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Committee on Import Licensing

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IMPORT LICENSING SYSTEM OF THAILAND

QUESTIONS FROM THE EUROPEAN UNION TO THAILAND

The following communication, dated 27 March 2018, is being circulated at the request of the delegation of the European Union.

The EU regrets that Thailand has not been submitting any annual notification of its import licensing procedures since 2013 and would strongly encourage Thailand to comply with its notification's requirements.

With reference to the procedures for the importation of feed wheat, the EU would like to reiterate its interest in receiving written replies to its advance questions circulated as document G/LIC/Q/THA/3 on 20 April 2017. Following Thailand's request, the EU is submitting in writing the questions already raised at the last meeting of the Committee. Furthermore, the EU wishes also to add a few new questions, keeping into consideration the recent developments.

EU question No 1: Could Thailand submit detailed information on the applicable import procedures for the importation of feed wheat, in accordance with Article 3 of the Import Licensing Procedures Agreement, including the timeline in the procedures?

Thailand has indicated that it has introduced the measure to address the oversupply of corn, without nevertheless justifying this position with any relevant statistics.

EU question No 2: Could Thailand submit the relevant data about the actual situation of the market of oversupply of corn? In particular, could Thailand submit the statistics on the production, export, import and consumption for maize and wheat, with reference to the period 2014-2016 and, if available, 2017?

On 14 June 2017, the Ministry of Commerce issued an implementing regulation regarding criteria, procedures and conditions of the issuance of import license for feed wheat revoking the previous one with an immediate effect. According to this regulation, identical requirements have been maintained for the purchase of local corn, while favourable derogations are granted for feed wheat imported for the manufacture of pet food and shrimp feed. In particular: the requirement for purchasing three portions of locally harvested corn for importing one portion of feed wheat [3:1] with the exception of relaxing the ratio to 2:1 for the manufacture of pet food and completely exempting the domestic purchasing requirement for production of shrimps. In the latter case the import quantity of feed wheat needs to be pre-authorised by the Department of Fisheries.

EU question No 3: Could Thailand explain the consistency and rationale of this policy making? Would these derogations cause additional pressure on the alleged market oversupply of corn?

EU question No 4: Could Thailand share with us the number of applications received under the new license regime and the number of import licenses granted including the total import quantity of feed wheat allowed in the new license regime?

EU question No 5: Could Thailand clarify whether the measure will be notified in accordance with Articles 1.4 and 5 of the Import Licensing Agreement? If not, could Thailand explain the reasons?

Thailand both bilaterally and at the WTO has always stated that it is a temporary measure, without nevertheless specifying the expiry date. It has been reported in the Thai language Press on 14 March 2018 that a sub-committee to review the details of the requirements, in particular the price and import/purchasing ratio and if there was a need to increase the import duty for animal grade wheat (applied rate 0, bound rate 27%) has been appointed. It was also reported that another sub-committee to review importation of corn from neighbouring countries has also been created in parallel to consider the extension of seasonal importation period of corn. The EU understands that importation of corn from ASEAN is only allowed for the period of February to August and that this period may be extended to October, indicating a potential increase in import volume of corn. This seems to be in contradiction to the alleged market oversupply of domestic corn.

EU question No 6: Could Thailand clarify the duration of this measure? How could be the measure still considered "temporary" if it is already in place for two years?

EU question No 7: Could Thailand clarify its seasonal import authorization regime of corn and how the possible extension of such period can be reconciled with the alleged market oversupply of domestic corn?

EU question No 8: Could Thailand clarify what is the timeframe for the work of the sub-committee, and when is it supposed to finalize its work? What will be the procedures following the end of the work of the sub-committee and the implementations of its recommendations?
