GENERAL AGREEMENT ON
TARIFFS AND TRADE

Committee on Balance-of-Payments Restrictions

1963 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH

B U R M A

Basic Document for the Consultation

Revision

1. Legal and administrative basis of the restrictions

The statutory basis for import controls in Burma is the Control of Imports and Exports (Temporary) Act of 30 September 1947, as amended. Imports are regulated by the Trade Control Order of the same date, as subsequently amended. The administration of import controls in Burma is the responsibility of the Ministry of Trade and Development, Directorate of Imports and Exports, which acts in conjunction with the Importers and Exporters Registration Board constituted under the Registration (Importers and Exporters) Order of August 1954.

In accordance with the Registration (Importers and Exporters) Order, which came into force on 4 August 1954, only importers registered by the Registration Board can import goods into the Union of Burma. The Registration (Commission Agents') Order which came into force on 1 June 1960, provides that goods of certain descriptions, subject to licence, can only be imported through registered commission agents. The list of products subject to this regulation was further extended with effect from 1 January 1961. Manufacturers wishing to import raw materials and machinery for their own use, may make licence applications to the Importers and Exporters Registration Board which, in granting such licences, acts in conjunction with the Directorate of Industries.

2. Methods used in restricting imports

Under the import control system, imports are classified under the following headings: (a) licence-free imports; (b) imports under Open General Licence; (c) imports subject to individual licensing; and (d) prohibited imports.

1The present document is a revision of BOP/24 in the light of data submitted by the Government of Burma in July 1963. This revised document is circulated subject to corrections and completion by the Government of Burma.
(a) Licence-free imports

The following imports are permitted without licence: imports by government agencies and imports for the use of diplomats; commodities in transit by post; passenger baggage; bona fide samples and advertising materials supplied free of charge (not exceeding a nominal value of one hundred kyats per consignment); goods supplied free of charge as replacement for goods previously imported and found defective; goods imported through the post or by air or sea for the private and personal use of importers; imports for trans-shipment; and goods imported in bond for re-export for use on board of an outgoing vessel or aircraft.

(b) Imports under Open General Licence

Products included in the following nine Open General Licences introduced at different times are admitted freely from all countries without licence or prior approval of the Exchange Control Department of the Union Bank of Burma.

OGL I

Printers' ink; agricultural implements; spare parts for boilers and boiler accessories; vegetable and flower seeds for gardening, excluding oilseeds; tortoise shells; unmanufactured ivory; petrolatum; plastic moulding powder and pellets; alkaloids of opium and opium derivatives (in accordance with the Dangerous Drugs Act, 1930); gums and resins, including rosin; strained baby foods and milk foods for infants, excluding condensed, preserved or powdered milk; rubber seeds of all kinds, rubber stamps and budwood; empty glass bottles and corks, excluding crown corks; fishing nets and twines; feeding bottles, teats and valves for feeding bottles; feeding bottle brushes and baby soothers; educational and instructional toys.

OGL II

Machinery and parts thereof previously exported for repairs; exposed photographic films and plates previously exported for processing.

OGL III

Newspapers, periodicals, books and maps

OGL IV

Groundnut oil (provided it is imported under letter of credit)

OGL V

Iron or steel wire nails, square nails, roofing nails and washers

OGL VI

Requisites for sports and games, excluding rubber shoes, canvas shoes and basketball boots

14.7619 Kyats = US$ 1.00
OGL VII Tyres, tubes and flaps of natural and synthetic rubber (except those of bicycles)

OGL VIII Tanning extracts (excluding gambier); amorphous phosphorous; potassium bichromate; mono ammonium phosphate; soapstone powder; manganese dioxide; zinc chloride; mercuric chloride; acetylene soots; carbon black, graphite powder; butacon; high styrene resin; lithophone; aluminium silicate; calcium silicate; activated earth; zinc dust; phosphoric acid; formic acid; ammonia gas and refrigerent gas; calcium carbide; synthetic resin compound (in primary form); frit; tyre cords; plasticizer and stabilizer; insecticides; fungicides; weedicides; pesticides; rodenticides; basic slag; ammonium nitrate; sodium nitrate; muriate of potash; ammonium sulphate; sulphate of potash; kainite salt; urea containing not more than 45 per cent nitrogen by weight; nitrate of calcium; calcium cyanamide; ammonium phosphate; mineral phosphate; mineral superphosphate; nitro chalk; olite of sulphur; and precipitated silica.

OGL IX Livestock for breeding, namely: fowls and ducks, cattle (excluding buffaloes), goats and sheep and swine; vaccine; preventive and curative drugs; parasiticides and feed supplements for livestock; seeds for planting (excluding groundnuts, sesamum, wheat grain, pepper, and coriander seeds).

As a measure for Burmanization of import trade, only Burmese firms registered as importers (other than industrial importers) are permitted to import goods under all OGL's except OGL II. Foreign firms registered as industrial importers are permitted to import under OGL's I and VIII industrial raw materials, namely: tortoise shells; unmanufactured ivory; petrolatum; plastic moulding powder and pellets; gums and resins including rosin; empty glass bottles or corks, excluding crown corks; tanning extracts (excluding gambier); amorphous phosphorous; potassium bichromate; mono ammonium phosphate; soapstone powder; manganese dioxide; zinc chloride; mercuric chloride; acetylene soots carbon black; graphite powder; butacon; high styrene resin; lithophone; aluminium silicate; calcium silicate; activated earth; zinc dust; phosphoric acid; formic acid; ammonia gas and refrigerent gas; calcium carbide; synthetic resin compound (in primary form); frit; tyre cords; plasticizer and stabilizer; and precipitated silica.

(c) Individual licensing

Private imports not provided for under Open General Licence and not exempted from import control are subject to individual licensing. These licences are issued by the Directorate of Imports and Exports. They are valid for imports from any country and are issued twice a year with a general validity of six months from the date of issue. Revalidation of the licences or extension of the shipping period is liberally granted.
Individual licensing may be divided into two categories: private trade import licences and industrial import licences (including licences for mining industries). Private trade import licences are issued to individually registered firms on the recommendation of the Importers and Exporters Registration Board. The issue of private trade import licences to foreign firms registered as importers was discontinued in 1962 as a measure for Burmanization of import trade. Industrial import licences are administered by the Directorate of Industry in conjunction with the Ministry of Industry. Import licences for the mining industry are administered by the Directorate of Mines in conjunction with the Ministry of Mines.

In accordance with the Export Incentive Scheme introduced in January 1960 for promoting expansion of export trade, import licences for the value of 10 per cent of the foreign exchange earnings on certain exports comprising mostly agricultural forest, mineral, cottage-industry and other primary products were issued to registered Burmese exporters on application. The export products covered by the scheme were classified later into two categories according to the comparative hardship in finding foreign markets and import licences for 10 per cent and 7½ per cent of foreign exchange earnings on exports of respective categories were issued. Import licences covered all goods imported by the private import trade and the industrial importers from any country and there was no limitation for import of any goods. Foreign exchange provision for these imports amounted to K.10 million each for 1960-61 and 1961-62 and K.15 million for 1962-63 and all were fully utilized. This scheme was however not extended to exports made after 18 February 1963 as further extension of the scheme was not called for owing to other effective measures taken on hand for promotion of export trade.

(d) Prohibited imports

There is a short list of prohibited imports. The principal items are: opium and similar narcotics; monkeys; playing cards; gold and silver bullion and paper money.

3. Treatment of imports from different sources, including information on the use of bilateral agreements

At present there is in effect no differential or discriminatory treatment of imports from any sources of supply in so far as restricted imports for
balance-of-payments reasons are concerned. The remaining discrimination against imports from the dollar currency area under OGL's III and IV for newspapers etc., and groundnut oil respectively has been removed. Imports are permitted as a general rule on global basis and no specific imports from any particular country receives favourable treatment. However, favourable treatment is occasionally given to imports from China (mainland) under a bilateral payments agreement concluded to reduce the outstanding credit balance with that country. Trade agreements which provide for cash settlement are in force with Bulgaria, Ceylon, the Federal Republic of Germany, Hungary, India, Japan, Pakistan, Poland, Rumania, Sweden, USSR and Yugoslavia. These agreements contain indicative lists only of goods to be exchanged between the parties signatories to the agreement.

4. **Commodities or groups of commodities affected by the various forms of restrictions**

Imports not covered by Open General Licences and all subject to individual licensing. The importation of certain categories of goods is vested in governmental agencies (see Section 5 below).

5. **State-trading or government monopoly used as a measure to restrict imports for balance-of-payments reasons**

Since 1 October 1962 a central body known as the Central Procurement and Distribution Council has been formed and the following import agencies have been brought under its control and direction for the purpose of expeditions and proper procurement and distribution of goods required by the general consuming public.

**Agencies**

1. Civil Stores Committee I (succeeds the Union of Burma Purchasing Board which however only handled imports for Government requirements).

2. Civil Stores Committee II (succeeds the Civil Supplies Management Board).

3. Civil Stores Committee III (succeeds the Commerce Development Corporation and the Joint Venture Corporations).

**Commodities handled**

(General indication only)

- constructional stores and general hwares.
- foodstuffs, textiles, personal and household goods and paper of all sorts.

as for (2)
(4) Co-operative Stores Committee as for (2) and, in addition, succeeds the Union of Burma Co-operative Wholesale Society Ltd. which imported goods under private trade import licences as a registered importer).

(5) Burma Economic Development Corporation

(6) Electric Supply Board electrical stores.

The importation of petroleum products is also vested in a fully State-owned organization. The above agencies' importing and distributing functions are the same.

Imports made by Civil Stores Committees I and II and Electric Supply Board are not subject to import licences but to foreign exchange allocations and the same terms of conditions usually applicable to imports under licences. Imports by the other agencies are, however, subject to import licences, as in the case of private trade importers.

The commodities handled by the agencies are generally procured on a liberal basis to cover a wide range of items required for the consumers by competitive tender system and there is no discriminatory or restrictive effect on imports.

6. Measures taken since 1961 to relax or otherwise modify restrictions

On 23 November 1961 Open General Licence No. VIII was introduced which gave permission to all persons, subject to the relevant provisions of the Registration (Commission Agents) Order (1955), to import twenty-seven industrial raw materials, most of them chemicals. (See under 2(b) above.)

In March 1962, after the new Government took office, a number of measures for the nationalization of the Burmese import trade promulgated earlier during the year and the establishment of five new Joint Venture Corporations were suspended. Foreign firms were allowed only to import OGL goods for another six months.

On 19 March 1962, a new Open General Licence No. IX was announced. (See under 2(b) above.)

On 26 March 1962, insecticides, fungicides, weedicides, pesticides and rodenticides were included in Open General Licence No. VIII. (See under 2(b) above.)

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1. This section does not attempt to give a detailed and exhaustive review of measures taken at various dates by the Government of Burma in connexion with the Burmanization and nationalization of the import and export trade.
Effective from 10 April 1962, bicycle tyres, tubes and flaps were removed from the Open General Licence No. VII.

On 4 July 1962, the scope of Open General Licence No. VIII was extended to cover additional fifteen items (fertilizers). (See under 2(b) above).

In August 1962, permission was granted for the importation of ceramics, glazed wall and floor tiles, under trade import licences for building materials.

Effective from 1 October 1962, only registered Burmese firms were allowed to import goods under Open General Licences with the exception of Open General Licence No. II. All foreign firms registered as importers under the Regulation (Import and Export) Order were de-registered.

From 1 October 1962, no blankets other than cotton waste blankets valued at K.2 (c.i.f.) and below were allowed to be imported under trade import licences for textiles.

From 1 October 1962, round iron bars, mild steel black sheets, galvanized iron plain sheets and galvanized iron corrugated sheets of certain specifications were excluded from the list of items importable under trade import licences for general hardware and building materials.

From 6 October 1962, petrol, kerosene, lubricants and other petroleum products were withdrawn from Open General Licence No. I.

On 18 February 1963, the Ministry of Trade Development announced that no further incentive import licences would be issued to Burmese exporters.

7. Effects of the import restrictions on trade and general policy followed to restrict imports for balance-of-payments reasons (Statement of the Burmese authorities)

The general policy followed, in restricting imports for balance-of-payments reasons, is to permit liberal imports on a non-discriminatory and global-wise basis compatible with the availability of foreign exchange, preference being given to essential consumer goods and capital goods for economic development, particularly in the agricultural sector. Apart from the fact that the total volume of imports is largely determined by the extent of total foreign exchange earnings, there are no noticeable effects of any significance on the import trade, which may be attributable to the import restrictions maintained.