



Committee on Market Access

**QUANTITATIVE RESTRICTIONS:
FACTUAL INFORMATION ON NOTIFICATIONS RECEIVED**

REPORT BY THE SECRETARIAT¹

Revision

1 INTRODUCTION

1.1. This report has been prepared at request of the Chairperson of the Committee on Market Access with a view to providing factual information on the notifications received pursuant to "Decision on Notification Procedures for Quantitative Restrictions" (hereinafter the QR Decision).² It complements information already provided by the Secretariat in the practical guide on notifications of QRs (JOB/MA/101) and the background note on the previous Decision on notification procedures for QRs (JOB/MA/6), and updates the report circulated in G/MA/W/114 on 22 May 2015.

1.2. Section 2 describes the different WTO sources of information on QRs and the type of information available in the QR Database. Section 3 provides factual information on the contents of the QR notifications that have been received as of 21 April 2017, including: i) an overview of the QRs in force by notifying Member; ii) the trade flows affected and types of measures used; iii) the types of products affected, and; iv) the legal justification mentioned by Members.

2 WTO SOURCES OF INFORMATION ON QUANTITATIVE RESTRICTIONS

2.1. Pursuant to paragraph 1 of the QR Decision, "Members shall make complete notifications of all quantitative restrictions in force by 30 September 2012 and at two yearly intervals thereafter. They should also notify changes to those quantitative restrictions as soon as possible, but not later than six months from their entry into force".³ All QR notifications are circulated in the "G/MA/QR/N" document series and reviewed by the Committee of Market Access.

2.2. Paragraph 4 of the QR Decision established a database on Quantitative Restrictions (hereinafter the QR database), which was launched in May 2014 and compiles all notifications submitted by Members under the QR Decision.⁴ This database allows users to query information according to specific selection criteria, such as product, reporting Member, type of measure, trading partner, and others. It also allows users to prepare different types of reports and it is updated every time a new notification is received. The QR database has not been updated since 2016 due to a technical problem, but the Secretariat is currently working to fix it. Data on QR notifications can also be accessed through the Integrated Trade Intelligence Portal (I-TIP), which provides a single entry point for information compiled by the WTO on several trade policy measures.⁵

2.3. The Secretariat has taken a number of actions with a view to raising awareness about the QR Decision and its notification requirements. These include the production of a video and the creation

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

² Decision of Council for Trade in Goods of 3 July 2012, G/L/59/Rev.1.

³ Paragraph 1 of the QR Decision.

⁴ The QR database is public and can be accessed at the following address: <http://qr.wto.org/>.

⁵ https://www.wto.org/english/res_e/statis_e/itip_e.htm.

of a dedicated section on QRs in the WTO website.⁶ As part of its regular functions, the Secretariat continuously provides information on the QR Decision and its database, and trains government officers in the context of technical assistance activities.

2.4. Members can also find information in the official documents of the Committee on Market Access, such as the minutes of the meetings, the Annual Report to the Council for Trade in Goods, as well as in the yearly report prepared by the Secretariat on the status of notifications pursuant to paragraph 7 of the QR Decision (G/L/223/ series).

2.5. The Trade Policy Review (TPR) Mechanism is another useful source of information on QRs maintained by Members, and in particular Section 3 on "Trade policies and practices by measure", which provides information on import and export prohibitions and restrictions.⁷ Finally, information on QRs applied by Members can be found in the G20 and WTO-wide trade monitoring reports, which are prepared annually by the WTO Secretariat.⁸ It should, however, be noted that measures identified in the TPRs and the monitoring reports are not necessarily notified to the WTO pursuant to the QR Decision.

3 FACTUAL INFORMATION ON QR NOTIFICATIONS

3.1. The notification of quantitative restrictions⁹ in force shall be based on a specific format contained in Annex 1 of the QR Decision. It requires Members to provide the following information for each QR: i) a general description of the QR; ii) the type of restriction (based on the symbols in Annex 2); iii) the tariff line codes of the products covered, including the HS version used; iv) the detailed product description for the corresponding tariff line(s); v) the legal justification for maintaining the measure; vi) the national legal basis for the QR, including its entry into force and the date it ceased to be in force, if known; and vii) Member's comments, administration of the restriction or modification of a previously notified measure.¹⁰

3.1 Notification of QRs

3.2. As of 21 April 2017, 32 Members have submitted notifications of all QRs in force for the biennial periods 2012-2014, 2014-2016, and/or 2016-2018, which represents an increase of 5 Members since the last report. Of the 32 notifying Members, nine have submitted notifications for the three biennial periods; nine have notified two biennial periods; and 14 Members have submitted information for one biennial period only. Twelve Members have notified under the biennial period 2016-2018. The QR Decision also allows Members to notify changes to their measures. To date, only four Members have done so. No "reverse" notification has been received to date.¹¹ The complete list of notifications submitted by Members is provided in the Annex to this report. Given the low number of notifications received, it should be noted that the summary information provided in this section is not necessarily representative of the universe of QRs being implemented by all 164 WTO Members.

3.3. The 32 notifying Members maintain a total of 886 QRs, which account for 1029 measures. For the purpose of this report, the term "QR" and "measure" are used to identify two different concepts as each notified QR may be enforced through more than one measure. For example, a QR could involve a conditional prohibition and a non-automatic licence procedure to administer it,

⁶ The video is entitled "Transparency through notifications and the database: the case of quantitative restrictions" and can be seen at https://www.wto.org/english/tratop_e/markacc_e/qr_e.htm.

⁷ http://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm.

⁸ These reports are circulated under the WT/TPR/OV/ and WT/TPR/OV/W (mid-year reports) document series. The tables in the annexes to these reports include information on quantitative restrictions, but only when not related to TBT and SPS matters.

⁹ The term "quantitative restriction" is not clearly defined. Several legal provisions under the WTO Agreement deal with such measures, including Article XI:1 of the GATT 1994 (general elimination of quantitative restrictions). For an overview of the WTO provisions addressing QRs see document JOB/MA/6.

¹⁰ Paragraph 2 of the QR Decision.

¹¹ Paragraph 5 of the QR Decision states that Members shall be free to make reverse notifications of measures maintained by other Members. They shall use the format in Annex 1 and complete all the information required. These notifications will be included in the agenda of the Committee on Market Access and the Member subject to reverse notification will have two months to comment in writing. In the absence of such a comment within the two months, the Secretariat shall include the reverse information in the database.

which means that the same QR will be counted as two different measures in this report (see next section).

3.4. To avoid duplication in the analysis, the calculations in this section are based on the information contained in the latest notification submitted by each of those 32 Members. It means that if a Member made a first notification for the biennial period 2012-2014, and subsequently notified the same measures for the period 2014-2016 and/or 2016-2018, only the latest one has been taken into account¹². Since other variables may also have "one-to-many" relationships, the total number of measures/QRs varies for each of the Charts shown below.

3.2 Type of restriction used and affected trade flows

3.5. The QR Decision provides that Members shall notify all QRs in force, irrespective of whether they affect imports or exports. In addition, paragraph 2(ii) requires Members to provide a "precise indication of the type of restriction imposed using the symbols contained in Annex 2". Where the restriction cannot be classified under one of those symbols, then a full description of the measure shall be provided by the Member in the notification.¹³

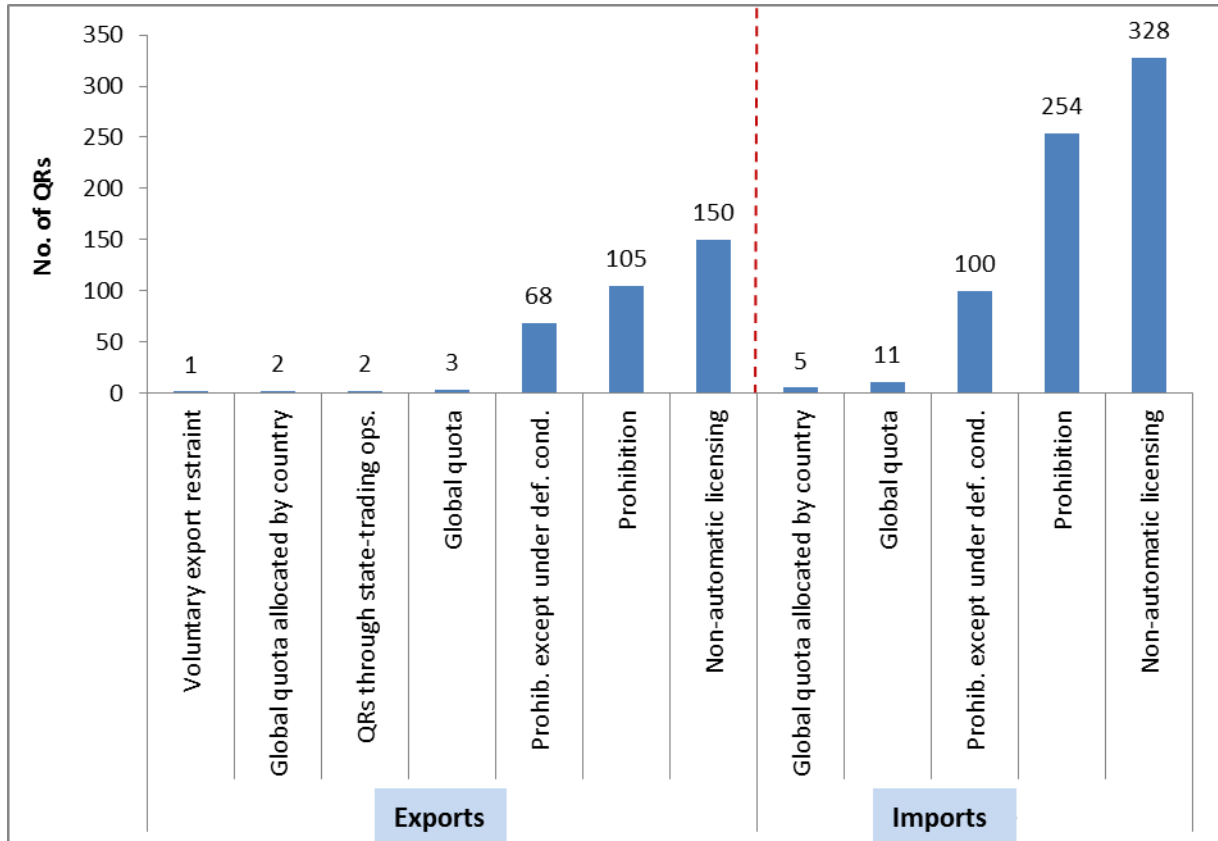
3.6. Chart 1 shows that the majority of the 1029 measures notified by Members consist of import measures (66.8% of the total), which is more than two times the number imposed on exports (32.2%). In terms of the specific types of measures notified, most of them are:

- Non-automatic licensing procedures, of which 150 measures apply to exports and 328 to imports;
- Prohibitions (e.g. bans of certain products), of which 105 concern exports and 254 concern imports; and
- Prohibitions except under defined conditions (i.e. conditional prohibitions), of which 68 apply to exports and 100 apply to imports.
- Quotas¹⁴, either global or allocated by country, represent a small percentage of the total number of notified measures.
- Finally, there are 10 measures that were not categorized by the Member concerned using the relevant symbols, but it was nonetheless possible for the Secretariat to identify the type of measure and whether the restriction applied to imports or exports. These were taken into account under the relevant category.

¹² See Annex 1 for a complete list of all notifications submitted by Members.

¹³ Footnote 5 of the QR Decision specifies that such list is "not intended to define or harmonize the concept of quantitative restrictions under the WTO".

¹⁴ A quota is a restriction (i.e. an absolute volume) on the amount of a good that may be imported by, or exported from, a country. It should not be confused with a "tariff quota" or "tariff rate quota" (TRQ), which consist in the application of a reduced tariff rate (i.e. in-quota duty) for a specified quantity of imported goods; imports above this specified quantity face a higher tariff rate (i.e. out-of-quota duty). TRQs are commonly used for agricultural products. Footnote 1 of the QR Decision explicitly excludes TRQs from its scope.

Chart 1: Number of QRs notified, by type of restriction and affected trade flow

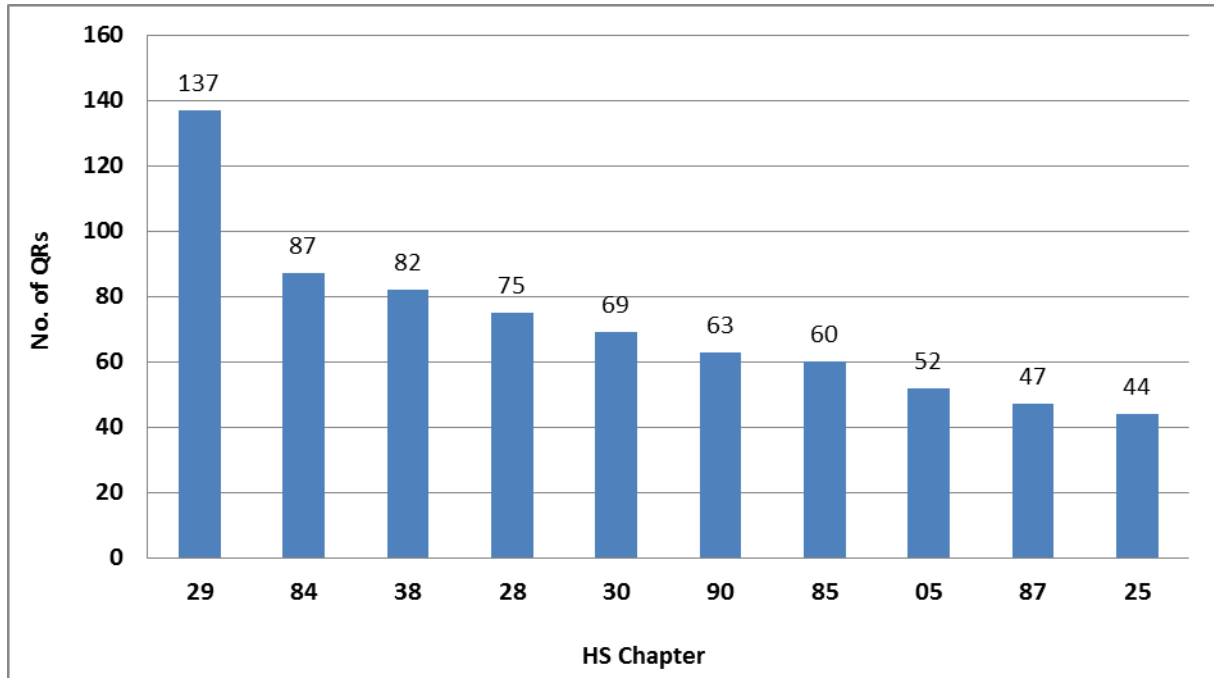
Source: WTO Secretariat based on QR notifications received.

3.3 Types of products affected

3.7. Paragraphs (iii) and (iv) of the QR Decision require Members to provide specific information on the tariff line code of the products affected by the QR, namely: i) a detailed description of the tariff line(s) or parts of the tariff line(s) affected, together with an indication of the Harmonised System (HS) version on which the codes are based; and ii) a detailed description of the product(s) covered by the QR. It is further specified that "Members shall make an effort to be precise in those cases where the restriction only covers part of an HS sub-heading, i.e. only part of a six digit code".

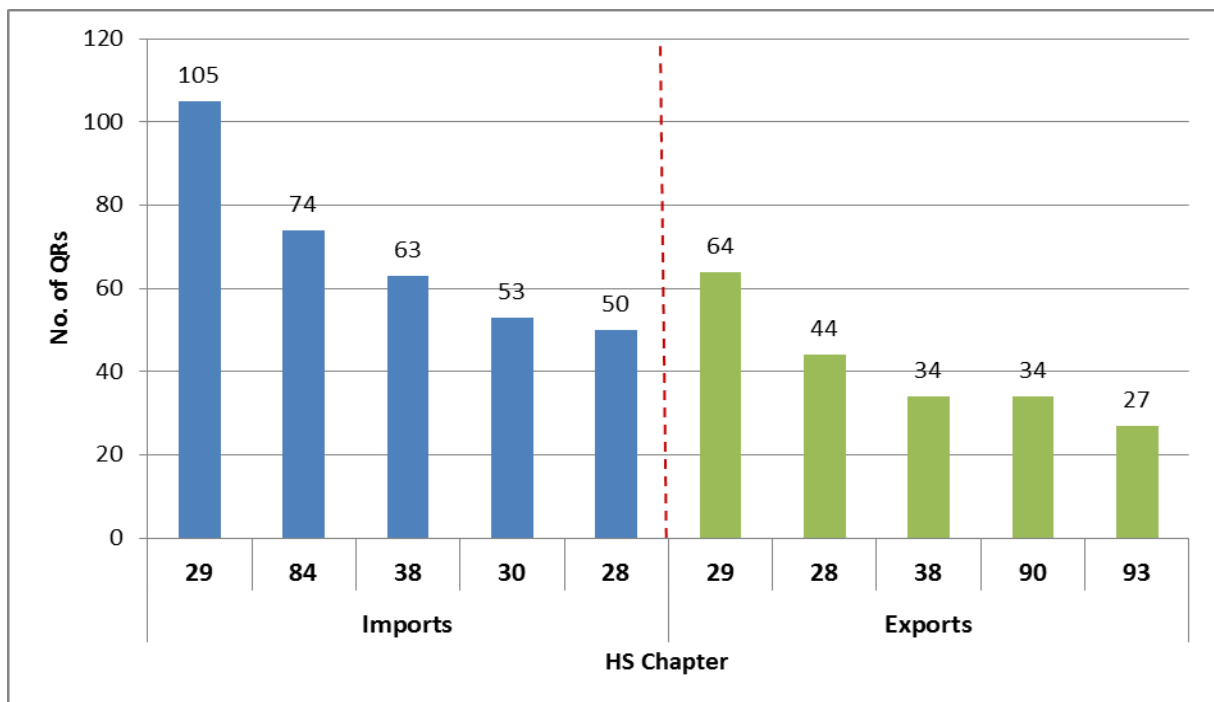
3.8. Of the 32 notifications used in the calculations, 20 contain partial or no information on the tariff codes affected. Approximately 10% of the notified QRs do not make reference to all specific tariff lines covered by the QR, but rather use the term "various" sometimes followed by examples of tariff lines covered (i.e. it is not an exhaustive list). In a limited number of cases there is no consistency between the tariff line and the described product. Finally, approximately 1% of the notified QRs do not include information on the covered products, but rather provide a link to a website or document which contains a generic list of products with no specific information on the HS code. In terms of the HS version used, the vast majority of notifications (25 out of 32) include codes in HS2012, four notifications in HS2007, and one in HS2002. Two Members did not indicate the HS version used.

3.9. Chart 2 shows the ten HS Chapters that appear to be the most affected by QRs. The calculation was based on the tariff codes provided in the notifications, including those cases with partial information. Chapter 29 (Organic chemicals) appears to be the chapter with the highest number of notified QRs, followed by Chapter 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof), and Chapter 38 (Miscellaneous chemical products).

Chart 2: Top-ten product categories affected by QRs, by HS Chapter

Source: WTO Secretariat based on QR notifications received.

3.10. Chart 3 disaggregates the information by trade flow and suggests that the product categories affected by QRs on exports differ with respect to those affecting imports. For example, while Chapter 84 is the second most affected by QRs on imports, exports under this HS Chapter are not affected to the same degree. Similarly, HS Chapter 28 (Inorganic chemicals; organic or inorganic compounds of precious metals, or rare-earth metals or radioactive elements or of isotopes) appears to be the second most affected HS Chapter in terms of QRs on exports.

Chart 3: Top-five product categories affected by QRs, by HS chapter and trade flow

Source: WTO Secretariat based on QR notifications received.

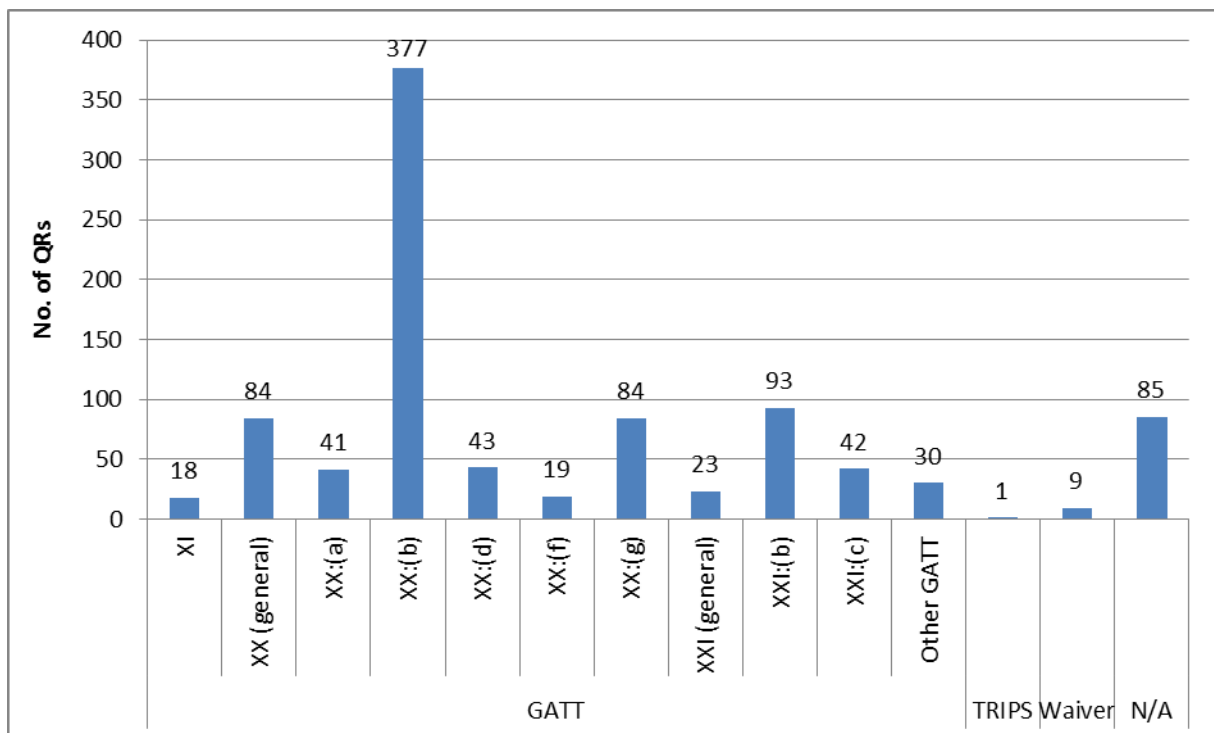
3.4 WTO justification

3.11. Paragraph 2(v) of the QR Decision requires Members to provide "an indication of the grounds and WTO justification for the measures maintained [...] and the precise WTO provisions". Although Members have cited at least one WTO provision for 89.5% of the notified QRs in the dataset, they have also cited waivers (1%). There are 63 QRs for which Members cited more than one WTO provision as justification. On the other hand, there are 13 Members that did not provide a WTO justification for 85 QRs (9.5%).

3.12. As it can be seen in Chart 4, the GATT 1994 was the most frequently cited WTO Agreement (89.1% of the QRs in dataset). Under the GATT, the "General Exceptions" of Article XX were the most frequently cited: 630 QRs in the dataset, or approximately 69% of the total. Particularly relevant is the reference to paragraph b of Article XX, which refers to measures "necessary to protect human, animal or plant life or health", and was cited for approximately 40% of the QRs in the dataset. The "national security" exception of Article XXI was cited as justification for 17.4% of the QRs. Besides the GATT 1994, Members have also referred to a lesser extent other legal justifications, such as the "Kimberly Process" Waiver¹⁵ (nine QRs), the TRIPS Agreement (one QR), and the Protocol of Accession (two QRs).

3.13. There are several cases where the reference has been made to an Article in general without providing further details (e.g. there have been 84 cases where the Member simply stated "Article XX"), or where the justification closely resembles one of the general exceptions in the GATT, but no specific provision was cited (e.g. "protection of animal life and of the environment"). For analytical purposes, the Secretariat tried to assign the relevant provision for the latter.

Chart 4: Number of QRs notified, by WTO provision cited as justification



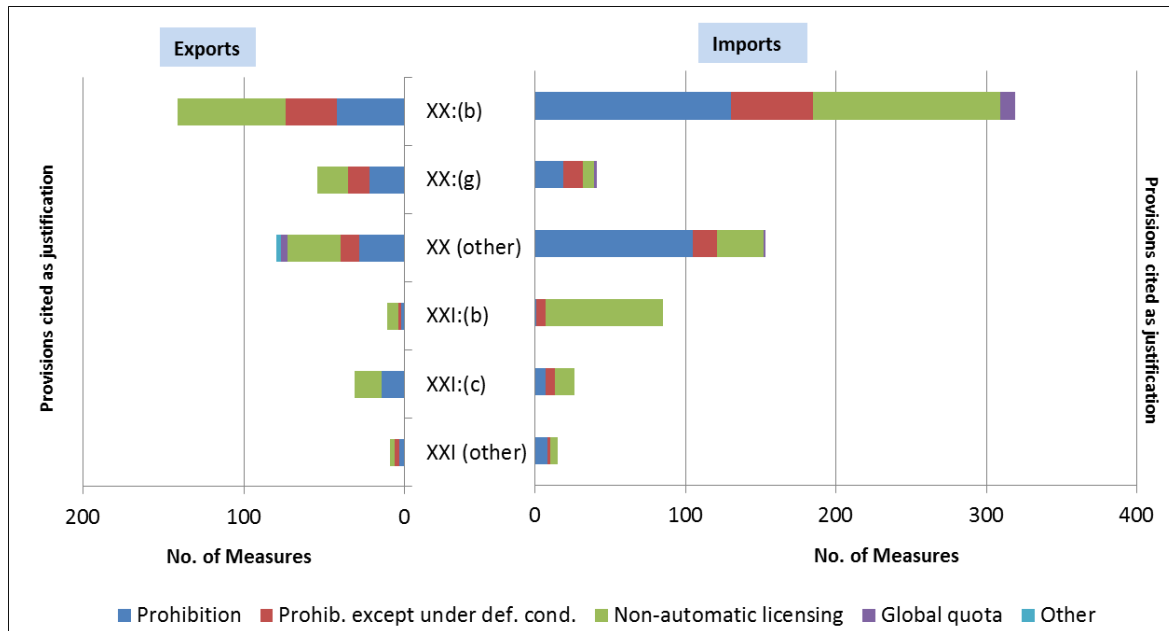
Source: WTO Secretariat based on QR notifications received.

3.14. Chart 5 provides a breakdown of the measures used to implement the QR under each legal provision cited as justification, and whether these affect imports or exports. Overall, the two most common types of measures notified across all provisions are non-automatic licensing procedures (502 measures) and prohibitions (392 measures). For those measures which have been justified through the general exceptions of Article XX:(b), most of the import measures relate to prohibitions (130), non-automatic licensing procedures (124), and prohibitions, except under

¹⁵ Kimberly Process Certification Scheme for Rough Diamonds, see WT/L/876

defined conditions (55). On the other hand, measures applied on exports consist mostly of non-automatic licensing procedures (167) and prohibitions (115). Prohibitions also seem to be important for those measures which have been justified by other paragraphs of Article XX of the GATT (346 of 788 measures). The large majority of QRs justified through the national security exception of Article XXI relate to non-automatic licensing procedures (27 on exports and 96 on imports). It should be noted that "non-automatic licences" account for most of the measures for which no legal justification has been provided by Members.

Chart 5: Number of QRs notified, by GATT 1994 Article cited as justification and type of measure

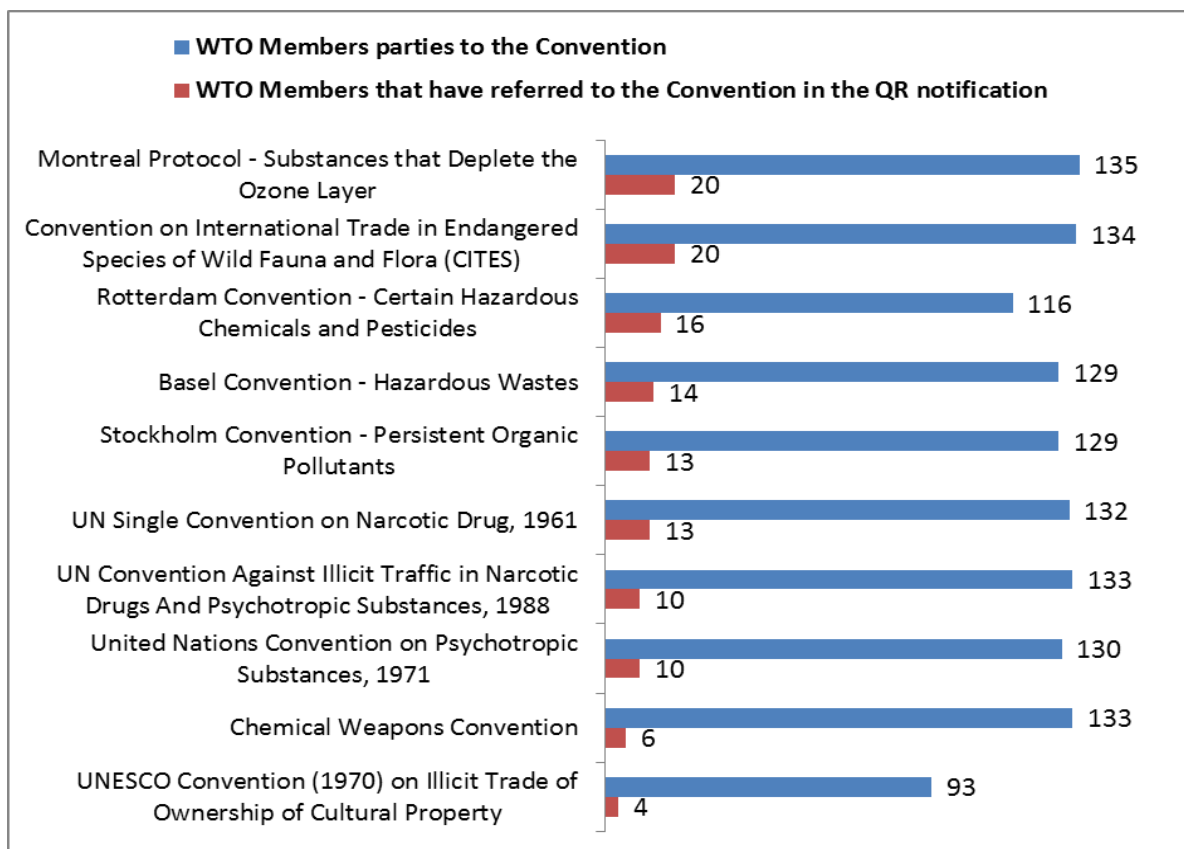


Source: WTO Secretariat based on QR notifications received.

3.5 Non-WTO agreements mentioned

3.15. Paragraph (v) of the QR Decision requires Members to provide an indication of the grounds for the measures maintained, including "any relevant international commitment where appropriate". Several notifications have provided information on non-WTO agreements, but Members have taken different approaches. While some Members have included very detailed information, others have refrained from doing so despite being parties to those international conventions.

3.16. Chart 6 shows the number of WTO Members that are signatories to the international conventions that have been most frequently cited in their QR notifications, and compares it with the number of Members that have made reference to those agreements. The most frequently cited international conventions in the notifications include the Montreal Protocol on Substances that Deplete the Ozone Layer, CITES, the Rotterdam Convention, and the Basel Convention on Hazardous Wastes, among others.

Chart 6: QR notifications and Members' participation in non-WTO agreements

Source: WTO Secretariat based on QR notifications and the websites of the different Conventions.

Note: EU-28 counted as one for both bars.

3.6 Other elements in the notifications

3.17. Paragraph 2(vii) of the QR Decision allows Members to provide information on, *inter alia*, the manner in which the restriction is administered, and whether it is applied on a MFN basis or to the trade with one or more trading partners. For example, almost half of the QRs in the dataset (429 out of 886) include information on the institution(s) that administers the restriction. The Secretariat could try to prepare a more detailed assessment on this information in future versions of the report should Members consider it appropriate.

3.7 Cross-reference to other WTO notifications

3.18. Cognizant of the fact that a number of measures are already subject to specific notification requirements under different WTO Agreements, and with the goal of avoiding unnecessary duplication, the QR Decision allows Members to make cross-references to other notifications.¹⁶ In this regard, Members can include a cross-reference to notifications made pursuant to the Agreement on Agriculture, Agreement on Balance of Payments, Agreement on Safeguards, Agreement on Import Licensing Procedures (only non-automatic licensing procedures), and other agreements.¹⁷

3.19. Of the 32 notifications used in the analysis, 13 included cross-references to other WTO notifications, all of which referred to the Agreement on Import Licensing Procedures. There are, however, several cases where only the document symbol was provided and the notification referred to does not contain all the information required by the QR Decision. Very few Members have made use of the format in Section 2 to add the information that is not contained in the other notification that is cross-referred to.

¹⁶ Paragraph 3 of the QR Decision.

¹⁷ Section 2 of Annex1 to the QR Decision.

ANNEX
QR NOTIFICATIONS SUBMITTED PURSUANT TO G/L/59/REV.1

Member	No. of Notifications	Document	Type	Date
1. Afghanistan	1	G/MA/QR/N/AFG/1	Complete	25/08/2016
2. Australia	2	G/MA/QR/N/AUS/1	Complete	30/10/2012
		G/MA/QR/N/AUS/2	Complete	06/02/2015
3. Brazil	1	G/MA/QR/N/BRA/1	Complete	30/08/2016
4. Canada	3	G/MA/QR/N/CAN/1	Complete	03/12/2012
		G/MA/QR/N/CAN/2	Complete	24/10/2014
		G/MA/QR/N/CAN/3	Complete	17/10/2016
5. China	3	G/MA/QR/N/CHN/1	Complete	24/04/2015
		G/MA/QR/N/CHN/2	Complete	24/04/2015
		G/MA/QR/N/CHN/3	Complete	24/04/2015
6. Costa Rica	2	G/MA/QR/N/CRI/1 and G/MA/QR/N/CRI/1/Corr.1	Complete	30/09/2012
		G/MA/QR/N/CRI/2	Complete	09/10/2014
7. Côte d'Ivoire	1	G/MA/QR/N/CIV/1	Complete	02/10/2014
8. Cuba	3	G/MA/QR/N/CUB/1	Complete	08/02/2013
		G/MA/QR/N/CUB/2	Complete	06/10/2014
		G/MA/QR/N/CUB/3	Complete	21/09/2016
9. European Union	3	G/MA/QR/N/EU/1	Complete	08/05/2013
		G/MA/QR/N/EU/2	Changes	09/10/2014
		G/MA/QR/N/EU/3	Complete	31/01/2017
10. Georgia	1	G/MA/QR/N/GEO/1	Complete	04/04/2014
11. Hong Kong, China	4	G/MA/QR/N/HKG/1	Complete	03/10/2012
		G/MA/QR/N/HKG/1/Add.1	Changes	14/05/2013
		G/MA/QR/N/HKG/2	Complete	07/10/2014
		G/MA/QR/N/HKG/3	Complete	29/09/2016
12. India	1	G/MA/QR/N/IND/1	Complete	10/06/2014
13. Japan	3	G/MA/QR/N/JPN/1	Complete	04/04/2014
		G/MA/QR/N/JPN/2	Complete	31/03/2015
		G/MA/QR/N/JPN/2/Rev.1	Complete	24/09/2015
		G/MA/QR/N/JPN/3	Complete	07/10/2016
14. Korea, Rep. of	1	G/MA/QR/N/KOR/1	Complete	29/10/2012
15. Lao People's Democratic Rep.	1	G/MA/QR/N/LAO/1	Complete	02/03/2015
16. Macao, China	3	G/MA/QR/N/MAC/1	Complete	08/11/2012
		G/MA/QR/N/MAC/2	Complete	01/10/2014
		G/MA/QR/N/MAC/3	Complete	27/07/2016
17. Mali	1	G/MA/QR/N/MLI/1	Complete	15/05/2013
18. Mauritius	3	G/MA/QR/N/MUS/1	Complete	01/04/2016
		G/MA/QR/N/MUS/2	Complete	03/02/2017
		G/MA/QR/N/MUS/3	Complete	15/03/2017
19. Mexico	1	G/MA/QR/N/MEX/1	Complete	27/07/2016
		G/MA/QR/N/MEX/1/Rev.1	Complete	04/08/2016
20. New Zealand	2	G/MA/QR/N/NZL/1	Complete	05/11/2012
		G/MA/QR/N/NZL/2	Complete	07/10/2014
21. Nicaragua	2	G/MA/QR/N/NIC/1	Complete	14/10/2014
		G/MA/QR/N/NIC/2	Complete	05/12/2016

Member	No. of Notifications	Document	Type	Date
22. Peru	1	G/MA/QR/N/PER/1	Complete	03/09/2013
23. Philippines	1	G/MA/QR/N/PHI/1	Complete	21/05/2015
24. Russian Federation	3	G/MA/QR/N/RUS/1 and G/MA/QR/N/RUS/1/Corr.1	Complete	14/09/2012
		G/MA/QR/N/RUS/2	Complete	18/09/2014
		G/MA/QR/N/RUS/3	Complete	05/10/2016
25. Chinese Taipei	3	G/MA/QR/N/TPKM/1	Complete	03/10/2014
		G/MA/QR/N/TPKM/1/Add.1	Changes	01/12/2014
		G/MA/QR/N/TPKM/2	Complete	28/07/2016
26. Singapore	2	G/MA/QR/N/SGP/1	Complete	31/05/2013
		G/MA/QR/N/SGP/2	Complete	28/04/2015
27. Switzerland - Liechtenstein	1	G/MA/QR/N/CHE/1 G/MA/QR/N/CHE/1/Add.1 G/MA/QR/N/LIE/1	Complete	02/05/2014
28. Thailand	1	G/MA/QR/N/THA/1 and G/MA/QR/N/THA/1/Corr.1	Complete	26/10/2012
29. Turkey	1	G/MA/QR/N/TUR/1 and G/MA/QR/N/TUR/1/Corr.1	Complete	15/10/2012
		G/MA/QR/N/UKR/1	Complete	23/10/2012
30. Ukraine	8	G/MA/QR/N/UKR/1/Add.1	Changes	15/05/2013
		G/MA/QR/N/UKR/1/Add.2	Changes	26/08/2013
		G/MA/QR/N/UKR/1/Add.3	Changes	24/01/2014
		G/MA/QR/N/UKR/2	Complete	04/12/2015
		G/MA/QR/N/UKR/2/Rev.1	Complete	18/12/2015
		G/MA/QR/N/UKR/3	Complete	20/09/2016
		G/MA/QR/N/UKR/3/Add.1 and G/MA/QR/N/UKR/3/Add.1/Corr.1	Changes	06/03/2017
31. United States	3	G/MA/QR/N/USA/1	Complete	05/10/2012
		G/MA/QR/N/USA/2	Complete	09/10/2014
		G/MA/QR/N/USA/3	Complete	07/10/2016
32. Uruguay	2	G/MA/QR/N/URY/1	Complete	15/07/2014
		G/MA/QR/N/URY/2	Complete	11/11/2016

Source: WTO Secretariat.