At their Twelfth Session the CONTRACTING PARTIES agreed that the review of import restrictions applied for balance-of-payments reasons, as provided for in paragraph 4(b) of Article XII and paragraph 12(b) of Article XVIII, should be effected in 1958 and completed at the Thirteenth Session. The secretariat was instructed to prepare a document for discussion and approval at that Session.

The nature and scope of the review is described in the relevant report adopted at the Twelfth Session (see BISD, Sixth Supplement, pp. 39-40). In the light of this, the secretariat envisages the documents embodying the review to consist of two principal parts:

**Part I:** a description of the general situation regarding international financial relations and the use of import restrictions and discrimination, and any general observations or conclusions that the CONTRACTING PARTIES may formulate.

**Part II:** factual notes on the restrictions in force in individual countries.

A draft of Part I is still under preparation. The present paper contains draft notes on the restrictions maintained by the twenty-six contracting parties which are acting under Articles XII or XVIII:B. These notes, after revision and verification by the contracting parties concerned, will constitute Part II of the review document. The delegations concerned are requested to examine these draft notes so that any modifications or corrections may be transmitted to the secretariat as early as possible during the Thirteenth Session.
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<td>120</td>
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1. Australia

Legal Basis of the Restrictions

The import restrictions in Australia are applied under the authority of Customs (Import Licensing) Regulations, (Statutory Rules 1956 No. 93), made under the Customs Act 1901-1954 on 14 December 1956 and notified in the Commonwealth Gazette of that date.

Policy of Restriction

A comprehensive system of import licensing was introduced in Australia at the beginning of the war in 1939. The restrictions applied under the regulations made at that time and during the war was for the purpose of preserving the non-sterling reserves of the sterling area and to ensure that available shipping space was suitably utilized for the prosecution of the war. From 1945 to 1952 the restrictions were progressively relaxed. By March 1952 the only significant restrictions in operation were on goods of dollar area origin. In view of serious deterioration in the balance of payments the restrictions were extended at that time to cover imports from all sources. Since that time the restrictions have been relaxed and intensified in accordance with the requirements of the balance-of-payments situation.

Administration of the Restrictions

The Regulations referred to above do not prescribe the scope, manner or method of licensing or restricting imports. The Department of Trade, which is responsible for the administration of these Regulations, draws up lists of goods and develops methods of restriction, but the actual issue of all import licences is generally carried out by officers of the Department of Customs and Excise at the various ports. Importers are informed of all changes in the import control system by public documents known as "Licensing Instructions", issued by the Department of Trade. Subject to the Banking (Foreign Exchange) Regulations, the issue of an import licence entitles the importer to obtain the foreign exchange required for payment. The holder of an import licence may be required to furnish a financial security for compliance with any conditions to which the import licence might be subject.

Methods of Restriction

Under the current Regulations and by administrative decisions, the following goods and special types of imports are exempt from licensing control:
(a) **Non-Trade Goods** - Goods brought in as passengers' baggage, small gifts, etc., imported through the post, fish caught in Australian waters, bona fide samples and advertising material, outside packages and gas cylinders imported for repair and refilling, etc.

(b) **Special Territories** - Goods which are the produce or manufacture of Papua and New Guinea and the Territory of Norfolk Island.

(c) **Specified Goods** - Bulk petroleum products, nickel ingots and shot, narcotic drugs, rock phosphate, some manures, mainly muriate and sulphate of potash, ferrous alloys, industrial diamonds, abrasives, mercury, razorite, cryolite, vermiculite ore, annato, piezo electric quartz plates, bars, rods, bromine salts, various cyanides, and hydrosulphites, resin, cobalt metal, magnesium metal, vanadium metal, arsenic metal, chrome silicide, calcium silicide, molybdenum metal, chromium metal, fashion plates and books, maps, charts, geographical, etc. globes, oil and water colour paintings, books and printed matter of non-dollar origin (imported by approved institutions and individuals).

All other imports are subject to licence. The issue of licences is subject to the following provisions:

(a) **No quantitative restriction**: Import licences are issued freely for certain goods which, though subject to licensing control, are designated for unrestricted importation. About thirty items from non-dollar countries are at present licensed on this basis, the major items being tin plate and books. In the case of books and printed matter (except fiction and magazines such as comics and Westerns, etc.) the free issue of licences also extends to imports from the dollar area.

(b) **Sales replacement**: The licensing of over sixty items is on a sales replacement basis. These items cover a wide variety of goods including raw materials, foodstuffs and replacement parts. Licences for these goods are issued to established importers in accordance with their individual sales achievements, as well as to new importers. This method of licensing permits imports up to the level of current requirements from any non-dollar country whilst for seven of the items imports are permitted in this manner from any source.

(c) **World global quotas**: This category covers eleven items, mainly raw materials and components for industry and the quotas have been fixed at a level of the previous administrative allocations for them, but may be varied from time to time in accordance with requirements. Importers are free to use these quotas for imports from any source.
(d) Non-dollar global quotas: These quotas may be used for imports from any country other than those in the dollar area. For purposes of granting such quotas imports are divided into categories as follows:

Category A: Goods in this category are in the main raw materials, components and more essential consumer goods. Quotas are determined generally as a percentage of the imports made by each importer in a selected base year, on the basis of the need for each commodity account being taken of demand, local availability and the overall level of the restrictions. In order to allow some flexibility to importers and to facilitate administration, quotas for a number of items have been grouped into "Banks". These combined quotas, which may be used for the importation of any of the items belonging to one Bank, account for about one-third of total Category A quotas.

Category B: This category covers items of a lower import essentiality, such as general consumer goods, together with some more essential goods which are in adequate local supply. At present each importer is permitted to import any goods in this category against a single combined quota. The interchangeability within the category, which during a certain period was suspended when quotas were set for sub-divided groups within certain categories, enables importers to vary the composition of their imports to take account of changes in demand and helps to reduce possible incidental protective effects of the restrictions on particular branches of local production.

Other quotas: This category covers essential materials previously subject to administrative licensing control. The quotas established are available for imports from non-dollar countries only.

(e) Administrative licensing: A wide range of imports including raw materials, components for industry and capital equipment is licensed on a "case-by-case" basis because it is either impracticable or undesirable to restrict these imports by predetermined quotas. Applications for licenses for these goods are examined individually on their merits, account being taken of such factors as the demand and supply situation, their proposed end use and their availability from dollar and non-dollar sources. The overall amount available to cover such imports is determined in the light of estimated requirements in relation to the overall level of restrictions, but at present goods in this category are generally licensed on a liberal basis because of their essentiality. For a considerable number of the items in this category licences issued are available for imports from any source without discrimination. For administrative reasons licences for certain goods in this category are issued by the Department of Trade, whereas for others licences are issued by Collectors of Customs.
Treatment of Imports from Different Sources

The restrictions are discriminatory only with respect to imports from the dollar area of goods other than those included in the "world" licensing list. A considerable number of essential goods and raw materials have been placed on the "world" list and licences for these goods are issued under the various licensing categories mentioned above irrespective of the source of supply. Since 1 August 1958 this treatment has been extended to broad ranges of imports, such as non-electric capital equipment and parts, electric machine apparatus and appliances, television transmission equipment.

Quotas are not allocated among individual supplying countries. The world quotas are available for use by individual quota holders for imports from any source and non-dollar quotas are available for imports from any non-dollar country. Allocations for items in the Administrative and Administrative (world) Category are available for use in a similar manner.

The Dollar Area: The issue of licences for the importation of goods from the dollar area which are subject to administrative control is in general restricted to essential goods which are not available from other countries in adequate quantities or on reasonably comparable commercial terms such as quality, cost or delivery. The goods licensed are mainly raw materials, capital equipment and components for manufacture. "Token" imports are permitted of some less essential goods which are traditional imports from countries in the dollar area.

Bilateral Commitments: Australia has most-favoured-nation trade agreements in force with Belgium, Brazil, Czechoslovakia, France, the Federal Republic of Germany, Greece, Iceland, the Federation of Rhodesia and Nyasaland, South Africa and Switzerland. The 1936 Agreement between Australia and Belgium provides that Australia should allot to Belgium specific quotas for plain clear sheet glass. None of the other agreements fix quotas for imports into Australia or otherwise involve discrimination against third countries.

Imports under State Trading

Australia does not make effective either directly or indirectly any of her restrictions on imports by means of State trading activities.
### Proportion of Imports covered by the Different Procedures

#### Breakdown of Imports or Licences issued according to Licensing Procedures

(FA millions)

<table>
<thead>
<tr>
<th>Procedure</th>
<th>January 1956 - June 1957</th>
<th>1957-58</th>
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<tbody>
<tr>
<td>Licence-Exempted Imports</td>
<td>150</td>
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<tr>
<td>No Quantitative Restriction</td>
<td>248</td>
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<td>Licensing</td>
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<tr>
<td>Quota Principle</td>
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<tr>
<td>Case-by-Case</td>
<td>605</td>
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<td><strong>Total imports</strong></td>
<td><strong>1,293</strong></td>
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2. **AUSTRIA**

**Legal Basis of the Restrictions**

Import controls in Austria are applied under the *External Trade Law* of 3 December 1956 which impose import licensing requirements on the import of specified commodities (which are listed in Annexes to the Law). The import of other commodities is not subject to any licensing procedure. No licence is required when imports are effected for defined purposes or in certain circumstances, e.g. imports of specific types of samples and specimens, personal luggage of travellers, presents of Heads of States or governments and purchases by the Austrian Monopoly Administration.

The *External Trade Law* provides that the application of the licensing requirements it imposes must be in accordance with international obligations of Austria. It also empowers the Federal Government, in special circumstances (a) to exempt by Decree from the requirement either temporarily or permanently, commodities which are otherwise subject to import control, and (b) to place commodities the import of which normally does not require a licence, temporarily and exceptionally under licensing control.  

**Policy of Restriction**

The import policy is formulated by the Federal Government. In exercising the powers conferred upon it by the *External Trade Law*, the Government must act in co-operation with the General Committee of the National Assembly (Hauptausschuss des Nationalrates).

The purposes of the import restrictions are to safeguard the balance of payments, to maintain a satisfactory trade balance with certain countries, and to protect certain lines of production which, for the time being, are considered necessary for economic, social and other reasons.

**Administration of the Restrictions**

In administering the import control the Federal Ministry for Trade and Reconstruction is aided by an Advisory Council to which all matters of principle relating to foreign trade and all applications for import licences of a value exceeding Sch.150,000 must be referred for consideration. The Council consists of two representatives of the Ministry for Trade and Reconstruction, and one representative of each of several other Ministries concerned, the Federal Chamber for Industrial Economy, the Chamber of Agriculture, the Austrian Workers' Chamber and the Austrian National Bank. Experts of economic groups interested in external trade may be invited to attend meetings of the Council as consultants.

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1 By an order of 20 February 1958 imports of lead and zinc and smoked fish were temporarily made subject to licensing requirements.
Import licences are issued by different Federal authorities according to the products concerned. The licensing authorities are:

1. The Federal Ministry for Trade and Reconstruction, for commodities listed in Annex B.1 to the External Trade Law;
2. the Federal Ministry for Agriculture and Forestry, for commodities listed in Annex B.2 to the Law; for commodities listed in Annex B.2 II the Ministry for the Interior must be consulted;
3. the Federal Ministry for the Interior, for commodities listed in Annex B.3 I to the Law;
4. the Federal Ministry for the Interior, in co-operation with the Federal Ministry for Agriculture and Forestry, for commodities listed in Annex B.3 II to the Law.

In addition, the Governor (Landeshauptmann) of each Federal Land is authorized to grant to individual persons and firms in the Province import licences the applications for which do not require consideration by the Advisory Council, and which do not exceed defined value limits.

In general import licences are valid for six months; for foodstuffs, however, they are valid as a rule for three months and for mechanical equipment for six to twelve months. The period may normally be extended, usually for a period of three months.

In allocating licences to importers the licensing authorities take account, inter alia, of price, quality, the market situation, and the capacity and status of the importers concerned. For imports subject to global quota licences are generally granted on a pro rata basis. In some cases reference may be made to the shares of imports of importers in a previous period, but other factors are also taken into account so that in so far as possible equal and fair treatment is given to all applicants. The Austrian National Bank issues the exchange licences which are required for all imports against payment except those liberalized vis-à-vis OEEC countries. At present, exchange licences are liberally granted.

Methods of Restriction

The system of import controls may be described under the following headings: (1) Imports exempt from licensing requirements; (2) the OEEC free list; (3) the free list applicable to certain imports from Canada and the United States; (4) imports under global quotas; (5) imports under bilateral agreements and compensation transactions; (6) discretionary import licensing and (7) imports within the purview of agricultural marketing boards. There are no import prohibitions other than those authorized by the provisions of Article XX of the General Agreement.
(1) Commodities not specified in the lists annexed to the External Trade Law are free from licensing control and quantitative restriction regardless of their origin. The same applies to goods subsequently exempted from control.

(2) Commodities on a free list which applies to the OEEC member countries and their overseas territories, may be imported from these sources without a licence.

(3) Goods on a free list applying to Canada, the United States and United States dependent territories may be imported under licences which are granted automatically upon application.

(4) Global quotas valid for the OEEC member countries and their overseas territories are established for the import of a few specified commodities, including certain linen and cotton yarns, certain printed rayon textiles, spectacle frames and accordéons. There are also global quotas for certain fresh ornamental flowers, leaves, grasses and branches originating in countries which are parties to GATT or Member countries of the OEEC. Finally, wine and must are covered by a global quota which applies to imports from all sources.  

(5) Bilateral trade agreements are in force with a number of countries. In some of these agreements import quotas are established for goods still subject to restriction. Some of the agreements provide that import licences for specified commodities will be granted without restriction. Some of the agreements, including those with Brazil, Eire, Iceland and Pakistan, contain only indicative lists of commodities without fixed quotas. Compensation or barter transactions are frequently permitted with those countries with which no payments or clearing agreements are in force, no other way of settling payments is available. Barter transactions require the approval of the National Bank of Austria and the Federal Ministry for Trade and Reconstruction.

(6) For other imports subject to licensing control licences are granted on a case-by-case basis without predetermined quota limits, the main considerations being the needs of the Austrian economy and the level of the foreign exchange reserves.

(7) In regard to some agricultural products there are special systems of control and regulation which aim mainly at stabilizing internal prices in the interest of both producers and consumers. There are, for example, special marketing laws for the following groups of products:

(1) Cow milk and certain other dairy products (butter, cheese, cottage-cheese, casein, powdered and condensed milk);

(11) 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-stuffs (coarse grain, barley, oats, maize, coarse-ground flour etc.);

A complete list of global quotas has been lodged with the secretariat.
(iii) cattle, pigs and horses for slaughter and certain animal products (meat from these animals for human consumption, fresh, frozen or salted);
(iv) certain meat products (sausages, canned meat etc., made wholly or partly of meat of the above-mentioned animals);
(v) animal fats (bacon, lard, suet etc.).

Special boards are concerned with the marketing of these products. Price regulations are based upon a price regulation law of 1950. Generally, the price stabilization schemes involve deficiency payments or surcharges on imports depending on whether the price of the imported product is above or below a predetermined price or price margin.

For sugar there is no special marketing law, but this commodity is nevertheless subject to regulation under a State price-fixing arrangement.

Treatment of Imports from Different Sources

Different treatment is accorded to imports from: (1) the OEEC countries; (2) the other countries settling payments through the EPU; (3) Canada, the United States and United States dependent territories; (4) the other countries in the dollar area; (5) the rest of the world. The following notes relate only to goods which are subject to import control pursuant to the External Trade Law:

(1) OEEC countries and their dependent territories: - Imports from these sources of goods on the OEEC Free List are admitted without limitation and without a licence. Other imports are admitted either within the limits of global or bilateral quotas or under individual licences which are issued on a case-by-case basis.

(2) The other countries settling payments through the EPU: - Imports from these sources are admitted under licences which are issued either in accordance with bilateral quota agreements or on a case-by-case basis.

(3) Canada and the United States and dependencies: - Goods on the special free list applying to these sources may be imported therefrom without limitation under licences which are granted upon application. Imports of all other goods are subject to individual, discretionary licensing.

(4) Other dollar area countries: - Except for Cuba, with which trade is governed by a bilateral trade agreement, imports from the other countries in the dollar area are licensed on a case-by-case basis.

(5) The rest of the world: - Imports from all countries other than those mentioned above require individual licences which are granted on a case-by-case basis. However, with several of the countries trade agreements are in force. (Austria is a party to the multilateral trade and payments arrangements with Argentina, Brazil and Finland.)
As indicated above there are certain global quotas which apply either (a) to imports from all sources or (b) to imports from GATT countries and Members of the OEEC.

**Imports under State Trading**

The import of tobacco, tobacco manufactures, salt and unprocessed alcohol is the subject of State monopoly. Imports of these products represent little over 1 per cent of total imports and the arrangements are maintained only for revenue purposes.

Imports of tobacco, raw and processed, and tobacco manufactures are effected through the State Monopoly Administration. Purchases abroad are carried out in accordance with commercial considerations and without discrimination as between sources of supply. Foreign tobacco products of high quality are imported principally to meet the demand of foreign tourists.

The Salt Monopoly is a monopoly both in production and importation. The monopoly in imports is of no significance as Austria is self-sufficient in this commodity, and the import of medicinal salts (pure sodium chloride for injections and sea salt for therapeutical baths) has been reverted to private trade, and are free from restriction.

The import of unprocessed and processed spirits (with the exception of rum, arrack, cognac and liqueurs) is effected by the State Monopoly Administration. In effect, however, the Monopoly Administration issues import licences to private persons, and in the case of spirits of well-known brands usually demanded by tourists licences are granted liberally.

**Proportion of Imports covered by each Import Procedure**

(Imports in 1,000 schilling)

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<td>Liberalized imports from</td>
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<td>CEEC area .....</td>
<td>9,326,000</td>
<td>13,896,000</td>
<td>15,883,000</td>
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<td>United States and Canada ....</td>
<td></td>
<td>389,000</td>
<td>1,357,000</td>
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<tr>
<td>Imports under trade agreement</td>
<td>6,369,000</td>
<td>6,811,000</td>
<td>5,675,000</td>
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<tr>
<td>Other imports..</td>
<td>1,292,000</td>
<td>1,972,000</td>
<td>2,404,000</td>
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<tr>
<td>Total:</td>
<td>16,987,000</td>
<td>23,068,000</td>
<td>25,319,000</td>
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3. BRAZIL

Legal Basis of the Restrictions

The laws and decrees which are relevant to the Brazilian import control system include the following:

(i) Decree-Law No. 7,293 of 2 February 1945, which gives authority to the Council of the Superintendency of Money and Credit (SUMOC), of the Ministry of Finance, to decide on exchange policies; by Instruction No. 70 of 9 October 1953 SUMOC put into effect a system under which foreign exchange for import payment is auctioned to importers;

(ii) Law No. 1,807 of 7 January 1953 (and the relevant regulations contained in Decree No. 22,285 of 20 February 1953), which lays down the basis for control of foreign trade and instructs SUMOC to prepare annually a foreign exchange budget;

(iii) Law No. 2,145 of 29 December 1953 (and the relevant regulations contained in Decree No. 34,893 of 5 January 1954), which institutes the Foreign Trade Bureau (CACEX) and lays down rules for authorizing imports and the virtually automatic issue of licences by CACEX;

(iv) Law No. 2,410 of 29 January 1955, which empowers the Executive to abolish, in whole or in part, the system of foreign exchange auctioning (Article 2);

(v) Law No. 3,244 of 14 August 1957, which establishes the new customs tariff, institutes a Customs Policy Council and introduces various changes in the import control system;

(vi) Decree No. 42,820 of 16 December 1957, which regulates the auction and import licensing procedure.

Policy of Restriction

The restriction of imports is made effective through the auction of foreign exchange and the payment of the resulting exchange surcharges; the purpose being to avoid the use of direct control such as the licensing of imports on a discretionary basis, and to rely on procedures which are more or less automatic.

A foreign exchange budget is established each year by the Minister of Finance on the basis of estimates of receipts and expenditures for the different currency areas and estimates by Government departments and public entities on their needs for imports and service payments. It provides
for approximate allocations of foreign exchange for: (1) imports in the private sector; and (2) imports by the State and State agencies and private imports intended for economic development within the framework of official programmes.

Administration of the Restrictions

The general responsibility for the regulation of foreign trade rests with the Ministry of Foreign Relations. To that Ministry is attached the Advisory Committee for Trade Agreements, which deals principally with bilateral agreements. The Committee functions under the chairmanship of an official of the Ministry and consists of representatives of certain ministries, of various agencies dealing with import and exchange controls, and of a number of National Confederations active in the fields of industry, agriculture and trade.

Under the authority of the Ministry of Finance, SUMOC is responsible inter alia, for the formulation of exchange policy and the preparation of the foreign exchange budget. Responsibility for the classification of products into import control categories rests with the Customs Policy Council, which is subordinate to the Ministry of Finance and is composed of representatives of the trade, industrial, agricultural and labour associations.

The principal functions of CACEK with regard to imports are to issue licences, to allocate the total exchange available for auction to the various import control categories and generally to exercise the necessary controls over prices, weights, measures, etc. of imports.

There are other authorities which participate in the control of imports in special fields. For example, imports of live animals and plants, certain seeds and a variety of agricultural equipment require the approval of the Ministry of Agriculture; imports of certain products for medical use are subject to approval by the Ministry of Health; imports of petroleum and asphalt cement are controlled by the National Petroleum Council.

There are regulations which provide for co-operation between the various official bodies in charge of import controls and the National Industrial Confederation especially in the determination of whether certain imports are required by domestic industry. For a number of products (such as newsprint manufacturing equipment, glass products, essential oils for perfumery, industrial sewing machines, and centrifugal, rotative or other pumps), import licences are issued only if the Confederation certifies that the imports in question are necessary.
Methods of Restriction

1. Imports subject to the purchase of exchange certificates at auction

For the purpose of auctioning foreign exchange, commodities are classified into two categories: "general" and "special", on the basis of the relative degree of essentiality of the commodities to the national economy. The "general" category includes raw materials, industrial equipment and other capital goods, as well as essential consumer goods which are in short supply on the domestic market. All other commodities, except a few goods used exclusively in agriculture and goods receiving preferential exchange treatment (see 2 below) are in the "special" category. The classification, and the allocation of various foreign currencies to each category, are determined by SUMOC, taking account of the traditional pattern of imports, commitments under bilateral or multilateral agreements and the requirements of the Brazilian economy. A small proportion of exchange is at present allocated for imports in the "special" category.

Foreign exchange for imports by private traders is sold by public auction at ten commercial exchanges in Brazil. Thirty per cent of the total value offered is auctioned at Rio de Janeiro and 30 per cent at Sao Paulo, and the remaining 40 per cent in the other principal cities. The exchange is offered in lots of US$1,000 without further fractioning. Each lot relates to a particular country or currency area and to one of the two categories of imports. Under this system the actual cost of foreign exchange to the importer is the official rate of 18.82 cruzeiros per US dollar, plus the premium paid in the auction, the commission of the exchange-broker (2.87 per thousand) and the usual bank commission of 2 per cent. A minimum is sometimes fixed for the premium for certain currencies.

Only the following groups may bid for exchange commitment certificates at the auctions: (1) commercial firms duly registered as importers in their line of business and similarly qualified consumer co-operatives; (2) industrial firms duly registered as importers - for imports to meet their own quarterly requirements; (3) rural associations, including co-operatives - for imports for their own use or for resale to their members; and (4) individuals - for goods imported for personal use.

Within five days after the successful bid, payment of the auction premium must be made to the Bank of Brazil which thereupon issues a certificate called "undertaking to sell foreign exchange" or PVC.\(^1\)

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1 Official Gazette Supplement No. AO 205 of 6 September 1957 gives the list of goods included in the "general" category.

2 Promessa de Venda de Cambio
On a date specified in the certificate the importer pays for the foreign exchange in cash at the official rate of 18.82 cruzeiros per dollar. For convertible currencies that date is usually 120 days after the issue of the certificate, but may be later extended in cases of financial stringency. Exception to this delay may be granted under a system of "urgent delivery" which permits payment to be made upon receipt of the shipping documents; this system usually applies to imports payable in currencies of limited convertibility or in non-convertible currencies.

Within thirty days after the issue of the PTC the importer must apply, in the case of goods in the "general" category, to the Exchange Department of the Bank of Brazil for a certificate of exchange cover (CCC) or in the case of goods in the "special" category, to CACEX for an import licence. If no licence application is made within that time, the PTC ceases to be valid and the importer is authorized to claim reimbursement of the auction premium paid. Import licences are generally issued between ten and fifteen days following submission of the application and valid for a specified period, usually 180 days.

Special auctions of foreign exchange are held for imports of fruit from Argentina and Uruguay and for certain imports used exclusively in agriculture, such as specified fertilizers, insecticides, fungicides and fumigants. Premia obtaining in such auctions have been considerably lower and close to the set minimum (51.58 cruzeiros per US dollar).

2. Imports not subject to the auction system

(i) Public sector and economic development: Government, State and municipal bodies, autonomous and semi-autonomous institutions and semi-public enterprises are allowed to obtain foreign exchange for their imports at preferential rates of exchange and without the purchase of exchange certificates at auction. In so far as such imports are provided for in the foreign exchange budget, foreign exchange is supplied automatically by the Exchange Bureau of the Bank of Brazil.

Imports by private firms of equipment, machinery and other items which JUNOC considers to be highly essential for economic development in accordance with certain programmes also benefit from a preferential rate of exchange. The programmes in question are those relating to the mechanization of agriculture and the development and co-ordination of national production of motor vehicles and other means of transport. Imports of parts to complete units which are partially manufactured in the country also benefit from a preferential rate.

In June 1958 the following imports were enjoying preferential treatment, at the rates of exchange indicated:

1 Certificado de Cobertura Cambial

2 The list is reproduced in Circular No. 26 of the Ministry of Finance, dated 18 September 1957.
Governmental imports and remittances

Wheat

Newsprint and paper 58.82

Equipment, components and spare parts
for oil research and production of
 crude oil (i.e. imports by Petrobras) 70.00

Petroleum and derivatives thereof 58.82

Rubber

Maps, books, periodicals, newspapers,
magazines, etc. 58.82

Cinematographic film

Aviation equipment

Imports for electric energy undertakings

Other goods

(ii) Imports related to foreign investments: Subject to certain conditions regarding registration and eligibility, foreign capital is permitted to enter the country in the form of goods when such goods are intended for the implementation of plans approved by the Federal Government for the development of certain regions of the country, for energy production, for use in communications and transport. Other goods which may be so imported include (a) equipment, machinery and tools and implements which are considered to be of interest to the Brazilian economy and which are not of the type produced in Brazil in adequate quantities, nor of the type whose manufacture in Brazil would contribute to alleviating pressures on the balance of payments; and (b) a certain proportion of the raw materials which a firm needs to acquire from abroad. For imports of these capital goods which represent foreign investments, licences are issued by CAGEPE without exchange cover.

(iii) Imports financed by credits and loans: Similarly, imports of equipment and material for domestic production of articles in the "general" category may be authorized by CAGEPE if they are covered by foreign credits or loans, subject to certain conditions. This system may also be extended to articles in the "special" category.
Imports under State Trading

[To be completed]

Treatment of Imports from different sources

Exchange certificates supplied on the basis of auction are valid for specified sources of imports, viz.: (i) countries which use convertible currencies (mainly the dollar area), (ii) countries participating in the "Hague Club" (transferable currencies), (iii) bilateral agreement partners (clearing account currencies), (iv) other countries (non-convertible currencies).

A multilateral trade-and-payments arrangement, (the Hague Club arrangement), is in force between Brazil on the one hand and Austria, the Belgium-Luxembourg Economic Union, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom on the other. Foreign exchange needed for import payment to these countries is offered at auctions as "ACL dollars" (i.e. limited convertibility area dollars), which can be converted into the currency of any of these countries.

The system of foreign exchange auctions does not apply to imports from Bolivia and Paraguay, with which the trade-and-payments agreements in force provide for payment settlement in cruzeiros, subject to certain special conditions arising from the special nature of trade between adjacent countries.

For imports from other trade agreement partners, foreign exchange is allocated in ad hoc auctions. Exchange certificates are auctioned in the light of the availability of the partner's currency, and in accordance with bilateral quota commitments.

Proportion of Imports covered by each Import Procedure

<table>
<thead>
<tr>
<th>Actual expenditure in foreign exchange</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. to June 1957</td>
<td></td>
</tr>
<tr>
<td>Jan. to June 1958</td>
<td></td>
</tr>
</tbody>
</table>

Through auction sales

- Petroleum and derivatives thereof
- Other products

---

1 Source: Bank of Brazil, Report for 1957
Outside auction sales

<table>
<thead>
<tr>
<th>Description</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental imports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper and printing supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum and derivatives thereof</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rubber</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books, periodicals and films</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firms holding public service concessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports relating to foreign investments¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports financed from foreign sources¹</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Source: SUMDC
Legal Basis of the Restrictions

The statutory basis for import controls in Burma is the Control of Imports and Exports (Temporary) Act of 30 September 1947. Section 3 of the Act provides that the President of the Union may by Order published in the Official Gazette, prohibit, restrict or otherwise control the importation of goods of any specified description. The Import Trade Control Order of 30 September 1947, issued pursuant to the Act, prohibits the importation of any item contained in column 2 of the First Schedule appended to the Burma Tariff Act, except the licence-free types of Imports as indicated below under the heading "Methods of Restriction". The Order also provides for the issue of special licences or open general licences.

Policy of Restriction

The basic objective of the import control policy is to allocate foreign exchange available for imports to the best advantage of the economy. A foreign exchange budget is drawn up each fiscal year (October-September) on the basis of estimated exchange receipts, taking account of export proceeds, loans and aid, and other current incomes and remittances from abroad. Expenditure on imports and other requirements are planned within the framework of this budget.

Administration of the Restrictions

Import controls are administered by the Directorate of Imports and Exports which is under the administrative charge of the Ministry of Trade Development. There is a Trade Advisory Committee consisting of representatives of trade and industry which advises the Government on import and export policy and procedures.

The Registration (Importers and Exporters) Order 1954, promulgated on 4 August 1954, provides that all firms engaged in international trade must, unless specifically exempted, register with an official Registration Board appointed by the President to carry out the Order. Foreign firms may register only if they were engaged in import or export trade in Burma prior to 4 January 1948. In order to qualify for registration the firm must have a certain percentage of employees of Burmese nationality. Registration may be refused or cancelled for violation of trade, exchange, taxation or price control regulations. Registration is granted to qualified importers for a period of one year on payment of registration fees and renewable every year on payment of renewal fees. Imports may be made only by the registered importers and those who are exempted from registration.
Manufacturers wishing to qualify for registration as direct importers of raw materials and machinery for their own use must apply to the Importers and Exporters Registration Board under the Ministry of Trade Development through the intermediary of the Directorate of Industries.

Goods which may be imported for the private trade under licences issued to the registered importers are at present classified into twenty-six groups. Importers' Releases, which are known as Directives, are issued from time to time by the Directorate of Imports and Exports to indicate which specific items of commodities may be imported under each group subject to limitation and/or conditions, if necessary. Except in very few special circumstances, applications for licences in respect of these groups of goods are not called for. For each group licences for varying amounts are issued to registered importers, twice a year in most cases, according to their respective grades determined by the Registration Board. A licence fee is charged at the rate of 5 per cent of the c.i.f. value of the goods. An additional fee at the same rate for the balance amount is charged for re-validating a licence.

Foreign exchange is automatically granted against a licence by authorized banks.

Methods of Restriction

The import control system may be conveniently described under the following headings: (a) Licence-free imports, (b) the Open General Licences, (c) individual licensing, (d) imports by the Joint Venture Corporations, (e) imports by the Civil Supplies Management Board, (f) prohibited imports.

(a) Licence-free Imports: As stated above, certain types of imports are exempt from the import prohibition established by the Import Trade Control Order. These include imports by the Government and certain Government agencies, articles for the use of diplomats, commodities in transit through Burma by post, passengers' baggage, bona fide samples or advertising materials supplied free-of-charge not exceeding a nominal value of one hundred Kyats in single consignment, goods supplied free-of-charge in replacement of goods previously imported and which were found defective, goods imported through the post or air or sea for private and personal use of importer, imports for transhipment, and goods imported in bond for re-export for use on board of an out-going vessel or aircraft.

1 The twenty-six groups listed are: Paper all sorts; Electrical goods; Fountain Pens; Bicycles and Tricycles; Textiles; Building Materials and General Hardware; Machinery; Foodstuffs; Provisions, all sorts; Cinema and Photographic Materials; Requisites for Sports and Games; Household Goods; Watches and Clocks; Motor Vehicles; Toilet Requisites; Soap; Radio and Radiograms (Spare Parts); Beedi Leaves; Chinese Raw Medicines; Musical Instruments; Lubricating Oils (Dollars); Medicines (Dollar); Motor Spare Parts (Dollar); Miscellaneous, N.E.S.; Liquor other than Rum and Beer; and Boots, Shoes and Canvas Shoes.
(b) Open General Licences: There are four Open General Licences, one of which (OGL II) permits free imports from all countries and the other three for imports from all countries other than Canada, Newfoundland and the American Account countries\(^1\). These Open General Licences, issued by the Ministry of Trade Development and the Directorate of Imports and Exports, allow the importation of specified goods without the need to apply to the Directorate of Imports and Exports for an individual import licence. The current Open General Licences have been amended from time to time by addition or deletion of items. They have been issued as follows:

- **OGL II** Notification No.16 by the Imports Policy Branch of the Ministry of Trade Development, effective 11 March 1955.
- **OGL III** Notification No.19 of 5 April 1955 by the Imports Policy Branch of the Ministry of Trade Development, effective 5 April 1955.
- **OGL IV** Notification No.1 by the Directorate of Imports and Exports (Administration Branch) of the Ministry of Trade Development, effective 31 October 1956.

Except in cases where special permission has been obtained from the Exchange Control Department, letters of credit must be opened for the importation of goods under Open General Licence Nos. I, III and IV. To prevent the speculative importation of these goods, prior approval for the opening of letters of credit or imports against credit terms must be obtained from the Exchange Control Department. Goods shipped from a country other than the country of origin are not allowed against these Open General Licences except in special circumstances where exemption is granted.\(^2\)

(c) Individual Licensing: Private imports not provided for in the Open General Licences and not exempted from import control by the Import Trade Control Order are subject to individual licences. These are issued by the Directorate of Imports and Exports and may be valid for imports from (i) the hard currency area, (ii) the soft currency area or (iii) bilateral account countries. The holder of a licence valid for a currency area is free to import from any country in that currency area. Individual licences are issued semi-annually with a maximum validity of six months from the date of issue. Extensions of the period, however, are liberally granted. The individual licensing may be classified into two categories,

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1 See Section on "Treatment of Imports from Different Sources".

2 By notification issued on 15 August 1958, goods on OGL Nos. I, III and IV have been made subject to quota restriction, and such imports are now exempt from these exchange requirements.
namely, trade import licences and industrial import licences. Trade import licences are issued to the individual registered firms on the recommendation of the Import Licensing Board. The application for issue of import licences for capital goods and industrial raw materials is processed in and recommended by the Directorate of Industry through the Ministry of Industry.

Over-shipment up to 10 per cent of the c.i.f. value of the goods covered by a licence, but not exceeding one hundred Kyats, can be allowed by the Commissioner of Customs. Approval of the Ministry of Trade Development is necessary for over-shipments exceeding that value.

(d) Joint Venture Corporations: Bulk licences for the importation of certain categories of goods such as foodstuffs, textiles (other than those mentioned in (e) below), hardware, building materials and a few selected industrial materials are granted to the Joint Venture Corporations, in which both private investors and the State participate. Thus far eleven such corporations have been established. The initial capital of most of them is Kyat 5 million of which 52 per cent is subscribed by the State and the remaining 48 per cent by Burmese nationals. These corporations are in fact Public Limited Companies incorporated under the Burma Companies Act and are responsible for the importation and distribution of the commodities through approved wholesalers and retailers. Although other importers are excluded from the import trade in commodities reserved for the Joint Venture Corporations, there is competition between the Corporations themselves.

(e) The Civil Supplies Management Board: The Civil Supplies Management Board is under the administrative control of the Ministry of Co-operatives and Commodity Distribution and has a monopoly in the importation of the following essential commodities:

1. canned fish
2. sugar
3. sweetened condensed milk and evaporated milk
4. textiles comprising of
   (a) white sheetings,
   (b) plain grey long cloth and shirtings,
   (c) plain grey sheetings,
   (d) white long cloth and shirting of plain and simple weave (excluding crepes and fancy shirting such as Ever Glaze, Seer Sucker), white cambrics, white poplin or broad cloth and white twills;
5. cotton and silk yarns
6. cement
The Board's function is to distribute them equitably at controlled prices to the consumers. The Board invites tenders from foreign exporters and purchases from those who offer the best qualities at most competitive prices.

(f) **Prohibited Imports**: There is a short list of prohibited imports. The principal categories included are opium and similar narcotics, monkeys, playing cards, and gold and silver bullion.

**Treatment of Imports from Different Sources**

In the application of import control a distinction is drawn between "soft currency countries", "American and Canadian account countries"», and the "bilateral account countries". Imports from the American and Canadian account countries are generally limited to Governmental and industrial requirements and essential goods not obtainable elsewhere on equally advantageous terms as to prices, quality and other considerations.

Trade agreements and protocols providing for the sale of Burmese rice, on clearing account basis, are in force with Czechoslovakia, the USSR and Yugoslavia. Moreover, agreements with indicative lists of commodities are maintained with India, the Federal Republic of Germany, Pakistan, Japan, German Democratic Republic, Hungary, the People's Republic of China, Sweden, Poland, Israel, Bulgaria and Rumania.

**Proportion of Imports Covered by each Licensing Category**

<table>
<thead>
<tr>
<th>Category of Imports</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O. G. L.</td>
<td>555</td>
<td>600</td>
<td>523</td>
<td>(370</td>
</tr>
<tr>
<td>Licence</td>
<td>262</td>
<td>262</td>
<td>523</td>
<td>(490</td>
</tr>
<tr>
<td>Government</td>
<td>283</td>
<td>331</td>
<td>369</td>
<td>501</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1100</td>
<td>931</td>
<td>892</td>
<td>1361</td>
</tr>
</tbody>
</table>

Note: Compiled from the Table showing "Foreign Exchange Transactions" in the Union Bank of Burma Bulletin for First Quarter 1958.

1 The American and Canadian account countries are: Bolivia, Colombia, Costa-Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, Philippines, United States and dependencies and Venezuela.
Imports under State Trading

The import of coal, coke, and certain goods for Government use is permitted only through the Union of Burma Purchase Board. Other imports by State agencies have been dealt with in the section "Methods of the Restrictions". The State-trading agencies do business strictly on commercial basis.
5. CEYLON

Legal Basis of the Restrictions

The legal basis for the import restrictions in force in Ceylon is the Import and Export Control (Continuation) Act, No. 27 of 1950, which extends the validity of the Defence (Control of Imports) Regulations and certain sections of the Defence (Miscellaneous) Regulations. These Regulations were first given the force of law by virtue of the Supplies and Services (Transitional Powers) Act, 1945, of the United Kingdom. Under the Act of 1950 they will remain in force until rescinded by Order of the Government.¹

Under these Regulations, the Government has broad powers to prohibit or restrict the import of any goods either from all sources or of specified origin, and to prescribe any conditions or exemptions relating to imports. The Government may order that imports be not allowed except under the authority of a licence, and may issue Open General Licences authorizing free imports either without limitation or up to a prescribed limit.

Policy of Restriction

Under this law and the Defence Regulations, the import control policies have been directed towards the regulation of the country's imports in the light of its balance-of-payments position, the strengthening of the overall reserve position of the sterling area, and the diversion of the country's trade into the hands of the Ceylonese nationals (Ceylonization).

Administration of the Restrictions

Import policy is formulated by the Minister of Commerce and Trade, subject to the approval of the Cabinet. The responsibility for administering the regulations rests with the Controller of Imports and Exports whose office constitutes a Department of the Ministry of Commerce and Trade. The policy for any licensing period (the "import control year" begins on 1 July and ends on 30 June) is made known by the Controller by means of a Notification which is published in the Government Gazette. Any changes that may be introduced are also announced in the Gazette.

¹ There has been enacted an Imports and Exports (Control) Act No. 9 of 1955, a legislation designed to consolidate the various measures taken under the Defence Regulations. The new Act, which gives the Government broad powers for the enforcement of controls and regulations over imports and exports, has not been implemented by the issue of regulations. Pending the bringing into operation of this Act, import restrictions will continue to be based on the Act of 1950.

Import regulation measures for purposes unrelated to the balance of payments are in force for certain products pursuant to the provisions of the Industrial Products Act, No. 18 of 1949 and the Agricultural Products (Regulation) Ordinance, No. 29 of 1939.
Before an intending importer may import any goods which are subject to licence, he must receive from the Controller of Imports and Exports a validated licence which is obtained by submitting an application on the prescribed form. Commodities listed in an Open General Licence may be imported freely by any person or firm without an individual licence, subject to any conditions that may be prescribed in the Open General Licence.

In connexion with the policy of "Ceylonization", importers wishing to qualify as "Registered Ceylonese Traders" for purposes of the licensing regulations must register themselves with the Controller of Imports and Exports. Under the relevant Notification (No.15/53 of 3 June 1953) individuals, firms and public companies are eligible for registration if they fulfill certain conditions. Individuals must be citizens of Ceylon; firms must have at least 51 per cent of their share capital held by citizens of Ceylon; and public companies must be incorporated in Ceylon with their shares quoted in the local stock market. The majority of the directors and partners of a firm or company must be citizens of Ceylon. The individuals or directors or partners must not hold office nor have an interest in a non-national trading establishment which has the purpose of defeating the Government policy of Ceylonization. In all cases, not less than 50 per cent of the staff receiving emoluments of Rs.500/- per month or above, and not less than 75 per cent of all the other staff, must be citizens of Ceylon.

Further, the Controller may at his discretion refuse any application for registration, or cancel any existing registration. An annual fee of Rs.250/- is levied for each registration.

The following countries from which imports are partly or completely controlled for Ceylonization purposes, will be, for convenience, referred to as the "Ceylonized trade countries": Albania, Austria, Bulgaria, China (mainland), Czechoslovakia, Federal Republic of Germany, Hungary, Japan, Poland, Rumania, Spain, USSR, Yugoslavia and Formosa.

Payments for imports are regulated as a part of the general exchange controls applied under the Exchange Control Act, No.24 of 1953, which superseded earlier Defence (Finance) Regulations. In applying for an exchange permit an importer must present to the Exchange Control Department of the Central Bank of Ceylon, which is the agency administering the control, certain documents, such as invoices and customs papers, and in cases where an individual import licence is required under the import control regulations, the exchange copy of the licence. The import licence and the exchange permit are separate documents. Foreign exchange, however, is normally granted without any restriction upon presentation of the required papers.

Methods of Restriction

Under the authority of the Defence (Control of Imports) Regulations, the Government has taken action whereby all imports are made subject to licence. Open General Licences and other measures permitting imports without individual licences, however, are also in force.
Under the current import policy imports are admitted under the following different procedures:

(i) Open General Licences
(ii) General Import Licences
(iii) Individual Import Licences
(iv) State Trading.

(i) **Open General Licences**

Four Open General Licences are in force applying, with respect to the commodities specified therein, to different groups of countries. Open General Licence No.1 permits the import of a wide range of goods of all classes and groups (in fact, all goods except some thirty items) from all countries except those in the dollar area and the "Ceylonized trade countries". Open General Licence No.2 permits the free importation of over 200 essential items from the dollar area. Open General Licence No.4 covers additional goods (viz. liquors, watches and clocks, textiles and motor cars) which can be freely imported from the same countries as covered by Open General Licence No.1 except continental EPU countries. Open General Licence No.5 permits the import of maldive fish from the Maldives.

(ii) **General Import Licence**

None of the Open General Licences apply to imports from the Ceylonized trade countries. Most of the goods covered by Open General Licences may be imported, however, from Austria, Czechoslovakia, Germany, Japan, Poland and Yugoslavia China and USSR (but not from the other Ceylonized trade countries) under General Import Licences which are issued only to Registered Ceylonese Traders. Such licences permit the importers who have obtained them to import from these sources the goods in question without limit as to volume or value.

(iii) **Individual Licences**

All imports not covered by an OGL or General Import Licence require an individual licence. For a number of commodities, mostly those which are being produced locally, it is stated in the Gazette Notification that no licences will be issued. For other goods licences are being issued without limitation as to volume or value. In most cases, such licences are issued to Registered Ceylonese Traders only but in certain cases, to other importers on the basis of past performance.
(iv) **State Trading**

Some essential items such as rice, wheat flour and sugar are imported only on Government account. The purpose of such State Trading is generally to ensure adequate supplies to the country without interruption and at reasonable prices. The prices of all these goods are controlled.

Goods covered by Open General Licences can be imported freely without limitation by any person or firm from the sources specified therein. Goods covered by General Import Licences can be imported freely from the specified sources by Registered Ceylonese Traders. Only those imports which are not covered by such General Licences require an individual licence, and only on these imports can restriction be applied through the non-issue of licences or by the issue of licences for a specified value or quantity. For most of the imports at present subject to individual licensing, licences are issued freely to Registered Ceylonese Traders; in many cases, licences may also be issued to other importers on the basis of previous performance. The practice, which existed in previous years, of fixing monetary ceilings (global quotas) for individual items or groups of items having been discontinued, no limitation is placed on the value or quantity of such imports. Only in the case of a limited number of commodities has it been declared that no licences will be issued, namely:

- Paddy
- Rice
- Wheat

** Grain pulses: kesali, dhall and long dhall
- Flour other than corn flour
- Aerated and mineral waters
- Coconuts, fresh
- Red onions
- Spirits: arrack
- Sugar, refined (except palmyrah sugar candy from India)
- Sugar, unrefined (except jaggery from India and Pakistan)
- Tea
- Any product of rice

** Opium

<table>
<thead>
<tr>
<th>Citronella Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coconut Oil</td>
</tr>
<tr>
<td>Gingelly Oil</td>
</tr>
<tr>
<td>Earthenware pots and pans</td>
</tr>
<tr>
<td>Furniture, wooden</td>
</tr>
<tr>
<td>Coir manufactures</td>
</tr>
<tr>
<td>Coir yarn</td>
</tr>
<tr>
<td>Pyrotechnic products (fireworks)</td>
</tr>
<tr>
<td>Baskets and basketware</td>
</tr>
<tr>
<td>Reconstructed, imitation or synthetic stones</td>
</tr>
<tr>
<td>Matches</td>
</tr>
<tr>
<td>Manufactures of straw, grass, rush and like materials</td>
</tr>
<tr>
<td>Wooden toys, clay toys, rubber toys and rubber balloons</td>
</tr>
<tr>
<td>Cotton shirts, above a specified price</td>
</tr>
<tr>
<td>Banians, above specified prices</td>
</tr>
<tr>
<td>Men's boots and shoes of certain types and sizes, above specified prices</td>
</tr>
</tbody>
</table>

*** Gold and silver bullion

* Imported on Government account.

** Import controlled for public health reasons.

*** Controlled to give effect to exchange control.
The non-issue of licences for these products applies to their importation from all countries. In the case of the dollar area, in addition to these items, no licences are issued for the import of confectionery and toys and parlour games, while for beer, ale, porter and all other malt liquors and whisky licences are issued only for token import quantities.

Treatment of imports from different countries or currency areas

Import restrictions are applied on some thirty items only. These restrictions are applied non-discriminatorily except in the case of four items which are restricted only when imported from the dollar area. Geographical distinctions made in the licensing arrangements are principally for the purpose of implementing the Ceylonization policy, which aims at diverting "new trade" to national traders.

Apart from the products whose imports from any source is banned or licensed in a non-discriminatory manner, the effect of the licensing arrangements as they apply to various countries or areas may be summarized as follows:

(i) from sterling area and certain other countries: most goods may be imported freely without limitation (under OGL Nos. 1 and 4);

(ii) from Continental EPU countries (except Germany and Austria): the same goods except four groups of items (OGL No. 4 goods which, when imported from these sources, are subject to licence and may be imported by Registered Ceylonese Traders only) may be freely imported (under OGL No. 1);

(iii) from Austria, China, Czechoslovakia, Germany, Japan, Poland, USSR and Yugoslavia: most goods may be imported by Registered Ceylonese importers (under General Import Licences);

(iv) from Albania, Bulgaria, Hungary, Rumania and Spain: all imports are subject to individual licence issued at the discretion of the authorities to Registered Ceylonese Traders. Licences for imports of liquor from Spain are issued to any importer;

(v) from countries in the dollar area: machinery, chemicals and other essential goods may be freely imported (under OGL No. 2). Four items may not be imported from these countries or may be imported in token quantities only. The remaining items are regulated in either of two ways: (1) under purely discretionary licensing (at present licensed freely); or (2) freely licensed for Registered Ceylonese Traders, and licensed for other importers on the basis of past imports.
Imports under State Trading

The Government continues to be the sole importer of the following commodities: rice, wheat, flour, sugar, sugar candy, palm sugar (except from India and Pakistan) and red onions. These commodities are subject to the restriction for various reasons (e.g. to secure adequate supply and fair distribution).

Rice continued to be rationed by the Government, and the Government has agreements to buy specified quantities of rice from Burma and China at agreed prices. Surplus requirements in excess of the quantities contracted for with Burma and China are purchased in the open market abroad at competitive prices.

The Government retains the monopoly for imports of sugar as it uses the profits from the sale of sugar to subsidize the prices of rice, which is supplied to the consumer at prices lower than the cost to the Government. Purchases of sugar are made from the cheapest sources. Sugar candy and palm sugar have been added to the list of Government imports in order to prevent private traders from importing these commodities in forms which can be substituted for sugar.

Red onions have been added to the list of Government imports in order to ensure a market for locally grown red onions, and at the same time to safeguard the interests of the consumer as red onions are an essential food item in the Ceylon diet.

Proportion of Imports covered by each import procedure

<table>
<thead>
<tr>
<th>Breakdown of imports according to licensing category.</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>Percentage</td>
<td>Percentage</td>
</tr>
<tr>
<td>Open General Licences</td>
<td>863.3</td>
<td>59.1</td>
<td>893.4</td>
</tr>
<tr>
<td>General Import Licences</td>
<td>132.9</td>
<td>9.1</td>
<td>160.7</td>
</tr>
<tr>
<td>Individual Licences</td>
<td>101.3</td>
<td>6.9</td>
<td>158.3</td>
</tr>
<tr>
<td>State Trading</td>
<td>363.7</td>
<td>24.9</td>
<td>421.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,461.2</td>
<td>100</td>
<td>1,633.6</td>
</tr>
</tbody>
</table>
Legal Basis of the Restrictions

The statutory basis of the import control system in Chile is Law No.12,084 (Ministry of Finance) of 13 August 1956 published in the Official Gazette of 18 August 1956. The Law institutes a Foreign Exchange Commission which is charged with the administration of import and exchange restrictions. It provides that only the goods included in lists prepared by that Commission and approved by Decrees issued by the Ministry of Finance can be imported. The Law maintains in force Decree No.859 (Ministry of the Economy) of 9 August 1956, which contains a list of permitted imports. This list has, however, since been modified on several occasions by Decrees issued by the Ministry of Finance.

Laws Nos.303 and 12,008 established the ports of Arica, Chiloé, Aysen and Magallanes as free trade zones. Imports into these zones are subject to a more liberal import régime. By Law No.12,858 certain import privileges were granted to the provinces of Tarapaca, Antofagaste and the department of Chañaral.

Policy of Restriction

The broad purposes of the import controls are to protect the country's external reserves by limiting imports to the level of export earnings, and to grant preference to imports of goods which are deemed essential to the national economy or which foster economic development.

The principal criteria used in the determination of whether a product may be imported are: (i) essentiality of the product to the domestic economy; and (ii) ability of the national industry to meet the demand of the product. Fuels, lubricants, raw materials, metal products, machinery and equipment, tools, chemical products, drugs and certain food products, therefore represent the principal groups in the list of permitted imports, and luxuries and many consumer goods are not at present admitted.

Administration of the Restrictions

The Foreign Exchange Commission is an autonomous body and is responsible for the administration of export and import controls as well as the operation of the foreign exchange system. It is directed by a Board (Junta Directiva) composed of a chairman designated by the President of the Republic, a member selected by the President of the Republic from a list of five names recommended by the Board of Directors of the Central Bank, and a member nominated directly by that Board. From time to time the Commission submits proposals concerning imports that are to be allowed or prohibited to the Ministry of Finance which issues Decrees. The Commission has the authority to prescribe general conditions for imports and is, in particular, responsible for fixing the percentages of advance deposits (see below). Some of the functions of the Commission are delegated to local committees in certain cities.
Methods of Restriction

An extensive list of goods can be imported freely by all persons without limitation as to quantity or country of origin. This list is modified from time to time. In the case of certain goods on this list, importers may be required to obtain a certificate of necessity from the Ministry of Economy. Goods not on the list are not permitted to be imported except when coming in as patterns or prototypes, as personal effects or for educational, cultural or charitable purposes. The general prohibition on imports, however, does not apply to the free trade zones of Arica, Chiloé, Aysen and Magallanes or to certain imports from the Province of Salta (North West Argentina) under special arrangement with that country.

No licences are required for permitted imports. However, importers are required to place with the Central Bank, prior to the importation of the goods, deposits in local currency ranging from 5 to 5,000 per cent of the invoice value depending on the essentiality of the goods to the economy. These percentages are fixed from time to time by the Foreign Exchange Commission and are calculated on the value of the goods in Chilean pesos converted at the rate of exchange that the Commission establishes each week for this purpose. Certificates evidencing payment of the deposit are required before banks can handle import transactions and also before a consular authorization for shipment from the country of origin of the goods can be obtained. The import deposit must be made before the goods can be shipped. The deposit is refunded after thirty days, except in the case of imports of less essential commodities for which the minimum period is ninety days. The Foreign Exchange Commission may waive these time limits. In cases where the special régime of "immediate exchange cover" applies, the advance deposit becomes in fact nominal.

Goods on the permitted imports list and valued at a maximum of US$500 may be imported without exchange cover, provided a deposit is made with the Central Bank. The deposit must be made within sixty days after the arrival of the goods in Chile and is not refunded until after ninety days.

The advance deposit requirements are waived for imports connected with loans obtained from the IBRD or the United States Export-Import Bank, imports by the Government and governmental agencies and imports by the large companies engaged in the mining and processing of nitrates, iodine and copper. For such imports the Central Bank issues nominal receipt forms which serve as authorization for the import operation. Imports from bilateral account countries with which Chile is running a favourable balance of trade are admitted with immediate exchange cover and with only nominal advance deposits.

Goods imported on consignment are generally subject to an advance deposit of 5 per cent. However, only the goods specified by the Board of the Foreign Exchange Commission may be imported in this manner. These at present include antibiotics, drugs, catgut, agricultural machinery, highway
building equipment; gasoline from Bolivia; and certain machinery when imported from France, Portugal and Spain. Certain capital goods on the permitted list may be imported on a deferred payment basis. Import deposits for these goods will be the amount of the down payment and must be made thirty days prior to the date of remittance.

Exchange for imports may not normally be covered until thirty days after the date of shipment, except that for imports from bilateral account countries exchange may be purchased as soon as the financing of the importation is arranged with a commercial bank; in the latter case the Central Bank releases the prior deposit to enable the importer to pay for the exchange.

Treatment of Imports from different Sources

Chile is a party to trade and payments agreements with Argentina, Bolivia, Brazil, Ecuador, France, Greece, Italy, Spain and Yugoslavia. The bilateral trade and payments agreements do not establish discriminatory quotas for imports into Chile but stipulate that payments must be made in accordance with the method and currency indicated in the bilateral arrangements. As set out above imports from these countries receive special facilities for immediate exchange cover and earlier release of advance deposits. Imports of oil from Bolivia and machinery from France, Portugal and Spain can be made on a consignment basis and thus require advance deposits at only 5 per cent of the import value.

Imports under State trading

There is no State trading in Chile, except in the case of wheat, which is imported by the "Instituto Nacional de Commercio" to the extent necessary to satisfy domestic consumption.

Proportion of Imports covered by each Import Procedure

<table>
<thead>
<tr>
<th>Breakdown of 1957 Imports (in US$ million)</th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports on a cash basis</td>
<td>216.5</td>
<td>67.8</td>
</tr>
<tr>
<td>Imports with immediate exchange cover</td>
<td>47.3</td>
<td>14.8</td>
</tr>
<tr>
<td>Imports on a consignment basis</td>
<td>19.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Imports on a deferred payment basis</td>
<td>24.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Imports into Chiloé, Aysen and Magallanes</td>
<td>11.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>319.4</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Imports in Arica amounted to US$21.0 million.
7. **DENMARK**

**Legal Basis of the Restrictions**

The system of import regulation applied at present in Denmark is based on the Currency Measures Act No. 302 of 21 December 1957.

Legislation in this field in Denmark has been of a provisional character with short periods of validity (normally one year). The present Act came into force on 1 January 1958 and will remain in force until 31 December 1958.

Section 3 of the Act empowers the Minister of Commerce to take temporary measures for the regulation of commodity imports, whenever such measures are required by the foreign exchange situation, etc.

The Minister is empowered to lay down rules governing the issue of licences and to prescribe, within fixed limits, a service fee for the issue of licences.

**Policy of Restriction**

The Act provides that imports shall be permitted at as high a level as balance-of-payments considerations permit. It also requires that import regulations be made in such a way that a reasonable competition in the Danish market is maintained. These ends might be achieved by the extension of the free lists or by increasing imports where there is an appreciable difference between domestic and foreign market prices.

Several safeguards against abuse of the Law or deviation from its principles are provided for in the Law. For example the Minister is required to report to a Special Committee of the Parliament all important measures implemented pursuant to the Law, any international agreements concluded, and principles adopted for the treatment of private barter transactions and the extent of such transactions. Except where circumstances warrant otherwise the transfer of any commodities from a free list to a restricted list is subject to approval by the Special Committee. In this way the Parliament keeps a close control over the implementation of the Law.

**Administration of the Restrictions**

The Minister of Commerce is empowered to establish the bodies required for the administration of the restrictions and to assign special tasks to special committees, regional bodies, etc. At present, the administrative functions relating to the licensing of imports are performed by the Directorate of Supply (Direktoratet for Vareforsyning) which is an agency of the Ministry.

It is provided in the Act that whenever possible, measures introduced in pursuance thereof should be implemented through general regulations, which are published, and that prior to the drafting of such regulations or the implementation of general measures the principal organizations of the interested trades should, in so far as possible, be consulted.
Special provisions are included in the Act regarding appeals against administrative decisions, etc.

Methods of Restriction

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

(A) Free Lists
(B) Free Issue of Licence Lists
(C) Open General Licence
(D) Regional Licence List
(E) Bilateral Quotas
(F) Imports for Re-export
(G) "Title to Import" system
(H) Individual Licensing

(A) Free Lists: A large number of goods are included either in a General Free List or a Regional Free List. Goods on the General Free List may be imported freely (i) from the dollar area if they are the produce or manufacture of that area and (ii) from the EPU area if they originate in the dollar or EPU area. Goods in the Regional Free Lists may be imported freely from the EPU area if they originate in those countries.

(B) Free Issue of Licence Lists: These lists at present include a few products (certain machinery, etc., from all sources, and citrus fruits from EPU countries) which are not on the Free Lists, but for which licences are granted automatically without limitation. The licensing requirement is retained for the time being for the purpose of verifying the nature of imports and of keeping watch on developments. The two lists, the "general free issue of licence list" and the "regional free issue of licence list" apply to imports from and originating in areas corresponding to those covered by the two Free Lists.

(C) Open General Licence: Goods included in all the free lists mentioned above are admitted freely from certain other countries (Brazil, Israel, Rumania, Spain, USSR and Yugoslavia) under a system of Open General Licence.

(D) Regional Licensing List: This list specifies the products which may be imported from the EPU area under Licences issued within quotas fixed in the light of the balance-of-payments situation and other relevant circumstances.

1 Imports from Finland have been granted treatment identical to those accorded to EPU countries. In this Section, references to EPU should be understood to cover also Finland.
Licences issued under this system are valid for imports from all EPU countries. The licences are either (i) allocated among importers or end-user enterprises on the basis of past imports or consumption or (ii), in the case of special need by particular enterprises, issued in response to individual application. The latter procedure is particularly relevant for imports of machinery and equipment. Goods on the Regional Licensing List may be imported from the dollar area under individual licence.

(E) Bilateral Quotas: Some of the bilateral trade agreements entered into by Denmark provide for quota commitments, which are in the nature of undertakings to issue licences up to the quotas provided. Licences issued in fulfilment of such commitments are valid for imports from the bilateral agreement country in question, but imports of the goods from third sources is generally not affected. Such agreements are in force with a number of EPU countries and certain Eastern European countries. As a rule the licences are allocated among importers shortly after the conclusion of an agreement on the basis of a past reference period, though provisions are made for new-comers in the trade in question.

(F) Imports for Re-export: Imports for re-export are admitted under licences issued without limitation as to quantity or value, but certain rules are in force which are designed to prevent undesirable conversion of foreign exchange resulting from the re-export.

(G) "Title to Import" System: Exporters to the dollar area receive, in addition to the krone equivalent of the dollar proceeds, titles to import licence equivalent to \(7\frac{1}{2}\) per cent of the exchange surrendered. For the import of specified goods from OEEC countries and their associated territories (and certain non-dollar countries) licences are issued against titles of equivalent surface value. (The titles are negotiable and, through open market operations, the Government has stabilized the price of the title at 80 per cent of its face value).

(H) Individual Licensing: All private imports not covered by any of the procedures described above are subject to individual licensing. No prohibition is maintained on any particular imports for balance-of-payments or protective reasons and the only prohibitions on imports are those made for public health, veterinary and similar reasons, as provided for in Article XX of GATT.

All licences issued are valid for twelve months, but the period may normally be extended upon application for a further six months.

Treatment of Imports from different sources

For purposes of import control, sources of supply may be classified in three main groups: (i) the dollar area, (ii) the EPU area (and Finland), (iii) other countries.
(1) Dollar area: Commodities listed in the General Free List may be imported from the dollar area free of licence when they originate in the area; goods on the general free issue of licence list may be imported under licences which are issued freely. Goods in the Regional Licensing List as well as certain other goods may be imported from this area when warranted by price and other considerations.

As of 26 February 1958, 66 per cent of Danish imports from the dollar area (on the basis of 1955 trade) are liberalized.

(ii) EPU area (and Finland): Commodities listed in the General Free List may be imported from this area without limit if originating in Finland, the EPU or dollar area. Goods appearing in the Regional Free List may be imported without restriction from all EPU countries and Finland if originating in these countries. The Regional Licensing List is in principle applicable to goods of EPU and Finnish origin and consignment. For certain goods (referred to as normal pattern imports) licences are issued in accordance with quotas negotiated in bilateral trade agreements. These agreements are in force with all OEEC countries except Ireland.

As of 8 July 1953, 86 per cent of Danish imports from EPU countries (on the basis of 1948 trade) are liberalized.

(iii) Other countries: Imports of goods on the Free Lists (which are not formally applicable to these countries) are in practice liberally licensed. Imports of free-listed goods originating in Argentina, Brazil, Israel, Spain, Rumania, Yugoslavia and the USSR are under OGL.

The Regional Licensing List does not apply to this group of countries, but imports are authorized when warranted by consideration of prices and other factors.

Commodities under the foregoing category may also be imported under trade agreements in force with Eastern European countries except Albania and Eastern Germany and with Argentina, Brazil, Colombia, Finland, Indonesia, Israel, Spain and Yugoslavia. Trade between Denmark and Eastern Germany is effected on the basis of an agreement between Danish Trade Organizations and the East German "Aussenhandelskammer".

Imports under State Trading

State trading is confined to the import of firearms and ammunition for military use, aircraft and parts for the Danish Air Force, and combat vessels. Purchases abroad are effected in accordance with the defence budget.

Proportion of Imports covered by each method used

The following table gives the total Danish imports, including imports for re-export, in millions of kroner for the years 1955, 1956 and 1957. Imports are classified under various categories of commodities according to the form of import regulation that is applied to such commodities.
Breakdown of Imports according to licensing category

(millions of kroner)

<table>
<thead>
<tr>
<th></th>
<th>1955 Value</th>
<th>1955 Per cent</th>
<th>1956 Value</th>
<th>1956 Per cent</th>
<th>1957 Value</th>
<th>1957 Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Free List</td>
<td>3,169</td>
<td>38.3</td>
<td>3,525</td>
<td>38.3</td>
<td>5,279</td>
<td>55.1</td>
</tr>
<tr>
<td>Regional Free List</td>
<td>3,074</td>
<td>37.0</td>
<td>3,408</td>
<td>37.0</td>
<td>2,233</td>
<td>23.3</td>
</tr>
<tr>
<td>Restricted imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) regionalized imports</td>
<td>1,447</td>
<td>18.0</td>
<td>1,659</td>
<td>18.0</td>
<td>1,612</td>
<td>16.8</td>
</tr>
<tr>
<td>(b) Trade agreements imports</td>
<td>213</td>
<td>2.5</td>
<td>231</td>
<td>2.5</td>
<td>108</td>
<td>1.1</td>
</tr>
<tr>
<td>Other imports (including imports for re-export, imports under the Retention Scheme, etc.)</td>
<td>294</td>
<td>3.3</td>
<td>306</td>
<td>3.3</td>
<td>281</td>
<td>3.0</td>
</tr>
<tr>
<td>State trading</td>
<td>31</td>
<td>0.9</td>
<td>83</td>
<td>0.9</td>
<td>66</td>
<td>0.7</td>
</tr>
<tr>
<td>Total</td>
<td>8,228</td>
<td>100.0</td>
<td>9,212</td>
<td>100.0</td>
<td>9,579</td>
<td>100.0</td>
</tr>
</tbody>
</table>
8. **FINLAND**

## Legal Basis of the Restrictions

The statutory basis of the current Finnish import controls is the Act of 28 December 1956, which authorizes the Government to regulate the export and import of all types of merchandise. The Act, which has been renewed for one year, is implemented by Cabinet decrees which are approved by the Diet.

The Cabinet Decree of 29 June 1953 specifies that "imports and storage of merchandise in customs warehouse" are forbidden except when an appropriate import licence has been obtained. Certain types of imports, however, are exempt from licensing requirements, e.g. travellers' luggage and personal effects not exceeding a certain amount in value, items for the use of foreign diplomatic representatives, gift parcels and the like. The Cabinet Decree of 29 June 1953, together with two Decrees of 12 March 1954 which define the functions of the Licensing Office, sets out the basic regulations for the control of imports.

## Policy of Import Restriction

Import control policy is formulated by the Minister of Finance and the Minister of Commerce and Industry, subject to the approval of the Cabinet. Import restrictions are applied for the purpose of maintaining equilibrium in the balance of payments and safeguarding the external monetary reserves of the country. Account is also taken of Finland's geographical position, the dependence of the economy on the exports of a few staple products (timber, pulp, paper and board) and of the need to maintain employment.

## Administration of the Restrictions

Responsibility for the administration of foreign trade restriction rests with the Ministry of Commerce and Industry, which entrusts the operation of the import controls to the Licensing Office of the Ministry. The Licensing Office is under the direction of a Board of Directors which is composed of a Director-General, a representative of the Bank of Finland, one of the Foreign Ministry and one of the Ministry of Commerce and Industry. In certain circumstances, the Board may be enlarged to include five more members appointed by the Government. The Licensing Office is divided into nine divisions each dealing with a group of commodities, viz: general, export, foodstuffs, chemicals, textiles, metals, metal products, machinery and electrical machinery. Where necessary the Licensing Office consults with committees of experts representing certain branches of trade or industrial and consumer interests.
The Bank of Finland supplies the Licensing Board with instructions concerning foreign currency controls and, at regular intervals, with information or directives concerning the availability of foreign currency for import purposes.

Applications for licences are examined by the relevant divisions of the Licensing Office and decided upon by the Director-General, except those involving compensatory or barter deals, on which decisions are taken by the Board of Directors. When applying for a licence the importer must submit a pro forma invoice and furnish information on delivery and payment conditions, etc. Applications relating to imports of ships and major machinery must, in addition, be accompanied by a plan for the financing of the purchase.

Methods of Restriction

Under the current import control policy, imports are admitted under the following procedures: (1) the free list, (2) automatic licensing, (3) liberal licensing, (4) quotas, (5) licensing under bilateral agreements, (6) licensing of compensatory transactions, (7) discretionary licensing.

(1) **Free List**: Imports contained in the free list are admitted without a licence. The free list applies to those Western European countries with which Finland has signed the protocol providing for multilateral trade and payments, namely: Austria, Belgium, Denmark, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland and the United Kingdom. (It also applies to the dependent overseas territories of these countries.) Since May 1958, when Finland acceded to the multilateral trade and payments arrangements between Argentina and certain countries in Western Europe (Paris Club), the free list has also been applied to Argentina.

This free list covers 82.4 per cent of Finland's imports from the countries concerned, calculated on the basis of private imports in 1954. Finland has undertaken to maintain liberalization of imports from the participating countries at a minimum average level of 80 per cent.

(2) **Automatic Licensing**: For certain imports licences are granted automatically upon application provided that the transaction is not of a speculative nature. This licensing procedure applies to:

(i) imports from the free-list countries of specified commodities, including medicines, industrial diamonds, automobile and photographic lamps, etc; (ii) imports from countries in the sterling area of these goods and of those contained in the free list; (iii) certain imports from the dollar area\(^2\) - this list accounts

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1 The free list, which was reproduced in document L/785, has since been successively extended.

2 Many goods for which licences are issued automatically when imported from the dollar area are restricted from the free-list countries. For the list of dollar countries see below.
for nearly half of total 1954 imports from the dollar area; and (iv) certain imports (mostly those contained in the free list) from bilateral trade agreement partners, provided that such licensing does not hamper the implementation of the agreement – the bilateral liberalization list accounts for nearly 40 per cent of total imports in 1954 from the countries concerned.

3) **Liberal Licensing:** For specified imports licences are, as a rule, granted forthwith and without limitation, provided that the imports correspond to genuine requirements, that the terms of the contract are not unreasonable and that the importer is one normally dealing in the commodity concerned. This licensing procedure applies to (i) imports from the free-list countries and countries in the sterling area of onion bulbs, flashlight apparatus, hosiery for medical use, laboratory chemicals, dental equipment and a group of other commodities (covering about 10 per cent of Finland’s private imports from the participating countries calculated on the basis of private imports in 1954); and (ii) imports of certain raw materials and food products from specified sources, e.g. coffee from Central America, mercury from Italy and Spain, fibres from Mexico, etc.

4) **Licences issued under Quotas:** (i) Category A: Licences are allocated to importers in proportion to their imports in a previous licensing period, with minor modifications when necessary. Licence holders are free to import any of the goods covered by the quota from any of the countries participating in the multilateral trade and payments scheme and from countries in the sterling area, other than Iceland and Ireland, and, in some cases, also from countries in the dollar area (global quotas); (ii) Category B: Licences for goods in this category specify the commodity and the amount to be imported, but the importer is free to select the source of supply among the countries mentioned above (restrictive non-discriminatory list); (iii) Category C: Licences for goods included in this category indicate the commodity, the amount to be imported and the source of supply (restrictive discriminatory list).

5) **Bilateral Agreements:** Certain imports are effected in accordance with the provisions of bilateral trade agreements (see below).

6) **Compensatory Transactions:** Licences required in connexion with compensation and barter transactions are considered by the Board of Directors of the Licensing Office on their individual merits.
(7) Discretionary Licensing of Imports: Applications for licences for imports not covered by any of the special licensing schemes are considered on their merits. The licensing authorities take account of the availability of the currency required, and the essentiality, price and quality of the products concerned.

The average period of validity of an import licence, except in the case of a "long-term licence", is four to six months from the day of issue. Long-term licences may be obtained when the payment or delivery time is expected to be longer than six months, and in certain circumstances (purchase of heavy equipment and the like) the period of validity may be several years.

A small licence fee is charged as a contribution to administrative costs; there is a basic charge of Fmk.300 (about $1) plus an additional charge on a sliding scale.

For a limited range of manufactured goods, the allocation of exchange is subject to the payment of a fee, amounting to 20 per cent of the f.o.b. value of the import, to a trade clearing agency (Ulkomaankaupan Clearingkunta) which operates under the supervision of the Government. Out of these funds subsidies of up to 20 per cent of export proceeds are granted on a case-by-case basis to exporters of certain products.

Treatment of Imports from Different Sources

Different treatments are accorded to the following groups of countries:

(i) Countries participating in the multilateral trade and payments protocol of 12 April 1958, and Argentina;

(ii) other sterling area countries;

(iii) the dollar area, comprising Canada, Bolivia, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, Peru, the Philippines, the United States, Venezuela and South Korea;

(iv) the following bilateral trade and payments agreements partners: Brazil, France and countries in the Franc area, Greece, Iceland, Israel, Paraguay, Spain, Turkey, Uruguay, the United Arab Republic, Yugoslavia, mainland China, the USSR and the other Eastern European countries except Albania;

(v) other countries.
Imports under State Trading

The National Grain Board, which is governed by a Law of 26 October 1951, is responsible for the purchase and the storage of grain. Its purpose is to maintain stability in the domestic market and to fulfil certain functions in the field of agricultural policy. On 18 February 1956 the Government, under legislative authority, made the Board the sole agency for the import of rye, wheat, barley and oats and products thereof intended for human consumption. This decision does not cover seed grains or malt barley.

The manufacture, trade and consumption of alcoholic beverages is regulated by a law of 9 February 1932. The exclusive right to import these products belongs to a State-owned company, which carries on trade according to free market principles, within the limitations imposed by considerations of public order and the balance-of-payments position. Imports on Government account represent a very small fraction of Finland's total imports.

Proportion of Imports covered by each Import Procedure

As the new import control system has only recently been introduced it is not possible to give a breakdown of imports according to the import procedures. It is estimated, however, that / per cent of total imports are covered by the free list and the automatic licensing procedure.
9. FRANCE

Legal Basis of the Restrictions

The statutory basis of the French import trade regulations is the Law of 11 July 1938 on the general organization of the nation in the event of war. Under Article 46 of the Law the Council of Ministers is empowered, in specific circumstances, to promulgate decrees regulating or suspending imports.

It was by virtue of this Law that the Decree of 1 September 1939 was issued, stipulating that no commodity other than gold may be imported into France or Algeria under any customs procedure. The Decree also provides, however, that the Minister of Trade may grant exceptions to this general import ban, and also states that the terms and conditions for implementation will be determined by Ministerial Decrees.

The Decree of 30 November 1944 lays down the conditions governing imports of foreign goods into France and French Overseas Territories and establishes certain formalities with regard to trade between France and French Overseas Territories. The Decree of 13 July 1949 relates more particularly to the issue of import permits.

Policy of Restriction

Since June 1957 when liberalization measures were suspended six monthly import programmes have been drawn up by the appropriate Directorates in the Department of Economic and Financial Affairs after consultation with the technical ministries concerned. Because of the depletion of monetary reserves, the import programmes are kept within the limits of estimated gold and foreign currency receipts and may be revised during their period of validity.

Administration of the Restrictions

Import licences are issued by the Exchange office, which receives its instructions from the relevant Directorates (Foreign Economic Relations and External Finance) of the Department of Economic and Financial Affairs. These Directorates jointly advise the Exchange Office concerning the procedures under which imports are to be effected and the quotas to be established for products or groups of products coming under each procedure. The Exchange Office is administered by a Committee which is presided over by the Governor of the Bank of France and by a Director appointed by the Ministry of Finance.

Lists of authorized imports are published in the Journal Officiel in the form of Notices to importers. These notices generally do not indicate the quantities or values of the products which may be imported, but they state the procedure to be followed for consideration of applications and the issuance of licences (see details below).
Methods of Restriction

All imports are subject to individual licence. They may be classified into the following categories: (1) global quotas; (2) purchasing programmes; (3) bilateral quotas, and (4) special import procedures.

(1) Global quotas: Global quotas for certain products are established on a unilateral basis. Depending on the nature of the products, such quotas are valid for imports from a geographical area which may be wide or limited. Certain global quotas cover imports from the EPU area or the dollar area; others apply to both the EPU area and the so-called "transferable franc" countries; others are valid for imports from the EPU area, the dollar area and the "transferable franc" countries.

(2) Purchasing programmes: This procedure applies principally to raw materials, primary products and certain equipment goods; it mainly includes imports of the following categories:

(a) Imports payable in dollars: Import programmes are drawn up periodically for certain products (especially coal) from the dollar area, and also for petroleum products from the Middle East when payable in dollars.

(b) Imports payable in sterling: Import programmes are drawn up periodically for certain products imported from the following countries: United Kingdom and its dependent overseas territories, Australia, Burma, Ceylon, India, New Zealand, Pakistan, Federation of Rhodesia and Nyasaland and Thailand. These purchasing programmes also apply to imports of petroleum products from the Middle East and Venezuela, which are payable in sterling.

(c) Imports payable in other currencies: Purchasing programmes are also drawn up for imports from countries with which France has payments agreements but no trade agreements.

(3) Bilateral quotas: Import licences are granted in accordance with the quotas laid down in trade agreements. Such quotas constitute an undertaking by France to issue import licences for each product or group of products included in the list annexed to the agreements, within the limits of certain ceilings expressed either in value or in quantities. Since the suspension of liberalization measures, existing bilateral agreements have continued in force without any significant modifications.
(4) Special licensing procedures:

(a) The system of compensation arrangements allows certain non-essential products to be imported when tied with exports of certain other products. Transactions of this kind are considered by an inter-ministerial committee (the Trade Delegation Committee) and may be authorized depending upon their importance for French trade and the effects which they may have on foreign exchange reserves.

(b) The IMEX or EXIM procedures permit imports of certain raw materials intended for re-export after processing. Under this procedure, the importer is entitled to an import licence to the extent that he shall subsequently export goods of a certain quantity or value. In the case of each product, the ratio required between the quantity or value of imports and the quantity or value of exports is specified. The EXIM procedure differs from the IMEX procedure in that it requires export to be effected before import can be authorized.

(c) The EFAC or "equipment" procedure. Certain imports are permitted under the EFAC (exportation - frais accessoires) or currency retention procedure, which allows exporters to retain a certain percentage, varying according to the monetary areas, of the f.o.b. amount of their export proceeds for meeting their requirements in specified products and capital goods necessary to operate their enterprises. Under the "5 per cent equipment and raw materials" procedure, producers of specified export products may import supplies and equipment needed directly for their producing activity. Such import licences are limited to an amount representing 5 per cent of the export values.

The six-monthly import programme which has been established after the suspension of liberalization measures provides for the following import categories:

1. Programme A includes agricultural products (especially grains, oilseeds etc.), raw materials (wool, ores, products for the iron and steel industry, rubber, wood, woodpulp etc.), fuels and energy-producing materials, certain equipment goods from the dollar area and books and periodicals. The quotas set up under Programme A are established on a unilateral basis according to needs and taking into account the stock position. The programme provides for foreign exchange allocations in respect of imports under purchasing programmes.
2. Programme B includes products which were formerly liberalized. It includes manufactured consumer goods, equipment goods, almost all intermediary products and most agricultural and food products, except primary commodities. The global amount of foreign exchange allotted for imports of this group of products is distributed among the various products on the basis of a reference period. Similarly, licences are granted to importers mainly on the basis of "antecedents", i.e. quantities imported in the past. The global quotas set up for these products are open to all countries from which imports were formerly liberalized. Quotas are made available on an instalment basis (usually every two months) and are announced by notices published in the Journal Officiel.

3. Programme C includes imports within the framework of bilateral agreements.

4. Programme D includes imports under special procedures (EFAC - i.e. dollar retention scheme - IMEX, compensation arrangements etc.)

**IMPORT PROGRAMMES**

(in thousand million francs (c.i.f. value))

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>572</td>
<td>611</td>
<td>86</td>
</tr>
<tr>
<td>B</td>
<td>86</td>
<td>86</td>
<td>98</td>
</tr>
<tr>
<td>C</td>
<td>98</td>
<td>154</td>
<td>49</td>
</tr>
<tr>
<td>D</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>786</strong></td>
<td><strong>900</strong></td>
<td></td>
</tr>
</tbody>
</table>

The following procedures are used by the Exchange Office in granting licences within the limits of exchange allocations:

1. The tender procedure applies mainly to imports of finished products under bilateral and global quotas. Notices are published in the Journal Officiel informing interested parties of the establishment of import quotas and inviting them to submit licence applications. On a given date, the Exchange Office transmits all the applications received to the technical Ministries concerned. The Ministries then convene meetings of the technical committees which are responsible for allocating the quota among the various applicants. In the case of many formerly liberalized products, licences are allocated on the
basis of the importer's dealings during a previous reference period. Technical committees are established for each product or group of products; they comprise six to twelve members, representing the professional circles concerned, and act under professional secrecy. The Ministry concerned notifies the Exchange Office of the quota allocations and the Exchange Office then issues the corresponding licences.

2. The "first come, first served" procedure applies more particularly to cases where few importers are involved. Importers, who have been advised through the Journal Officiel, submit their applications, for licences to the Exchange Office, which issues the licences which are previously visaed by the competent technical Ministry. In certain cases licences are issued in proportion to previous dealings.

The delay required for issuance of licences varies according to the procedure adopted; issuance under the tender procedure takes longer (approximately one month) than under other schemes. As a general rule, licences are valid for six months.

Treatment of Imports from Different Sources

Different treatment is accorded to imports from the following:
(1) OEEC member countries and their dependent territories; (2) other EPU countries and the "transferable franc" area; (3) Canada and the United States and dependencies; (4) other dollar area countries; and (5) other countries.

1. The procedures used for imports from OEEC countries and their dependent territories are as follows:

(1) imports of most formerly liberalized products are admitted under global quotas established on a unilateral basis. These quotas are under Programme B;

(ii) imports of most goods which were not formerly liberalized are effected either under global quotas or in accordance with the provisions of bilateral quota agreements. France has concluded bilateral agreements with her principal OEEC partners;

(iii) imports of goods which do not come under global quota and are not covered by bilateral agreements may be effected either under purchasing programmes or under special procedures.

2. Imports from other EPU countries and the "transferable franc" area are effected mainly under global quotas or purchasing programmes. The "transferable franc" area includes Argentina, Brazil, Formosa, Hungary, Iran, Japan and Paraguay.
3. The following procedures are applicable to imports from Canada and the United States and dependencies:

(i) As in the case of OEEC countries, most formerly liberalized products may be imported under global quotas (Programme B).

(ii) Certain imports may be effected under purchasing programmes in force for goods payable in dollars. These purchasing programmes are drawn up on a six-months basis.

4. Most imports from other countries in the dollar area are effected under purchasing programmes which apply to dollar goods, originating in and imported from the following countries: Chile, Colombia, Cuba, Ecuador, Mexico, Peru, the Philippines, Venezuela, the Central American Republics and the Middle East countries (as regards petroleum products payable in dollars).

5. Imports from other countries are generally under bilateral quotas. However, in the case of goods imported from countries with which France has concluded payments agreements but has no existing trade agreements (e.g., Egypt, Jordan, Syria and Uruguay), imports are effected under purchasing programmes established unilaterally.

Apart from the procedures described above, imports from all countries may be permitted under special procedures (compensation arrangements, IMEX and EXIM transactions, and IFAC accounts) under the terms laid down for each individual procedure.

**Imports under State Trading**

A wide range of raw materials and miscellaneous products such as grains, raw or manufactured tobacco, illuminating gas, electrical power, gold and gold alloys, alcohol, marches, gunpowder and explosives, arms of war and war ammunition, come under State trading either through a government department, or through a public agency. There are in addition several organizations known as "import and distribution associations" and "national purchasing associations" to which the government has granted import privileges under the control of the Ministry concerned. The following products are subject to this procedure: butter, cheese, flour and meal, oilseeds and vegetable oils, solid mineral fuels, petroleum products and newsprint. Foreign purchases by the State and the trade organizations having a monopoly represented approximately /7 per cent of the total 1957 import trade.

**Proportion of Imports covered by the different procedures**

<table>
<thead>
<tr>
<th>Import procedure</th>
<th>Percentage of total imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global quotas</td>
<td></td>
</tr>
<tr>
<td>Bilateral agreements</td>
<td></td>
</tr>
<tr>
<td>Special procedures</td>
<td></td>
</tr>
<tr>
<td>State trading</td>
<td></td>
</tr>
</tbody>
</table>
10. **GHANA**

**Legal basis of the Restrictions**

The statutory basis for import controls in Ghana is the Imports and Exports (Restrictions) Order, 1948 (No. 113 of 1948) which prohibits all imports except under the authority of a licence granted by the Controller of Imports and Exports. Import control measures are also in force for certain products pursuant to the provisions of various ordinances, such as the Dangerous Drugs Ordinance, the Animals (Control of Importation) Ordinance and the Importation of Livestock Ordinance. Measures taken under these legislations are not related to balance-of-payments considerations.

**Policy of Restriction**

The import policy is formulated by the Minister of Trade and Industries, subject to the approval of the Cabinet. The basic purpose is to regulate imports in the light of the balance-of-payments position of the country and taking account of Ghana's position as a member of the Sterling area. The restriction of imports from hard currency sources applies mainly to non-essential items and to goods for which a satisfactory substitute is available from other sources.

**Administration of the Restrictions**

The import control system is administered by the Controller of Imports and Exports, whose office constitutes a department of the Ministry of Trade and Industries. The responsibility for the issue of licences rests with the Controller. Where licences are required applications must be submitted to the Controller of Imports and Exports prior to the placing of orders. When an import licence has been obtained (or where importation is allowed under Open General Licences and Ghana Quota Licences) the appropriate exchange is granted automatically.

Details relating to current regulations governing the import of specific commodities are published in the Ghana Gazette in Notices to Importers issued by the Controller of Imports and Exports which are accessible to the public.

**Methods of Restriction**

Under the current import policy, as set out in Notice to Importers No. 124 of 16 January 1958, imports are admitted under the following procedures: (1) Open General Licences, (2) Quota Licences, (3) Specific Import Licences and (4) Special Unnumbered Licences.
(1) **Open General Licences**: Several Open General Licences are in force, allowing the importation of defined goods from specified countries without a specific import licence. These Open General Licences (or Free-Lists) are briefly described below:

(i) Open General Licences No. 1 and No. 3 permit the importation of the following goods from all countries: single copies of books, magazines, periodicals and the like, bona fide trade samples, personal and household effects, bona fide gifts of less than a specified weight and value and articles for which a re-importation certificate has been issued by an Officer of Customs and Excise.

(ii) Open General Licence No. 6 establishes a free-list which applies to imports from Australia, Burma, Ceylon, Iceland, Ireland, India, Iraq, Jordan, Libya, New Zealand, Pakistan, Southern Rhodesia and the United Kingdom and United Kingdom Colonies. This free-list covers all imports except petroleum products other than lubricating oils for household purposes, cinematograph films of 16 mm. or over, and gold.

(iii) Open General Licence No. 2 establishes a free-list which applies inter alia to the OEEC countries and their dependent territories (except French Somaliland), Finland, Portugal, Spain, Ethiopia, South Africa, Brazil, Chile, Paraguay, Peru, Uruguay, Mainland China, Indonesia, Israel, Taiwan and Thailand. This free-list covers all imports except the following:

- refined and unrefined sugar and molasses
- certain petroleum products and explosives
- yarns, silk fabrics other than velvet, silk coverlets
- motor vehicles of the American type assembled in the countries to which this free-list applies
- handkerchiefs of silk above a certain size
- cinematographic films of 16 mm. or over
- gold coin and bullion unrefined gold and partly worked gold.

However, as authorized by Open General Licence No. 13, refined sugar can be freely imported from Belgium, France, the Federal Republic of Germany, the Netherlands and South Africa.

(iv) Open General Licence No. 12 provides for the free importation of wheat flour from Canada and the United States.

(v) Open General Licence No. 4 authorizes the free importation from British and French West African territories of goods manufactured in these territories from raw materials produced in the Territories.
(2) **Quota Licences**: A quota licence is a licence issued to importers to permit the importation of defined commodities from specified countries. It is revised from time to time. The present quota licence authorizes imports from the USSR and the other Eastern European countries (not including Eastern Germany), French Somaliland, Lebanon, Sudan, Syria and Yugoslavia all goods except sugar, petroleum products, explosives, yarns, silk fabrics, road motor vehicles, gold, arms and ammunition, silk coverlets, certain handkerchiefs and headties and exposed cinematographic films. (However, imports of refined sugar from Czechoslovakia, Poland and the USSR, are covered by O.G.L. No. 13 and are therefore not subject to the quota licence procedure).

(3) **Individual Import Licences**: Specific licences are required for all imports not covered by an Open General Licence or a Quota Licence. However, imports of a few items listed in paragraph (4) below are subject to special licences.

(4) **Special Licences**: Separate Gazette Notices are issued from time to time advising importers of the programmed commodities subject to a special licensing scheme and of the manner in which applications for licences to import these goods should be made. At present this scheme covers imports of: (i) cinematographic films of American origin, (ii) unmanufactured tobacco from the United States, (iii) goods of Japanese origin, (iv) arms and ammunition, and (v) general goods of United States/Canadian origin.

**Treatment of Imports from different sources**

As indicated above most goods can be freely imported without a licence from soft currency countries (except Japan and the countries to which the quota licensing system applies). Imports from Japan require specific licences. Except for wheat flour from Canada and the United States all imports from dollar sources are subject to individual licensing. Established merchants who obtain dollar allocations may use them to purchase all classes of goods from Canada and the United States with the exception of petroleum products, explosives, ordnance, road motor vehicles and spares and accessories, cinematographic films, gold and second-hand clothing. Moreover, applications may be submitted for licences which meet the criterion of essentiality and non-availability from other sources.
11. GREECE

Legal Basis of the Restrictions

The quantitative restrictions applied to imports into Greece, like all regulations on imports in general, are mainly based on Decree Law No. 5426 of 1932 and Decree Law No. 480 of 1947. Decree Law No. 5426 stipulates that the importation of machinery and certain other products is prohibited and that imports of these goods are subject to import licences. Decree Law No. 480 is more general in scope. Its purpose is to co-ordinate the efforts of the State and private persons in the field of foreign trade and it institutes import and export controls in order to ensure that the national economy is supplied with those goods which are most needed, to promote exports and to mobilize and derive the maximum advantage from both national resources and from the counterpart funds in local currency of American Aid.

Policy of Restriction

With a few exceptions, imports into Greece are not subject to quantitative restrictions or exchange controls. Each transaction is, however, subject to an administrative registration procedure and to control rules which are intended to provide information concerning foreign exchange movements and financial commitments abroad. Imports are limited to a level consistent with Greece's foreign exchange reserves by means of monetary and credit policy and in particular through the application of certain rules governing means of payment of imports.

Import control policy is determined by the Foreign Trade Council.

Administration of the Restrictions

Decree Law No. 480 set up a Foreign Trade Council comprising the Minister for Co-ordination, the Minister for Trade, the Minister for Industry, the Minister for Finance, the Minister for Agriculture and Supply, the Governor of the Bank of Greece and the Director of the Foreign Trade Administration in the Ministry of Commerce. The duties of the Council consist mainly in approving the general import and export programmes and procedures to be adopted in the import and export fields. Thus, by Decision No. 29268 of 17 April 1953, the Council announced the complete liberalization of imports into Greece, except in the case of a few specified products.

Decree Law No. 480 also established an Executive Committee comprising the Director of the Foreign Trade Administration in the Ministry of Commerce, and the Secretary-General and Director-General of the same Ministry. The Executive Committee is responsible for issuing licences in accordance with the policy and procedures laid down by the Foreign Trade Council.

Control measures are administered by the Bank of Greece and authorized commercial banks.
Methods of Restriction

Imports may be divided into four categories: (1) goods which may be freely imported; (2) products contained in List A, for the importation of which a licence is required; (3) certain machinery and machinery spare parts for the importation of which a licence is also required; and (4) goods imported under the State-trading system. This last category is dealt with in a separate section of the present document.

(1) Products which may be freely imported are admitted under "Procedure E" and "Procedure D". Under Procedure E, import licences are issued by authorized commercial banks. This procedure applies: (i) to imports from EPU countries, provided that settlement is effected through EPU or in sterling; (ii) to imports from non-EPU countries with which Greece has signed bilateral agreements, provided that settlement is effected through the appropriate clearing account; (iii) to imports from the United States of America and Dependencies, as well as Canada, other than imports financed by funds provided by the United States Government (IDA). Under Procedure D, import licences are issued by the Bank of Greece. This procedure applies to imports from sources other than Procedure E countries. It also applies where the method of settlement is not covered by Procedure E. Imports financed out of IDA funds and certain items imported by government services, public utility companies or the Agricultural Bank of Greece, also come under Procedure D. Importers must have obtained the relevant import licences before the goods are put on board in the port of embarkation abroad. Any importer infringing this requirement is liable to a fine of 2 to 15 percent of the c.i.f. value of the consignment.

(2) List A contains nine groups of luxury items of which there is no local production in Greece and which are subject to special import licences. A joint Committee under the aegis of the Chamber of Commerce and Industry of Athens, which includes officials of the Ministry of Commerce, is responsible for issuing these special licences. List A includes, inter alia, reptile skins, furs and pelts, precious stones, knives, spoons and forks, gold-plated or silver-plated, silver and silverware, gold, goldware and jewellery, pocket watches and wrist watches of gold or silver, perfumes and perfumery products, and certain textiles and goods of natural silk.

(3) Import licences are also required for imports of certain machinery and machinery spare parts not manufactured in Greece. In particular, the list of products affected includes agricultural machinery and certain types of pumps, diesel engines and electric engines. Licences are issued by the Ministry of Industry, acting upon the recommendation of the Council for Industries. This Council, which comprises mainly government officials, includes a representative of the Association of Greek Industrialists.
With regard to products in List A and those in the list of machinery, import quotas are sometimes laid down in bilateral trade agreements. Similarly, certain barter deals or private compensation transactions are authorized when they will facilitate sales abroad of certain products. Such transactions must be approved by a Special Committee attached to the Bank of Greece.

Payment of imported goods may be effected either by opening a documentary credit, or in cash against shipping documents or, in the case of certain products, by acceptance of time drafts.

All imports may be settled by opening a documentary credit, but this procedure is compulsory for imports of products contained in List A. This method of payment implies that the importer must deposit in drachmae the full amount of the credit with the bank through which settlement is effected. The validity of such credits is, in principle, of unlimited duration. However, in the case of products contained in List A, and also in the case of four other products when imported from Japan, the documentary credit is valid for a period not exceeding six months.

With the exception of products contained in List A, settlement of all imports may be made in cash against the shipping documents. In the case of most products, however, importers who avail themselves of this method of settlement are required to deposit with their bank, after obtaining the relevant import licence and before the date of shipment of the goods from the port of embarkation, a certain percentage of the c.i.f. invoice value (15 to 100 per cent, depending upon the nature of the product concerned). This deposit is intended as a safeguard against monetary inflation and to discourage the hoarding of import licences for speculative reasons. Deposits are refunded at the time of final settlement proportionately to the executed part of the respective import approval. No advance deposit is required in the case of certain products, in particular foodstuffs.

On the other hand, payment by acceptance of time drafts is authorized only for the importation of the ninety-odd products listed in List P. Payment on such drafts must be made within the specified period. The competent authorities may authorize exceptions to these rules.

Treatment of Imports from Different Sources

Imports may be classified according to source of supply in the following three categories:

1. The OEEC countries and their overseas territories, associated monetary areas and Indonesia benefit in Greece from a liberalization list which, on the basis of 1948, covers 95 per cent of private imports from OEEC countries. With regard to products
subject to import restrictions (List A and the list of machinery) and certain other liberalized products, provision is in some cases made for import quotas in bilateral agreements. Bilateral quotas for liberalized products are given by way of indication and provide a safeguard in the event that quantitative restrictions were applied to the products concerned. Bilateral agreements have been concluded between Greece and most OEEC countries.

2. The same liberalization list is also applicable in respect of the United States of America, Canada and their dependent territories. It represents 99 per cent of 1953 private imports from the United States and Canada. Commodities subject to import restrictions (List A and list of machinery) may also be imported from the United States and Canada under special licences.

3. Unrestricted goods may be imported into Greece from other countries under Procedure E, provided that Greece has valid bilateral agreements with such countries and provided that settlement is made through the clearing accounts established by the agreements. This category includes, in particular, the following countries: Bulgaria, Chile, Czechoslovakia, Egypt, East Germany, Finland, Hungary, Israel, Japan, Poland, Rumania, Spain, the USSR, Uruguay and Yugoslavia. Imports of liberalized products from other countries are effected under Procedure D.

The regulations on the importation of goods in List A or in the list of machinery apply to these countries also.

With regard to the special case of Japan, all products except four may be imported subject to Bank approval. The procedure applicable is very liberal and imports exceed the quotas laid down in the bilateral agreement between Greece and Japan. The four categories of products not covered by this procedure but requiring special import licences are: eye-glasses and lenses for spectacles, faienceware, textile products and pencils. The licences necessary for the importation of these last products are issued by the Special Committee responsible for granting licences in respect of List A commodities.

Barter and private compensation transactions take place with the countries referred to in this section.

Imports under State Trading

Certain items are under State trading, either for reasons of public health, or in the public interest, or for revenue purposes. In principle, State trading is not intended unduly to restrict imports or to protect domestic industry or agriculture. Goods under State trading may be classified into three categories:
1. Commodities under monopoly, which are imported under the control of the Ministry of Finance: matches, kerosene, rice paper for cigarettes (when imported for use by tobacco manufacturers\(^1\)), saccharine and narcotic drugs.

2. Wheat and flour, which are imported by the State (i.e. by the Ministry of Commerce) for its own account under the International Wheat Agreement. However, private interests may, subject to special authorization, import wheat and wheaten flour.

3. Sulphur, sulphate of copper and fertilizers are imported by the Agricultural Bank of Greece subject to government approval. The main aim of this Bank is to keep prices at a minimum level through bulk imports and to standardize the prices of these products throughout the country so that the mountainous districts furthest from the ports of importation are not penalized as compared with other more accessible parts of the country.

**The Proportion of Imports Covered by each Method**

The following table gives a breakdown of imports for the period 1954-57 according to the method under which they were effected.

<table>
<thead>
<tr>
<th>Breakdown of Imports according to Method by which effected</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private trading</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Private imports other than those covered by 2 and 3 below</td>
<td>288,000</td>
<td>339,000</td>
<td>413,000</td>
<td></td>
</tr>
<tr>
<td>2. Imports of goods included in List A</td>
<td>600</td>
<td>650</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>3. Imports of machinery subject to special licence(^2)</td>
<td>17,000</td>
<td>8,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>State trading</td>
<td>25,000</td>
<td>35,000</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>330,600</td>
<td>382,650</td>
<td>463,540</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) The State trading regime does not apply to cigarette paper when imported for use by cigarette manufacturers.

\(^2\) The relevant figures have been computed on the basis of import licenses granted and not effective imports. The figures representing effective imports cannot easily be ascertained from the official statistics in view of the lack of conformity between the statistical headings and the headings relating to machinery contained in the special list.
Legal Basis of the Restrictions

The statutory authority on which current import controls are based is the Imports and Exports (Control) Act 1947 which empowers the Central Government to issue Orders prohibiting, restricting or otherwise controlling in all cases, or in specified cases, and subject to any exceptions made by Order, the import of goods of any specified description. Several auxiliary Notifications or Orders made in accordance with the provisions of the Act are consolidated in the Import Trade Control Order No. 17/55 of 7 December 1955. All articles specified in Schedule I of this Order are prohibited, unless covered by an Open General Licence, a specific import licence, or by specified exemptions. Such exemptions apply to imports by the Central Government for defence purposes or for the Ministry of Works, Housing and Supply, to purchases made by the Directorate-General of Supply and Disposals for public bodies, to personal effects, etc. This Order also makes provision for the collection of licence fees, and specifies certain conditions concerning the issue, transfer, refusal, amendment, suspension and cancellation of licences.

Policy of Restriction

The basic objective of import control is to safeguard the balance of payments and to give priority to the import of those products which are more essential. In shaping import policies account is taken of export prospects, the level of external reserves, the economic development plans and the pattern of requirements and priorities resulting from the development of the economy and seasonal factors.

In general foodstuffs, capital goods, industrial raw materials and other essential commodities are given the highest priority, while other imports are severely limited or prohibited.

The import control policy is formulated by the Minister for Commerce and Industry. Before the semi-annual licensing policy is announced, a detailed examination is made of each item in consultation with the various Ministries and technical advisors concerned. Suggestions made by the commercial and the industrial interests of the country are taken into account. Import and Export Advisory Councils, which include both officials and non-officials, are associated in an advisory capacity with the formulation of trade control policies. The Councils meet twice a year, about six weeks before each policy announcement, under the chairmanship of the Minister for Commerce and Industry.

1 In the light of new information which has been received from the Government of India after completion of this note, a revised text is being prepared and will be circulated shortly.
Administration of the Restrictions

Import controls are administered by the Import and Export Trade Control Organization which is a part of the Ministry for Commerce and Industry. In addition to its Headquarters Office at New Delhi, the Organization has eight Regional Licensing Offices located at various ports. The Import and Export Trade Control Organization itself is responsible for licensing certain types of goods, e.g. capital goods, heavy electrical plant, requirements of the River Valley Projects, raw materials for industries, etc. Certain goods are, however, licensed by special authorities: iron and steel items are licensed by the Iron and Steel Controller, Calcutta; the import of certain machine tools is licensed by the Development Officer (Tools), the Ministry of Commerce and Industry.

For purposes of the import controls, importers are divided into three categories: (i) Established Importers; (ii) Actual Users; and (iii) Others.

(i) Established importers are persons or firms who actually imported goods comprised in any one serial number or sub-serial number, as the case may be, included in Schedule 1 to the Imports Control Order, 1955 (the Import Trade Control Schedule) during at least one financial year in a specified basic period. Quotas granted to established importers are expressed as percentages of the total value of imports during any one financial year (at the importer's choice) in the specified basic period. Provision is made, in certain cases, for the adjustment of quotas.

(ii) Actual users are persons or firms who require raw materials or accessories for use in an industrial manufacturing process. The items licensable to actual users are published half-yearly in the import policy. Licences to actual users are granted on the basis requirements assessed on the basis of the level of production, past imports and stocks. Such licences are not entertained for raw materials, etc. required for the manufacture of new items, unless a licence for such manufacture has been obtained, wherever necessary, under the Industries (Development and Regulation) Act 1951.

(iii) Other importers.

Import control procedures are set out in Public Notices published in the Official Gazette and in the half-year handbook entitled "Import Trade Control Policy - for the Licensing Period ..." published by the Ministry of Commerce and Industry. The trading and business community is informed from time to time by statements of policy, of the procedures to be followed and of the licensing policy in regard to particular commodities. A weekly Bulletin of Import and Export Trade Control contains particulars of import and export licences issued by the various Licensing Authorities. Public notices on import and export trade control matters and copies of clarification circulars are reproduced in the Bulletin.
Methods of Restriction

Except for purchases by the Government and a few imports under Open General Licence all imports are subject to individual licences. Open General Licences are in force for the import of samples and advertising material as well as for certain goods of Pakistan origin (Open General Licence No. XIII applies to the import from Pakistan of the following items: poultry, certain fish, salted fish; certain fresh vegetables (except potatoes and betel leaves but including onions, garlic and green ginger) and eggs).

Individual licences are issued (a) to establish importers on the basis of quotas expressed as percentages of imports in a chosen base year, (b) to actual users according to their current requirements and (c) on an ad hoc basis.

Under an "export promotion" scheme, import licences are granted for the import of some thirty-seven specified raw materials equivalent to the raw material content of exported goods, so as to facilitate and encourage exports. Import licences are, in general, granted only after the export has taken place and for a certain percentage of the rupees equivalent of the f.o.b. export proceeds (exports to Nepal, Tibet, Pakistan and Portuguese possessions in India are excluded from this scheme).

Under the "Avocation Scheme" special licences are issued to persons in certain professions (e.g. tailoring establishments, dispensing opticians, dentists, hair-cutting and hair dressing establishments, agarbatti manufacturers, retail chemists and sports goods manufacturers) for the import of essential requirements.

Imports of capital goods and heavy electrical plant are admitted under three types of licences, depending on whether the goods in question are related to long-term foreign investment, to medium-term credits or cash payment. (i) As a general rule, the import of a substantial value of plant and machinery is not permitted if disbursement in foreign exchange is required within five years, that is unless the finance is covered by long-term foreign equity or loan investment, or by special arrangements between the Indian Government and the supplying country. (ii) Imports of plant and equipment involving relative small outlays are permitted if they are financed by medium-term credits. Applications for such licences are carefully scrutinized, and importers are required to apply for prior authorization from the Chief Controller of Imports and Exports who indicates the kind of payment terms which will be acceptable. (iii) Imports of equipment against cash payments are permitted for maintenance and replacement purposes or for completing relatively large projects.

The period of validity of import licences varies according to the nature of the imports, and is announced in the licensing policy statement. In certain cases, the period may be extended, such as in the case of capital users' licences covering essential goods. Capital goods and heavy electrical plant licences are issued with an initial validity of one year, extendable for a further period of two years on production of evidence of an accepted firm order.
An issue of import licences is subject to the payment of a fee which varies according to the value of the import. Licences for certain imports of a value less than Rs.250 are exempt from the fee.

Treatment of Imports from Different Sources

Import licences are valid either for imports from soft currency countries only or valid for imports from all countries, including the dollar area. However, 50 per cent of the value of each soft currency licence or Rs.5,000, whichever is the higher, are valid for imports from the dollar area, and importers may also be authorized to utilize a higher proportion of their licences for imports from the dollar area. Applications for such authorization are considered by licensing authorities, account being taken of comparative prices, etc.

No distinction is made between countries within the dollar or the soft currency area. Certain imports from Pakistan are admitted more liberally than from other countries, and goods of Union of South Africa origin are not admitted. Trade agreements are in force with some twenty-five countries. Most of these agreements included no quota commitments; they merely indicate the commodities the import or export of which the partner countries intend to facilitate, particularly in the granting of licences. Some of the agreements, including those with Egypt and Yugoslavia, contain bilateral payments provisions. In general, payments are settled in convertible or transferable currencies.

Imports under State Trading

Food grains and sugar are imported by the Ministry of Food and Agriculture. The purpose is to ensure adequate supplies at reasonable prices, to build up internal stocks as required and to regulate internal distribution.

The import of certain commodities (caustic soda, soda ash, raw silk and cement) is effected by a State Trading Corporation, also with a view to satisfying essential requirements and ensuring fair distribution at reasonable prices. The Corporation is registered as a private limited company under the Indian Companies Act, 1956, and is therefore not a statutory body. Purchases are made on the basis of commercial considerations (price, time of delivery and quality); no discrimination is applied to different sources of supply.

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1 The dollar area comprises Bolivia, Canada, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, the Philippines, Salvador, Venezuela and the United States and dependent territories.
Proportion of Imports Covered by Each Import Procedure

The following figures show the number and value of import licences issued to the various categories of importers during the periods January-June 1956 and July-December 1956.

<table>
<thead>
<tr>
<th>Category of importors</th>
<th>October 1957-March 1958</th>
<th>April-September 1958</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value Rs.</td>
</tr>
<tr>
<td>Established Importers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Users</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Importers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value of Import Licences Issued

<table>
<thead>
<tr>
<th>Licensing Period</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 1956 - 30 June 1956</td>
<td>Rs. 6,900 million ($1,450 million)</td>
</tr>
<tr>
<td>1 July 1956 - 31 December 1956</td>
<td>Rs. 6,430 million ($1,350 million)</td>
</tr>
<tr>
<td>1 January 1957 - 30 September 1957</td>
<td>Rs. 5,560 million ($1,168 million)</td>
</tr>
<tr>
<td>1 October 1957 - 31 March 1958</td>
<td>Rs. 3,160 million ($ 664 million)</td>
</tr>
</tbody>
</table>
13. INDONESIA

Legal Basis of the Restrictions

[To be drafted.]

Policy of Restriction

Trade and exchange control systems have been in operation since 1940. The most recent revision of the import control system came into force on 20 June 1957.

The Monetary Board, which comprises the Minister of Finance, the Minister of Economic Affairs, the Governor of the Bank of Indonesia and the Treasurer General, is the supreme authority in matters concerned with exchange and import control policy. The restrictive system is designed both for the purpose of safeguarding the balance of payments and of collecting revenue for Government expenditure. Broadly, the policy is to rely on cost restrictions to limit the import demand to the level permitted by foreign exchange earnings. This is achieved by the operation of a market of exchange certificates through which payments for all permitted import and export transactions are channelled.

Administration of the Restrictions

Import controls are administered by the Foreign Exchange Institute which is under the direction of the Bank of Indonesia. The day-to-day operations are carried out by the Foreign Exchange Institute, the commercial banks authorized for this purpose and the customs. Combined import-exchange licences are issued on behalf of the Institute by the Bureau for Import-Exchange Licences and its branch offices.

Methods of Restriction

All imports are subject to licence. Applications for import licences must be made to the Bureau for Import-Exchange Licences or one of its branch offices through an authorized bank and accompanied by a receipt establishing that a guarantee equivalent to 100 per cent of the c. & f. value of the import at the basic official rate of Rps.11.4 per US dollar has been deposited with the bank. If the Bureau approves the application it issues a preliminary import licence. This licence is converted into a regular import licence after the importer has (a) purchased and surrendered export incentive certificates up to the nominal value of the licence and (b) paid the exchange surcharge at the appropriate rate. At present, import licences are freely issued subject to the fulfilment of these requirements.
Export incentive certificates, the so-called B.E.'s (BUKTI EKSPOR) are issued by authorized foreign exchange banks against all foreign exchange obtained from exports or transfers. These certificates are expressed in rupiahs equivalent to 100 per cent of the exchange surrendered at the basic official rate of Rps. 11.4 per US dollar. Importers are required to buy these B.E. certificates in the certificate market which is supervised by the Bank of Indonesia, and transactions are subject to a tax of 20 per cent of the value of the certificate. (As of May 1958, the B.E. certificates were quoted at over 200 per cent of their nominal value, i.e. for each rupiah value of the certificate, importers pay over two rupiahs.)

Imports are divided into six categories, each subject to a different rate of surcharge (TAMBAHAN PEMBERAJARAN IMPOR or TPI), expressed as a percentage of the value of the imports, as follows:

<table>
<thead>
<tr>
<th>Categories and representative commodities</th>
<th>TPI scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Highly Essential: rice, raw cotton, milk powders for baby food, certain fertilizers, study books, scientific publications, newsprint</td>
<td>free</td>
</tr>
<tr>
<td>II. Essential: DDT and similar preparations, printers' requirements except type, film projectors (for more than 16 mm.), gunny bags, surgical and medical instruments, whole and skimmed milk powder, technical and mechanical articles</td>
<td>20 per cent</td>
</tr>
<tr>
<td>III. Essential: essential oils, exposed movie film, typewriters and other office machinery, industrial yarns, wheat flour, rolled oats, condensed and evaporated milk, cotton piece goods, radio parts</td>
<td>50 per cent</td>
</tr>
<tr>
<td>IV. Semi-essential: hand cameras, dry batteries, flash-lights, non-electric stoves, glass, paper and fibre wallboard, cheeses</td>
<td>100 per cent</td>
</tr>
<tr>
<td>V. Semi-essential: cigarette lighters, watches and clocks, perfumery and cosmetics, toys, milk and malt preparations</td>
<td>140 per cent</td>
</tr>
<tr>
<td>VI. Luxury: butter and artificial edible fats, liquors, most foodstuffs, meats and pantry provisions, cigarettes and other manufactured tobacco products, refrigerators, small electric machines, radios, passenger cars</td>
<td>175 per cent</td>
</tr>
</tbody>
</table>
If the importer fails to purchase B.E. certificates or to pay the TPI surcharges within thirty days from the date of issue of the preliminary permit, 10 per cent of the guarantee deposit is forfeited and the preliminary import licence lapses.

The importation of certain commodities which are produced domestically in adequate quantities may be prohibited by administrative decision, and a Prohibited List was introduced in December 1956.

Limited barter deals by Indonesian nationals between Sumatran ports and nearby areas and transactions of domestic producers of petroleum, tin and bauxite executed under special arrangements are exempt from the general import control regulations.

Business concerns wishing to import must be officially recognized as importers by the Ministry of Economic Affairs and registered as such with the Bureau for Import-Exchange Licences. Most importers are required to lodge a deposit with the Bank of Indonesia: for Indonesian nationals the amount of the deposit is Rps. 500,000; for non-nationals (other than those classified as industrial or horticultural and importing on their own behalf and not for resale) the amount is Rps. 5,000,000. After registration the deposit may be used to pay the guarantee deposits, the exchange surcharges and the cost of the B.E. certificates.

Treatment of Imports from different Sources

The import control system does not provide for discrimination as to country of origin of goods. However, in issuing licences the Bureau for Import-Exchange Licences takes account of bilateral trade agreement commitments. Bilateral trade and payments agreements are in force with mainland China, Egypt and Japan.

Imports under State-Trading

\[\text{To be drafted}\]

Proportion of Imports covered by each Import Procedure

Breakdown of imports according to surcharge for category

<table>
<thead>
<tr>
<th>Category</th>
<th>1956</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td></td>
<td></td>
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<tr>
<td>II</td>
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<td>III</td>
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<td>IV</td>
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<td>V</td>
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<td></td>
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<tr>
<td>VI</td>
<td></td>
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</tr>
</tbody>
</table>
Legal Basis of the Restrictions

The import controls and restrictions in force in Italy are based on Decree Law No. 1923 of 14 November 1926 and Decree Law No. 476 of 6 June 1956. Decree Law No. 1923 contains a list of products subject to import prohibition and lays down procedures for amending the list and for the granting and use of import licences. By Decree Law No. 476 the provisions previously in force regarding import controls were consolidated and new regulations were published. The Ministerial Decree of 6 June 1956, issued under Article 2 of Decree Law No. 476, provides that the Ministry of Foreign Trade may grant import licences without limitation of quantity or value, or within quota limits.

Policy of Restriction

Quantitative restrictions are maintained to safeguard the equilibrium in the balance of payments, to achieve a satisfactory trade balance with certain countries and to protect certain lines of agricultural production which are considered essential for social and economic reasons. Goods are selected for liberalization when this is unlikely to impair the equilibrium of the balance of payments. Measures of relaxation are not extended to certain non-GATT countries, which do not grant reciprocal treatment to Italian exports.

Administration of the Restrictions

General responsibility for external trade relations rests with the Ministry of Foreign Trade. Other interested authorities include the Italian Exchange Office ("Ufficio Italiano dei Cambi") and the National Institute for Foreign Trade ("Istituto Nazionale per il Commercio Esteriore"). The Italian Exchange Office controls and supervises all foreign currency transactions in collaboration with the Bank of Italy and approved banks. The National Institute for Foreign Trade is responsible, inter alia, for checking the quality of certain imported goods and for co-ordinating global compensation transactions with certain countries.

Applications for import authorization must be addressed to the Ministry of Foreign Trade. The administrative documents authorizing imports are issued either by the Ministry of Finance (licence) or by the Italian Exchange Office ("benestare"), depending on the nature of the transaction.

In allocating quotas for certain products (e.g., machine-tools), the Ministry of Foreign Trade may seek the assistance of technical committees, which include representatives of the other Ministries and various interested trade associations (Ministry of Industry and Internal Trade; Ministry of
Agriculture and Forestry; National Institute for Foreign Trade; Italian General Industrial Confederation; Italian General Agricultural Confederation; Italian General Trade Confederation; Italian Union of Chambers of Commerce). These technical committees act in an advisory capacity.

Methods of the Restriction

Imports are subject to two procedures: (1) the customs system and (2) the licensing system.

1. The "customs system" applies to all imports which are covered by a general licence. General licences authorize specified imports without limitation of quantity or value subject only to presentation to the customs authorities of a certificate of payment ("benestare") issued upon request by the Bank of Italy or an approved bank. Imports subject to this procedure include those on the three free lists and certain products from countries with which bilateral trade agreements are in force. They cover about 90 per cent of current private imports.

2. All other imports are subject to the "licensing system" and require individual licences. Such imports are admitted only upon presentation to the customs authorities of a licence and a certificate of payment ("benestare") issued by the Bank of Italy or an approved bank. Import control and quantitative restriction are therefore applicable only in respect of goods subject to the latter system. For the issue of licences, the procedures and considerations are as follows:

Individual licences are issued either on an ad hoc basis or within the limits of import quotas established under bilateral trade agreements. The criteria for the issue of individual licences on an ad hoc basis are the essentiality of the goods, their nature and quality, their price and the method of payment, the time limit for delivery, and the availability of foreign exchange. When bilateral quotas are fixed in trade agreements, import licences are issued until the quotas fixed for each product or group of products are exhausted. Imports in excess of the quota limits are occasionally authorized. Applications are examined by the Ministry of Foreign Trade.

Imports may also be admitted in connexion with private or global compensation transactions. Private compensation consists of two trade transactions of equivalent value, generally involving an importer and an exporter, the transactions being settled in Italian currency. Such compensation may take place under trade agreements providing for this type of settlement or under special arrangements with the authorities of certain countries. Private compensation is authorized by the Ministry of Foreign Trade only in cases where the import and export transactions could not satisfactorily be effected separately under other types of settlement.
Global compensation consists of a combination of several import and export transactions providing for a balanced exchange of fixed quantities of goods. The main purpose of global compensation is to avoid the difficulties inherent in the individual compensation of each transaction. The National Institute of Foreign Trade and the Italian Exchange Office are generally responsible for the coordination of the various transactions and give the necessary instructions to the banks and traders.

Individual licences are valid for four months, but may be extended for an additional period of four months and then for another two months. After this ten-month period, the Ministry of Foreign Trade may grant a further extension or a new licence against the unused portion of the old licence. Licences for imports from the East European countries and the Belgian-Luxemburg Economic Union are valid for six months and may be extended for a four-month period.

An administrative licence fee of 0.5 per cent ad valorem is charged regardless of the system under which the products are imported. A tax, equivalent approximately to 1 per cent ad valorem, is levied on private compensation transactions.

Treatment of Imports from Different Sources

Different import control procedures apply to imports from: (1) the dollar area, (2) the EPU area and a few other countries, (3) a group of non-dollar, non-EPU countries and (4) the rest of the world.

(1) A free list ('Table A') is in force for imports from the dollar area. About 74.1 per cent of private imports from countries in the dollar area (base year 1957) are free of quantitative restrictions and are not subject to licensing requirements. For Canada and the United States the percentage is higher. Products which may be freely imported from the dollar area are listed in the Ministerial Decree of 29 March 1956, with amendments in Ministerial Decree of 14 August 1956 and 25 June 1957. Imports of commodities from the dollar area not contained in this free list are licensed on an ad hoc basis.

For the purpose of import licensing the dollar area comprises Bolivia, Canada, Columbia, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, South Korea, Lebanon, Liberia, Mexico, Nicaragua, Panama, Peru, the Philippines, French Somaliland, Syria, Taiwan, the United States and dependent territories, Uruguay and Venezuela.
(2) A free list is also in force for imports originating in the EPU area and Afghanistan, Egypt, Ethiopia, Saudi Arabia, Sudan, Thailand and Yemen. It covers about 99.1 per cent of private imports from OEEC member countries and their dependent territories (1957 basis). Imports of other goods ("Table B") are admitted in accordance with the terms of bilateral trade agreements or on an ad hoc basis. Trade agreements are in force with all OEEC countries and with some other countries which settle payments through the EPU.

(3) There is also a free list ("Table C") for imports from certain non-dollar, non-EPU countries with which payments are settled in transferable lire, through clearing accounts or in accordance with the provisions of multilateral payments arrangements. This list applies to Argentina, Brazil, Ecuador, Finland, Iran, Paraguay, Yugoslavia, the Spanish monetary area, the USSR and other Eastern European countries except Eastern Germany. It applies also to Japan, but in this case payments are settled in convertible currencies. In addition, specified imports are admitted from the countries under the "customs" system in accordance with the provisions of bilateral agreements. Under the multilateral trade and payments schemes with Argentina and Brazil (the Paris and Hague Clubs) imports of goods of interest to the export trade of these countries are free. The import of other goods remains subject to individual licensing.

(4) Imports from other countries such as Chile are effected on the basis of global compensation. In some cases imports are also admitted against payment in convertible currencies. Imports from Paraguay and Spain may be linked to exports to those countries.

**Imports under State Trading**

A number of products are imported by the State or by undertakings to which exclusive or special rights have been granted. In 1957, imports of these products represented 2.12 per cent of total imports.

Imports of tobacco, tobacco extracts and essences, sea salt, rock salt, marsh or spring salt, phosphorus, sulphide of phosphorus, nicotine and its salts, mechanical lighters, matches and flints are subject to State trading for revenue purposes. Imports of quinine are reserved for State trading in order to ensure adequate supplies at equitable prices. Imports of these products are effected by the State Monopoly Administration.
The import of bananas is reserved to the State Banana Monopoly principally for the purpose of providing an assured market for Somali bananas, in connexion with Italy's trusteeship responsibilities. The State Banana Monopoly also imports bananas from other sources.

Purchase of wheat and flour are made on behalf of the State by the Federation of Agricultural Consortiums. The wheat import policy takes into account Italy's commitments under the International Wheat Agreement and is in accordance with regulations designed to assist this essential branch of agricultural production.

Gold and its alloys, including platinized gold are also subject to a State monopoly.

<table>
<thead>
<tr>
<th>Proportion of Imports Covered by Each Import Procedure</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Percentage</td>
<td>Value Percentage</td>
<td>Value Percentage</td>
<td></td>
</tr>
<tr>
<td>1. Imports under the &quot;customs system&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) EPU free list</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Dollar free list</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Other countries free list</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Imports under the &quot;licensing system&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) EPU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Dollar area</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. Imports under trade agreements (other than those under 1 and 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Imports under State trading</td>
<td></td>
<td></td>
<td>2.12</td>
</tr>
<tr>
<td>5. Other imports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Legal Basis of the Restrictions

The statutory basis of the import controls in Japan is the Foreign Exchange and Foreign Trade Control Law, No. 228, of 1 December 1949. The Law stipulates the general system of import and exchange controls, enumerates the objectives of the controls and establishes various bodies. The provisions of the Law itself and of the orders issued pursuant thereto are subject to review from time to time in order to ensure relaxation or elimination of the restrictions as circumstances permit.

Among the Cabinet orders and ordinances issued pursuant to the Law of basic relevance to import restrictions is Order No. 414 of 29 December 1949, as amended, which imposes import licensing requirements and provides for the publication of lists of goods for which applications for import licences may be made, the currencies or special accounts to be used in payments, the areas from which the goods are to be imported, and other conditions relating to imports.

Policy of Restriction

Article 1 of the Foreign Exchange and Foreign Trade Control Law states that the purpose of the import and exchange controls is to ensure the proper development of foreign trade, the safeguarding of the balance of payments, the stability of the currency and the most effective and beneficial use of foreign exchange income with a view to expanding the economy. Priority is given to the importation of more essential goods such as raw materials and staple foods, and imports of those commodities which are also produced domestically and luxury items are to be more severely restricted.

Import control policies are formulated by a Ministerial Council (comprising the Ministers concerned with foreign trade and payments, with the Prime Minister as ex officio Chairman and the Governor of the Bank of Japan as an advisory member). The main function of the Ministerial Council is the preparation of foreign exchange budgets.

Administration of the Restrictions

Responsibility in the control of imports rests with the Ministry of International Trade and Industry (MITI). In accordance with the relevant laws and regulations and in order to facilitate administration, certain powers relating to foreign exchange and foreign trade controls are delegated by the Ministry of Finance and the MITI to the Bank of Japan. Authorized foreign exchange banks carry out the licensing and other activities on the day-to-day administrative level.
Methods of Restriction

A foreign exchange budget is drawn up each half-year in the light of estimated receipts from exports, other current income and reserves. The estimated exchange available for import payment forms the basis for an import plan, and announcements concerning permitted imports are made accordingly.

Details of permitted imports (except imports not requiring payment, goods imported for processing and re-export, imports under compensation arrangements or under a special foreign exchange allocation system, and a few other categories of imports) are given in import announcements which are made periodically by the MITI.

Practically all imports are subject to an individual import licence. The issue of individual licences is generally subject to an advance deposit ranging up to 30 per cent of the import value, depending upon the type of goods and the country or currency area from which the goods are imported. Deposits must be made with an authorized bank together with the application for licence, and are to be refunded after the goods have been imported or when the import transaction is cancelled for a reason acceptable to the control authorities.

The purposes given for the advance deposit scheme include the prevention of speculation, to discourage arbitrary cancellation of import contracts which may be damaging to foreign exporters' confidence in Japanese importers and to assist in achieving certain ends in the monetary field.

Imports are admitted under the following import control procedures: (1) licence-free imports, (2) the exchange allocation system, (3) the automatic approval system, (4) the special foreign exchange allocation system, (5) imports not requiring an outlay of foreign exchange and (6) bilateral trade agreements and arrangements.

(1) Certain types of imports are exempt from licensing requirements. These include relief goods, commercial samples up to a specified value, certain products in non-commercial quantities for personal use, articles for the personal use of foreign diplomats and certain specimens, materials or objects of reference donated for exhibition in schools, museums and research institutes.

(2) The exchange allocation system and the automatic approval systems are the two main licensing procedures for the importation of goods for which foreign exchange is provided in the foreign exchange budget. Licences for import under these two import procedures are normally issued by authorized banks and specific approval by the MITI is only required when the proposed payments are not in accordance with the prescribed standard methods of settlement, or when the imports are in excess of the limits specified in the import announcement or come from sources other than those designated therein.
Under the exchange allocation system importers who meet the requirements specified in the import announcement may obtain foreign exchange allocation certificates from the MITI. The MITI may allocate less foreign exchange than the amount applied for, and is entitled to impose certain conditions in regard to delivery time, prices and other matters. The allocation certificate is neither negotiable nor transferable, but it may be assigned to an importer to arrange the importation where the applicant is not himself an importer.

For most commodities covered by the allocation of foreign exchange system global quotas are established. In some cases single quotas for specified commodities to be imported from designated sources are established in accordance with commitments undertaken in trade agreements or to facilitate compensation transactions.

This system applies mainly to foodstuffs such as rice, wheat, barley and sugar, raw materials and other essentials such as coal, raw cotton, raw wool and crude oil.

(3) For the importation of commodities covered by the automatic approval system, individual licences are issued freely by the authorized banks on application. Foreign exchange is appropriated in the budget for all eligible items, and may be supplemented if found inadequate. Nearly 60 per cent of the items are on an all-currency-area list, which includes maize, iron and copper ore, "A" heavy oil, linseed, cottonseed, dyestuffs, wool waste, crude rubber. For other goods importable under this system the sources of import are specified - for example, automatic licensing of imports of hides and skins, iron, steel and copper scrap and tin ore applies to all sources other than countries in the "dollar treatment area".

(4) Under the "special foreign exchange allocation system", exporters of certain goods are entitled to retain a percentage of their foreign exchange earnings in the form of import rights. Such import rights are not covered by the foreign exchange budget and are transferable. They can be used under a simplified procedure for the import of certain goods specified by the MITI (mainly chemicals and non-essential goods) and certain purposes other than import payment but relating to foreign trade.

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1 The dollar treatment area includes Bhutan, Bolivia, the Belgian monetary area, Canada, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Ethiopia, Guatemala, Haiti, Honduras, Iran, Israel, Lebanon, Liberia, Mexico, Nicaragua, Panama, Paraguay, Peru, the Philippines, El Salvador, Saudi Arabia, Syria, Spain, Switzerland, the United States of America, Venezuela, Yemen. The sterling treatment area includes all other countries.

2 Travelling expenses in connexion with foreign trade promotion; advertising and publicity; freight, insurance etc., on imports under the same system.
The percentage of the retention was reduced from 10 per cent in 1953 to 5 per cent in 1954. In January 1957 it was further reduced to 3 per cent and the period of permissible utilization was reduced from seven months to three months.

(5) Imports which do not require any outlay of foreign exchange are admitted under a special licensing system and require prior approval of the MITI. This import procedure applies mainly to: (i) imports for public welfare such as charity, religious activities, educational and scientific purposes, (ii) gifts, (iii) commercial samples (except those types which do not require licences), and (iv) fuel oils for ships and airplanes.

(6) Bilateral trade and payments agreements with quota schedules are in force between Japan and France, Greece, Morocco, the Netherlands, Poland, Sweden, Taiwan, Turkey, the United Kingdom and the USSR. (Other agreements, including those with Ceylon, Pakistan, Egypt, Korea and Burma, contain only indicative lists of commodities.)

Treatment of Imports from different Sources

Difference in treatment of imports from different countries or currency areas arises from the allocation of foreign exchange quotas by currency areas or countries under the allocation of foreign exchange procedure and from the designation in certain cases of the source of imports under the automatic approval system.

Generally a distinction is drawn between the "dollar treatment area", the "sterling treatment area" and the "Open Account" countries. In addition, within these broad groups of countries, import restrictions are applied differently, account being taken of the commitments undertaken in trade agreements, the treatment accorded to Japanese goods by each country, the degree of convertibility and transferability of the currency of settlement, and the trend of the trade balance with each currency area.

Open, or bilateral account agreements to equalize trade with various countries are being gradually replaced by arrangements providing for cash transactions settled in transferable currencies, usually pounds sterling. Such agreements are still in force with Brazil, Egypt, Greece, South Korea, Taiwan and Turkey. With these countries settlement must be made through these open accounts.

Imports under private barter contracts are subject to the prior approval of the MITI, each case being considered on its merits. However, from time to time principles are laid down for the guidance of importers. Barter transactions are permitted when they are necessary to promote the expansion of new markets in the Middle East and in Latin America, and

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1 For a list of countries of the dollar treatment area, see page 74.
with some countries which favour such a form of trade, e.g. the State-
trading countries. Products which may be bartered with various areas 
are classified in several lists which apply to various countries or 
groups of countries. One list, for example, is valid for mainland China 
and permits imports under this scheme of rice, soya beans, salt, coal, 
against agricultural chemicals, cement, textiles, machinery, etc. With 
most countries of the stercing area and the dollar treatment area no 
barter transactions are allowed. Such transactions take place with a 
few countries settling payments through the European Payments Union, 
including Austria, Denmark, Italy, Portugal and Spain.

Imports under State Trading

The Government does not directly participate in import trade except 
in the case of salt and camphor. In certain cases, however, importers 
are required to sell imported goods (rice, wheat, barley and leaf tobacco) 
to the Government or to a monopoly agency. The monopoly agency for rice, 
wheat and barley was established for the purpose of regulating the marketing 
and the internal prices of these commodities. The monopoly in tobacco 
production and marketing has been maintained for fiscal reasons.

Proportion of Imports covered by each Import Control Procedure

The following table shows the proportions of imports under the 
automatic approval system and the foreign exchange allocation system 
in 1955-1957. The quantity of imports admitted under barter arrange-
ments amounts to approximately 10 per cent of the foreign exchange budget.
### FOREIGN EXCHANGE BUDGET FOR COMMODITY IMPORTS, 1955-1957

(in million dollars)

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Amount</th>
<th>Automatic Approval System</th>
<th>Exchange Allocation System</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Number of items</td>
</tr>
<tr>
<td><strong>1955</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st final budget</td>
<td>1,161</td>
<td>190</td>
<td>16.4</td>
</tr>
<tr>
<td>half commitment</td>
<td>1,137</td>
<td>186</td>
<td>16.2</td>
</tr>
<tr>
<td>2nd final budget</td>
<td>1,455</td>
<td>236</td>
<td>20.0</td>
</tr>
<tr>
<td>half commitment</td>
<td>1,417</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td><strong>1956</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st final budget</td>
<td>1,766</td>
<td>352</td>
<td>20.0</td>
</tr>
<tr>
<td>half commitment</td>
<td>1,687</td>
<td>351</td>
<td></td>
</tr>
<tr>
<td>2nd final budget</td>
<td>2,483</td>
<td>513</td>
<td>20.7</td>
</tr>
<tr>
<td>half commitment</td>
<td>2,374</td>
<td>513</td>
<td></td>
</tr>
<tr>
<td><strong>1957</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st final budget</td>
<td>2,086</td>
<td>497</td>
<td>23.8</td>
</tr>
<tr>
<td>half commitment</td>
<td>1,730</td>
<td>446</td>
<td></td>
</tr>
<tr>
<td>2nd final budget</td>
<td>1,652</td>
<td>330</td>
<td>20.0</td>
</tr>
<tr>
<td>half commitment</td>
<td>1,308</td>
<td>285</td>
<td></td>
</tr>
</tbody>
</table>
16. FEDERATION OF MALAYA

Legal Basis of the Restrictions

Legal powers to enforce the control of imports exercised in the Federation of Malaya are taken under the Customs Ordinance, 1952, as amended. Section 30 of this Order empowers the Yang di-Pertuan Agong in Council, as the Supreme Head of State, to make orders prohibiting or regulating the importation of all goods.

Exercising these powers, the Supreme Head of State made an order cited as the Customs (Prohibition of Imports) Order, 1954, which came into force on 1 November 1954.

The effects of this order are:

(i) to prohibit the importation of all goods except under and by virtue of an import licence which may be either particular or general;

(ii) to delegate the power to the Comptroller of Customs for issuing, amending or cancelling such licences;

(iii) to exempt from its general prohibition goods imported by or on behalf of the Government of the Federation or the Government of any State or by His Majesty's Navy, Army or Air Force and goods imported from the Colony of Singapore other than those specified in the Schedule to the Order.

This order may be amended as and when necessary by the order of the Yang di-Pertuan Agong in Council.

The Comptroller of Customs, exercising his powers under the above order, granted a licence on 18 February 1955 cited as the Open General Licence (Imports) No.(1), 1955 which stipulates the goods which, when imported from specified countries, require an individual import licence. This licence may be amended as and when necessary at the discretion of the Comptroller of Customs.

Policy of Import Restrictions

Import controls in the Federation of Malaya are minimal in character. Most imports other than those from dollar account countries, the Soviet Union and other Eastern European countries are admitted without the need of an individual licence. However, as a member of the sterling area, the Federation restricts imports from hard currency countries for balance-of-payments reasons, and only those goods which are not readily available at competitive prices from non-dollar sources and which are necessary for the economic development of the country and for the maintenance of the country's standard of living are permitted to be imported direct from dollar account countries. It is at
present the practice for the Federation of Malaya and the Colony of Singapore to draw up annually, on a pan-Malayan basis, joint estimates of the anticipated expenditure on direct imports of essential goods from hard currency countries. The expenditure is broken down under group headings which are sub-divided in such a way as to show the anticipated expenditure on any particular type of goods. In this way, when the programme is implemented, it is possible to keep a constant check on the licences issued for each and every item included in the programme and to detect immediately any tendency to overspend on a particular item. Whilst this programme is adequate as a pan-Malayan record, it does not indicate total direct import of goods from the dollar sources into the Federation.

The indirect import of hard currency goods via Hong Kong is permitted under individual licence and subject to such goods being invoiced and shipped in Hong Kong and provided that payment is made through a bank to Hong Kong in a sterling area currency.

Goods imported from the Colony of Singapore, with the exception of those listed in the Section on "Methods of Restrictions" as exempted from control, are permitted to be imported freely. This exemption is the result of a traditional trading association between the two territories built up over many years. A large proportion of the goods imported into the Federation are imported either from or via Singapore. This results from the close proximity of Singapore and the port facilities offered there.

At present, import licences issued in the Federation or in Singapore are valid for the import of goods into both the Federation and Singapore, except in the case of those issued for rice which are subject to strict independent control by each territory. This arrangement is a continuation of the control that was exercised on imports prior to the Federation of Malaya obtaining independence on 31 August 1957. The question as to whether this joint control will continue in the future is at present under review. It will be seen that this joint licensing system creates a problem in statistical reporting of imports where distinction has to be shown between those goods which are imported under individual licence into each territory and those which are imported freely.

Rice imports from Burma and Thailand are effected by the Government of the Federation for the maintenance of the strategic rice stockpile. Import licences for rice are issued to private importers subject to a specified proportion of their rice requirements being purchased from the Federation Government stockpile. The purpose of this condition is to ensure the rotation of rice stocks held by the Government.

It should be noted that most of the restrictions in force on imports from non-dollar countries are maintained for reasons other than the balance of payments and are justifiable under the provisions of the General Agreement on Tariffs and Trade relating to security, etc. Individual import licences are at present issued freely for most of the non-dollar imports which require them.
At present, the Federation has not entered into any trade agreements with other countries, with exception of its current rice purchasing contracts with Burma and Thailand.

Administration of the Restrictions

Import controls are administered by the Comptroller of Customs. Where individual licences are required, applications must be submitted to the Import and Export Control Officer at either Kuala Lumpur or Penang. These two officers are gazetted as Senior Customs Officers for the express purpose of issuing import licences on behalf of the Comptroller of Customs.

Methods of Restrictions

The import of goods is authorized either

(i) under open general licences, or

(ii) under individual licences issued at the discretion of the licensing authority.

Certain types of imports are exempt from import control, but this exemption does not apply to the following goods which when imported from the Colony of Singapore require individual licences:

(a) explosives,
(b) arms and ammunition,
(c) certain animals,
(d) imitation arms and toy guns,
(e) rice and padi.

The purpose of the Open General Licence (Imports) No.1 1955, is to authorize the import, without individual licences, of a range of goods of known origin from certain specified countries. The licence consists of an explanatory preamble and seven schedules, the first of which specifies the goods which may not be imported from any country without a specific import licence. The second Schedule gives a list of countries whose products, when imported from any country, require a specific import licence. The third, fourth, fifth, sixth and seventh Schedules, which are read in two columns, specify in the first column the country whose products may be imported freely and in the second column the goods which are excepted and require a specific licence. It will be seen that by this process of elimination a number of "free lists" are established. In detail, the Open General Licence operates as follows:
First Schedule: Goods to which this Open General Licence does not apply and which may not be imported from any country except under specific licence:

- certain live animals (poultry, apes, monkeys, etc.)
- arms and ammunition
- articles of clothing intended as protection against attack
- diamonds and diamond-set jewellery (other than personal jewellery imported as part of personal baggage)
- eggs for hatching and fresh eggs
- fireworks
- gold, gold coins, bullion, jewellery or ornament gold (other than personal jewellery imported as part of personal baggage)
- plants, flowers, fruits, leaves, roots, tubers, bulbs, cuttings, seeds, etc., and any parts of plants intended for propagation, but excluding foodstuffs intended for consumption as food
- rice and padi, in whatever form, including rice bran, rice flour and rice polishings
- toy guns, toy pistols, imitation arms
- certain types of brandy, whisky and intoxicating liquors.

Second Schedule: A list of countries to which this Open General Licence does not apply in respect of any goods originating, manufactured or consigned therefrom:

(a) the dollar area, comprising:

Canada
Bolivia
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala

Haiti
Republic of Honduras
Liberia
Mexico
Nicaragua
Panama (including Canal Zone)
Republic of Philippines
United States of America and Dependencies
Venezuela

(b) the USSR and the other Eastern European countries except Albania

(c) Argentina and North Korea
**Third Schedule** (a "free list"): Goods originating or manufactured wholly or mainly in, or consigned from, the countries or territories named below, with the exception of those goods listed below, may be imported freely:

<table>
<thead>
<tr>
<th>Countries</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>All goods enumerated in the First Schedule above and - animals, alive, all kinds, except sheep and goats Bones Bone meal</td>
</tr>
<tr>
<td>Burma</td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>Laos</td>
<td></td>
</tr>
<tr>
<td>North Borneo (incl. Labuan)</td>
<td></td>
</tr>
<tr>
<td>Sarawak</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td></td>
</tr>
</tbody>
</table>

**Fourth Schedule** (a "free list"): Goods originating or manufactured wholly or mainly in, or consigned from, the countries or territories named below, with the exception of those goods listed below, may be imported freely:

<table>
<thead>
<tr>
<th>Countries</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Commonwealth, its dependent territories, protectorates, mandatory and trusteeship territories</td>
<td>All goods enumerated in the First Schedule above; meat (fresh or preserved), bones, hide, skin, hoofs, horns, offal of any animal, or any portion thereof, when originating from the Republic of India.</td>
</tr>
<tr>
<td>Ireland</td>
<td></td>
</tr>
<tr>
<td>Iceland</td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td></td>
</tr>
<tr>
<td>Lyvia</td>
<td></td>
</tr>
</tbody>
</table>

**Fifth Schedule** (a "free list"): Goods originating or manufactured wholly or mainly in, or consigned from, the countries or territories shown below, with the exception of those goods listed below, may be imported freely:

<table>
<thead>
<tr>
<th>Countries</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any country not included in the Second, Third and Fourth Schedules above</td>
<td>All goods enumerated in the First Schedule above, and motor vehicles all types, radio sets and watches</td>
</tr>
</tbody>
</table>
Sixth Schedule (a "free list"): Goods originating or manufactured wholly or mainly in, or consigned from Japan with the exception of the following goods, may be imported freely:

Exceptions

All goods enumerated in the First Schedule above; aluminium sheets, blankets, cement, clocks, cotton or silk yarn and yarn of synthetic fibres, cycles and cycle parts, enamelled holloware (household), fabrics of cotton, silk or synthetic fibres, including serangs, fish, fish products and fish preparations, fresh, chilled, frozen or otherwise preserved including crustacea and molluscs, galvanized iron sheets, handkerchiefs, linen, household (i.e. bed linen, table linen, toilet linen and kitchen linen), matches, mining machinery including steam generating boilers, earth-moving and excavating machines, electric motors and generators, internal combustion engines, industrial pumps, and tractors, monosodium glutamate, pears, fresh. Porcelainware, chinaware and earthenware (household) and porcelain insulators, rubber tyres and tubes for vehicles and aircraft, sewing machines, soap, tiles (roofing, wall or floor) all kinds, toys and games other than sports goods, underwear and nightwear, vegetables fresh, dried or preserved, wire nails.

Seventh Schedule: Imports of cement from China require specific licence.

Proportion of Imports subject to licensing

<table>
<thead>
<tr>
<th>Value of Imports of Commodities on Specific Import Licence</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1956</td>
</tr>
<tr>
<td>Dollar Area countries</td>
<td>26.6</td>
</tr>
<tr>
<td>Communist Bloc countries</td>
<td>3.6</td>
</tr>
<tr>
<td>Japan</td>
<td>34.6</td>
</tr>
<tr>
<td>Other countries</td>
<td>176.5</td>
</tr>
<tr>
<td>Total imports on specific licence</td>
<td>241.3</td>
</tr>
<tr>
<td>Per cent of imports on specific licence</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

Note: Before 1958, no record is kept of imports under Specific Licence via Singapore, and figures for 1956 and 1957 therefore represent only direct foreign imports into the Federation. Figures for January-March 1958, however, include foreign imports under Specific Licence via Singapore, and they therefore represent the actual total imports under such licence into the Federation. For further explanation please see paragraph 8.
Legal Basis of the Restrictions

The following legal provisions form the basis of the restrictions currently in force:

Order on the Regulation of Imports and Exports, 1944, of 4 September 1944 (Bulletin of Laws E 80 of 14 September 1944), recently amended by the Law of 15 December 1955 concerning the Amendment of the Order on the Regulation of Imports and Exports, 1944 (Bulletin of Laws, No. 576 of 30 December 1955): By virtue of this Order, the Minister of Trade, Industry and Agriculture is empowered to prohibit, restrict, and establish rulings on the importation and exportation of goods. This Ministry at present comprises two separate ministries, viz. that of Economic Affairs and that of Agriculture, Fisheries and Food, which jointly agree upon the directives to be issued.

Decree concerning the Prohibition of Imports and Exports, 1945, of 4 June 1945 (Official Journal No. 7, of 8 June 1945), amended by the Decree of 30 October 1945 (Official Journal No. 100, of 30 October 1945): This Decree is based on the aforementioned Order, and stipulates that, except in a few specific cases, it is prohibited for any person to import or export merchandise without being in possession of a licence issued on behalf of the Minister of Trade, Industry and Agriculture by the Central Import and Export Agency at The Hague (Centrale Dienst voor In- en Uitvoer, 's-Gravenhage) or by professional organizations (Produitschappen) under the responsibility of the Central Import and Export Agency. Such licences may incorporate conditions.

Order on the Food Monopoly, 12 July 1941 (Official Journal No. 135, July 1941). This Order provides that, with regard to imports or exports of certain agricultural products, the Minister of Agriculture, Fisheries and Food may delegate some of his powers to professional organizations (Produitschappen). Imports or exports of the products in question are then permitted only under cover of a licence issued by these professional organizations.

Policy of Restriction

Only the restrictions on imports from the dollar area or payable in dollar area currencies are maintained for balance-of-payments reasons.

Administration of the Restrictions

Import licensing policy is, at the official level, the responsibility of the Directorate-General for Foreign Economic Relations, which is under the direction of the Minister of Economic Affairs. The latter has the function inter alia of co-ordinating policy concerning imports, with other ministries concerned, for example, the Ministry of Agriculture, Fisheries and Food, the Ministry of Finance, the Ministry of Overseas Affairs, etc.
Directives regarding import-licensing are given by the Directorate for Foreign Economic Relations to the Central Import and Export Agency (Centrale Dienst voor In- en Uitvoer) which is part of the Ministry of Economic Affairs, and which is in charge of import controls and licensing.

The Central Import and Export Agency is responsible, in general, for the granting or withholding of import licenses for the importation of manufactured or "non-agricultural" goods (with the exception of works of art, the responsibility for import-licensing being here delegated to a Foundation for Commerce in Works of Art which collaborates with the Ministry of Education).

The Central Agency has delegated its licensing authority to certain Boards (Produktenschappen) for many agricultural products (in fact for those covered by the Regulation on Food Monopoly of 12 July 1941 mentioned above). Separate Boards, which are concerned with problems of production, marketing prices, etc., exist for certain products, or groups of products (flower bulbs, tree nurseries, floriculture, dairy products, cattle and meat, vegetables and fruit, poultry and eggs, fish and fish products, horticultural seeds, margine, fats and edible oils, spirits and certain other products such as cereals, coffee, sugar and sugar products. These Boards are non-governmental organizations, representative of producer, trade, labour and processing industry interests. Their functions and powers are supported by certain statutory provisions, and the Government has the right to appoint a representative to sit on each of the Boards, which maintain constant contact with the Ministry of Agriculture. These Boards may submit regulations for the approval of the Minister of Agriculture.

The Central Agency and the Boards are authorized by the Netherlands Bank to issue foreign exchange permits which are incorporated in the import licence. The Netherlands Bank itself issues the exchange permits only when it is the licensing authority for imports.

Lists of products which may be imported without licence, or which are subject to automatic licensing and goods subject to the global quotas are published either in the official Gazette or in an Information Paper of the Ministry of Economic Affairs.

Applications for import or export licences, which also constitute foreign exchange licences, must as a rule be submitted to the Central Import and Export Agency where industrial products are concerned. In the case of agricultural products, applications go to the professional organizations in question. Applications must be accompanied by an invoice. Licences are valid for a specified period which may, in certain cases, be extended at the request of the holder. Licences are generally issued in duplicate, one copy for the Customs and one for the Bank.

Methods of Restriction

The system in operation involves the following provision for free imports and for methods of restriction.

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1 This note deals primarily or exclusively with imports from the dollar area, which are restricted for balance-of-payments reasons.
A. The free list for the Dollar Area

There is a free list for the dollar area\(^1\), made effective in October 1953. (On 1 June 1954 the Benelux countries introduced a common free list for the dollar area, the limited number of goods on which can circulate freely in the Benelux countries.

Imports in this list are subject to licensing, but licences are granted on application.

B. Restricted List

Some two hundred products are subject to quantitative restrictions. Many commodities on this list are subject, in practice, to a liberal import-licensing régime, that is, licences are granted very freely for them. Other goods on the list are controlled by two methods:

(i) global quotas; and (ii) discretionary licensing ("case by case" method).

(i) Global quotas are fixed for the following commodities: carbonic acid, methyl chloride, penicillin, wooden packing-cases, fishing nets, iron tube and pipe fittings and flanges, television receiving apparatus, passenger cars, chassis and coachwork and back-pedal brake hubs.

Global quotas are, in general, allocated among individual importers on the basis of a "reference period" of imports, but it is left to the importer to decide from which source he wishes to acquire the specified products. All licences for imports under global quota have a period of validity of two months, subject to renewal.

(ii) Discretionary licensing (or "case by case" method). For those products on the "restricted" list and not (a) subject to the liberal licensing régime or (b) the global quota system, the "case by case" method is applied in granting or withholding licences. In examining applications and determining whether or not licences will be granted various factors - degree of essentiality, currency considerations, price factors and so on - are taken into account. The "reference period" system is not applied. Every importer has the same chance of securing a licence, but consideration is given to the use which will be made of the product to be imported, preference being given to those which are essential constituents of exports after being processed and manufactured, as against, in certain cases, those for home consumption. Licences are usually valid for six months, but it may be extended to one year, delivery time in all cases being taken into consideration.

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\(^1\) The dollar area comprises: Alaska, American Virgin Islands, American territories in Oceania, Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Oceania (Marshall-, Caroline-Palace and Marianna Islands), Panama, Panama-Canal-Territory, Peru, Philippines, Puerto Rico, San Salvador, United States of America and Venezuela.
No licence fees are charged; and no deposits are required to be made in respect of applications for licences.

Prohibition of imports, for example for health, veterinary and similar reasons are in force, in a manner consistent with Article XX of GATT.

Treatment of Imports from Different Sources

All imports from the dollar area, regardless of the country of origin, are accorded identical treatment under the licensing and import policy and procedures applicable to that area.
18. NEW ZEALAND

Legal Basis of the Restrictions

The Import Control Regulations 1938, which entered into force on 7 December 1938, provide the legal basis for the import control imposed in New Zealand. These Regulations were made under the enabling powers of the Customs Act 1913 and the Reserve Bank of New Zealand Amendment Act 1936.

Under the Import Control Regulations the importation of all goods, other than those exempted by the Minister of Customs by notice appearing in the New Zealand Gazette, is prohibited except pursuant to a licence. The Regulations prevail notwithstanding any authority for the importation of goods granted in accordance with any other provision of the law, nor does the granting of a licence under the Regulations with respect to any goods absolve an importer from compliance with any other provision of law relating to importation of such goods.

Policy of Restriction

The control of imports was imposed, and has been maintained, for balance-of-payments reasons. The purpose of the Regulations is to restrict the importation of goods where such restriction is deemed necessary in the public interest:

(1) to assist in promoting and maintaining the economic and social welfare; and

(2) to enable the Reserve Bank of New Zealand pursuant to these Regulations, and to the Export Licences Regulations introduced at the same time, to fulfil its functions of regulating and controlling the transfer of moneys from New Zealand, and the disposal of foreign exchange derived from the export of New Zealand products.

Administration of the Restrictions

The power to grant licences and to create exemptions is vested in the Minister of Customs. The Regulations are administered by the Customs Department and the Minister's power to grant licences has been delegated to specified Officers of Customs. Other Government departments, such as the Department of Industries and Commerce, the Treasury Department and the Department of Agriculture, function in a consultative capacity as regards various aspects of the control, and both the Board of Trade and the Reserve Bank of New Zealand advise the Government on policy issues involved. Trade Associations may also be consulted on occasion.
Licences are, in general, issued on a calendar year basis and, unless cancelled, are available for the importation of the specified goods at any time during the year. The goods must be imported before the end of the year since the licence will normally cease to be valid after that time. However, provisions exist for the extension of the time during which importation may be made although extensions are granted only for special reasons. The extensions may apply to all licences for a specified period, or only in respect of the cargo carried by a specified ship due in New Zealand before a licensing period expires but which for some good reason has not arrived in time. No fee is charged for the issue of import licences.

Methods of Restriction

All imports (with a few minor exceptions) are subject to import control and are at present subject to licence. For the purposes of the control imports are divided into different categories. The classification of imports into these categories for any given calendar year is notified in an "Import Licensing Schedule" normally published about August or September in the preceding year. Changes in the categories or particular items are also notified from time to time. The Import Licensing Schedule originally announced for 1958 was revised and published on 1 January 1958, with immediate effect, consequent upon new developments in New Zealand's balance-of-payments situation.

In this new Schedule imports are classified into four main categories, as follows:

A items: for these items licences are granted to the amount applied for;

Basic items: in respect of these items licences are granted by reference to a previous representative period. Such licences may be based either on the value of licences issued for similar goods, or on the quantity or value of similar imports, during a previous period; the provision of a basic allocation does not preclude the granting where circumstances warrant of additional licences, or licences to importers not qualifying for a basic licence;

C items: in respect of these items applications for import licences are considered individually, i.e. on a "case by case" basis and licences are granted on such criteria as essentiality, availability, price considerations; and

D items: for these items no allocation has been made, but licences may be granted in exceptional circumstances,
Certain imports are prohibited or restricted on such grounds as health, public interest, morals and the prevention of stock and plant diseases as provided for in Article XX of GATT. These restrictions are of only minor significance in the restriction of imports.

Treatment of Imports from Different Sources

Applications for licences to import goods from Non-Scheduled countries are considered under one or more of the four categories listed above.

Applications for licences to import goods from Scheduled countries are considered under the "C" category. Certain criteria such as essentiality, availability from other sources, significant price differences, delivery dates and suitability for New Zealand conditions are taken into account. "Basic" or "A" allocations do not apply to imports from Scheduled countries but, in fact, licences for a wide range of goods from Canada and the United States are issued on the same basis as that provided for in the Import Licensing Schedule in respect of similar goods from Non-Scheduled countries.

Licences to import goods from Scheduled countries specify the country of supply. These licences cannot be transferred from one country to another, or to a Non-Scheduled country, without approval. In some cases the licence will provide for alternative sources of supply, e.g. Canada/United States.

Imports under State Trading

The only commodity imported as a State trading enterprise is wheat. Citrus fruit, bananas and pineapples are imported by an organization of merchants having, by agreement with the Government, the exclusive rights of importation. This procedure was introduced to ensure the orderly supply and marketing of these fruits.

The Scheduled countries are: Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Japan, Korea, Liberia, Mexico, Nicaragua, Panama, Philippines, United States and Venezuela.
Until the end of 1956 cement was imported by an organization of domestic producers set up to pool prices and supplies. However, with increased local production there was no longer need for this organization.

**Proportion of Imports under the Different Procedures**

The following table shows imports in 1954–1957 under the four broad import licensing categories.

<table>
<thead>
<tr>
<th>Breakdown of Imports According to Input Category</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports under global exemptions</td>
<td>2,176</td>
<td>40,601</td>
<td>61,364</td>
<td></td>
</tr>
<tr>
<td>Imports of goods exempted from Non-Scheduled countries</td>
<td>187,773</td>
<td>178,997</td>
<td>163,635</td>
<td></td>
</tr>
<tr>
<td>Imports of items subject to control</td>
<td>38,440</td>
<td>38,205</td>
<td>24,958</td>
<td></td>
</tr>
<tr>
<td>Imports of items subject to State trading</td>
<td>9,364</td>
<td>9,241</td>
<td>6,821</td>
<td></td>
</tr>
<tr>
<td><strong>Total imports:</strong></td>
<td>237,753</td>
<td>267,044</td>
<td>256,778</td>
<td></td>
</tr>
</tbody>
</table>

1 The total imports shown in this table represent the actual total payments for imports recorded by the Reserve Bank of New Zealand, but the figures shown for individual categories are estimated based on bank payment and c.i.f. import statistics.
Legal Basis of the Restrictions

Import restrictions in force in Norway are applied under Law No. 29 of 13 December 1946 entitled "The Ban On Imports (Provisional) Act", which superseded an earlier legislation of 22 June 1934 and which was amended on 29 June 1951. Briefly, the Act provides that no one may import any goods without an import licence granted by the King or by any person he may designate; all persons must submit to the appropriate Ministry information requested in order to carry out the provisions of the Act, such as account books and other relevant business documents. The King or any person authorized by him may issue supplementary regulations for the carrying out of the Act. In effect, the Act constitutes a delegation of the relevant powers from the National Assembly to the Administration.

By a Royal Decree of 12 December 1947, the authority to grant exemptions from the general import prohibition, as well as the executive functions, was delegated to the Ministry of Commerce, which, in accordance with the same Decree and by virtue of Article 4 of the Law of 13 December 1946, was authorized to issue supplementary orders and regulations concerning the importation of goods coming under the Law.

By virtue of this authority the Ministry of Commerce has issued a number of detailed regulations. The Ministry of Commerce Regulations issued on 23 June 1950, which have been amended from time to time, provide inter alia for the carrying out of the general import regulations and exemptions therefrom.

Administration of the Restrictions

Import licences are issued by the Ministry of Commerce. The relevant laws and decrees and the regulations issued thereunder are published in the Norwegian Legal Gazette, as well as in announcements by the Ministry of Commerce which are distributed to importers through the exchange banks. These announcements include all relevant information such as items placed on the free lists, the geographical areas concerned, etc.

Under the regulations the Ministry of Commerce may consult associations of importers or import committees, which exist for most branches of the import trade, on questions such as the distribution of licences among importers. The relationship between the Ministry and the individual import committees is regulated by written agreements.

The Ministry of Commerce also has special responsibilities concerning the execution of compensation arrangements on which relevant regulations were issued on 24 June 1950. These arrangements are only permitted where regular

1 This Royal Decree was amended on 27 May 1949, 8 May 1952, 17 May 1953 and 18 May 1956.
trading and exchange transactions cannot be carried out. Applications for specific compensation arrangements must be presented to the Ministry of Commerce which determines the conditions for the conclusion of the arrangements.

Methods of Restriction

Apart from certain imports (gifts, advertising material, tourists' personal effects, books and newspapers, goods for use on board ocean-going vessels, spare parts for foreign aeroplanes, and the like) which, by virtue of the general regulations are exempted from import control, imports may be divided into the following categories:

(A) The Free Lists and Free Licensing
(B) Global Quota List
(C) Bilateral arrangements, including compensation and barter
(D) Discretionary Licensing of Imports ("case-by-case method")
(E) Prohibition of Imports

(A) Free Lists: Commodities on a free list may be imported by anyone without an import licence after completing an import and currency declaration. At present two free lists are in force applying respectively to (a) the dollar area, and (b) the EPU area, Czechoslovakia, Finland, Hungary, Israel, Poland, Rumania, the Spanish monetary area and Yugoslavia. Certain goods (fruits) are free listed on a seasonal basis.

Items on the OEEC free list but not on the dollar area list are licensed freely from the dollar area. Imports of raw materials, semi-manufactured goods and machines for domestic production of free listed goods are liberally licensed. Under special regulations about sixty items are admitted to the extent that domestic demand is fully met.

(B) Global Quota List: A major part of the imports which are not on a free list may be imported under global quotas from the "global quota area", which comprises countries in the dollar area, the EPU area, Chile, Paraguay, Peru, Uruguay and Yugoslavia (for passenger cars and delivery trucks the quotas do not apply to imports from the dollar area). A global quota list is established for every calendar year, in the light of recent and current imports, the balance-of-payments position, the essentiality of various goods, etc. For commodities on the global quota list no bilateral quotas are established in trade agreements.

Licences for global quota commodities are generally allocated among importers on the basis of their previous imports. Where this method is impracticable or inexpedient, licences are issued on the basis of an evaluation of requirements. A global quota item may comprise several different kinds of goods, among which the importers may choose to import under their quota.
(C) **Bilateral Arrangements:** A large proportion of the imports not covered by the free lists or the global quota list is effected under bilateral trade agreements and other bilateral arrangements. Many of the trade agreements provide for quotas, but imports are often admitted over and above the quotas set. With some of the countries with which there are trade agreements, mainly those in Eastern Europe, payments are effected under clearing agreements providing for swing credits. Licences issued under bilateral quotas are allocated to importers in the same manner as under global quotas.

Compensation and barter arrangements are entered into either because the exchange of goods cannot take place in a more regular and normal way with the country concerned or because the export commodity cannot normally be exported against payment of foreign exchange, or because Norwegian exports to the country concerned are met with obstructions in the form of quantitative restrictions or other impediments. Every proposed compensation or barter arrangement must be submitted to the Ministry of Commerce for approval on an ad hoc basis. Decisions made by the Ministry of Commerce are based on the special factors pertaining to the arrangement under consideration (as a rule the Ministry does not approve of this type of arrangement if the Norwegian export commodities involved are already on the importing country's free list).

(D) **Discretionary Licensing:** Imports other than those referred to above are licensed on a "case-by-case" basis, account being taken of essentiality, price considerations, the balance-of-payments situation, etc.

Each licence is made valid for a period which covers the delivery schedule entered on the application, usually three to six months, and may be extended.

(E) **Prohibition of Imports:** In applying restrictions for balance-of-payments reasons the authorities in some cases withheld the granting of exemptions or the issue of import licences, particularly in regard to luxury articles or other non-essential commodities, although no special import prohibition exists for these categories of goods. Certain imports are specially prohibited on health or veterinary grounds, or for reasons of public interest, morals, etc., and in a few cases imports must satisfy certain quality requirements which also apply to the corresponding domestic products.

No special import fees or levies are imposed in Norway; importers are required to pay only a licence fee of 0.1 per cent (1 0/00) of the amount of the licence on the issue thereof for the regulated commodities, in order to meet licensing costs.

**Treatment of Imports from different Sources**

A wide range of goods are free listed and may be imported freely from EPU countries and their associated monetary areas and from Czechoslovakia, Finland, Hungary, Israel, Poland, Rumania, the Spanish monetary area and Yugoslavia. At present this covers 2,000 items, representing 81.4 per cent of private imports from OEEC countries (1948 basis).
For imports from the dollar area a free list covers 1,500 items, representing 83.5 per cent of the imports on private account from those countries on the basis of 1953 trade. Items on the "OEEC free list" but not in the dollar area free list are admitted from the dollar area under licences which are issued freely.

Goods on a global quota list may be imported up to a fixed monetary ceiling from any country in the global quota area which earlier comprised the EPU countries but, since 1 July 1956, has been extended to include the dollar area, Chile, Paraguay, Peru, Uruguay and Yugoslavia.

Bilateral trade agreements are in force with all OEEC countries except Iceland, and they provide for import quotas except in the case of those with Ireland and Turkey. Trade agreements are in force with all Eastern European countries except Albania and Eastern Germany (with the latter country there is a global compensation arrangement between a private Norwegian company and the East German Chamber of Commerce). All these agreements, except the one with Hungary, contain quotas and some provide for the application of the "OEEC free list". Bilateral quota agreements have been concluded with Indonesia, Israel, Finland, Spain and Yugoslavia (the "OEEC free list" applies to the last three countries). Trade agreements are also in force with Argentina, Brazil, China, India and Pakistan. In these bilateral trade agreements provision is often made for token imports.

Imports under State Trading

The State Grain Corporation was set up under an Act of 22 June 1928 and has the exclusive right to import wheat, rye, barley and oats and milled products thereof as well as feeding stuffs. The purpose of the Monopoly is to ensure adequate supplies for the country of these essential articles, especially in times of emergency.

The Wine Monopoly was established under an Act of 19 June 1931 and has the exclusive right to import alcoholic beverages defined in the Law of 5 April 1927. It is the sole distributor of all alcoholic beverages on the internal market. The Monopoly was established for social reasons and in effect imports fully meet the demand.

By an Act of 13 February 1953, which was brought into operation on 15 May 1954, by a Royal Decree of 30 April 1954, the Norwegian State Corporation for Import of Fishing Tackle was given the exclusive right to the import of manufactured fishing gear and of raw materials for the production of fishing equipment. The institution of this Monopoly is based on the social and economic importance which the Government attaches to assuring the Norwegian fishing industry.
Government controlled imports: Sugar, coffee, coal, cinders and coke are subject to governmental control. For sugar and coffee the import is effected by a panel consisting of members from the grocers' association and the administration. Licences are, however, applied for by the merchants at the Ministry of Commerce. Sugar and coffee are not produced in Norway and the demand is fully met. For coal, cinders and coke a similar system is applied, although import licences are not required. There is only a small production of coal in Norway (10 per cent of the consumption) and there is in practice no restriction on import of these articles.

The Norwegian Medical Depot has been established recently. For the time being, most of the medical and pharmaceutical imports are still handled by the commercial importers.

Proportion of Imports Covered by each Import Procedure

In examining the development of imports under the various lists, year by year comparison is difficult because of the extension of certain lists from one area to include others. The following table gives a picture of the position in 1955, 1956 and 1957. (It should be noted that the Global Quota List was extended on 1 July 1956 to include imports from the dollar area, Chile, Paraguay, Peru and Uruguay.)

Breakdown of Norwegian imports according to import systems and areas

(In millions of US dollars c.i.f.)

<table>
<thead>
<tr>
<th></th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
<th>Budget estimate 1958</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Imports of free list</td>
<td>468</td>
<td>42.9</td>
<td>537</td>
<td>44.1</td>
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<tr>
<td>commodities from the</td>
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<td>800*</td>
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<tr>
<td>free list area</td>
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<td>62.0</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td>900</td>
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<td></td>
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<td>65.0</td>
</tr>
<tr>
<td>Imports of global</td>
<td>70*</td>
<td>6.4</td>
<td>96*</td>
<td>7.9</td>
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<tr>
<td>quota list commodities</td>
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<td></td>
<td></td>
<td>108</td>
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<tr>
<td>from the global quota</td>
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<td></td>
<td></td>
<td>8.5</td>
</tr>
<tr>
<td>area</td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td>7.2</td>
</tr>
<tr>
<td>Imports of State-</td>
<td>128</td>
<td>11.8</td>
<td>147</td>
<td>122.0</td>
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<tr>
<td>trading commodities</td>
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<td>120</td>
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<td></td>
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<td>8.7</td>
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<tr>
<td>Other imports</td>
<td>423</td>
<td>38.8</td>
<td>429</td>
<td>35.5</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>240*</td>
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<td></td>
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<td></td>
<td></td>
<td>19.0</td>
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<td></td>
<td></td>
<td>265</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19.1</td>
</tr>
<tr>
<td>Total imports</td>
<td>1090</td>
<td>100.0</td>
<td>1209</td>
<td>100.0</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1274</td>
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<td>100.0</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1385</td>
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<td></td>
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<td>100.0</td>
</tr>
</tbody>
</table>

* Estimates
20. **PAKISTAN**

**Legal Basis of the Restriction**

The statutory basis of the import restrictions in Pakistan is the Imports and Exports (Control) Act of 1950 which, by virtue of Acts of extension will remain in force until 19 April 1962. Under the Act the Government is vested with the power "to prohibit, restrict or otherwise control the import and export of goods of any description, or regulate generally all practices (including trade practices) and procedures connected with the import and export of such goods ...." 

Under the authority of the Act the Government issues Orders laying down the procedures and other regulations relating to import control. Lists of items that may be imported and other instructions regarding imports are issued in the form of Public Notices by the Ministry of Commerce or the Chief Controller of Imports and Exports.

**Policy of Restriction**

The general purpose of the import restrictions is to reserve the largest proportion of the country's foreign exchange earnings for the import of essential supplies, in particular raw materials for industries, replacement and spares of plant and machinery, capital goods and essential consumer goods. The import policy therefore has a bias in favour of industrial need. Although the import of all goods is to some extent restricted, the incidence of the restrictions is less severe on essential consumer goods (such as medicine), raw materials, machinery and equipment as compared with less essential consumer goods. Products the domestic demand for which is not fully met by production and imports as permitted under the present import control scheme are principally in the group of luxury articles and less essential consumer goods, although imports of small quantities of certain goods in this category are permitted. Certain goods which are being produced locally in sufficient quantities, e.g. matches, cycle tyres, woollen fabrics, razor blades, are also not on the permissible import list.

The import policy in Pakistan is determined by the Central Government which has authority to designate the commodities that may be imported, the sources from which they may be imported and the amount of foreign exchange which may be allocated for payment. Periodically, normally twice a year, an overall foreign exchange budget is formulated by the Central Government in the light of expected foreign exchange earnings, availability of foreign aid and the level of monetary reserves. It covers both governmental and private imports as well as other external expenditure. The total foreign exchange thus made available for private imports is referred to as the "total commercial ceiling".
Administration of the Restrictions

1. Administrative authorities: The Imports and Exports (Control) Act of 1950 is administered by the Ministry of Commerce. Functioning under the Ministry is the Central Ceilings Committee, composed of representatives of this and several other Ministries which have an interest in import policy. The function of the Committee is to allocate the foreign exchange available for commercial imports among different classes or items of imports and to allocate the ceilings thus set among three regions (Karachi, East Pakistan and West Pakistan). In working out the general and regional ceilings the Committee also consults representatives of the Provincial Governments.

Under the Ministry of Commerce there is a Chief Controller of Imports and Exports whose office is in Karachi. There are, in addition, two regional Controllers with offices located at Lahore in West Pakistan and Chittagong in East Pakistan. The Chief Controller presides over a Licensing Board on which the Ministries of Finance and Industries are represented, and the regional Controllers preside over similar Licensing Boards which include representatives of the Provincial Governments. These Licensing Boards decide on the issue of licences for imports into the Federal Capital Area of Karachi, the Provinces of West Pakistan and East Pakistan respectively.

2. Registration of Importers: Under the Registration (Importers and Exporters) Order of 1952, made under the provisions of the Imports and Exports (Control) Act of 1950, all importers (and exporters) must register themselves with the Chief Controller of Imports and Exports before they are permitted to engage in trade. The Order gives the Chief Controller of Imports and Exports power to refuse registration or, if granted, to cancel the registration of any importer for any of the specified reasons. Registration is, for example, cancelled if the prices at which imported goods are sold are found to be higher than the prices published by the Government from time to time. The Order also establishes minimum percentages of Pakistan nationals to be employed by a firm, and other regulations aimed at ensuring fair employment opportunities for them.

3. Classification of Importers: For the purposes of licensing, importers may be divided into the following groups:

   (i) "Commercial Importers" are those who are registered as such, and are eligible for licences to import defined products or groups of products. Each importer is assigned a reference quota on the basis of the value of his imports in a past representative period.

   (ii) "Industrial Consumers" include factories, cottage industries of specified size and industrial co-operatives. These importers are eligible for licences to import basic raw materials, machinery and other mechanical equipment and spare parts for the maintenance and replacement of industrial machinery.
(iii) "New-comers" are those importers who are not already established either as industrial consumers or as commercial importers (and any established importers whose imports are no longer licensable). Such importers are permitted to import products on a special list. A person wishing to qualify as a new-comer for this purpose must be a citizen of Pakistan, permanently residing with his family and preferably owning immovable property and having investments in the country. Preference is given to those who are engaged in the internal trade of the items in question, those established commercial importers whose imports are no longer licensable, those who are exporters of minor commodities or items not covered by the Export Promotion Scheme, those importers who had effected imports prior to July 1950, and those who import from countries having bilateral trade agreements with Pakistan.

(iv) In addition, licences may be issued to traders who may or may not belong to any of these groups, for imports under a special scheme (e.g. the Export Promotion Scheme or the Export Industries Special Licensing Scheme) or when a request for the import of a particular item for the personal or professional use of the applicant is considered by the licensing authorities to be reasonable or justified.

4. Public Notices and Information: Orders issued to effect control and restrictions are published in the Official Gazette. The "basis of licensing" (see below) for each shipping period is published on the notice boards at the offices of the Chief Controller and Controllers, and printed in the Weekly Bulletin of the Director-General of Supply and Development.

Methods of Restriction

All imports are subject to licence, except goods imported by the Central Government for defence purposes, goods for which orders are placed directly by the departments of the Central Government, certain goods imported over the land route from Iran and Afghanistan and certain other types of imports, such as passengers' baggage, specified in a Notification (No. 335/26/24 of 12 June 1951) by the Ministry of Commerce.

Commercial imports are admitted under several import control procedures, viz: (1) imports by established commercial importers and industrial consumers, (2) imports by "new-comers", (3) imports under the Export Industries Special Licensing Scheme, (4) imports under the Export Promotion Scheme, and (5) individual licensing.

(1) By far the greater proportion of private imports is effected under licences issued to established commercial importers and industrial consumers. For the purpose of licensing such imports, the Central Ceilings Committee draws up a "Licensing Policy" for each shipping period (i.e. each half calendar year) which takes the form of a list of the items that may be imported and is published in the Gazette in the form of a Public Notice. 1

1 A copy of the "licensing policy" for July-December 1958 can be consulted at the secretariat.
This Notice states that further notices may be issued if the Government considers it necessary to issue licences for any items not included in the list. Such supplementary lists are announced for example, when there is need to accommodate imports under new trade agreements. The Committee also determines the ceilings (i.e. global quotas) for the individual items or groups of items and the share of each of the three licensing regions in the light of the essentiality of the products, their availability within the country during the period in question, internal productive capacity and other relevant considerations. On the basis of the ceilings thus set for each region, licences are issued by the three Licensing Boards in accordance with the general principles laid down and any special instructions that may be given by the Ministry of Commerce to commercial importers and industrial consumers:

(i) In the case of commercial importers each importer is assigned a "category" (reference quota) representing his imports in a previous representative period (at present, the "category" of an importer represents his average imports in the five licensing periods from 1 July 1950 to 31 December 1952). On the basis of the ceilings set by the Central Ceilings Committee and the "categories" given to importers, the Licensing Boards determine a "basis of licensing" for each item expressed as a percentage of the importers' "categories". These bases of licensing are published by the Licensing Boards, and licences are issued accordingly to the importers without individual application.

(ii) In the case of industrial consumers, licences are issued on the basis of applications lodged for the licensing period January-June 1956. New applications for licences are considered on their merits. It is expected that when the Industrial survey, which has been undertaken to assess the productive capacity, capital equipment and raw material requirements, etc. for each factory (or other production unit), is completed it will be possible to establish quotas for industrial consumers in the same manner as "categories" are set for commercial importers.

The list of permitted imports for established commercial importers and industrial consumers valid for the shipping period July-December 1958 includes 207 items, and consists principally of essential industrial materials and equipment as well as certain essential consumer goods. Of these items, forty-four will be licensed only to industrial consumers and seven exclusively for East Pakistan.

(2) Under the scheme for "new-comers", persons or firms fulfilling prescribed conditions may apply for licences to import specified items. The purpose of this is to enable people who are at present not established importers and especially those who were once importers but whose items are no longer licensable, to participate in the import trade. Applications
are considered individually on their merits. At present thirty-one manufactured products, including both essential equipment and certain consumer goods, can be imported by "new-comers".

(3) In addition to their entitlement as industrial consumers under the half-yearly import policy, industrial exporters are provided with certain facilities for the import of an extensive list of raw materials and certain packing materials not produced in Pakistan for the manufacture and packing of goods for export. Licences are issued on the condition that the importer guarantees that he will achieve a specified proportional increase in their export performances within a six-month period. This "Export Industries Special Licensing Scheme" applies to established industrial importers and other manufacturers who can satisfy the Government of their ability to export their products if the materials are made available to them. It covers over 200 items of essential materials.

(4) Under the "Export Promotion Scheme", exporters of certain goods, the export of which the Government considers it is in the interest of the country to promote, are given import licences corresponding to a percentage of their foreign exchange receipts, as follows: (a) exporters of some thirty-three minor primary commodities are entitled to receive import licences up to 15 per cent of their export earnings for the import of any of fifty-eight items of relatively essential materials and consumer goods; (b) exporters of thirty-five manufactured goods are entitled to import licences up to 25 per cent of their export earnings for the import of machinery, raw materials or packing materials which are specified with respect to each export item; and (c) for another twelve export manufactured goods, entitlements at the rate of 40 per cent of the earnings are accorded to exporters under similar conditions. Exporters of manufactured goods are confined to importing equipment and materials required in their own industries, but exporters of primary products may import certain consumer goods which are normally also imported through other import control procedures.

(5) Apart from the different regular or special licensing schemes described above, applications for individual licences to import particular products for the applicants' own use, or for emergency replacement of parts and machinery are favourably considered by the licensing authorities if justified.

Treatment of Imports from different sources

Except in the case of small amounts provided under certain foreign aid schemes or bilateral trade agreements, import licences issued do not prescribe sources of supply; they are valid for import from all countries of the world.

Trade agreements concluded with France and Japan provide for the issue of single country licences when the other party's purchases of cotton exceed a specified quantity. Such single country licences cover only a negligible part of total imports. In the current import programme provision has been made for single country licences for imports from these two countries.
Trade agreements, not involving bilateral quotas are in force with a number of countries.

**Imports under State-Trading**

Government purchases abroad at present are of considerable size, accounting for some 20 to 30 per cent of total import expenditure. State trading for ordinary purposes is, however, limited to certain essential foodstuffs (i.e. sugar, wheat and rice) and coal and in each case is for the purpose of ensuring equitable marketing and adequate supply at reasonable prices to the local population. The following table shows the value of such imports in recent years (excluding imports under United States surplus commodity agreements).

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957 first half estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>47</td>
<td>-</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Food grains</td>
<td>-</td>
<td>-</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>58</td>
<td>58</td>
<td>63</td>
<td></td>
</tr>
</tbody>
</table>

**Proportion of Imports covered by each Import Procedure**

The following table shows the available data relating to commercial imports:

<table>
<thead>
<tr>
<th>Policy or Scheme</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957 first half estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1958</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial imports including imports both by &quot;Commercial importers&quot; and &quot;industrial consumers&quot;</td>
<td>975</td>
<td>1056</td>
<td>1081</td>
<td></td>
</tr>
<tr>
<td>&quot;New-comer&quot; imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Industries Special Licensing Scheme</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Promotion Scheme</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial imports on Government account</td>
<td>104</td>
<td>57</td>
<td>224</td>
<td></td>
</tr>
</tbody>
</table>
21. FEDERATION OF RHODESIA AND NYASALAND

Legal Basis of the Restrictions

The Control of Goods Act, 1954 (Act 12 of 1954), authorizes the Federal Government to control imports and exports. This Act gives the Governor-General the power, inter alia, to make regulations controlling the imports or exports of any goods and to grant powers to any Minister whom he may specify in such regulations to make orders controlling imports and exports of specific goods or classes of goods. Under these powers the Governor-General issued the Control of Goods (Import and Export) Regulations, 1954, which came into force on 1 April 1954. Under Section 4 of these Regulations the Minister of Commerce and Industry can make orders controlling the import and export of certain goods.

In the exercise of the powers conferred on him by the Control of Goods (Import and Export) Regulations, 1954, the Minister of Commerce and Industry has, from time to time, made orders which were consolidated in the Control of Goods (Import and Export) (Commerce) Order, 1955. In this Order the import of goods which are not the produce of the scheduled territories (i.e. the sterling area) or which, being the produce of the sterling area, are contained in a special list is forbidden except under licence. Other relevant Orders are the Control of Goods (Import and Export) (Commerce) (Amendment) Orders, Nos. 5 and 7 of 1957.

Policy of Restriction

Under the present control system, import restrictions are only maintained on a limited sector of trade. As a member of the sterling area, and because of the present dollar situation, imports from dollar sources are restricted more severely. The control of the import of certain goods is retained to facilitate internal controls or to safeguard the fulfilment of certain obligations under international agreements.

The import control policy is formulated by the Minister of Commerce and Industry.

Administration of the Restrictions

Import licences are of two kinds: open general licences and special licences. An open general licence designates goods or classes of goods which may be imported from defined areas or groups of countries without an individual, special licence. A special licence applies to a particular consignment of goods. Special licences are issued by the Ministry of Commerce and Industry in Salisbury, and at the branch offices at Bulawayo, Lusaka, Ndola and Limbe. These licences are normally valid to cover importation within six months of the date of issue. However, licences for the importation of certain agricultural items are issued by the Ministry of Agriculture.
Methods of Restriction

The import of certain goods is subject to licence regardless of the country of origin. These "Scheduled Goods" are: wheat, wheaten flour, wheaten meal, sugar and other specified agricultural products, margarine, jute grain bags, cement, gold, second-hand clothing, and clothing for military use, matches containing phosphorus, arms and ammunition, and radioactive elements. The control of the import of these goods is maintained to facilitate certain internal controls or to safeguard the fulfilment of the Federation's obligations under international agreements. Apart from this category of commodities all goods are admitted from the sterling area without a licence.

The import of all goods not being the product or manufacture of the sterling area is subject to licence. For some goods this requirement is met by the issue of open general licences which in effect exempt the imports covered from individual licensing control. The current OGL No. 2 of 1957, which came into force on 26 July 1957, has three sections, or Schedules, which provide, respectively, for the free importation of:

(a) specified products (anti-friction and lubricating grease, motor spirit, including aviation fuels, lubricating oils, mineral oils and fuel, power paraffin, exposed cinematographic film etc.) and certain types of imports (e.g. goods in transit, samples, re-imports, certain gifts, personal effects) originating in any non-sterling area country;

(b) all goods (except the "Scheduled Goods" and second-hand clothing) originating in the OEEC countries and their dependent territories, and a few other countries;

(c) all goods, except those on a list of non-essential items, originating in countries in the dollar area.

All other imports are subject to individual licensing. For such imports originating in the dollar area the following standing arrangements are currently in force:

(a) for certain dollar imports, licences are granted half-yearly on a quota basis;

(b) for certain other dollar imports licences are issued without limitation if imported for industrial purposes;

(c) for certain other dollar area products import licences are not normally granted. This list of restricted goods is re-examined every six months by the authorities in consultation with Chambers of Commerce.
Treatment of Imports from different Sources

Different import control procedures apply to: (1) the sterling area, (2) member countries of the OEEC and a few other countries, (3) Japan, (4) other non-dollar GATT countries, (5) the dollar area, (6) the rest of the world. (The criterion in this regard is the country of origin rather than the country of consignment.)

(1) The sterling area: all goods of sterling area origin, except the "Scheduled Goods" which are restricted whatever their origin, may be imported freely under the authority of the Control of Goods (Import, and Export) (Commerce) Order, 1955.

(2) OEEC countries: all goods originating in the member countries of the OEEC, in Finland, Israel, Liechtenstein or Morocco may be freely imported under the authority of the Open General Licence No. 2 of 1957, with the exception of the "Scheduled Goods".

(3) Japan: goods originating in Japan may be imported only under licence. Licences are being granted subject to quota limitations for piecgoods for clothing manufacturers, piecgoods for converters, and hardwoods; industrial haberdashery for clothing manufacturers is licensed freely without quota restriction.

(4) Other non-dollar GATT countries: goods originating in Brazil, Chile, Czechoslovakia, Indonesia, Peru and Uruguay may be imported only under licences, but licences are generally granted on application.

(5) The dollar area: for purposes of the control, goods of dollar area origin are treated as follows:

(a) Imports under quota restriction: the import of certain goods of dollar area origin is subject to quota restriction. The goods and quotas in force for the period July to December 1958 (the same as for the two preceding licensing periods) are:

<table>
<thead>
<tr>
<th>Good</th>
<th>Quota</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>£225,000</td>
</tr>
<tr>
<td>Piecgoods for clothing manufacturers</td>
<td>£100,000</td>
</tr>
<tr>
<td>Stoves and washing machines</td>
<td>£10,000</td>
</tr>
<tr>
<td>Passenger and commercial motor vehicles</td>
<td>£300,000</td>
</tr>
</tbody>
</table>

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1 The dollar area includes the following countries: Bolivia, Canada, Columbia, Costa Rica, Cuba, Dominican Republic, Equador, Guatemala, Haiti, Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, Philippine Islands, El Salvador, United States of America and any territory under the sovereignty of the United States and Venezuela.
(b) Industrial imports: certain goods of dollar origin are admitted freely without limitation if they are imported for industrial purposes. These include raw materials for the manufacture of blankets, tapestry and ticking for furniture manufacturing, industrial haberdashery for the clothing industry, certain types of paper required by converters, plastic sheeting and strip and castors.

(e) Restricted imports: for a number of goods, which are listed in the Third Schedule to Open General Import Licence No. 2 of 1957, licences are normally not granted.

(d) All other goods (except "Scheduled Goods"): the import of such goods of dollar origin is under open general import licence.

(6) Other countries: except for the goods covered by the open general licence applicable to imports from all sources, imports from all other countries are subject to individual licensing.

**Imports under State Trading**

The Grain Marketing Board is the sole importer of maize, maize meal, groundnuts and a few other products.

The importation of creamery butter and all cheddar and gouda cheese is reserved to the Dairy Marketing Board, a State monopoly.

**Proportion of Imports covered by each Import Procedure**

Imports of sterling area origin constitute approximately four-fifths of total imports.
22. SWEDEN

Legal Basis of the Restrictions

The legal basis for the import restrictions in Sweden is (i) the Royal Proclamation No. 82 of 1947, which introduced general import licensing requirements for the purpose of conserving foreign exchange; (ii) a decision by Parliament in 1947 concerning agricultural policy, and (iii) a decision by Parliament in 1948 concerning fishery policy.

Pursuant to the provisions of the Royal Proclamation No. 82, 1947, imports of commodities other than those enumerated in a general free list may not in principle take place without an import licence provided that the Government may, by decision of the King in Council, establish special free lists.

Detailed licensing provisions relating to certain agricultural products (meat, dairy products, eggs, grains, sugar, fats and oil) are contained in the Royal Ordinances Nos. 401 and 403, and in the Royal Proclamations Nos. 414 and 417 of 1956, and in regard to fish and fish products in the Royal Ordinance No. 372 of 1953. These provisions are based on the Parliament decisions of 1947 and 1948 mentioned above.

Policy of Restriction

[To be inserted]

Administration of the Restrictions

The National Board for Trade Licences is in charge of the administration of the import restrictions in general, but the control of imports of certain foodstuffs and fertilizers is the responsibility of the Agricultural Marketing Board.

The National Board for Trade Licences is an administrative body whose Chairman and members are appointed by the King in Council. The members of the Board at present comprise four representatives of Swedish industry, trade and labour unions. The constitution of the Board requires that it co-operate with commercial and industrial organizations. The Board publishes its licensing regulations in a special series of notices (Meddelanden från Staten) which are supplied free of charge to the public.

The Agricultural Marketing Board is an administrative body, whose Chairman and members are also nominated by the King in Council. The members of the Board include representatives of both producers and consumers. Its primary function is to operate agricultural marketing policies as determined by the Government. All provisions concerning import regulations in the agricultural sphere are published in circulars (Statens jordbruksändas cirkulärer) which are supplied free of charge to the public.
Methods of Restriction

Imports are admitted under the following procedures: (1) the general free list, (2) the free list for the dollar area, (3) the free list for the EPV area and other specified countries, (4) the transit-dollar list, (5) global quotas, (6) bilateral arrangements and (7) other methods (e.g., discretionary licensing).

(1) Goods included in a general free-list (stereotype blocks, books, sheet music, braille materials, newspapers, periodicals, maps and ice) can be imported from any source, without restriction and without a licence.

(2) There is an extensive free list for imports from the dollar area. These goods may be imported freely and are exempted from licence.

(3) There is also an extensive free list for imports from the EPV area, Finland and Yugoslavia. These goods may also be imported freely without a licence.

(4) Goods included in a "transit-dollar list" (aircraft, copper, lead, tin, zinc, coffee, tobacco products, fresh fruit except apples, pears and bananas) are admitted freely provided that (i) if the purchase is made in a dollar country, payment is made in "transit dollars", which are obtainable from commercial banks at a small premium and (ii) if the purchase is made in a non-dollar country, payment is made in accordance with the regulations governing payments between Sweden and that country.

(5) Global quotas are established for the importation of goldsmiths' wares and precious stones from the EPV area.

(6) Certain imports are admitted in accordance with the provisions of bilateral agreements or arrangements, which are in force with a number of countries. Imports under trade agreements are in most cases allowed to exceed the quotas established therein.

(7) (i) Imports from the dollar area of commodities which are not free-listed or automatically licensed under the transit-dollar scheme are admitted in the light of Swedish requirements or the availability of dollars.

(ii) For imports of the few commodities from the EPV area which are not free-listed or licensed on a global basis, licences are issued liberally.

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1 The dollar area comprises Bolivia, Canada, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, Philippines, United States of America and United States Dependencies and Venezuela.

2 The EPV area comprises the Member countries of EPV, their dependent overseas territories and the countries in the sterling area and the Belgian, French, Italian, Portuguese and Dutch currency areas, including Indonesia.
(iii) Most imports from non-EEU countries outside the dollar area (except Finland and Yugoslavia) are subject to licensing control but licences are generally granted on a liberal basis. Imports of coffee from Brazil and citrus fruits from Israel and Spain are admitted freely without a licence.

Import licences are usually issued within one week after the application is made. In the case of manufactured goods, licences issued are as a rule valid for the remaining part of the current quarter plus six months thereafter. For agricultural products the period of validity is usually one to two months. No licence fee is charged.

As from 1 September 1956 quantitative restrictions have been removed from imports of agricultural products from the OEEC countries, the sterling area, Finland and Yugoslavia and from imports of most of these products from the dollar area provided the domestic prices on the products concerned are within certain predetermined price limits (a lower and an upper limit). As from the same date customs duties on these products were abolished and replaced in most cases by fixed import levies, and in a few cases (oil cakes and feeding-stuffs) by variable levies. For the most important products so-called "medium" prices were determined at a point where farmers would enjoy income parity with other comparable groups of the population.

Treatment of Imports from different Sources

Different import control procedures apply to: (i) the EPU area, Finland and Yugoslavia, (ii) the dollar area, and (iii) the rest of the world. Most imports from the first group of countries are admitted without quantitative limitation. At present more than 90 per cent of private imports from these countries have been liberalized (calculated on the basis of 1948 imports). Approximately two-thirds of total imports from dollar area sources are free from restriction. Different treatments are accorded to imports from individual countries in the rest of the world. For example, coffee from Brazil and citrus fruit from Israel and Spain can be imported freely, and bilateral trade arrangements with Spain provide for the issue of licences for imports of goods on the OEEC free list.

Imports under State-Trading

Three groups of commodities are at present the subject of State-trading:

(1) State-trading in certain wines, spirits and liquors is carried on by the Wino and Spirits Monopoly Company. The purpose of the Monopoly is to advance certain social policy objectives.

(11) The Swedish Tobacco Monopoly is the sole importer of raw tobacco, tobacco products, machines for the manufacture of tobacco products, cigarette paper and cigarette carton. Retailers appointed by the Monopoly, however, may import tobacco products for sale. This system is operated mainly for fiscal purposes.

(iii) Certain military equipment.
Proportion of Imports covered by each Licensing Procedure

Breakdown of imports in 1957 on the basis of import restrictions in force on 1 January 1958*

(in million dollars; $1 = Kr.5.18)

<table>
<thead>
<tr>
<th>CEEC metropolitan countries, Dollar Area Countries</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>outer sterling area, Area Countries</td>
<td></td>
</tr>
<tr>
<td>Finland, Indonesia and Yugoslavia</td>
<td></td>
</tr>
</tbody>
</table>

I. Imports on Private Account

1. Licence-Free and automatic licensing

2. Imports licensed without fixed quotas

3. Global quotas

4. Allocation of quotas (established under trade agreements)

5. Other methods

II. State-trading

Total imports

* Table to be completed
Legal Basis of the Restrictions

The statutory basis of the Turkish import trade regulations is Decree No. 1360 of 1 September 1953, subsequently amended by Decree No. 3321 of 15 July 1954. This Decree is based on the provisions of Law No. 5383 of 2 May 1949. In particular, Article 12 of this Law states that freedom of entry for goods may at any time be restricted or suppressed by the Council of Ministers for reasons of financial or economic necessity. Article 13 of the same Law empowers the Council of Ministers to impose prohibitions and restrictions on imports in certain circumstances.

The Decrees of 1 September 1953 and 15 July 1954 continue the licensing system which had already been instituted and confirm the official suspension of liberalization measures for imports from OEEC countries and their associated currency areas which became effective on 20 April 1953. Annexed to the Decree of 1 September 1953 are lists of products which may be imported under certain specified procedures. In drawing up these lists, account was taken of the essential or non-essential nature of the products to be imported, and of their economic significance in relation to Turkey's industrialization programme.

Policy of Restriction

Because of the precarious situation in regard to foreign exchange reserves, the volume of imports depends on the level of export proceeds and other foreign exchange receipts. The purpose of the policy of restrictions is therefore to meet the country's most pressing economic needs, within the limits of the amount of foreign exchange available. In granting licences, priority is given to imports of goods required for the completion of investment operations already in progress; next in priority are imports of raw materials and products required for the current operation of the national economy; imports of consumer goods are third on the list. Imports are also restricted by means of certain taxes levied on imports of luxury goods and capital goods, and also by a system of multiple exchange rates.

An Inter-Ministerial Commission, comprising the Minister of Finance, the Minister of Commerce, the Minister of Industry, the Minister of Customs and Monopolies, the Minister of Public Works and a Minister of State, is responsible for estimating foreign exchange receipts and for determining the foreign currency need of public and private trade. The Commission then makes the necessary allocations to the public and private sectors, taking into consideration the nature and extent of needs, and decides what amount of foreign currency the Central Bank may transfer each month. Import estimates are made both for the calendar year and for the period July–June.

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1 This note does not take account of the changes which are being formulated by the Government of Turkey and which are expected to be announced shortly. A revised text will be circulated at a later stage.
Administration of the Restrictions

The foreign currency budget prepared by the Inter-Ministerial Commission is forwarded to the Ministry of Finance and the Ministry of Commerce, which are responsible for granting licences. The Central Bank is also notified so that it can effect foreign currency transfers in accordance with the rules laid down by the Ministry of Commerce.

Before submitting an application for foreign exchange allocations, physical and legal persons must obtain an "importer's certificate", established and issued by the Chambers of Commerce and Industry. This certificate is not required in the case of public administrations and certain other agencies and enterprises. The "importer's certificate" specifies the types of products which the holder is authorized to import. The Chambers of Commerce and Industry which issue these certificates are organizations of a private nature which were established in accordance with the law. They are primarily executive bodies to assist the Ministry of Commerce, and the interests of both consumers and producers are represented in the Chambers.

Applications for licences must be submitted to various administrative bodies depending upon the nature of the goods to be imported. A period of one to two months usually elapses between the application and the issue of the licence. Licences for imports in the private sector are issued by the Central Bank of the Turkish Republic in accordance with instructions by the Ministry of Commerce; licences for imports in the public sector are issued by the Ministry of Finance.

Methods of Restriction

Several lists of products to which different import procedures are applicable are annexed to the Decree of 1 September 1953. They include: (1) products included in a liberalization list; (2) products for the importation of which foreign exchange is allotted; (3) products which may be imported with long-term credits; (4) factory installations; (5) goods imported by State administrations or related organizations. Products not included in the lists annexed to the Decree of 1 September 1953 may not be imported.

(1) The Decree of 1 September 1953 specifies that a liberalization list applicable to the EPU area (List III annexed to that Decree) will only become effective at a date to be determined by the Inter-Foreign Exchange Committee. At present, imports of all products included in the liberalization list are subject to licence. As this list contains only essential products, such as industrial materials, equipment and replacement parts, licences are in general granted automatically. Imports are controlled through the foreign exchange allocation system as described below.
(2) Certain specified products (List IV annexed to the Decree) and products included in List V may be imported under the foreign exchange allocation system, in cases of special and urgent necessity as determined by the Ministry of Commerce. In the case of products imported for commercial use, applications for licences must be submitted to the Central Bank. The Bank establishes a list of all applications, by tariff item, country of origin of the goods, and in the chronological order of receipt. A summary of this list is sent to the Ministry of Commerce which then allocates foreign exchange, taking into consideration market needs and monetary reserves. Allocations are announced in the Journal Officiel. If the sum allotted for a tariff item is less than that shown in the list prepared by the Central Bank, the foreign exchange is shared out according to a formula established beforehand. In the case of raw materials, machinery or equipment for industrial use, applications for licences must be submitted to the Chambers of Commerce and Industry. The Chambers either approve the applications in whole or in part, or modify them and send monthly summary statements of applications to the Union of Turkish Chambers of Commerce and Industry. The Union of Chambers then establishes a single list and transmits it to the Ministry of Commerce; the Ministry's decisions are published in the Journal Officiel.

(3) Imports with long-term credit are authorized for certain products (List VI) if certain conditions are fulfilled. One of the factors taken into account when licence applications are considered is the duration of credit, which must be at least one year. Import applications under this heading are submitted to the Ministry of Commerce. If the Ministry modifies certain applications, the importers have a month within which to accept the proposed modifications. Imports of products included in this list may also be allowed with other methods of payment.

(4) The essential condition for imports of complete factory installations is that the importer must obtain a long-term credit, the first payment to take place not less than one year after importation. If the credit conditions are advantageous, applications providing for earlier payment may be favourably considered, up to a maximum of 25 per cent of the proposed importation.

(5) With regard to imports by a Governmental departmental or municipal administration or institution or by an enterprise of which 50 per cent or more of the capital belongs to such administrations or institutions, applications are addressed to the Ministry of Finance and must be accompanied by a certificate from the department or institution concerned, stating that the necessary foreign currency will be transferred

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1 This procedure still applies to products included in the two special lists annexed to the Tobacco Protocols signed by Turkey, on the one hand, and Czechoslovakia and France, on the other (see below).
from the foreign exchange budget of that official institution or administration. Similarly, foreign exchange allotted for imports effected by firms which have received contracts from such official bodies is deducted from the foreign currency budget of the latter.

Except in the case of applications concerning imports for public account, every licence application submitted to the Central Bank must be accompanied by the deposit of a guarantee equal to 10 per cent of the value of the proposed imports. The applicant may withdraw his deposit if the foreign exchange is not allotted within one month. The Central Bank is authorized to seize the guarantee if the import permit is not used within the prescribed period or if it is not used in accordance with the principles established by the Ministry of Commerce. This provision is principally intended to discourage hoarding of import licences for speculative purposes and to preclude any frivolous licence applications. It also assists the Ministry of Commerce by reducing the risk that the Ministry might, in its estimates, block sums of foreign currency which might never be used.

The issue of import licences for certain non-essential or luxury items is subject to a tax used for the financing of an Equalization Fund. The purpose of this Fund is, by lowering prices, to stimulate exports of certain products which are only sold with difficulty on foreign markets because of measures of protection and encouragement taken by other countries. The amount of the tax varies between 25 and 75 per cent of the cost of the imported goods. In 1957, imports of products included in List A represented per cent of total imports.

The Central Price Control Office checks the price of all imported products. If the price is substantially above the world price level, it can prevent the import of the product concerned. This check is made after the licence is granted and before the order is given.

Certain products - in particular personal effects, presents and other articles imported by physical or legal persons - with a value not exceeding £1,00 may be imported free of payment and in general no import licence is required. Similar special provisions apply to other articles for commercial use such as: samples in quantities corresponding to normal commercial practice, advertising material, and spare parts, component parts or accessories for goods which are normally sent without payment. Import permits for such products are granted by the customs services, in accordance with rules laid down by the Ministry of Customs and Monopolies.

Treatment of Imports from Different Sources

There is no formal distinction between the control procedures applied to imports from different sources.
Imports from OEEC countries are generally admitted more liberally than those from other sources, and when foreign currency is allotted, these countries automatically receive it first on the basis of the applications received. Trade and payments agreements have been concluded with all OEEC Member countries except Iceland, Ireland and Portugal. Some of these bilateral arrangements contain quota lists; others include annexed lists of products, with no indication of value; others contain neither quotas nor lists. When quotas are fixed, they are merely of an indicative nature and do not constitute an undertaking towards the country entering into the agreement. The trade agreement with France contains an undertaking by that country to purchase certain quantities of Turkish tobacco; in exchange, Turkey has undertaken to authorize certain imports under the foreign currency allocation system and to effect certain exports. The products to be imported are specified in an annex to the agreement. Turkey has concluded agreements with several OEEC countries for the settlement of outstanding trade debts. These arrangements generally provide that a fixed percentage of foreign exchange receipts from exports of one or more Turkish products shall be set aside in order to clear these debts.

Import trade with the dollar area is subject to the general rules of the import control system. According to the amount of convertible foreign currency available, licences are granted for imports from the dollar area of products included in the lists annexed to the Decree of 1 September 1953. However, in view of the shortage of convertible foreign currency, applications to import from the dollar area are carefully studied in order to see whether the same products can be obtained from other sources. Licences are always granted for imports of motor-fuels and other products normally paid for in dollars.

Imports from several countries which are not members of the OEEC and are not in the dollar area come under the provisions of the trade and/or payments agreements concluded with those countries. Such agreements are in force with all the Eastern European countries except Albania and East Germany, and with Egypt, Finland, India, Israel, Japan, Iran, Spain, Formosa and Yugoslavia. The trade agreement which Turkey has concluded with Czechoslovakia contains the same provisions as that with France. The Turkish Union of Chambers of Commerce has concluded an agreement with the Chamber of Commerce of East Germany. An inter-banking arrangement is in force with Brazil. These bilateral arrangements usually provide for settlement through clearing accounts, and for imports to be effected according to the bilateral account situation.

As regards trade with countries with which Turkey has not concluded trade and payments agreements, imports are effected within the limits of exchange availabilities, and taking into consideration the urgent needs of the domestic market.

Imports under State Trading

Some products — tea, tobacco, salt and playing cards — are subject to State trading for revenue reasons. Other products, such as radio transmitter-equipment, powder and explosives, arms (except sporting and hunting equipment)
and gas masks, are subject to State trading for security reasons and, in the case of quinine and its derivatives, for reasons of quality control. Lastly, trade in alcohols and spirits, except beer, wine and whisky, and in raw and medicinal opium, morphine and its salts, and cocaine and its salts is under State monopoly for health reasons.

Imports of products which are under State monopoly are also subject to the regulations of the Turkish foreign trade system. On 1 January 1958, per cent of total imports from OEBC countries (base year: 1948) were under State trading. At that time, the State monopolies effected no imports from the United States or Canada.

Proportion of Imports covered by the Different Procedures

Breakdown of Imports for the years 1954 to 1957

(Value in £T1,000)

<table>
<thead>
<tr>
<th></th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports of products in List III</td>
<td>310,435</td>
<td>333,106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports of products in List IV</td>
<td>1,009,232</td>
<td>934,731</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other imports (Lists V, VI and other procedures)</td>
<td>19,736</td>
<td>125,547</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,339,403</td>
<td>1,393,384</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The above table has been prepared on the basis of the licences granted. Total import figures only show the value of effective imports.
Legal Basis of the Restrictions

Balance-of-payments import restrictions are applied pursuant to the powers conferred on the Minister of Economic Affairs by Sub-Regulation (3), of Regulation 8 bis, of the National Emergency Regulations promulgated by Proclamation No. 201 of 1939, as amended by Proclamation No. 334 of 1939 and validated by Section two of the War Measures Act, 1940 (Act No. 13 of 1940).

The relevant provisions of the National Emergency Regulations read as follows:

"The Minister may from time to time take all measures which he considers necessary to prohibit or regulate imports into or exports from the Union, or such imports from a particular country or such exports to a particular country, or the consignment of any goods to a particular person outside the Union or the ordering or receipt of goods from a particular person outside the Union, or the carrying on of any business transactions with a particular person outside the Union, and the Minister may impose penalties mentioned in Sub-Regulation (2) of Regulation 17 upon any contravention of or non-compliance with any such measure."

Since the war these regulations have been revalidated from time to time. The present period of validity expires on 30 June 1959.

Administration of the Restrictions

Import controls are administered by the Director of Imports and Exports of the Department of Commerce and Industries. The Director of Imports and Exports is authorized to prescribe and specify the conditions under which applications for import licences must be submitted and under which licences may be issued. He may also determine the goods the import of which is exempt from the requirement of a licence.

The practice is for the Government to issue, towards the end of each calendar year, consolidated import control regulations for the succeeding year. Thus, import control regulations for 1958 were published as Government Notice No. 1918 of 6 December 1957, in the Government Gazette of the same date. Subsequent regulations issued on 2 May 1958 were concerned with simplifying the procedure.

All importers must be registered with the Director of Imports and Exports.
Methods of Restriction

Under the current import regulations, two general categories of imports are exempted from the requirement of a licence, viz: (i) several types of imports of minor importance, such as personal effects of temporary visitors and South African residents returning from abroad, samples of no commercial value and advertising material, bona fide gift parcels under £5 in value, goods in transit, goods imported from, and originating in, the Federation of Rhodesia and Nyasaland, Basutoland, Swaziland or Bechuanaland Protectorate, etc., and (ii) goods included in a free list established by the Director of Imports and Exports. The current free list contains some seventy tariff items and sub-items. Apart from these goods which may be imported without specific authority or import permit, the import control measures distinguish between two broad categories of imports:

(a) goods which may be imported only under permit, but for which no annual quotas are granted to individual importers and importers' full requirements are met; and

(b) goods which may be imported only under permit and the importation of which is governed by annual quotas granted to individual importers.

(a) Imports Licensed without Quota Limitation: These goods are subject to licensing control but free from effective quota restriction. For these goods licences are issued without limitation to cover the country's full requirements. For certain of the items in this category (motor vehicles, completely knocked down motor vehicle parts for local assembly and motor vehicle spares) import licences are issued in replacement of retail sales to end-users, subject to the condition that large stocks are not built up in the country.

(b) Imports subject to Quota Restriction: Some thirty import items are under quota restriction. These are divided into two groups:

(1) For some twenty items (mostly consumer, household goods) quotas are established for each item. (For 1958, the quotas so far issued amount to 90 per cent of the 1957 issues for the same goods.)

(ii) The remaining few items (jute, bananas, rice, certain books and periodicals, amusement machines, certain types of cars, etc.) may be imported under "General Merchandise" permits issued within the limits of "General Merchandise" quotas established for individual importers. Holders of such permits are entitled to import up to their quota limit any of the articles in this group (with the exception, at present, of certain of the items, for which quotas have not been granted for 1958). "General Merchandise" quotas are expressed as percentages of "basic quotas" which, for the majority of importers are the value
of their imports of consumer goods in 1948. However, basic quotas are also established for new business undertakings after one year's trading, while more recently, adjustments have been made to increase the "basic quotas" in all cases where such quotas were low in relation to the turnover of the firms. The present annual "General Merchandise" quotas have been fixed at 60 per cent of basic quotas (for 1958 50 per cent of the basic quotas have so far been released).

The issue of an import licence carries with it the assurance that the foreign exchange necessary to effect the importation will automatically be made available by the commercial banks against presentation by the importer of the appropriate shipping documents.

Treatment of Imports from different Sources

In the import control system no distinction is made as between sources of supply. All import licences are issued valid for imports from all sources. No shares in import quotas are allotted to any individual country either by unilateral action, special arrangement or negotiation.

Imports under State Trading

The Government is the sole importer of jute grain bags required for the maize and wheat crops and the major importer of rice. In addition, some of the agricultural marketing boards established under the Marketing Act have also been granted exclusive responsibility for arranging importations, where necessary, of certain commodities falling under their control. This applies to wheat, oats, berley, rye, maize, butter and cheese (gouda and cheddar varieties) and chicory.

Proportion of Imports covered by each Import Procedure

It is estimated that in 1957 licence-free imports amounted to approximately 25 per cent of total imports; imports for which licences were issued to the full requirements of importers were assessed at 67 per cent of total imports. Approximately 8 per cent of the actual imports were admitted under specific import permits. Estimates for 1958 give approximately the same percentages.
25. THE UNITED KINGDOM

Legal Basis of the Restrictions

The system of import regulation in operation at present in the United Kingdom is based on emergency legislation passed in 1939. The primary objects of this legislation were to safeguard the balance of payments and to save shipping space. The Import, Export and Customs Powers (Defence) Act, 1939, gives the Board of Trade power to make orders prohibiting or regulating the import and export of all goods. The Import of Goods (Control) Order 1940 which was made on 4 June 1940, was replaced in February 1954 by the Import of Goods (Control) Order 1954, the current legal basis of import control. By this Order the importation into the United Kingdom of all goods is prohibited except under the authority of a licence issued by the Board of Trade.

Details relating to current regulations governing the import of specific commodities are set out in "Notices to Importers" issued by the Board of Trade to members of the public.

Policy of Restrictions

The restrictions at present in force are therefore necessary for balance-of-payments reasons though, except where there is no United Kingdom production, they may have an incidental effect of protecting the United Kingdom producer. In the course of the general move towards a more liberal régime for imports, consideration has been given by the United Kingdom authorities to previous methods for reducing the incidental protective effects of balance-of-payments restrictions and minimizing the difficulties of transition, e.g. the use of quotas for goods not yet liberalized.

Methods of Restriction

The methods used in regulating imports may conveniently be divided into two categories:

(A) The Unrestricted Sector (the Open General Licence and equivalent Open Individual Licences); and

(B) The Restricted Sector: Within this sector the following methods of controlling imports are used:

(i) Bilateral agreements and arrangements
(ii) Global Quotas
(iii) Dollar Quotas
(iv) Combined Global Quotas
(v) Imports for re-export
(vi) Individual Licences (discretionary licensing - "case by case" method)
(vii) Prohibition of imports
(A) The Unrestricted Sector

The Open General Licence: The Open General Licence issued by the Board of Trade allows the importation of certain goods from specified countries without the need to apply to the Import Licensing Branch of that Department for an individual import licence.

The current Open General Licence came into force on 7 July 1958 when it superseded the previous OGL of 22 June 1955 which had been amended successively. The new OGL takes a simplified form and contains negative schedules relating to all countries outside the dollar area and the eastern area (Eastern Europe, North Korea and Northern Vietnam). The negative schedules list only the goods that may not be imported so that all goods not listed are admissible under the Open General Licence from the countries concerned.

The new Open General Licence consists of two schedules:

(a) Schedule I lists the goods which may be imported without restriction from any country; it is of interest primarily in relation to imports from the dollar area and the eastern area, since only the goods appearing in this list may be imported from these areas under the Open General Licence.

(b) Schedule II contains items the import of which requires individual licence and applies to the Scheduled Territories (sterling area), the rest of the "Relaxation Area" (Western European countries and other non-sterling countries not elsewhere mentioned) and Japan. It is divided into two parts:

(i) Part I applies to imports from all these countries except that in the case of imports originating in and consigned from the Scheduled Territories this requirement applies only to certain items, those marked with an "X" in the Schedule. For the rest of the "Relaxation Area" all the items in Part I require a licence.

(ii) Part II is a list of goods which, in addition to those already listed in Part I, may not be imported from Japan without an individual licence.

Certain special arrangements (including special origin provisions for canned fruits, the admission of flower bulbs, etc., from Canada and jute cordage and sacks from the Irish Republic, and the import of flower bulbs, etc., from Benelux under the authority of specified organizations) apply to particular commodities and are noted against these commodities where they appear in the Schedules.
Notice to Importers No. 860 explains the provisions of the new Open General Licence and reproduces the Schedules in practically the same form as in the legal document.

**Open Individual Licence:** An Open Individual Licence allows the holder to import the commodity described on it without limit as to quantity or value from the source(s) shown thereon. It may be valid for a finite period or until it is revoked.

The Open Individual Licence may therefore be equivalent to the Open General Licence and has been used for the arrangements introduced for the private import of certain raw materials and foodstuffs. It has the advantage of allowing the trade the same freedom from quantitative restrictions as that afforded by the Open General Licence whilst simultaneously providing for such matters as the submission of returns. For example, importers of grains have been required to make regular returns to the Ministry of Agriculture, Fisheries and Food. These arrangements vary considerably in detail being adapted to the requirements of trade in the commodity concerned.

As part of the simplification of the open licensing arrangements many of those commodities that were still covered by Open Individual Licences may now be imported under Open General Licence from the Scheduled Territories and the other Relaxation Countries.

Imports under Open General Licence or Open Individual Licence are subject to some requirements as other imports as regards Exchange Control, Customs forms and other relevant regulations such as Animal Health regulations.

**(B) The Restricted Sector**

For the importation of all goods not specified in Schedule I of the Open General Licence or which are listed in Schedule II, an import licence - either an Open Individual Licence or a Specific Licence - must be obtained:

(a) **Open Individual Licence:** This devise is also used for licensing within the restricted sector to meet special requirements.

(b) **Specific Licence:** A specific licence allows the holder to import a specified quantity or value of the commodity described on it from the source(s) shown thereon. It is valid for a finite period.

The following methods of controlling imports within the restricted sector are used:

(i) **Bilateral Agreements and Arrangements:** The United Kingdom has bilateral agreements or arrangements with most OEEC countries, with certain countries in Eastern Europe and with Argentina, Cuba, Finland, Japan and Spain. The import...
quotas set up under these agreements provide for the issue of licences, up to the agreed total; there is no undertaking that any given quantity will in fact be imported by traders, and the Government's freedom to establish facilities for imports from other countries is not affected. The amount of trade with OEEC countries which remains subject to bilateral agreement represents a very small proportion of total trade.

In the case of the countries in Eastern Europe bilateral arrangements are used to secure a reasonable spread of United Kingdom exports. Most of the goods for which the United Kingdom grants limited import quotas in return are goods which are admitted freely from OEEC countries. In the case of Eastern European countries, and to some extent Japan, imports of non-essential goods are normally only licensed when covered by bilateral quotas in return for which corresponding facilities for United Kingdom exports have been given by the other country. Bilateral quotas may be administered by the United Kingdom or the foreign government; in the case of the countries in Eastern Europe, the allocation of the majority of the quotas is in their hands especially where the goods concerned are on Open General Licence when imported from the Relaxation Area. Where the United Kingdom authorities, i.e. the Board of Trade, administer the quota, applications may be considered individually or some objective method of sharing out the quota, e.g. imports in a specified period, may be used. The method of allocation varies with the nature of the commodity and the demand for licences. Licences are usually valid to the date of expiry of the relevant trade agreement and may be extended for three months afterwards.

(ii) Global Quotas: The term "global" is used to describe a quota which covers a number of countries, e.g. the Relaxation Countries or the dollar area. This type of quota is mainly used for the less essential consumer goods whose import from Relaxation Countries was brought under restriction in November 1951 and March 1952. Many of the goods originally affected have since been restored to the Open General Licence, but imports of a number remain restricted.

The quotas cover all the countries affected and licences may be used to import from the source of the trader's choice up to the value of the quota. The quotas are shared among established importers in proportion to their imports in specified post-war periods, during most of which imports were not subject to quantitative restriction. The quotas (with the exception of those for fresh apples and fresh pears) are announced annually and there is a time limit for applications. The licences are valid to the end of the period for which they were issued and may normally be extended for three months afterwards.

To avoid exceptional hardship the governments of OEEC member countries and Spain and Finland have been allowed to allocate small amounts known as the Special Country Quotas among their exporters, subject to certain conditions.
The governments concerned issue certificates which are presented, together with applications for import licences, by the trader in the United Kingdom to the Import Licensing Branch.

(iii) Dollar Import Quotas: Import quotas have been opened for a number of goods from the dollar area.

(iv) Combined Global Quota: A new "combined global quota" for fresh apples, representing a merger of the Relaxation global quota and the North American quota has been established on a weight basis for the second half of 1958.

(v) Imports for Re-export: To facilitate United Kingdom entrepôt trade and to reinforce the Exchange Control regulations, a special form of licensing has been devised. Another special form of licensing is used where imports, otherwise subject to restriction, are required for United Kingdom export orders.

(vi) Individual Licences: Specific licences may be granted after consideration of individual applications on their merits, the main criterion applied being that of essentiality. The normal validity of specific import licences is six calendar months, although licences to import machinery, etc., are initially valid for twelve months. An extension of three months (six in the case of machinery) is usually allowed.

(vii) Prohibition of Imports: There is no absolute prohibition of any imports, as an application for a licence may always be submitted for consideration on its merits. Some imports may, however, be debarred on account of other legislations such as that relating to animal health, dangerous drugs, etc., in the manner envisaged in Article XX of GATT.

(viii) Essential Imports: Applications to import those commodities which may be designated essential from countries for which they are not on Open Licence are usually considered individually.

The licensing of machinery and chemicals in particular from the dollar area is dealt with in more detail.

Treatment of Imports from different Sources or Currency Areas

(i) The Sterling Area: Imports from the Scheduled Territories and from Muscat and Oman with certain exceptions are admissible freely under the Open General Licence or under Open Individual Licence. Certain other items, such as motor cars, cameras, watches and canned fruit are subject to special provisions to prevent their entering the United Kingdom from the sterling area under the Open General Licence unless genuinely of sterling area origin.

(ii) The "Relaxation" Countries: This group comprises all countries other than those of the sterling area, the dollar area and Eastern Europe, Japan, North Korea and North Vietnam. The major part of United Kingdom imports is
admissible from the "Relaxation" Countries under the Open General Licence and under Open Individual Licences. On the basis of trade in 1948, only 5 per cent of United Kingdom imports on private account from OEEC countries is still subject to restrictions. Apart from certain commodities, for which there are ad hoc licensing arrangements, and which account for some 1 per cent of 1948 trade, the remaining percentage is divided fairly equally between commodities covered by global quotas and those for which there are bilateral quotas. (The bilateral quotas cover a miscellaneous range of goods, e.g. decorated glassware, lace and lace net, motor cars, precious jewellery, processed milk, scientific instruments.)

(iii) The Countries in Eastern Europe: In addition to the goods listed in Schedule I of the Open General Licence imports from these countries of other essentials may also be licensed. Imports of consumer goods are permitted to the extent provided for in trade arrangements giving the United Kingdom reciprocal advantages in the form of facilities for export trade, and undertakings about repayment of debts. There is no trade arrangement with the USSR. Trade in consumer goods is limited to a few inter-Governmental arrangements for reciprocal trade in particular commodities such as canned crab and matches. As regards Eastern Germany some trade in non-essentials is allowed to take place under commercial barter deals. Import licences are issued provided the compensating exports are those in need of additional export outlets, which would not otherwise exist.

(iv) Dollar Area: Many raw materials and basic foodstuffs have been freed in accordance with the policy of giving United Kingdom manufacturers the widest possible access to such materials. Machinery is licensed only if there is no United Kingdom alternative offering roughly similar advantages. Where, however, there is an approved investment project or royalty agreement involving a new technique or making a potential contribution to exports, some relaxation of the rules governing dollar imports may be allowed to permit the entry of components and in certain cases finished products provided full United Kingdom manufacture is promised within a specified and short period.

For dollar consumer goods, the Token Imports Scheme allows North American exporters to send up to 30 per cent by value of their pre-war exports to the United Kingdom of a fairly wide range of consumer goods. Licences issued under this scheme amount in all to rather less than £3 million per annum.

Quotas are established for a number of dollar imports, namely frozen beef tongues, cheese, salmon, honey, coffee, motor cycles, cars, magazines and periodicals, synthetic rubber, leather, canned apples, and canned pineapples.

(v) Japan: Since 25 April 1957, as part of the agreement reached in the 1957 negotiations, Japan has been accorded Open General Licence treatment not only for essentials but for a further range of goods already subject to Open General Licence when imported from other countries.
Imports under State Trading

State trading in the United Kingdom is now confined to certain jute manufactures only.

Proportion of Imports covered by Each Importing Procedure

At present it is estimated that about seven-eighths of the United Kingdom's total imports, calculated on the base of 1955 trade, are imported free of restriction under the Open General Licence or Open Individual Licences. In 1957 the value of imports of items under Global Quota amounted to approximately £9 million, representing about 0.2 per cent of the United Kingdom's total imports for that year and 0.7 per cent of the imports from the countries concerned (this does not include the import of newsprint under "World Global Quota"). The following table shows imports in the preceding years under various import procedures:

Breakdown of Imports According to Import Procedure

<table>
<thead>
<tr>
<th></th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports under World Open General Licence</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Liberalized imports from non-dollar sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberalized imports from &quot;Relaxation Countries&quot; (including sterling area)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports under Global Quotas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other imports (specific licensing, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total imports</td>
<td>3,881</td>
<td>3,889</td>
<td></td>
</tr>
</tbody>
</table>

1 Table to be revised and adapted in accordance with the availability of statistics.
Legal Basis of the Restrictions

The present system of import controls in Uruguay is based on Law No. 10,000 of 10 January 1941, the text of which is reproduced in the National Laws Register, 1941. This Law lays down the general principles governing import controls and institutes the Export and Import Control Board. Detailed regulations are made by decrees issued by the National Council and various Ministries. A Decree of 3 August 1956 established a free import list and promulgated new foreign exchange regulations. The operation of the provisions of this Decree was, however, suspended in November 1957 when temporary emergency import regulations were introduced by several Decrees which were published in the National Laws and Decrees Register, 1957.

Policy of Restriction

As indicated in the Law of 10 January 1941 the import restriction policy is based on the principle that expenditure on imports is to be limited to the foreign exchange accruing from exports. For this purpose imports may be restricted by means of quantitative controls, multiple exchange rates, exchange surcharges and advance deposit requirements.

Administration of the Restrictions

The import control system is operated jointly by the Export and Import Control Board and the Bank of the Republic (Central Bank). The Board is composed of a representative of the Government, who acts as its chairman, and of one representative each of the Ministry of Finance, the Ministry of Agriculture and Cattle, the Bank of the Republic, the Chamber of Industry, the National Chamber of Commerce, the Rural Association and Federation and the Mercantile Chamber of Goods. The Export and Import Control Board is responsible for the allocation of quotas to individual importers and the issue of licences. Further, it keeps watch on the entry of goods which do not require import licences. The Bank is concerned primarily with the establishment of global exchange allocations for imports of goods subject to quantitative restrictions and exercises a general control on the source of imports. It also determines the percentages at which advance deposits are required for various categories of imports.
Methods of Restriction

I. Import Control Regime in force until November 1958¹

For purposes of import control the Decree of 3 August 1956 classifies imports into three categories according to their essentiality for the national economy:

Category I includes essential goods and commodities. Importation of goods in this category is not subject to licence. Imports can be effected on the basis of a sworn declaration which, after acceptance by the Central Bank, is valid for a period of 150 days. Goods in this category are sub-divided into three groups to which different rates of exchange apply.

(i) Imports at the controlled market rate of Ur.$2.10 per US dollar or its equivalent in other currencies: this group comprises essential goods of the highest priority, such as raw materials for industry, certain fuels, basic foods, specified drugs, certain building materials and seeds for agriculture and horticulture.

(ii) Essential goods of second priority imported at the rate of Ur.$3 per US dollar: this group includes agricultural equipment, fertilizers, irrigation material, books, cigarette paper, raw tobacco and drugs (other than those authorized at Ur.$2.10 per US dollar).

(iii) The remaining goods in Category I: these are regarded as essential but without special priority. They can be imported at the free market rate of exchange (ca. Ur.$4.11 per US dollar).

Category II includes commodities which are non-essentials or luxuries and which are not of the type produced domestically. Imports of these goods are subject to individual licensing. From time to time the Central Bank authorizes the Import and Export Control Board to establish quotas valid for imports from certain countries or currency areas. Quotas are allotted to importers according to a point system based upon a formula relating to the size of their traditional imports, the size and age of the applicant's firm and other factors. To obtain foreign exchange for these imports traders must purchase certificates of exchange, which are issued to exporters for a percentage of their export proceeds and are normally extended in the same currency as that which accrues from the exports. The rate of the certificates is the free rate of exchange (ca. Ur.$4.11 per US dollar) but importers are required to pay an exchange surcharge of Ur.$1.50 per US dollar. (For lorry chassis of less than 2 tons the surcharge is only Ur.$50.)

¹ This Regime which is not currently operative, is described because it is only under temporary suspension, and may be reverted to when the emergency measures are terminated.
Category III. The licensing regime described above also applied to imports in Category III which comprised luxury goods and commodities of the kinds manufactured domestically in adequate volume. The surcharge is Ur.$2 per US dollar.

Most imports in Category I are subject to advance deposit requirements at the rate of 30 or 75 per cent of the value of the goods according to the commodity. These deposits which have to be made at the time of presentation of the sworn declaration to the Bank of the Republic are refunded after the goods have been cleared through the Customs. Imports of certain foodstuffs, authorized by the Supply and Price Control Board and imports effected by official organizations and government departments, are exempted from the prior deposit requirement. Payments for most imports are subject to a 6 per cent exchange tax.

In June 1957, imports of goods in Category I were made subject to quantitative restrictions. Advance deposit requirements were raised at the same time.

Temporary Emergency Import Control Regime

In November 1957 several decrees were issued introducing temporary emergency import restrictions. All imports were thereby made subject to licences. These controls, originally intended to last until 28 February 1958, have been successively extended, first until 30 June and later until 30 September 1958. During the first emergency period (27 November 1957 - 28 February 1958) the Bank of the Republic authorized the Export and Import Control Board to issue licences up to US$28 million. During the second period (1 March - 30 June 1958) provision was made for the issue of licences up to a total of US$47 million.

Under the new regulations all imports are prohibited except the following goods contained in Category I: raw materials for the manufacture of indispensable foods, indispensable food products, products required for the safeguard of public health, for the functioning of public services and for the press, products to combat agricultural and animal pests, tools, machinery and equipment for agriculture and livestock care and imports required by industry. The Export and Import Control Board may authorize imports of other primary materials contained in Category I or in the other two commodity categories, provided such imports are indispensable and cannot be postponed. Likewise it may authorize the import by State agencies and public services of goods listed in Categories II and III. In issuing licences priority is accorded to (a) imports for the export and construction industries and for industries that produce essential goods; (b) imports for industries that process articles classified as being of prime necessity but not included in the first group; (c) imports for the remaining industries. Each application for an import licence is examined on its own merits, account being taken of available supplies, imports during a certain period, etc.
The number of goods that can be imported at the preferential rate of Ur.$2.10 per US dollar has been considerably reduced and many goods have been transferred to the certificate market rate. The special rate of Ur.$3.00 no longer applies. The advance deposit requirements have been discontinued for all imports of goods in Category I and now apply only to imports of essential raw materials in categories II and III. Provision has also been made for the establishment of aforos for imports.

Treatment of imports from different sources

Under the "emergency" control regime imports are classified into two groups as regards origin:

(a) Imports from Brazil, Bulgaria, Czechoslovakia, France, Eastern Germany, Greece, Hungary, Italy, Paraguay, Poland, Spain, the USSR and Yugoslavia/Finland, Israel and Rumania/ (in agreement dollars).

(b) Imports from other countries.

All global exchange allocations are subdivided into two main quotas, applying to these two groups respectively. Preference is given to imports from countries in group (a), imports from other sources being allowed only when the goods are not obtainable from these sources. In addition, exchange for import from countries in group (b) is not supplied until 180 days after shipment of the goods, whilst exchange for imports from group (a) countries is made available promptly.

Imports under State trading

There is no Government agency or other official or private body with an import monopoly.

Proportion of Imports covered by each Import Procedure

Breakdown of Imports according to the Import Control Categories

(Thousands of US$)

<table>
<thead>
<tr>
<th>Category</th>
<th>1956</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category I</td>
<td>179,245</td>
<td>204,947</td>
</tr>
<tr>
<td>Category II</td>
<td>20,649</td>
<td>13,805</td>
</tr>
<tr>
<td>Category III</td>
<td>5,899</td>
<td>7,690</td>
</tr>
<tr>
<td>Total Imports</td>
<td>205,793</td>
<td>226,442</td>
</tr>
</tbody>
</table>