GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations
Group "Non-Tariff Measures"
Sub-Group "Quantitative Restrictions"

MEETING OF MARCH 1977

Summing-up by the Acting Chairman

1. The Sub-Group met on 7-10 March 1977. The sessions on 7 and 8 March 1977 were held at technical level.

2. It was agreed that the secretariat should act as Chairman for the present meeting.

3. The Sub-Group invited the Secretary-General of UNCTAD, or his representative, to attend the session of the Sub-Group as an observer.

4. The Sub-Group noted the communications received from chairmen of other Groups or Sub-Groups (MTN/NTM/W/87).

A. QUANTITATIVE RESTRICTIONS

5. The Sub-Group continued its discussion on the possibility of formulating additional procedures for bilateral and/or plurilateral negotiations on quantitative restrictions, and the possibility of working out a general formula or formulae of automatic application. In this context the Sub-Group had before it proposals and statements by delegations that had been circulated previously in MTN/NTM/W/6, MTN/NTM/W/29, MTN/NTM/W/66 and MTN/NTM/W/67. In the discussion, some further clarification was provided with respect to existing proposals and suggestions, and certain additional suggestions were made. A number of delegations expressed views with regard, inter alia, to the bilateral and multilateral aspects of the proposed procedures for negotiations on quantitative restrictions, the relevance of the legal status of existing quantitative restrictions under the GATT, the product coverage of the proposed procedures, the treatment of discriminatory restrictions and/or restrictions inconsistent with Article XIII, the question of export restrictions, the proposal for a standstill and the relationship between further progress in this area and other areas of the multilateral trade negotiations.
6. In this connexion the Sub-Group also continued the discussion of proposals and suggestions with respect to differential treatment including special procedures in favour of developing countries. Reference was made to proposals and statements that had been circulated previously in COM.TD/W/188, COM.TD/W/198, MTN/3B/15, MTN/3B/18 (Annex) and MTN/NTM/W/29. It was suggested by some delegations that agreement on special procedures for negotiations between developed and developing countries on quantitative restrictions and differential treatment should be reached not later than the agreement on general procedures.

7. The Sub-Group agreed to revert to the above matters at its next meeting.

8. The Sub-Group agreed to revert as appropriate at a subsequent meeting to the question of a review of the GATT provisions relating to the use of quantitative restrictions, including from the point of view of the interests of developing countries.

9. The Sub-Group heard a number of oral reports by delegations on the consultations in which they had participated as exporting or importing countries under the procedure adopted at the April 1975 meeting of the Sub-Group (MTN/NTM/2, paragraph 6(i)-(iii)). Reference was also made to summary notes that had been submitted by a number of delegations (MTN/NTM/W/40 and Addenda 1-14), and an updated note by the secretariat summarizing the status of the consultations on quantitative restrictions. A number of delegations, while regretting the slow progress, stated that the consultations had been useful. Some of them indicated their intention to conduct further consultations. A suggestion was made that in order that the consultations might fully serve their purpose, progress should be made in working out multilateral procedures for negotiations. A suggestion was also made that a time-limit should be set for the termination of the bilateral phase of the consultation procedures and that the Sub-Group should proceed with the elaboration of a multilateral solution for existing quantitative restrictions. It was agreed that the consultation process should be continued at the present time and that delegations should endeavour to send to the secretariat summary notes with respect to the consultations in which they had participated.

B. IMPORT LICENSING PROCEDURES

10. The Sub-Group heard a report by the secretariat concerning the discussions at technical level that had been held on 7-8 March 1977 pursuant to the decision by the Group "Non-Tariff Measures" at its January 1977 meeting, with a view to working out an improved text on import licensing procedures for further negotiations in the Sub-Group. It was noted that the discussions at technical level had been useful and that many points had been clarified and further drafting suggestions made. 

1During the discussions at technical level one delegation submitted a written proposal on licensing to administer import restrictions (MTN/NTM/W/88).
although no conclusions or agreement had been reached on any of the points under consideration. A number of the issues raised, inter alia, in the discussions at technical level are indicated in the Annex.

11. The Sub-Group requested the secretariat to revise and up-date document MTN/NTM/W/73 for the next meeting of the Sub-Group, taking account of the oral and written comments and suggestions that had been made in the discussions at technical level as well as any further comments and suggestions which delegations might submit by 30 April 1977.

12. The Sub-Group agreed that the secretariat, drawing on available GATT documentation, should examine, in consultation with delegations, the feasibility of preparing an informational note that described by way of example and explanation, the types of import licensing systems that would be covered by the two draft texts, and endeavour to submit such a note before the next meeting of the Sub-Group. The secretariat would report back to the Sub-Group at its next meeting if any problems were encountered in preparing this note.

13. The Sub-Group agreed that the Group "Non-Tariff Measures" should decide on the question of a further meeting of the Sub-Group at technical level.

DATE FOR THE NEXT MEETING

14. The Sub-Group agreed that it should meet before the end of June, the precise date to be determined by the Group "Non-Tariff Measures" at its forthcoming meeting.
In the Sub-Group's discussion at technical level on 7-8 March 1977 the following points were, inter alia, raised which relate to both the draft texts on Automatic Import Licensing and on Licensing to Administer Import Restrictions:

- Should the codes be self-contained legal instruments without any reference to the General Agreement or, if this were not the case, what should the relationship of non-contracting parties to the GATT be with regard to the codes.

- Is differential and more favourable treatment for developing countries feasible and appropriate in the area of import licensing procedures and what contributions could these countries make in this area of the MTN.

- Should import licensing systems be permitted to discriminate between sources of imports.

- Should these systems be applicable to the importation of all products.

Among the problems relating only to Automatic Import Licensing were the following:

- Should the notion of automatic licensing be clearly defined and should the scope and the purpose of the draft text be further clarified.

- Do automatic licensing systems serve a legitimate purpose or should these systems be phased out by a certain date.

- To what extent are safeguard aspects involved in automatic licensing systems.

- Should the question of automatic export licensing be included in the work of the Sub-Group.

On Licensing to Administer Import Restrictions, the following issues were raised inter alia:

- Should the title and text of the draft refer to import licensing procedures applied for purposes other than to administer import restrictions (e.g. for economic development purposes).

- Should discretionary licensing systems be included.

- Should the text be applicable to legal and illegal restrictions.

- How can a distinction be made between the import restrictions themselves and the licensing procedures used to administer them.