Panel of Experts on Notifications of Residual Restrictions

RESIDUAL IMPORT RESTRICTIONS

Additional Information Obtained from Contracting Parties

1. In its interim report L/1716 the Panel of Experts instructed the secretariat to communicate with governments with a view to obtaining certain supplementary information or clarification which was needed for the completion of its work. In accordance with these instructions the secretariat wrote to twenty-two contracting parties and the requests made to them included the following:

   (a) In cases where no notification had been made, to supply a notification along the lines defined in paragraph 1 of L/1563, taking account of paragraph 5 of the report in L/1716.

   (b) Where a notification had been made:

      (i) to clarify some points of obscurity or imprecision;

      (ii) to indicate whether any particular restrictions not included in the notification should have been so included; and/or

      (iii) generally to examine whether the notification should be supplemented or revised in view of the suggestions made in paragraph 5 of the report.

2. A number of contracting parties have replied to these letters and supplied the requested information. The following paragraphs summarize the replies received or indicate the present situation on the basis of information otherwise made available to the secretariat.
Australia

The Australian authorities have supplied certain corrections to the notification reproduced in L/1563 which have been circulated in L/1563/Add.8, and have stated to the effect that:

(1) The restrictions listed in the British Board of Trade Journal of 7 July 1961 are, in fact, covered by the notification (difficulty in identifying them being due to changes in Australian tariff nomenclature and product grouping).

(2) In the judgment of the Australian authorities, ships are not subject to restrictions notifiable under the residual restriction procedure.

(3) There is, under the Australian import control system, a list of prohibited imports which include such items as harmful drugs, firearms and obscene literature. In the view of the Australian Government these restrictions are covered by Article XX and XXI, or by Article XI:2(b) of the General Agreement; accordingly they do not fall within the scope of the restrictions notifiable under the residual restrictions procedures.

Austria

As the Panel were informed at its last meeting, a liberalization list as of 1 January 1962 has been submitted by the Austrian Government. A copy of this list has been sent to each contracting party with document L/1725.

Canada

A revised notification has been received and circulated in L/1563/Add.9.

France

A list of restrictions applying to imports from OEEC countries, Canada and the United States has been circulated in L/1723. As regards imports from other countries, the French authorities have called attention to lists of liberalized imports published in the French Journal Officiel of 9 April, 13 May, 1 July 1961, 24 January, 28 January and 23 March 1962.

Federal Republic of Germany

The Federal Republic applies no quantitative restrictions which are considered notifiable under the residual restrictions procedures. "The Federal Government at present applies no restrictions on imports other than those covered by the Decision of 30 May 1959 or by Article XII, XI and XX GATT...... For the photographic items /i.e. the list supplied by the United States expert/ quantitative restrictions on imports are not applied."

Ghana

Since the last meeting of the Panel of Experts, the Government of Ghana has supplied information on the import restrictions which came into force in December 1961 (see BOP/1 and 2) and has indicated a willingness to consult with the CONTRACTING PARTIES under Article XVIII:12(a).
Italy

The Italian Government has supplied a new list of restrictions which has been distributed in L/1762. This list appears to apply to countries enjoying List A and List B treatment only.

Luxemburg

The Luxemburg Government has stated that:

(1) Pure-bred swine and bovine cattle for breeding as well as young beef cattle are covered by the Decision of 3 December 1955 of the CONTRACTING PARTIES, granting a waiver to Luxemburg on certain agricultural imports. Accordingly, imports of the said products may be subject to quantitative restrictions. Imports of young beef cattle are authorized only on the basis of domestic requirements. Imports of pure-bred swine and bovine cattle for breeding are subject to the livestock breeding regulations in force in the Grand Duchy.

(2) Shelled eggs and egg yolks for use in foodstuffs were liberalized at the time of the November 1961 session of GATT. Since that time, these products may be imported freely into the Grand Duchy without any restriction.

(3) Apart from the restrictions applied on certain agricultural products under the waiver granted to Luxemburg, the import control system applied by Belgium is equally valid for Luxemburg by virtue of the provisions of the Convention of 25 July 1921 on the Belgo-Luxemburg Economic Union.

Nicaragua

The Nicaraguan authorities have supplied the text of Decree No. 29, together with amendments thereto, and stated that "Nicaragua places imports under a prior deposit system, the purpose of which is to curtail the circulation of money within the country; incidentally, the system helps to reduce the volume of imports. Details of the system are given in the amended Law. The Law establishes three categories of products according to their degree of essentiality. The provisions of the Law apply equally to all merchandize regardless of origin. The Law is of indefinite duration but revisions are made in the lists as economic conditions in the country change".

Peru

The Peruvian Government considers that no restrictions inconsistent with the General Agreement were in force in Peru. In response to the question whether no licensing requirement indeed existed in Peru, the Peruvian authorities have replied that in general Peru applies a policy of liberal imports and that there is no system of prior licensing, quota, or prohibition, with the only exception of a small number of controls which are related to certain of the general exceptions provided for in Article XX of the General Agreement, such as the censorship of cinematographic films, the State monopoly for matches, tobacco and tobacco products, playing cards, wine, liquor and industrial alcohol, and the prohibition of imports of rockets and other fireworks. Consequently, there is no restriction which is incompatible with the provisions of GATT.
Rhodesia and Nyasaland

A revised notification has been supplied by the Federal Government and distributed in L/1563/Add.9.

Sierra Leone

A notification has now been received and distributed in L/1563/Add.9.

Sweden

In response to a number of questions forwarded by the secretariat the Swedish authorities have replied that:

(1) The Swedish notification of residual restrictions (L/1563, section 7) is based upon the opinion that Sweden applies no quantitative restrictions contrary to the rules of the GATT. Restrictions existing in the agricultural field are mentioned in the notification with reference to the provisional application provisions concerning existing legislation. Details concerning the Swedish agricultural policy have been given to Committee II (see L/1171, paragraphs 32-33, COM.II/2(c), section B and Add.1 and COM.II/56). Therefore, the general questions of paragraph 5 in L/1716 seem already to have been answered as far as the agricultural field is concerned.

(2) As to the types of restrictions (paragraph 5(c) for products other than agricultural products, it can be mentioned that Sweden applies State trading in raw tobacco and products for the fabrication of tobacco products (cigarette paper, tobacco machines, etc.) and in wine, spirits and beer with an alcohol degree of more than 2.8 per cent by weight. The State monopoly pursues a policy of strict non-discrimination in its purchases of all these products from abroad.

(3) Concerning paragraph 6 of L/1716:

(a) Imports of ears are still subject to licence. However, licences are given without any particular examination and, accordingly, quantitative restrictions are not applied. There are no quantitative restrictions on apples or pears.

(b) There is no State trading in cereals (cf. COM.II/56, page 13) nor, under normal circumstances, in sugar (cf. COM.II/56, page 18). By reason of particular circumstances a special system for sugar, notified in L/1457, has temporarily been introduced. (The second sentence of the second section of L/1457 ought to be corrected as follows: "Swedish enterprises regularly dealing with sugar for industrial purposes ... members"). As mentioned above there is a State monopoly for the importation of wine.

(c) The Swedish provisions of "emergency restrictions" and "minimum price scheme" have been reported to Committee II (cf. the above-mentioned documents).
In clarification of the terms used in its notification, the United Kingdom Government has stated that for import licensing purposes in the United Kingdom the world is divided into five areas. These are:

1. **The Dollar Area**, comprising:
   - Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, Philippines, United States of America, Venezuela.

2. **The Eastern Area**, comprising:
   - Albania, Bulgaria, Czechoslovakia, Germany (Soviet Zone), Hungary, North Korea, North Vietnam, The Peoples Republic of China, Poland, Roumania, Union of Soviet Socialist Republics.

3. **Japan**.

4. **The Relaxation Area**, which comprises the rest of the world and includes:

5. **The Scheduled Territories**, comprising:
   - British Commonwealth (except Canada), British Trust Territories, British Protectorates and Protected States, Burma, Irish Republic, Iraq, Iceland, Jordan, Libya and South Africa. Muscat and Oman are treated as being within the Scheduled Territories for import licensing purposes.