I. Legal and administrative basis of the restrictions

1. Import controls and restrictions in Austria are applied under the provisions of the External Trade Law (ETL) of 3 December 1956, published in BGBl (Austrian Official Gazette) 226/56, as amended by the External Trade Law Amendment 1959, BGBl 284/59, on 17 December 1959. The External Trade Law of 1956 imposes licensing control not on all imports, but only on products expressly specified in annexed lists. These lists as revised and now in force are appended to the External Trade Law Amendment of 1959. Imports of goods listed are subject to licences which are issued, depending on the product, by either the Federal Ministry for Trade and Reconstruction, the Federal Ministry for Agriculture and Forestry or the Federal Ministry for the Interior.

2. All goods not contained in the lists annexed to the Law are free from the legal requirement of a licence before importation. Further, the import of goods, including those specified in the annexes to the ETL and normally requiring a licence, is exempt from the licensing requirement if made for a definite purpose, in a specified manner, or through certain channels.\(^1\)

3. The 1959 External Trade Law Amendment states that imports of the goods mentioned under Article II, paragraph 1, of the Agreement on the Importation of Educational, Scientific and Cultural Materials of 22 November 1950, BGBl 180/1958, concluded within the framework of the United Nations Educational, Scientific and Cultural Organization (UNESCO), are exempt from licensing requirements when imported from both contracting and non-contracting countries. The Amendment also includes special provisions on the procedure to be applied in the case of import applications concerning the supply of arms and implements for the Austrian army.

4. The 1959 External Trade Law amendment also contains provisions intended to ensure that the Law does not conflict with Austria's international commitments. For this purpose the amendment lays down that the provisions concerning the licensing obligation as well as all provisions enacted therewith are not to be applied in the case of trade in commodities which is not subject to restrictions under multilateral agreements provided that, for reasons of economic policy, it has not been decreed that the provisions of the External Trade Law are to be applied. The competent Federal Ministries are obliged to publish in the official gazette "Amstblatt zur Wiener Zeitung" the countries or groups of countries and the commodities to which the licensing obligation does not apply.

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\(^1\)This was set out in Annex I to the "Basic Document" for the 1960 consultation (MGT(60)28)
5. In accordance with the provision of the External Trade Law as amended, all matters of principle relating to foreign trade as well as import transactions requiring a licence and covering goods valued at more than Sch.150,000 must be brought before an Advisory Council consisting of representatives of various Government Ministries, the Federal Chamber of Commerce, the Austrian Workers' Chamber, the Chamber of Agriculture and the Austrian National Bank. The Council meets twice a week at the Federal Ministry for Trade and Reconstruction.

6. The General Committee of the National Assembly, the cooperation of which is required for the implementation of the powers of the Federal Government mentioned under the ETL of 1956, is appointed by the National Assembly from among its members.

7. The ETL provides that the Landeshauptmann of each Federal Province may be authorized to grant import licences to individual persons and firms residing within the relevant Federal Province for commodities not requiring to be brought before the above-mentioned Advisory Council. This provision has been made use of by issuing the Delegating Ordinance of 9 April 1957, BGBl. 102/57. The authorization granted to the Landeshauptmann is restricted in certain respects.

II. Methods used in restricting imports

8. The system of import controls may be conveniently described under the following headings:

(a) Goods not covered by the controls under the ETL.
(b) Liberalized imports.
(c) Global quotas.
(d) Bilateral trade agreements.
(e) Discretionary licensing.
(f) Prohibition of imports.

(a) **Goods not covered by the External Trade Law**

Goods not specified in the lists annexed to the External Trade Law are free from licensing control and quantitative restrictions regardless of their origin.

(b) **Liberalized imports**

Three Liberalization Lists are at present in force:

(i) the OEEC Liberalization List of 1 November 1959;
(ii) the Liberalization List applying to imports from the United States and Canada of 7 July 1960; and
(iii) the Liberalization List applying to imports from all contracting parties to the General Agreement except Cuba, Czechoslovakia and Japan, which came into force on 15 July 1960.
Goods included in these lists and originating in territories to which they apply are free from quantitative restrictions when imported into Austria.

(c) **Global quotas**

Apart from EFTA global quotas, only a few global quotas are in force in Austria. Two of them are open to imports from all contracting parties, some to Member States of OEEC.

(d) **Bilateral quotas**

Austria has concluded bilateral trade agreements with the following countries:

(i) **contracting parties to the General Agreement and countries which have a special relationship with the CONTRACTING PARTIES:** Belgium, Ceylon, Chile, Czechoslovakia, Denmark, Federal Republic of Germany, France, Greece, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Pakistan, Portugal, Poland, Spain, Sweden, Switzerland, Tunisia, Turkey, Uruguay and Yugoslavia.

(ii) **other countries:** Bolivia, Bulgaria, Guatemala, El Salvador, Hungary, Iceland, Iran, Morocco, Rumania, United Arab Republic, USSR.

Only some of these agreements contain bilateral quotas. The number of quotas in individual agreements is steadily decreasing as liberalization measures are put into force. Most agreements mentioned above contain only a small number of quotas.

(e) **Discretionary licensing**

For other imports subject to restrictions, licences are granted on a case-by-case basis without predetermined quota limits, the main considerations being the balance of payments and the avoidance of adverse effects of the restrictions on the exports of contracting parties.

In regard to some agricultural products there are special systems of control and regulation which aim mainly at stabilizing internal prices having regard to the interests of both producers and consumers. The Marketing Law of 17 December 1953, published in BGBL 276/58, which comprises and amends the three marketing laws in force since 1950 and which has been amended by the Marketing Law Amendment Act of 5 April 1960, BGBL 85/60, covers the following groups of products:
(i) Cow's milk of any kind, butter, cheese, cottage-cheese, casein, powdered and condensed milk.

(ii) Bread-grains (rye, wheat, maize for the production of flour for human consumption and all kinds of flour and other milling products from bread-grains), feeding grains (barley, oats, maize, coarse-ground flour, etc.).

(iii) Cattle, pigs and horses for slaughter, meat from these animals for human consumption, fresh, frozen or salted; sausages, canned meat, etc., made wholly or partly of meat of the above-mentioned animals; animal fats (bacon, lard, suet, etc.).

Three boards have been established which are concerned with the marketing of these products. For products quoted under (iii) above, imports are controlled. The Grain Compensation Board and the Board for Livestock and Meat prepare annual import programmes for cereals and milling products and for slaughter animals and meat products respectively, in which volumes, timing and qualities of imports are determined. When imports are to take place, tenders are invited of which the most attractive are accepted. This acceptance constitutes the prerequisite for the delivery of an import licence according to the Foreign Trade Law of 1956, as amended by the Foreign Trade (Amendment) Law of 1959.

In the allocation of licences among importers, each application is treated on its merits, consideration being given, inter alia, to price, quality, the market situation and, in certain cases, the capacity of the importers concerned. If applications exceed the amount of the import quota, licences in general are granted on a pro rata basis. In some cases, the reference period system is used, but consideration is given to other factors so that, as far as possible, equal and fair treatment is given to all applicants.

In principle it is irrelevant from what country it is intended that the importation should be made and care is taken to see that the obligations under trade agreements are met by licensing imports within the framework of bilateral quotas. No guarantee or deposits are required in Austria under the ETL.

(f) Prohibition of imports

No import prohibitions of a commercial nature are provided for in the Austrian legislation. Import prohibitions for other reasons, in accordance with the principles of Article XX of GATT, are to be found among others, in the following Laws:

1 These are subject to State-trading. See Section V below.

2 Details regarding these Laws were included on pages 4 and 5 of document MGT(60)28 prepared for the 1960 consultation.
III. Commodities or groups of commodities affected by the various forms of restrictions

9. See Annex I to V.

IV. Treatment of imports from different sources

10. Imports not covered by the External Trade Law are admitted freely and without import licences from all sources. The following description therefore relates only to imports included in the annexes to the Law. The admission of freed imports and the administration of restrictions are effected with reference to the following groupings of countries:

(a) EFTA countries;
(b) OECD countries and their overseas territories, Canada, the United States [and its dependent territories];
(c) All GATT countries except Cuba, Czechoslovakia and Japan;
(d) Other countries.

(a) EFTA countries

In accordance with Article 10 of the EFTA Convention, Austria globalized its quotas for EFTA countries and expanded them generally by 20 per cent on 1 July 1960.

(b) OECD countries and their overseas territories, Canada, the United States [and its dependent territories]

For goods specified in the relevant liberalization lists and originating in these countries, imports are admitted without a licence. For goods subject to the External Trade Law and not included in that list, imports may be made within the framework of bilateral quotas or under discretionary licensing.

(c) GATT countries

A special liberalization list of 287 items applies to all GATT countries except Cuba, Czechoslovakia and Japan.

¹The text of this section is subject to correction and modification by the Austrian authorities.
(d) Other countries

Imports are admitted by licences granted within the framework of bilateral quotas or on a case-by-case basis. In general, licensing policy for imports originating in these countries depends on the situation of the bilateral account, the needs of the domestic market and the level of the Austrian foreign exchange reserves.

V. Use of State trading or government monopoly in imports

11. State trading in Austria exists in the form of fiscal monopolies, relating to tobacco (raw and processed) and tobacco products, salt, spirits and cereals.

(a) Imports of tobacco (whether or not manufactured or processed) may be effected by the monopoly administration alone. In its purchasing operations, the monopoly administration is guided by commercial considerations and takes into account consumer preference while conforming to the rule of non-discrimination. The monopoly administration also ensures that foreign tobacco goods of high quality are imported to meet the demand of foreign tourists. The monopoly administration pays the consumption tax (tax on tobacco and reconstruction tax) as well as the turnover tax on such tobacco goods imported from abroad, as in the case of products manufactured from imported raw tobaccos admitted duty-free and blended with domestic manufactured raw materials. The tobacco monopoly also provides for certain exemptions in the case of diplomatic personnel, passenger traffic and small frontier traffic. The products included in the monopoly are thus subject to the same customs and fiscal treatment (consumption tax) as other imported goods.

(b) The salt monopoly is essentially a production monopoly. While the right to import is reserved for the monopoly, this is virtually of no consequence since in fact domestic production is sufficient to meet demand. Only small quantities of medicinal salts (pure sodium chloride used for injections or sea salt used in hydrotherapy) are imported by private firms. Such transactions are authorized on a non-discriminatory basis, in the light of domestic requirements. Such imports are subject to a consumption tax (licence duty).

(c) The right to import unprocessed and processed spirits (with the exception of rum, arrack, cognac and liqueurs) is also reserved for a State monopoly. The monopoly administration issues import licences, which are valid for imports from all sources, to private persons fully to meet domestic demand. Import licences are issued liberally for imports of well-known foreign brands to meet the special demand of tourists. Upon importation such products pay a compensatory tax in the form of a consumption tax equivalent to that levied on domestic brands.
(d) Austria introduced on 5 April 1960 State trading in cereals on the basis of an amendment to the Marketing Law of 17 December 1958, BGBl 276/58 in accordance with the wording of the Federal Law BGBl 282/59. The Marketing Law includes regulations concerning cereal imports to Austria. The amendment to the Law lays down that imports of the following cereals shall be carried out by the State: Buckwheat, millet, canary seed and grain sorghum, as well as other cereals under tariff item 10.07; cereal groats and cereal meal; other worked cereal grains, for example, rolled, flaked, polished, pearled or kibbled, but not further prepared germs of cereals under tariff item 11.02; bran, sharps and other residues derived from the sifting, milling working of cereals or of leguminous vegetables under tariff item 23.02; forage if containing cereal products under tariff item 23.07.1

12. State trading as operated under the monopolies referred to above has accounted for less than 2 per cent of Austria's total trade up to the present time. In the past unmanufactured tobacco has accounted for a large proportion of this percentage. The application of national monopoly regulations does not involve any discriminatory or restrictive practices, but is based on purely commercial considerations.

VI. Measures taken in recent years to relax restrictions

13. The general policy of the Government of Austria as indicated in the External Trade Law has been to limit and reduce, insofar as possible, the use of import controls. This policy has resulted in the progressive elimination of quantitative restrictions on a number of products previously subject to control under the External Trade Law.

14. On 7 July 1960 the Government of Austria announced a further liberalization of dollar imports whereby discrimination against imports from Canada, the United States and its dependent territories was virtually eliminated. On 12 July 1960 a decision was announced to free some 287 tariff items or sub-items from quantitative restrictions vis-à-vis all contracting parties to the General Agreement with the exception of Japan, Cuba and Czechoslovakia. The effective date for the implementation of this measure was 15 July 1960.

VII. Effects of restrictions on trade, and general policy in the use of restrictions for balance-of-payments reasons

Statement to be provided by the Government of Austria.

ANNEXES

(to be circulated separately)

1 For further details, see Austria's notification and Article XVII:4 (in L/ )