestock Products had sent letters directly to processors and importers requesting formal Partnership Proposals under MOA Regulation 26/2017 by the deadline of 15 February 2018. Furthermore, the US understood that these proposals would be given consideration prior to the issuance of any import permit. The US regarded this development as disappointing; it indicated that Indonesia's intention was to continue with its implementation plans for MOA Regulation 26/2017, and its associated measures, despite the significant concerns over the measures already raised by Indonesia's trading partners. In this regard, the US strongly urged Indonesia to reconsider its MOA Regulation 26/2017, and to consult with its trading partners prior to the issuance of any subsequent dairy import measures.

5.3. In addition, she urged Indonesia to notify all draft measures under consideration to the appropriate WTO Committee, and requested that Indonesia respond to the US comments with an explanation of how it intended to address the significant trading concerns created by these measures.

5.4. The representative of the European Union expressed the EU's ongoing concern over the Indonesian import licensing regime, as raised already several times in this Committee. She reiterated the EU's wish to receive detailed information on the rules and standards for milk regulating the production of processed milk and its relevant investments. In particular, she requested Indonesia to present, in detail, the licensing rules applicable on the basis of the draft Ministry of Agriculture Regulation concerning the Importation and Exportation of Food Products of Animal Origin into and from the territory of the Republic of Indonesia, which also included provisions on milk and milk products.

5.5. The EU welcomed the fact that Indonesia had notified the above-mentioned draft legal text to the WTO SPS Committee (document G/SPS/N/IDN/121), and invited Indonesia also to notify to the Committee on Import Licensing any import licensing-related issues arising from this regulation and the related MOA Regulation 13/2017, on Partnership with Local Dairy Producers/Farmers. In this regard, the EU invited Indonesia to further elaborate on the licensing-related aspects of MOA Regulation 13/2017, which was making dairy imports conditional upon establishing partnerships with local farmers. The EU also asked for an overview of the dates foreseen of application of the three regulations mentioned above, and any other rules already foreseen relating to milk supply, distribution, and imports.

5.6. The representative of Switzerland echoed the concerns of the US and the EU regarding Indonesia's draft MOA Regulation 26/2017, on milk supply and regulation. Switzerland looked forward to receiving any response from Indonesia concerning this measure, especially with regard to its justification and implementation.

5.7. The representative of Chile shared concerns similar to those already raised by other Members and reiterated its own systemic concern regarding Indonesia's import licensing regime, in particular as it was applied to agricultural products.

5.8. The representative of New Zealand thanked the US for its questions addressed to Indonesia. She indicated that this was an issue on which her government had engaged constructively with Indonesia during the Indonesian President's recent visit to New Zealand, and that her delegation remained keen to better understand the implications of these new regulations.

5.9. New Zealand was particularly interested to understand the link between the requirements in Articles 23 and 30—which stipulated that importers were obliged to establish partnerships with local farmers, farm groups, or cooperatives, to utilize and/or promote fresh milk, provide production facilities, production equipment, and/or funding or financing—and Article 34.3, which stated that these partnership agreements shall be considered by the Director General of Livestock and Animal Health when issuing import recommendations.

5.10. In response, the representative of Indonesia thanked the US, the EU, Switzerland, Chile, and New Zealand, for their continued interest in the Indonesian market for the products concerned. He explained that the current regulation being applied was a regulation on the provision and circulation of milk; it did not regulate the procedure on the importation of milk *per se*. Rather, the importation of milk would be regulated by Indonesia's Minister of Agriculture in the form of a decree or regulation on the importation and exportation of food products of animal origin into and from the territory of the Republic of Indonesia. He informed that Committee that the draft decree or regulation in question had been notified to the SPS Committee in document G/SPS/N/IDN/121, on 23 November 2017, and he assured Members that, in drafting any decree or regulation, Indonesia carefully considered WTO rules and principles.

5.11. The Committee took note of the statements made.

6 INDIA – IMPORT LICENSING REQUIREMENTS FOR BORIC ACID – STATEMENT BY THE UNITED STATES

6.1. The representative of the United States noted that the US had been concerned with India's import licensing requirements for boric acid for some time, in particular with regard to the burdensome end-use certificates necessary for importation.

6.2. She highlighted that her delegation had been raising this issue in this Committee for nearly a decade. She recalled that US concerns dated back to 2006, when India's Ministry of Commerce and Industry issued a new rule, stating that "imports of Boric Acid for non-insecticidal purposes will be subject to an import permit issued by the Central Insecticide Board and Registration Committee under the Ministry of Agriculture". Prior to this change, no import permit was required for boric acid. However, India's implementation of this change had the effect of limiting the importation of non-insecticidal boric acid by Indian importers by requiring the importer to provide the precise end-use of the product prior to its importation. This information was subject to a formal government review process. Ultimately, only a specific quantity of boric acid could be approved for import under each transaction.

6.3. She argued that the Central Insecticide Board and Registration Committee met only monthly, often not getting an opportunity even to review the import requests pending. It was the US understanding, for example, that an import permit for non-insecticidal boric acid had not been approved in over six months, despite repeated applications. In this regard, the US requested India to explain why no import licences had been approved for such an extended period of time?

6.4. She noted that, in addition to the lengthy time-frame for obtaining an approval, quantities were also restricted. Indian importers had expressed to the US their frustration that they must supply information on their past consumption of boric acid, broken down by imports and domestic sources, when seeking import approval. In fact, new approvals for imported boric acid were based only on past import levels, not on total consumption; this appeared to be an arbitrary quantitative restriction. She continued to repeat the US request that India explain why boric acid, which had a toxicity level roughly equivalent to table salt, was the only insecticide that required an import permit for non-insecticidal use, considering its low toxicity level compared to other insecticides for which an import permit was not required.

6.5. In addition, she pointed out that India's domestic manufacturers of boric acid did not have to seek approval from a government ministry to sell their product, and nor were producers required to indicate the boric acid's end use prior to sale; instead, they could sell to any buyer without any quantitative limit. The US continued to request India to amend its Schedule-I (Imports of the ITC (HS) classification of Export and Import Items) and to eliminate the requirement that imports of boric acid for non-insecticidal purposes must have an import permit.

6.6. In response, the representative of India thanked the US for its continued interest in India's import licensing policy and related procedures for boric acid. He noted that the US had been raising these issues since 2008, and that India had responded to most of them in its periodic written replies. Therefore, India had already explained the policy objectives of the measure as well as the issues relating to its implementation. He further argued that the remaining issues raised by the US were being discussed bilaterally and, to date, there was no further update on the issue since the last bilateral meeting, held in 2017.

6.7. The Committee took note of the statements made.

7 INDIA – IMPORT REQUIREMENTS FOR BEANS OF THE SPECIES VIGNA MUNGO HEPPEL OR VIGNA RADIATA WILCZEK AND PIGEON PEAS (CAJANUS CAJAN) – STATEMENT BY AUSTRALIA

7.1. The representative of Australia noted that, in August 2017, India had imposed quantitative restrictions on imports of beans of the species *Vigna mungo* Hepper or *Vigna radiata* Wilczek, commonly known as black lentils, and mung beans, as well as on *Cajanus cajan*, commonly known as pigeon peas. He observed that India's restrictions had imposed an absolute quota on the importation of these products. In the case of mung beans and black lentils, Notification No. 22/2015-2020 in the Government of India Gazette had restricted imports to an annual quota of 300,000 tonnes. For pigeon peas, Notification No. 19/2015-2020 had restricted imports to an annual quota of 200,000 tonnes. Imports above these amounts were otherwise prohibited.

7.2. He noted that Australia had attempted to engage with India, both bilaterally and plurilaterally, in Geneva, and in New Delhi, to better understand the restrictions that had been imposed by India on mung beans and pigeon peas, and the WTO-basis of these quantitative restrictions. He recalled that his delegation had also raised this issue at WTO committees in Geneva. For example, Australia had raised its concerns over India's quantitative restrictions for mung beans at the Committee on Agriculture in October 2017, and again in February 2018. His delegation had also raised the issue at meetings of the Council for Trade in Goods in November 2017 and March 2018. India had so far failed to provide Australia with an answer to their questions posed in those committees, although India had responded to Australia's questions at the CTG's meeting in March, indicating that it would shortly notify the quantitative restrictions to the Market Access Committee, although India had still not done so.

7.3. Australia welcomed India's recent notification providing its replies to the Questionnaire on Import Licensing Procedures of 12 April 2018 (document G/LIC/N/3/IND/17). India's response stated that the import policy of pigeon peas (*Cajanus cajan*/tool dal) had been amended and was now subject to an annual quota of 200,000 tonnes. Likewise, imports of mung beans (moong dal and urad dal) were restricted to an annual import quota of 300,000 tonnes. India's response further stated that restrictions "will not apply to Government's import commitments under any bilateral/regional Agreement/MoU." The reply to the Questionnaire went on to list Mozambique as having been granted approval to import 125,000 tonnes of pulses "under the MoU signed between the two Countries."

7.4. Quoting that "restrictions on imports are maintained only on grounds of protection of human health or safety; animal or plant life or health; security and the environment", he sought clarification about which of these grounds was the basis for India's quantitative restrictions on mung beans and pigeon peas. In addition to this recent notification, Australia continued to encourage India to notify these quantitative restrictions to the WTO Committee on Market Access, pursuant to the Decision on Notification Procedures for Quantitative Restrictions, and to do so without further delay.

7.5. In Australia's view, India's notification on import licensing procedures relating to quantitative restrictions on pulses provided insufficient information. Australia understood that the quotas were proportionally allocated to applicants in the form of import licenses based upon the total volume of the requested quota. Accordingly, with regard to India's current licensing arrangements, which India had implemented in order to impose those quantitative restrictions, Australia asked the following:

- (i) Where were the details of the licensing measures to give effect to the allocation of import quotas for mung beans and pigeon peas published?

- (ii) When may license applications be made, and in what form?
- (iii) Who may apply for an import licence, and are there any restrictions on who can apply?
- (iv) How are import licences granted, and are there any pre-conditions for approval?
- (v) How many licences were issued in the financial year 2017/2018?
- (vi) What steps had India taken to ensure transparency in administrative procedures authorizing import licences, and may licence applicants appeal licence approvals?
- (vii) What was the process to redistribute unused quota allocation? What was the utilization of quotas in 2017–2018? What has been the utilization of the quota to date, in 2018-2019?
- (viii) Could India clarify on what WTO legal basis it had exempted Mozambique from India's licensing arrangements?
- (ix) When would India notify these quantitative restrictions to the WTO Committee on Market Access, pursuant to the Decision on Notification Procedures for Quantitative Restrictions?
- (x) Over what period is the annual quota open; does it run according to India's fiscal year 1 April–31 March, or on the basis of some other time period?
- (xi) When did India intend to terminate these quantitative restrictions?

7.6. The representative of the European Union stated that the EU shared the preoccupations raised by Australia and reiterated its concerns about the effect of these measures on trade. She indicated that the issue had already been raised at the Committee on Agriculture and at the Council for Trade in Goods, but India's response had so far been limited. The EU noted that India had not submitted its annual notification under Article 7.3 of the Import Licensing Agreement and asked India to clarify its reasons for not yet having done so.

7.7. She asked India whether or not it intended to notify the measures at stake and, in particular, to explain these measures in light of the statement contained in India's latest annual notification (document G/LIC/N/3/IND/16), affirming that India normally did not apply quota restrictions on imports. The EU emphasized how important it was for WTO Members to respect their transparency obligations and to notify to the WTO the introduction of any quantitative import restrictions and relevant import licensing procedures.

7.8. The representative of Canada shared Australia's concerns regarding India's use of quantitative restrictions on certain beans and pointed out that Canada had also expressed its support for Australia's similar statements at the Committee on Agriculture and the CTG. His delegation would like to understand the WTO legal basis on which India implemented these import restrictions. Canada was also concerned by India's lack of transparency in not providing information on these measures to WTO Members. He encouraged India to notify these measures as soon as possible and to provide as much information as required to justify these measures.

7.9. The representative of the United States shared Australia's concerns regarding India's import requirements on selected varieties of beans. She indicated that the US had also requested India, at various Committees, to provide clarification of its quantitative restrictions (QRs), including with regard to time-frames and any plans India might have to institute additional QRs on agricultural imports. To date, no responses from India had been received. The United States also supported Australia's request for India to provide more detail at this Committee meeting on its import requirements for mung beans and pigeon peas, and at the same time requested India formally to notify to the WTO any related import licensing measures that may also be in place.

7.10. The representative of Ukraine indicated that his delegation had also expressed similar concerns to India at a number of the regular committees. Ukraine shared Australia's position regarding the QRs imposed by India on imports of beans. He encouraged India to submit a notification on the import licensing procedures for mungo beans and pigeon peas as soon as possible.

7.11. The representative of Japan expressed its systemic interest in this issue and noted that his delegation would monitor its further development closely.

7.12. In response, the representative of India appreciated the interest shown by Australia, Canada, the EU, Japan, Ukraine, and the US concerning India's import measures on the agricultural products in question. He stated that, apart from information already sought at other committees, Members were on this occasion seeking additional information; for this reason, he would forward the questions to Capital so that the relevant information could be collected from the departments concerned, and primarily from the Department of Agriculture.

7.13. He also informed the Committee that, as part of its biannual notification on QRs, India was in the process of consolidating QR-related information and would shortly notify the consolidated QR notification to the Committee on Market Access and, if required, to the Committee on Import Licensing as well.

7.14. The measure that had been taken was a temporary measure, as permitted under WTO rules. Some Members had also raised the issue of the trans-fiscal element. On this issue, India informed Members that, although the restriction on policies was imposed through DGFT Notifications No. 19 and 22, dated 21 August 2017, all the statements made prior to the date of notification had been cleared by the customs authorities, taking into account the provisions of paragraphs 2.1.7 and 9.1.1 of the Handbook of Procedures under foreign trade policy 2015–2020 of the Government of India. Furthermore, those shipments that were bagged with the confirmed de-regulator were also allowed for imports for the application of the notification and were allowed clearance by the customs authorities. Since the aforesaid quotas for the period April 2017–March 2020 there was a financial year counted from April to March, adjusted on account of already affected imports before the imposition of the measure and thereafter on the account of the already shipped consignments in between. Therefore, the procedure was not laid down for any quota during that period but for the financial year 2018–2019. The process of allocation of quota was being worked out by the administrative ministry and would be notified soon. The procedure for the same would be available in the public domain at <http://www.DGFT.gov.in>. It is also understood that allocated time would be provided to the Members for making an application. Quotas would be available to all Members as long as the applicant met the required criteria therein.

7.15. He noted again that Members had raised a few issues for the first time at this meeting of the Committee. In this context, India requested Members to provide their questions in writing so that his authorities could better understand Members' concerns with a view to resolving the issue. He also requested those Members that had intervened at the meeting to provide their comments in writing.

7.16. The Committee took note of the statements made.

8 IMPROVING TRANSPARENCY IN NOTIFICATION PROCEDURES OF THE AGREEMENT – REPORT OF THE CHAIRPERSON

8.1. The Chairperson stated that in the past few years a lot of work and effort had gone into improving transparency and notification compliance in this Committee. At the last Committee meeting, he sought views from Members on whether or not the Committee should continue its discussions, and what would be the best approach. He recalled that all those Members that had previously taken the floor had expressed their support for re-examining and simplifying notification procedures. Some Members believed that streamlining notification procedures, and templates in particular, could reduce duplication and increase notification compliance. Most Members had expressed their willingness to continue the discussion or consultations in this regard. Nevertheless, he acknowledged that, as a consequence of his busy schedule, he had not been able in recent months to organize any informal meetings. However, he believed that this work would continue very soon, based on the work and discussions undertaken so far, and under the leadership of his successor.

8.2. On a separate note, he informed the Committee that, continuing with last year's successful practice, the Secretariat had organized the second Geneva-based Workshop on Import Licensing for developing Members, LDCs, and countries in accession, from 17 to 20 April 2018. Thirty participants from thirty developing Members had participated in this workshop, and had also sat-in at this

Committee meeting. He indicated that the Secretariat could perhaps organize a similar workshop, open to all Geneva delegates, if Members would consider it useful.

8.3. In addition, he informed the Committee that the Secretariat had been working on a new WTO website on Import Licensing. Once this work was complete the Secretariat would give a presentation to all Members so as to receive their comments and feedback.

8.4. The representative of the European Union confirmed that the EU stood ready to participate in any kind of initiative if Members joined in a consensus to work on a revision of the notification templates. She reiterated that, in the EU's view, there was room for improving the current rules in order to streamline the process and to make the preparation of the annual notification less burdensome for Members. On the other hand, the EU also considered it necessary that Members first agree on the process; for this reason, the EU encouraged those Members that had objected in the past to reconsider their position and to engage in this process with the aim of improving overall transparency. The EU welcomed and appreciated all of the work that had been carried out by the Secretariat and welcomed the creation of a WTO Website dedicated to import licensing.

8.5. The representative of Japan thanked the Chair and the Secretariat for their initiative in seeking to improve import licensing notification procedures. Japan attached great importance to the implementation of the transparency obligation and supported the Committee's previous efforts to streamline its notification requirements. He highlighted that Japan had made its latest notification under Article 5 by using the suggested template as a voluntary exercise. Japan was ready to engage in any future discussion on the subject of improving transparency.

8.6. The representative of the United States thanked the Chair and the Secretariat for all their work in seeking to improve transparency at the Import Licensing Committee. However, the United States remained disappointed with the difficulties that had arisen in advancing the work.

8.7. Recognizing that compliance with the notification requirements in the Import Licensing Agreement could be challenging, especially for lesser-developed countries, which often had capacity constraints, the US strongly supported the recent workshop for lesser-developed countries provided by the Secretariat, and looked forward to increased participation from those countries in the coming Committee meetings.

8.8. At the same time, she expressed continued disappointment with the low level of compliance by Members in terms of their import licensing notification obligations. In this context, her delegation welcomed an examination of the notification procedures, recognizing that the substantive obligations could not be modified through this process, and provided that any changes contemplated would be realistically designed to increase the level of compliance with the notification obligations.

8.9. She advocated further reflection on any attempt to improve transparency and streamline notification obligations, with an emphasis on providing legislation to the Secretariat in an electronic format that could be easily accessed and transmitted.

8.10. The representative of the Republic of Korea appreciated all the efforts that had been made so far to improve transparency through streamlining of the notification procedures in the Committee, and Korea was ready to engage in any consultation that could lead to concrete results.

8.11. The representative of Chinese Taipei appreciated the hard work carried out by the Secretariat and the Committee so far on improving transparency and capacity building for Members. She pointed out that the two workshops on import licensing organized in last May and this April had indeed been very helpful to Members. Her delegation hoped that the Secretariat would also consider holding a similar workshop for Geneva-based delegates so that all Members could then benefit from it.

8.12. The representative of Hong Kong, China noted that all Members agreed on the importance of transparency, although it was regrettable that Members could not yet agree on notification templates. She pointed out that, in an electronic era, what mattered most was to have all relevant information available in a database and website that was easily accessible to traders, governments, and other interested parties. For this reason, a certain flexibility could be introduced into the notification format, as in the Trade Facilitation Agreement, which did not have a standard notification template but relied instead on Members presenting the pertinent information in the format that they

deemed most appropriate. This information was then compiled by the Secretariat and entered into the TF database. She considered that such an approach could shed light on a possible direction for future discussion on the issue of notification templates also in this Committee. She added that training for Members also played a crucial role in improving notification performance. In this regard, she congratulated the Secretariat for having that day successfully completed another workshop on notifications. The high quality of this workshop had set a precedent for similar efforts in other areas. It provided solid support to Members in assisting them to comply with the notification requirements. Finally, Hong Kong, China looked forward to further discussion with Members on the theme of enhancing transparency in import licensing notifications.

8.13. The representative of Canada thanked the Chair for his report. Canada supported the work being carried out on revision of the notification template. Like other Members, his delegation also saw room for improvement in terms of streamlining the notification process without changing any of the obligations. Canada supported the objective of improving transparency and stood ready to engage in any discussion with the new Chair in order to move the process forward.

8.14. The representative of China supported the discussions in this Committee on improving transparency, and appreciated the efforts made by the Secretariat in this regard. While attaching great importance to implementation of transparency obligations, China believed that the discussion should be directed at simplifying notification procedures, improving efficiency, and reducing the administrative burden on Members. At the same time, the work should avoid any duplication in notifications, or creating any new notification obligation. His delegation stood ready to engage in any future discussion in this regard.

8.15. The representative of Switzerland thanked the Chair and the Secretariat for all the efforts that had been made to help Members to improve in the area of notifications. Switzerland attached great importance to transparency and shared the concerns expressed by other delegations. His delegation stood ready to support all efforts made towards improving notifications, including in establishing a new template.

8.16. The representative of Australia thanked the Chair and the Secretariat for their efforts to improve notifications and transparency. Australia supported all of the statements made thus far on this issue. He also recalled that, every time that the Committee turned to this agenda item, significant support was expressed for making improvements in this area; and Australia believed that this was certainly an area where Members should continue in their efforts. In this context, Australia was willing to engage with the new Chairperson in any eventual consultation. Australia shared the ideas expressed by the representative of Hong Kong, China and believed that the new import licensing website might provide some user-friendly information regarding Members' import licensing regimes. Australia supported the idea of holding workshops in Geneva for all Members, arguing that transparency was an issue that had an impact upon all Members, and it was not just developing Members who were deficient, but also developed Members. Therefore, such activities could help all Members to improve their notifications.

8.17. The Committee took note of the Chair's report and the statements made.

9 DATE OF THE NEXT MEETING

9.1. The Chairperson informed the Committee that the Secretariat had tentatively reserved the date of Friday, 2 November 2018, for the Committee's next formal meeting and on the understanding that additional meetings may also be convened, as necessary.

9.2. The Committee took note.

10 ELECTION OF OFFICERS

10.1. Mrs Lorena RIVERA of Colombia was elected by acclamation as Chairperson of the Committee for 2018 and Mr Kazunori FUKUDA of Japan was elected as Vice-Chairperson.

10.2. The Committee so agreed.
