Group on Quantitative Restrictions and Other Non-Tariff Measures

MEETING OF 13 JUNE 1984

Note by the Secretariat

Chairman: Ambassador A. Onkelinx (Belgium)


2. The Chairman recalled that the purpose of the meeting was set out in GATT/AIR/2015 dated 28 May 1984; namely, the examination of questions, if any, relating to stages I and II and continuation of discussion of the Group's findings and conclusions in the two areas of quantitative restrictions and other non-tariff measures.

3. In accordance with the procedures agreed at the meeting of October 1983 (NTM/4), the Group first dealt with quantitative restrictions and then turned to other non-tariff measures.

A. Examination of questions, if any, relating to stages I and II

4. The Chairman recalled that, in the last meeting, the Group had agreed that while the main purpose of this meeting was to continue the discussion of findings and conclusions, members were free to revert to questions, if any, regarding existing documentation and grounds or GATT conformity of quantitative restrictions and other non-tariff measures. Delegations who had further information to supply or questions to raise relating to stages I and II of the Group's review of quantitative restrictions and other non-tariff measures were invited to do so. It was noted that such was not the case. The Group agreed that delegations would have another opportunity at the next meeting in July.

5. The Chairman informed the Group that the basic documentation on quantitative restrictions would be revised one more time before the conclusion of the Group's work. In this context, delegations who had information to supply for incorporation in this revision were requested to do so as soon as possible.

6. With regard to other non-tariff measures, it was recalled that the updating of the Inventory of Non-Tariff Measures remained an ongoing process. A number of new, amended or modified notifications had been received from contracting parties for inclusion in the documentation. These were being processed for incorporation in subsequent addenda.

7. The Chairman referred to the two draft informal papers prepared by the secretariat in response to the Group's request: one analysing the data collected in stages I and II; and the second putting forward suggestions
regarding the streamlining of the system of symbols presently used in the documentation.

8. Regarding the informal paper analysing the data collected in stages I and II, it was clarified that it had been prepared on the secretariat's own responsibility (NTM/7, paragraph 27), that it did not prejudice the conclusions or the positions of members, and that it was intended merely to assist delegations in their preparations for discussion of the Group's findings and conclusions. References to the paper in the Group did not commit members in any way to its contents or analysis.

9. The Chairman invited comments from delegations. He further stated that delegations were welcome to contact the secretariat in case they had specific comments to make or clarifications to seek with regard to the paper itself.

10. Several delegations reserved their right to make specific comments at a later stage, as their authorities were in the process of examining the paper.

11. A number of delegations stated that they were in touch with the secretariat with regard to clarifications concerning measures maintained by them.

12. The representative of Singapore stated that, as stated in Singapore's reply to the questionnaire on Import Licensing Procedures (L/5639), Singapore's import licensing scheme in respect of CCCN items 1006 and 1701 was for the purpose of monitoring trade and to ensure stability of supply and prices and did not constitute a quantitative restriction. As such, references to these items in the informal paper and in the NTM/W/6 documentation should be deleted.

13. The paper was welcomed by some delegations. Some delegations sought clarifications regarding the methodology used in the analysis and presentation of the data base. In this connection, reference was made to certain parts of the paper, including Annex 8 and some delegations reserved their positions in respect of this Annex. It was clarified that the secretariat had summarized the information already available in the voluminous data base and points made both formally and informally by delegations; that the informal paper, which attempted to bring out as complete a picture as possible by using different tabulations, should be read as a whole; and that the objective was to provide delegations with a better idea of the data available to assist them in making their own preparations. Delegations who had detailed clarifications to seek on various aspects of the paper were invited to contact the secretariat.

14. Some delegations said that, in view of the discussions in the Group and the Group's mandate, the phrase "No GATT Article/Provision cited" should apply to all quantitative restrictions in respect of which no GATT justification was given.

15. Some delegations regarded the paper as being of considerable value for future work although further analyses were required. Some suggested that in view of their significant impact on international trade, the analysis of other non-tariff measures be expanded to balance the document. One delegation stated that it would like included an analysis of other non-tariff measures in the area of agriculture to complete the picture.
One delegation underscored the need for analysing the actual trade effects of measures as this assessment would be necessary for the purposes of Stage III.

16. Some delegations felt that the paper was useful but that the Group should move as rapidly as possible to Stage III without spending too much time on rectifications or clarifications.

17. Some delegations suggested that the paper be eventually given the status of a working document after delegations had had a chance to examine the factual picture contained therein and submit clarifications, if required.

18. Some delegations suggested that parts of the secretariat's informal paper might be annexed to the Group's conclusions. Some delegations felt that, particularly since the data was mainly based on self-notifications, the secretariat should be left relatively free to analyse it and use it as a basis for draft conclusions for the Group's consideration.

19. Some delegations saw difficulties in using an informal paper as a basis for work relating to Stage III.

20. In concluding the discussions on the draft paper, the Chairman advised delegations to remain in contact with the secretariat in regard to suggestions and proposals on how the paper might be improved. He suggested that the secretariat should modify the paper in the light of the comments and suggestions made at the meeting or received subsequently. The Group agreed to the Chairman's suggestion that the contents and presentation of the paper might be further discussed at the next meeting, as well as the status to be accorded to it for purposes of future work.

21. The Chairman invited comments on the draft secretariat note on symbols used in the NTM/W/6 documentation.

22. Some delegations considered that automatic licensing should not be considered as a quantitative import restriction, that the Group should therefore agree that such measures should not appear in the data base on quantitative restrictions and that the category AL should also be removed from the list of symbols to be used in the documentation. It was however also suggested that only licensing which was truly automatic and met the relevant requirements of the Agreement on Import Licensing Procedures, should be deleted from the documentation.

23. One delegation considered inappropriate the secretariat's proposal for a new list of symbols and, in particular, the removal or replacement of a certain number of existing categories (e.g. ST, R, L. LL) by new headings and symbols; the complexity of situations was such that to categorize certain measures under new specific headings would be a very difficult and maybe impossible task.

24. Another delegation expressed appreciation for the paper and felt that it could be used as a basis for conclusions by the Group.

25. The Group took note of the comments made. The Chairman suggested that interested delegations might hold further consultations with the secretariat to clarify points concerning the paper. It was agreed that the Group would continue examination of the paper at its next meeting.
B. Continuation of Discussion of the Group's Findings and Conclusions

I. Quantitative restrictions

26. The Chairman invited comments and proposals on findings and conclusions.

27. One delegation said that in the context of the mandate, the Group should examine how existing quantitative restrictions which were not in conformity with the GATT might be eliminated or brought into conformity. Accordingly, the Group would have to draw up a list of measures in respect of which recommendations would have to be made. In this respect, the list of measures for which no GATT Article/Provision had been cited or for which Column 6 remained unfilled (Annex 7.38 to 7.41 of the informal paper) was of fundamental importance. With regard to quantitative restrictions the status of which had been questioned (Annex 8 of the informal paper), further clarification would be required of certain justifications which had been advanced. If no justification had been put forward, the recommendation might be to seek progressive liberalization, bearing in mind that priorities in this area should be set in accordance with the degree of impact that individual measures had on trade flows. In respect of this category of measures, it was therefore important that government provide appropriate justifications. The Group's recommendations should give adequate attention to measures affecting products of export interest to developing countries. Further, the Group's recommendations should, in principle, relate to measures in all sectors, though their application would take into account work presently underway in other GATT fora. For example, in respect of measures in the agriculture area, the Group's recommendations would apply if developments in the Committee on Trade in Agriculture warranted. In framing the recommendations, the Group would have to decide on possible methods or techniques to be used for the elimination or progressive liberalization of the measures in question. The secretariat was requested to provide material on the various technical possibilities for the Group's consideration.

28. Several delegations expressed support for some or all of the elements of the proposal in the preceding paragraph.

29. One delegation observed that, taking into account the present economic situation, it would be a positive step if the CONTRACTING PARTIES expressed their desire to progressively liberalize trade quantitative restrictions, particularly in respect of measures not in conformity with the GATT.

30. The position was reiterated that the exclusion of measures in the area of agriculture from the Group's work was not acceptable as this would imply a renegotiation of the Ministerial mandate.

31. The representative of a group of delegations reiterated the risks involved in duplicating work or framing conclusions disconnected from the totality of problems or the work underway in other GATT bodies charged with specific mandates to deal with various subjects, e.g. agriculture and textiles. This representative also emphasized that too simplistic a distinction should not be drawn between measures considered as being in conformity with the GATT and those that were not. He considered it premature to categorize measures in the absence of complete information on their nature or on the justifications advanced for many of them.
32. While agreeing with the views expressed, one delegation pointed out that if the Group or interested contracting parties required further information in respect of the nature or justification of certain measures, they were free to ask the contracting parties concerned for it.

33. One delegation pointed out that, apart from focussing on measures for which no GATT Article/Provision had been cited, in accordance with its mandate, the Group should also review the grounds on which the "justifiable" measures were being maintained. The primary task of the Group was to achieve progressive liberalization of measures whether or not they were justifiable in GATT terms. In this context, it was not sufficient merely to claim some justification for measures. Reference was made to the steps taken by some members to eliminate quantitative restrictions whether or not a GATT cover had been claimed for them. It was important to have an indication from other members as to the efforts proposed or being made to eliminate their quantitative restrictions.

34. One delegation pointed out that the Group should concentrate on measures for which GATT justifications had not been advanced (Annex 7.38-7.39 of the informal paper). These were in a different category from other measures for which justifications had been advanced. These justifications might not be sufficiently clear or precise but this could be rectified by the contracting parties in question.

35. The Group took note of the points made. The Chairman noted that further discussion might be necessary to arrive at a consensus regarding the question of "legality" of measures. While it was true that measures for which Column 6 had not been filled could not automatically be regarded as being inconsistent with the GATT, it was, in the context of the Group's work, the responsibility of the concerned contracting parties to cite justifications for these measures if they wished to argue that they were in conformity with the GATT.

36. With regard to measures in the areas of agriculture and textiles, the Chairman recalled that detailed discussions had already taken place, particularly in the last meeting and that positions of delegations were on record. The Group agreed to the Chairman's suggestion to keep the question aside for the present and see how a consensus may be developed at a later stage, keeping in view developments in other fora. The Chairman further suggested that the Group consider and discuss its findings and conclusions, and the methodology for eliminating or progressively liberalizing quantitative restrictions as an integrated whole.

37. It was agreed that the secretariat should prepare, on its own responsibility, a technical paper listing possible techniques for the elimination or progressive liberalization of quantitative restrictions or their being brought into conformity with the GATT. It was further agreed that the paper should also cover other non-tariff measures. The objective would be to assist preparations for the next meeting in July and make for more focussed discussions.

II. Other Non-Tariff Measures

38. The Chairman referred to the informal note analysing the information available to the Group and to the notes NTM/W/8 and NTM/W/8/Add.1 prepared by the secretariat, pulling together the ideas on future work put forward
by delegations. He expressed concern at the lack of substantive debate so far and urged members to put forward their suggestions relating to findings and conclusions, including recommendations on how other non-tariff measures might be liberalized.

39. The representative of a group of delegations underscored the importance of other non-tariff measures in terms of their effect on international trade and pointed to the need for further analytical work to be undertaken, taking into account factors like the varying methods of application and trade effects of individual non-tariff measures. The need for analysis was there and the representative expressed willingness to consult with other members and the secretariat on what was feasible. He expected to revert to the proposal at the next meeting after these consultations. It was suggested that other non-tariff measures might be more difficult to analyse than quantitative restrictions because, for example, these measures were often not product-specific and were more heterogeneous than quantitative restrictions.

40. It was agreed that informal consultations could be held to discuss further analytical work on other non-tariff measures and that the Group would discuss the matter at the next meeting in the context of specific proposals from members.

41. Some delegations referred to paragraph 11 of NTM/W/8. One delegation wanted the suggestion contained therein to remain open for further consideration in view of the fact that not all members of the Group were members of all the relevant NTM codes. Another delegation suggested that the implementation of the proposal might be left to the parties involved, i.e. the notifying contracting party would be free to raise the issue in the relevant Code Committee provided that the maintaining contracting party was a member of the concerned NTM code.

42. The Group took note of the points made. The Chairman said that at the next meeting it was essential to have all suggestions on the table and that delegations should also give thought to how various ideas and positions might be reconciled.

C. Other business

43. The representative of Korea gave a brief explanation of his government's five-year import liberalization plan (1984-1988) announced in February 1984. Under this programme restrictions on a total of 1,181 items (8 digits CCCN) among the 1,560 items currently restricted would be phased out. Of these, import restrictions on 352 items would be liberalized this year, on 237 items in 1985, on 306 items in 1986 and on the remaining items in 1987 and 1988. Information regarding the programme would be communicated to the secretariat in due course.

44. The Chairman reminded members of the dates of future meetings which were as follows:

   2 and 3 July
   27 and 28 September
   15 and 16 October

These meetings would continue the discussions, in particular on the Group's findings and conclusions.