Committee on Import Licensing

MINUTES OF THE MEETING HELD ON
6 APRIL 1981

Chairman: Mr. R. Trioli

1. The Committee on Import Licensing held its fourth meeting on 6 April 1981.

2. The agenda for the meeting was as follows:

   2.1 Procedures for accession of non-contracting parties       1

   2.2 Information available on import licensing procedures and the establishment of a factual base for the biennial review under Article 5.5       2

   2.3 Agenda and date of next meeting       4

3. The Chairman, on taking the chair after the first year of operation of the Agreement, stressed the importance of the Committee's work. Licensing systems had been in force for many years and the danger was that they could be used as a sophisticated means of protectionism. The basic work of organizing the collection of information was therefore to be continued, so as to give countries the opportunity to be more familiar with various systems, but the Committee would also have to deal with concrete problems and specific issues as they arise.

4. The Chairman welcomed, on behalf of the Committee, the Philippines which had recently signed the Agreement. The representative of the Philippines said that his authorities had some problems relating to acceptance: he would inform the Committee at its next meeting.

I. Procedures for Accession of Non-Contracting Parties

5. The Chairman recalled that, at its last meeting, the Committee had deferred a decision on procedures for accession of non-contracting parties (see LIC/M/3 paragraphs 7 and 8 and Annex). After informal consultations, he felt there was no great sense of urgency among the
members of the Committee on this matter. Furthermore, no non-contracting party had expressed the wish to accede to the Agreement for the time being. He therefore suggested that the Committee postpone consideration of the matter until its next meeting. It was so agreed.

II. Information available on Import Licensing Procedures and the Establishment of a Factual Base for the Biennial Review under Article 5.5

6. The Chairman suggested that the Committee first review the information at present available on import licensing procedures. He drew attention to document L/5106 which provided a checklist of documents containing the most recent information on licensing procedures received in response to the GATT Questionnaire. Since the date of issue of this document, Finland, Canada and the United States had also supplied updated responses to the Questionnaire. He recalled that the notifications made to the Committee on implementation and administration of the Agreement were reproduced in document LIC/1 and Addenda 1 - 18. The names of publications containing information on licensing procedures of individual signatories and the copies of national publications received by the secretariat were listed in LIC/3 and Addendum 1. Information on the way in which public notice was given to the supplying countries in accordance with Article 3(d) was included in document LIC/4. Additional information received by the secretariat would be circulated in addenda to or revisions of documents LIC/1, LIC/3 and LIC/4, respectively. He then invited the Committee to comment on the adequacy of this information basis for present purposes and specifically, invited delegations to indicate whether they wished to give or ask for further information at this stage.

7. The representative of Japan informed the Committee that Foreign Exchange and Foreign Trade Control Law had been revised and been imposed since 1 December 1980. The revised Import Trade Control Order and Import Trade Control Regulation had also been imposed at the same time. These revisions brought the Japanese licensing system more in line with the objectives of the Agreement.

8. The representative of Yugoslavia, recalling that his government had signed the Agreement subject to ratification, said that the ratification procedures would be completed in the near future. His delegation would soon supply a revised and updated response to the GATT Questionnaire on licensing procedures.

9. The representative of Argentina stated that Argentina was applying the Agreement on a de facto basis pending ratification.

10. The representative of Czechoslovakia stated that his delegation would soon supply a revised and consolidated response to the GATT Questionnaire on licensing procedures. They would also provide information under the requirements of the Agreement relating to publications and public notice.
11. The representative of Hungary stated that his delegation would endeavour to supply an English summary of the relevant legislation that they had submitted in Hungarian to the secretariat.

12. The representative of the United Kingdom speaking on behalf of Hong Kong stated that Hong Kong would not be making any notification under Article 3(d) since quotas were not allocated among supplier countries.

13. The representative of the United States informed the Committee of their assessment of the information currently available and of particular items on which they would be searching for further information before the review in the autumn. He noted that in a number of cases the particular question of notification of measures taken to implement and administer the Agreement had not yet been answered. He also noted that, in some instances, no information had been provided to the Committee other than that contained in replies to the GATT Questionnaire on licensing. In one instance, the information contained in documents so far available was insufficient for determining whether the signatory concerned adhered to the obligations of the Agreement. In response to an enquiry made by the representative of the European Economic Community, the representative of the United States stated that the information on implementation of the Agreement by the United States was contained in document LIC/1/Add.1. He said that his delegation had provided the secretariat with a considerable volume of information pertaining to import licensing but noted that there appeared to be no need for specific legislation to implement the licensing code.

14. The representative of the European Economic Community recalled that, in the previous meeting, they had asked for clarification of the Japanese legislation and in particular of the expression "in principle" used in connexion with the public notice of quotas (LIC/M/3, paragraph 21). The representative of Japan stated that the regulation in question had been in effect before the Agreement on Import Licensing entered into force. The expression "in principle" meant that there still remained a few exceptional items for which the total amount of quotas was not open to the public, due to some internal difficulties that the industries concerned were confronted with.

15. The representative of the United Kingdom speaking on behalf of Hong Kong requested a further definition of the term "a few items" and asked if the Japanese delegation could provide an indication of the sort of products which were still subject to the "in principle" procedure.

16. The Committee took note of the statements made by delegations. It agreed that delegations should supply information as called for in the Agreement and reply to questions addressed to them during the meeting by 5 June 1981. The Committee also requested delegations which had not yet done so to respond to the GATT Questionnaire on licensing procedures as soon as possible.

17. Turning to the establishment of a factual base for the biennial review under Article 5.5, which the Committee had agreed to conduct
shortly before the next session of the CONTRACTING PARTIES, the Chairman drew attention to document LIC/W/12 which contained a list of references to the information available for the review. He underlined that the first review would be to some extent experimental in nature.

18. The representative of the secretariat introduced document LIC/W/12 and said that the first draft of the basic paper was organized in terms of the main points to which the Committee had agreed to devote particular attention in the first biennial review (LIC/M/3, paragraph 22).

19. After a short discussion, the Committee approved the approach as set out in document LIC/W/12.

20. Following an exchange of views among several delegations as to whether to proceed with the Review on a country-by-country or an item-by-item basis, the Chairman concluded that differences between the two approaches were not very great. He therefore proposed that the two methods be combined by going through each heading in document LIC/W/12 on a country-by-country basis. It was so agreed.

21. Summarizing the way to be followed in preparing for the review, the Chairman proposed the following steps:

   (1) Individual signatories check the parts of document LIC/W/12 which related to their licensing procedures and submit any corrections or additions which they wish to see made, to the secretariat by 5 June 1981.

   (2) The secretariat would issue a revision of LIC/W/12 by about 15 June 1981. This document would reflect the situation as seen by delegations maintaining the licensing procedures.

   (3) Any questions relevant to the review which delegations wished to address concerning these procedures should be submitted to the secretariat by 1 October 1981 at the latest. The secretariat would circulate the questions informally to all signatories at that time.

   The Committee agreed to these proposals.

III. Agenda and date of the next meeting

22. The Committee decided to hold its next meeting on 9-11 November 1981. The agenda for this meeting, which would be drawn up by the Chairman in accordance with normal procedures, would include:

   (1) Procedures for Accession of Non-Contracting Parties,
   (2) Information available on Import Licensing Procedures, and
   (3) First biennial review.

   It was understood that the Committee might hold an earlier meeting if necessary.