



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/Rev.2) and the background note on the previous Decision on notification procedures for QRs (JOB/MA/6).

1.2. Section 2 provides factual information on the contents of the QR notifications that have been received as of 10 May 2019, including: i) an overview of the QRs in force by notifying Member; ii) the trade flows (i.e. imports or exports) affected and types of measures used; iii) the types of products affected; and iv) the legal justification mentioned by Members.

2 FACTUAL INFORMATION ON QR NOTIFICATIONS

2.1. The QR Decision provides that the notification of quantitative restrictions³ in force shall be based on a specific format contained in its Annex 1. This Annex 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.⁴

2.1 Notification of QRs

2.2. As of 10 May 2019, 39 Members have submitted notifications of all QRs in force for some or all the biennial periods 2012-2014, 2014-2016, 2016-2018, and/or 2018-2020, which represents an increase of 7 Members since the last report. Of the 39 notifying Members, 14 have submitted notifications for the four biennial periods; five have notified three biennial periods; five have notified two biennial periods; and 15 Members have submitted information for one biennial period only. Thus far, 19 Members have notified information for the 2018-2020 biennial period. The QR Decision also allows Members to notify changes to their measures. To date, only five Members have done so. No "reverse" notification has been received to date.⁵ The complete list of notifications submitted by

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 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.

⁴ Paragraph 2 of the QR Decision.

⁵ 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

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.

2.3. The 39 notifying Members maintain a total of 1118 QRs that account for 1367 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, one QR could involve a conditional prohibition that is administered through a non-automatic licence procedure. For purposes of this report, this QR will be counted as two different measures.

2.4. To avoid duplication in the analysis, the calculations are based on the information contained in the latest notification submitted by each of those 39 Members. In other words, if a Member made a first notification for the biennial period 2012-2014, and subsequently notified the same measures for the other biennial periods, only the latest one has been taken into account⁶. Since other variables may also have "one-to-many" relationships, the total number of measures/QRs varies for each of the Charts shown below.

2.2 Type of restriction used and affected trade flows

2.5. 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.⁷

2.6. Chart 1 shows that the majority of the 1367 measures notified by Members consist of import measures (68.4% of the total), which is more than two times the number imposed on exports (31.6%). In terms of the specific types of measures that have been notified, most of them are:

- Non-automatic licensing procedures (NAL), of which 217 measures apply to exports and 414 to imports;
- Prohibitions (e.g. bans of certain products) (P), of which 118 concern exports and 367 concern imports; and
- Prohibitions except under defined conditions (i.e. conditional prohibitions) (CP), of which 87 apply to exports and 131 apply to imports.
- Quantitative restriction made effective through state-trading operations (STR), of which 4 apply to exports and 2 to imports.
- Quotas⁸, either global (GQ), allocated by country (GQC) or bilateral quotas (BQ), represent a small percentage of the total number of notified measures.

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.

⁶ See Annex 1 for a complete list of all notifications submitted by Members.

⁷ 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".

⁸ 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 measures notified, by type of restriction and affected trade flow

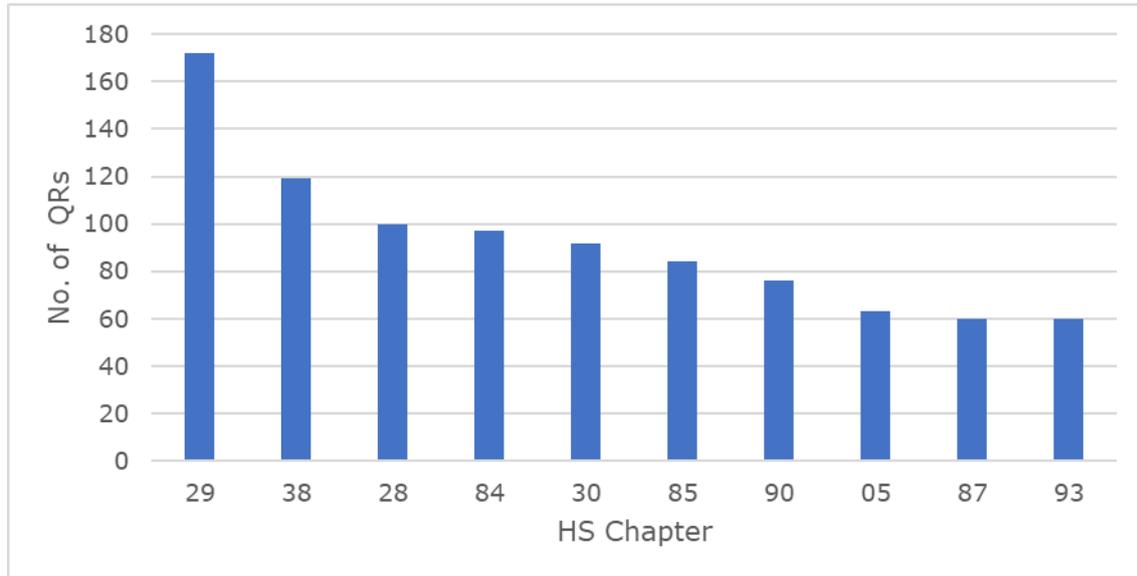
Source: WTO Secretariat based on QR notifications received. The abbreviations refer to the symbols used in G/L/59/Rev.1.

2.3 Types of products affected

2.7. 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".

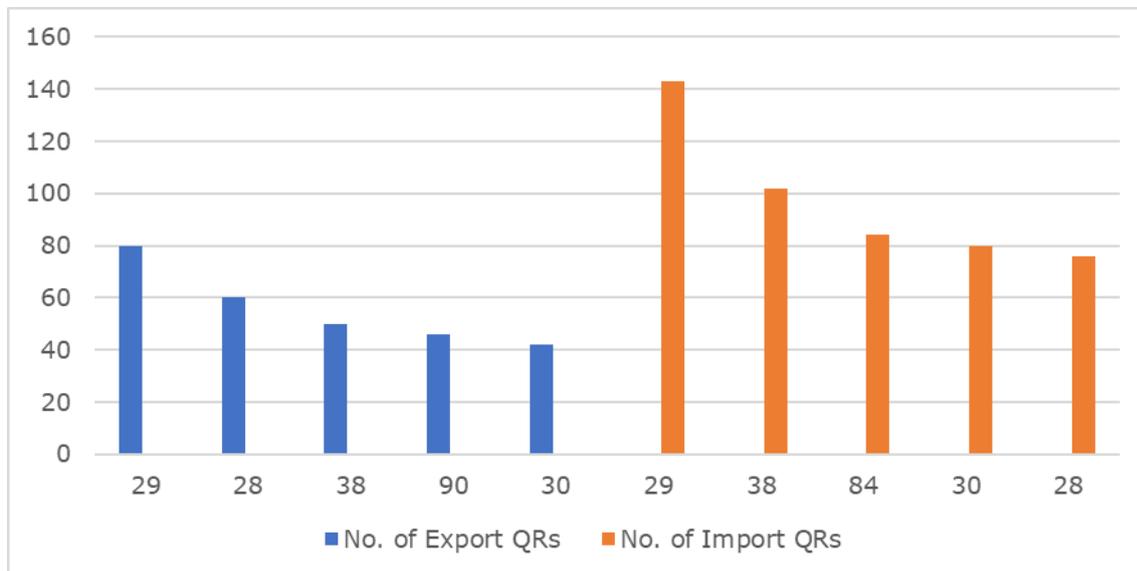
2.8. Overall, the 1118 QRs used in the calculations relate to a total of 2666 HS chapters in the dataset, while in 167 cases the Member did not provide specific information on the relevant HS codes. These cases make up approximately 6% of the notified QRs and often use the term "various" sometimes followed by examples of tariff lines covered (i.e. it is not an exhaustive list). In terms of the HS version used, the majority of notifications (22 out of 39) include codes in HS2012, four notifications in HS2007, and 13 in HS2017.

2.9. Chart 2 shows the ten HS Chapters most frequently referred to in the QR notifications. The calculation was based on the tariff codes provided in the notifications, including cases with partial information. Chapter 29 (Organic chemicals) is the chapter with the highest number of notified QR measures, followed by Chapter 38 (Miscellaneous chemical products) and Chapter 28 (Inorganic chemicals).

Chart 2: Top-ten HS Chapters affected by QRs

Source: WTO Secretariat based on QR notifications received.

2.10. Chart 3 disaggregates the information by trade flow and suggests that the product categories affected by QRs on exports slightly differ with respect to those affecting imports. For example, while Chapter 84 is the third most affected by QRs on imports, exports under this HS Chapter are not affected to the same degree.

Chart 3: Top HS Chapters affected by QRs, by trade flow

Source: WTO Secretariat based on QR notifications received.

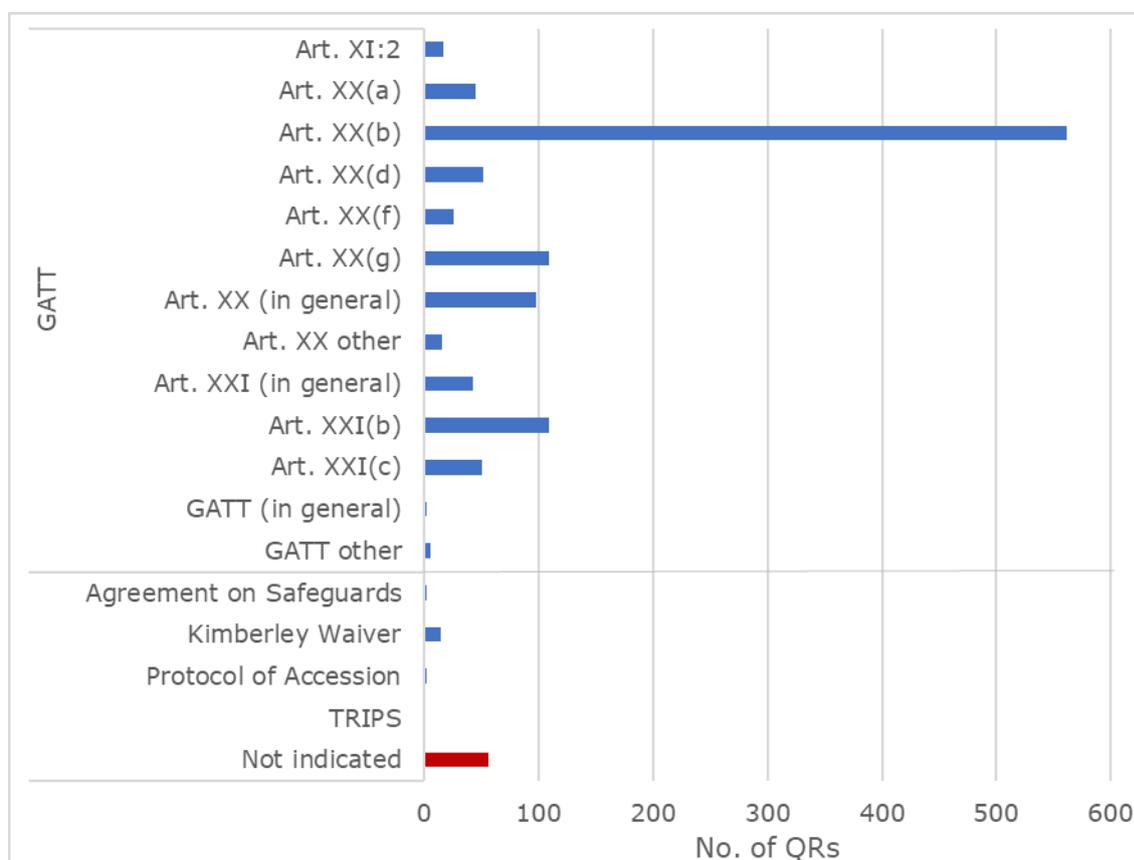
2.4 WTO justification

2.11. 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 most frequently cited at least one WTO provision for 93.8% of the notified QRs in the dataset, they have also cited waivers (1.2%), the Agreement on Safeguards, provisions in Protocols of Accessions and the TRIPS Agreement. There are 77 QRs for which Members cited more than one WTO provision as justification. On the other hand, there are 15 Members that did not provide a WTO justification for 56 QRs (4.6%).

2.12. Chart 4 shows that the GATT 1994 was the most frequently cited WTO Agreement in the dataset. Under this agreement, the "General Exceptions" of Article XX were the most frequently cited: 907 QRs, or 75.1% 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", which was cited for almost 50% of the QRs in the dataset. The "national security" exception of Article XXI was cited as justification for 16.7% of the QRs. Besides the GATT 1994, Members have also referred to a lesser extent to other legal justifications, such as the "Kimberly Process" Waiver⁹ (14 QRs).

2.13. There are several cases where the reference has been made to an Article in general without providing further details (e.g. there have been 98 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 justification in the notification to provision that appeared to be the most relevant.

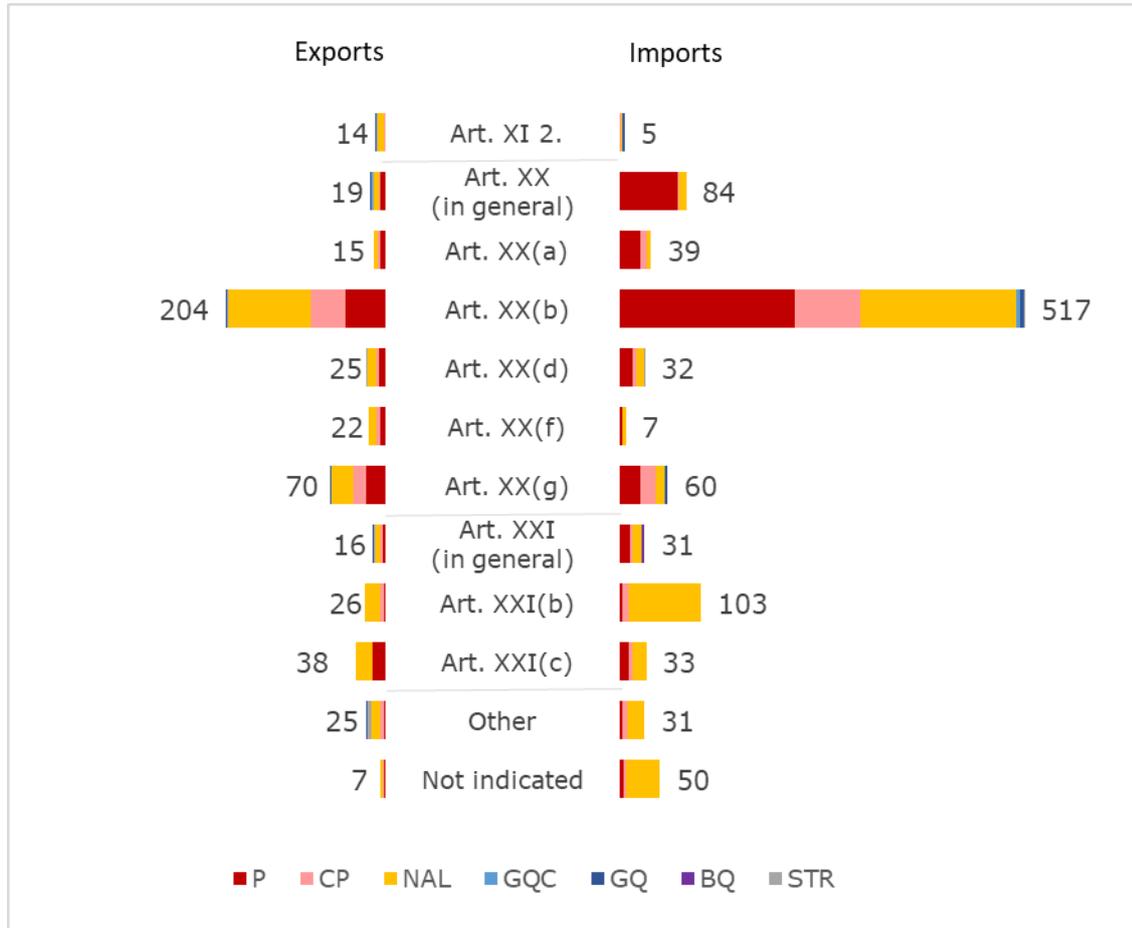
Chart 4: Number of QRs notified, by WTO provision cited as justification



Source: WTO Secretariat based on QR notifications received.

2.14. 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 (664 measures) and prohibitions (527 measures). For those measures which have been justified through the general exceptions of Article XX:(b), most of the import measures relate to prohibitions (223), non-automatic licensing procedures (193), and prohibitions, except under defined conditions (81). On the other hand, measures applied on exports consist mostly of non-automatic licensing procedures (105) and prohibitions (51). The large majority of measures justified through the national security exception of Article XXI relate to non-automatic licensing procedures (167 on imports and 80 on exports). It should be noted that "non-automatic licences" for imports account for most of the measures for which no legal justification has been provided by Members (43 measures).

⁹ Kimberly Process Certification Scheme for Rough Diamonds, see WT/L/876

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

Source: WTO Secretariat based on QR notifications received.

2.5 Non-WTO agreements mentioned

2.15. 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.

2.16. Table 1 shows the number of QRs that have made reference to international agreements. The most frequently cited international conventions in the notifications include CITES, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Rotterdam Convention, and the Basel Convention on Hazardous Wastes, among others.

Table 1: Number of QRs in the top-15 Non-WTO agreements cited in the notifications

Non-WTO-Justification	No. of QRs
Convention on international trade in endangered species of wild fauna and flora (CITES). Washington, D.C., 3, March 1973	67
Montreal Protocol on Substances that Deplete the Ozone Layer. Montreal, 16 September 1987	55
Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. Rotterdam, 10 September 1998	42
Stockholm Convention on Persistent Organic Pollutants. Stockholm, 22 May 2001	39
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Basel, 22 March 1989	35
Single Convention on Narcotic Drugs, 1961. New York, 30 March 1961	31
Convention on psychotropic substances. Vienna, 21 February 1971	29
United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Vienna, 20 December 1988	28
Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies	22
Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction. Geneva, 3 September 1992	15
Vienna Convention for the Protection of the Ozone Layer. Vienna, 22 March 1985	15
Minamata Convention on Mercury. Kumamoto, 10 October 2013	9
United Nations Framework Convention on Climate Change. New York, 9 May 1992	6
Convention on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural property	5
Annex III of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. Rotterdam, 10 September 1998	4
Other international agreements and conventions	154

Source: WTO Secretariat based on QR notifications.

2.6 Other elements in the notifications

2.17. 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, two thirds of the measures in the dataset (900 out of 1359) include information on how the measure is administered. The Secretariat could prepare a more detailed assessment on this information in future versions of the report should Members consider it appropriate. Six Members provided information on QR measures that are related to specific partners, which are often related to Resolutions by the UN Security Council.

2.7 Cross-reference to other WTO notifications

2.18. Since several measures are already subject to other 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 notifications to other Committees.¹⁰ 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.¹¹ Section 2 of the notification format allows Members to include information required by paragraph 2 of the QR notification that is not included in the notification to other Committees.

¹⁰ Paragraph 3 of the QR Decision.

¹¹ Section 2 of Annex1 to the QR Decision.

2.19. Of the 39 notifications used in the analysis, 19 have included cross-references to other WTO notifications, the vast majority of which referred to the Agreement on Import Licensing Procedures. There are, however, six notifications where only the document symbol was provided by the notifying Members and the notification referred to does not contain all the information required by the QR Decision.

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

Member	No. of Biennial periods	Document	Type	Notification Date
1. Afghanistan	1	G/MA/QR/N/AFG/1	Complete	29/07/2016
2. Albania	1	G/MA/QR/N/ALB/1	Complete	20/11/2018
3. Argentina	1	G/MA/QR/N/ARG/1	Complete	16/04/2018
		G/MA/QR/N/ARG/1/Rev.1	Complete	16/04/2018
		G/MA/QR/N/ARG/1/Rev.2	Complete	18/07/2018
4. Australia	3	G/MA/QR/N/AUS/1	Complete	16/10/2012
		G/MA/QR/N/AUS/2	Complete	15/01/2015
		G/MA/QR/N/AUS/3	Complete	28/07/2017
5. Bahrain, Kingdom of	1	G/MA/QR/N/BHR/1	Complete	06/05/2019
6. Brazil	2	G/MA/QR/N/BRA/1	Complete	22/08/2016
		G/MA/QR/N/BRA/2	Complete	21/09/2018
7. Canada	3	G/MA/QR/N/CAN/1	Complete	29/11/2012
		G/MA/QR/N/CAN/2	Complete	23/10/2014
		G/MA/QR/N/CAN/3	Complete	30/09/2016
8. China	4	G/MA/QR/N/CHN/1	Complete	08/04/2015
		G/MA/QR/N/CHN/2	Complete	08/04/2015
		G/MA/QR/N/CHN/3	Complete	08/04/2015
		G/MA/QR/N/CHN/4	Complete	29/01/2019
		G/MA/QR/N/CHN/4/Rev-1		29/01/2019
		G/MA/QR/N/CHN/5	Complete	29/01/2019
G/MA/QR/N/CHN/5/Rev.1	29/01/2019			
9. Costa Rica	3	G/MA/QR/N/CRI/1 and G/MA/QR/N/CRI/1/Corr.1	Complete	30/09/2012
				23/01/2013
		G/MA/QR/N/CRI/2	Complete	03/10/2014
		G/MA/QR/N/CRI/3	Complete	22/10/2018
10. Côte d'Ivoire	1	G/MA/QR/N/CIV/1	Complete	18/08/2014
11. Cuba	4	G/MA/QR/N/CUB/1	Complete	07/01/2013
		G/MA/QR/N/CUB/2	Complete	24/09/2014
		G/MA/QR/N/CUB/3	Complete	01/09/2016
		G/MA/QR/N/CUB/3/Rev.1	Complete	14/07/2017
		G/MA/QR/N/CUB/4	Complete	04/09/2018
12. European Union	4	G/MA/QR/N/EU/1	Complete	24/04/2013
		G/MA/QR/N/EU/2	Changes	09/10/2014
		G/MA/QR/N/EU/3	Complete	17/01/2017
		G/MA/QR/N/EU/4	Complete	28/09/2018
13. Georgia	1	G/MA/QR/N/GEO/1	Complete	25/03/2014
14. Hong Kong, China	4	G/MA/QR/N/HKG/1	Complete	28/09/2012
		G/MA/QR/N/HKG/1/Add.1	Changes	30/04/2013
		G/MA/QR/N/HKG/2	Complete	30/09/2014
		G/MA/QR/N/HKG/3	Complete	23/09/2016
		G/MA/QR/N/HKG/4	Complete	28/09/2018
15. India	4	G/MA/QR/N/IND/1	Complete	16/10/2013
		G/MA/QR/N/IND/2	Complete	06/06/2018
		G/MA/QR/N/IND/2/Add.1	Complete	28/03/2019
16. Japan	4	G/MA/QR/N/JPN/1	Complete	22/01/2013
		G/MA/QR/N/JPN/2	Complete	15/01/2015

Member	No. of Biennial periods	Document	Type	Notification Date
		G/MA/QR/N/JPN/2/Rev.1	Complete	15/01/2015
		G/MA/QR/N/JPN/3	Complete	30/09/2016
		G/MA/QR/N/JPN/4	Complete	28/09/2018
17. Kazakhstan	2	G/MA/QR/N/KAZ/1 and G/MA/QR/N/KAZ/1/Corr.1	Complete	03/05/2017 14/05/2018
		G/MA/QR/N/KAZ/2	Complete	04/10/2018
		G/MA/QR/N/KAZ/2/Rev.1	Complete	25/12/2018
18. Korea, Rep. of	1	G/MA/QR/N/KOR/1	Complete	15/10/2012
19. Lao People's Democratic Rep.	1	G/MA/QR/N/LAO/1	Complete	12/10/2014
20. Liechtenstein	2	G/MA/QR/N/LIE/1	Complete	26/05/2016
		G/MA/QR/N/LIE/2	Complete	18/12/2017
21. Macao, China	4	G/MA/QR/N/MAC/1	Complete	15/10/2012
		G/MA/QR/N/MAC/2	Complete	17/09/2014
		G/MA/QR/N/MAC/3	Complete	17/06/2016
		G/MA/QR/N/MAC/4	Complete	14/08/2018
22. Mali	1	G/MA/QR/N/MLI/1	Complete	05/05/2013
23. Mauritius	4	G/MA/QR/N/MUS/1	Complete	30/10/2014
		G/MA/QR/N/MUS/2	Complete	16/09/2016
		G/MA/QR/N/MUS/3		09/03/2017
		G/MA/QR/N/MUS/4	Complete	03/09/2018
24. Mexico	1	G/MA/QR/N/MEX/1	Complete	22/07/2016
		G/MA/QR/N/MEX/1/Rev.1	Complete	26/07/2016
25. New Zealand	3	G/MA/QR/N/NZL/1	Complete	12/10/2012
		G/MA/QR/N/NZL/2	Complete	30/09/2014
		G/MA/QR/N/NZL/3	Complete	14/05/2018
26. Nicaragua	3	G/MA/QR/N/NIC/1	Complete	22/09/2014
		G/MA/QR/N/NIC/2	Complete	14/11/2016
		G/MA/QR/N/NIC/3	Complete	30/09/2018
27. Norway	1	G/MA/QR/N/NOR/1	Complete	06/05/2019
28. Peru	1	G/MA/QR/N/PER/1	Complete	28/08/2013
29. Philippines	1	G/MA/QR/N/PHI/1	Complete	19/05/2015
30. Russian Federation	4	G/MA/QR/N/RUS/1 and G/MA/QR/N/RUS/1/Corr.1	Complete	14/09/2012 21/02/2013
		G/MA/QR/N/RUS/2	Complete	18/09/2014
		G/MA/QR/N/RUS/3 and G/MA/QR/N/RUS/3/Corr.1	Complete	27/09/2016 25/04/2018
		G/MA/QR/N/RUS/4	Complete	07/05/2019
31. Seychelles	1	G/MA/QR/N/SYC/1	Complete	10/01/2018
32. Singapore	4	G/MA/QR/N/SGP/1	Complete	06/05/2013
		G/MA/QR/N/SGP/2	Complete	15/04/2015
		G/MA/QR/N/SGP/3	Complete	22/05/2017
		G/MA/QR/N/SGP/4	Complete	21/11/2018
33. Switzerland	2	G/MA/QR/N/CHE/1 and G/MA/QR/N/CHE/1/Add.1 and G/MA/QR/N/CHE/1/Add.1/Corr.1	Complete	11/03/2014 26/05/2014 10/06/2014
		G/MA/QR/N/CHE/2	Complete	10/07/2017
34. Chinese Taipei	4	G/MA/QR/N/TPKM/1	Complete	29/09/2014
		G/MA/QR/N/TPKM/1/Add.1	Changes	17/11/2014
		G/MA/QR/N/TPKM/2	Complete	21/07/2016
		G/MA/QR/N/TPKM/3	Complete	03/10/2018

Member	No. of Biennial periods	Document	Type	Notification Date
35. Thailand	4	G/MA/QR/N/THA/1 and G/MA/QR/N/THA/1/Corr.1	Complete	22/10/2012 23/11/2012
		G/MA/QR/N/THA/2	Complete	28/09/2018
		G/MA/QR/N/THA/2/Add.1	Complete	29/03/2019
36. Turkey	1	G/MA/QR/N/TUR/1 and G/MA/QR/N/TUR/1/Corr.1	Complete	30/09/2012 22/11/2012
37. Ukraine	4	G/MA/QR/N/UKR/1	Complete	28/09/2012
		G/MA/QR/N/UKR/1/Add.1	Changes	30/04/2013
		G/MA/QR/N/UKR/1/Add.2	Changes	20/08/2013
		G/MA/QR/N/UKR/1/Add.3	Changes	17/12/2013
		G/MA/QR/N/UKR/2	Complete	16/09/2015
		G/MA/QR/N/UKR/2/Rev.1	Complete	16/09/2015
		G/MA/QR/N/UKR/3	Complete	06/09/2016
		G/MA/QR/N/UKR/3/Add.1 and G/MA/QR/N/UKR/3/Add.1/Corr.1	Changes	16/02/2017 16/02/2017
		G/MA/QR/N/UKR/4	Complete	11/10/2018
G/MA/QR/N/UKR/4/Add.1	Changes	14/03/2019		
38. United States	4	G/MA/QR/N/USA/1	Complete	05/10/2012
		G/MA/QR/N/USA/2	Complete	30/09/2014
		G/MA/QR/N/USA/3	Complete	30/09/2016
		G/MA/QR/N/USA/4	Complete	30/09/2018
39. Uruguay	2	G/MA/QR/N/URY/1	Complete	08/01/2014
		G/MA/QR/N/URY/2	Complete	04/11/2016

Source: WTO Secretariat.