Subject: Uruguay Round Negotiating Group on MTN Agreements and Arrangements

Proposal by the Chairman of the Informal Group concerning the Agreement on Import Licensing Procedures

The status of work after the meeting of the Informal Group on 28 September 1990 is set out in MTN.GNG/NG8/W/83/Add.1/Rev.2.

The following is a proposal by the Chairman of the Informal Group for a compromise solution to the outstanding questions:

Article 5.2(f) in document MTN.GNG/NG8/W/83/Add.1/Rev.2 be amended to read as follows:

"(f) in the case of automatic import licensing procedures, their underlying administrative purpose;"

Article 5.2(g) be amended to read as follows:

"(g) in the case of non-automatic import licensing procedures, indication of the measure being implemented through the licensing procedure;"

The 6th preambular paragraph in MTN.GNG/NG8/W/83/Add.1/Rev.2 to become the 5th preambular paragraph:

"Recognizing that import licensing may be employed to administer measures such as those adopted pursuant to the relevant provisions of the GATT;"
The 7th preambular paragraph to become the 6th preambular paragraph, and be amended to read as follows:

"Recognizing the GATT provisions as they apply to import licensing procedures;"

The 5th preambular paragraph to become the 7th preambular paragraph, reading as follows:

"Desiring to ensure that import licensing procedures are not utilized in a manner contrary to GATT principles and obligations;"

The 8th preambular paragraph to be amended to read as follows:

"Recognizing that the inappropriate use of import licensing procedures would constitute an impediment to the flow of international trade;"

With respect to the proposal to make the Agreement applicable also to export licensing procedures, the Chairman proposes to inform the Negotiating Group on MTN Agreements and Arrangements as follows:

The Informal Group has not been able to reach agreement on a proposal to make the Agreement on Import Licensing Procedures applicable to export licensing procedures as well. Many delegations have said that there was not sufficient time to consider this issue. A number of delegations have expressed their willingness to discuss the possible establishment of rules in the area of export licensing procedures in an appropriate forum at a later stage.

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In addition to the above compromise proposals, the Chairman would also suggest the following rectifications of a purely formal character in the text of document MTN.GNG/NG8/W/83/Add.1/Rev.2:

- in Articles 1:1, 2:(a)(i) and 3:5(e) the word "country" should be replaced by "Party";

- in Article 1:4 the last words should be "GATT secretariat" instead of "secretariat";
- in Article 1:6, third line, the words "licensing applications" should be changed to "licence applications";
- in Article 3:5(j), eighth line, "distribution of licence" should be changed to "distribution of licences".

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If the above proposals are acceptable, a further informal meeting would not be needed prior to the next meeting of the NG8. However, if a delegation informs the secretariat by 16 October 1990 that it cannot agree to the compromise solution proposed above, a further meeting of the Informal Group will have to take place, in the Centre William Rappard, on Thursday, 18 October 1990 at 10 a.m.

Technical Barriers to Trade Division

Let/1714