IMPORT LICENSING ARRANGEMENTS

United States Statement

During the first meeting of Working Group 4 in May of this year, my delegation stated that all licensing systems offer the possibility for administrative discretion and abuse and consequent uncertainty to the exporter and importer. We urged that licensing of imports that cannot be justified on the same grounds as quantitative restrictions or some other applicable exceptions to the GATT be eliminated. Even if licensing systems are not in fact operated restrictively and licences are in all instances issued immediately and automatically, the licensing requirement is at the least an unnecessary formality.

Since the May meeting of Working Group 4 my Government has had an opportunity to further consider the problem of import licensing and to examine the various solutions proposed. While maintaining our position that all licensing systems except those necessary to implement restrictions consistent with GATT should be rapidly eliminated, we also can support the criteria for non-restrictive licensing set forth in paragraph 35 of the Working Group 4 report.

However, my delegation believes there is need for obtaining specific information on licensing practices now in force and, accordingly, we propose that the operation of existing import licensing systems be examined. Under this proposal, countries maintaining licensing systems would submit notifications to the GATT Secretariat, giving descriptions of their licensing procedures, as well as information on how far in advance of importation applications for licences must be made, the minimum and maximum amount of time that elapses before licences are granted, and the purposes served by the licensing procedures. Notifications would include an explanation of how and why licensing procedures that are not necessary to implement restrictions consistent with the GATT diverge from the criteria set forth in paragraph 35 of the Working Group 4 report. We believe that a short deadline, perhaps three months, should suffice for these notifications.

In making this proposal, my delegation strongly urges that rather than being merely a fact-finding exercise, countries maintaining licensing systems should take this opportunity to seriously evaluate the operation and need for "automatic" licensing. These countries should consider the trading conditions that give rise to licensing systems and determine whether these conditions are still applicable.
To illustrate the kind of information that we believe should be provided in a questionnaire on licensing practices, we are circulating a list of eleven possible points that might be included in such a questionnaire.

As already indicated, we would hope that countries operating obsolete licensing systems might eliminate them during the self-examination and notification procedure. We believe, however, that after notifications have been made to the secretariat an appropriate GATT body should review the notified procedures and make appropriate recommendations for their elimination or modification.
Annex

QUESTIONNAIRE ON IMPORT LICENSING

The United States has submitted the following suggestions to Group 4.

The following is illustrative of information which should be provided in a questionnaire on import licensing practices:

1. Conditions for eligibility to apply for a licence.
2. Information required in applying for a licence (origin, supplier, quantity, price and terms of sale); documentation, if any, required with application.
3. Description of different procedures applied for different groups of products.
4. Trade or administrative bodies, other than those which actually issue licences, to which licences may be referred.
5. How far in advance of importation application must be made.
6. Maximum and minimum amount of time which elapses between receipt of application and issuance of licence.
7. Period of validity of licence and means by which licence may be extended.
8. Administrative procedures, other than licensing, required prior to importation.
9. Purposes served by licensing of liberalized imports; reasons these purposes cannot be achieved by other means.
10. Reasons for denial (if ever) of applications for licences to import liberalized goods.
11. Correspondence of licensing practices for imports not subject to quantitative restrictions to criteria set forth in paragraph 35 of the Working Group 4 report.