LICENSING PROCEDURES

Communication by the Delegation of India

The following communication dated 31 May 1977 has been received from the delegation of India.

India considers it desirable to evolve an international standardized set of guidelines on import licensing procedures, designed to ensure that licensing systems as such are not used to restrict imports or become further barriers to trade and are administered in a fair manner.

On behalf of India the following comments are offered on the draft texts on import licensing procedures prepared by Working Group 4 of the Committee on Trade in Industrial Products – Annex I: Automatic Import Licensing and Annex II: Licensing to Administer Import Restrictions which are under consideration of the Sub-Group "Quantitative Restrictions".

Annex I: Automatic Import Licensing

Paragraph 2 of the CTIP text

India is of the view that automatic licensing should not be used to restrict import or administered in a manner so as to have any trade restricting effects. It would recommend that Alternative I of the CTIP text may be accepted with the addition "In exceptional cases where automatic licensing is introduced, it shall not be administered in a manner so as to have trade restricting effect."

Paragraph 3 of the CTIP text

The text should clarify that the publication of the rules would be in a manner so as to make the intention and procedures clear to the trade and that the rules can be amended as necessary.
Paragraph 4 of the CTIP text

The square brackets may be deleted.

Paragraph 10 of the CTIP text

India is of the view that in case of developing countries specially with a federal structure with spread out administrative centres, and not having the use of modern communication and other systems available, it would not be possible to stipulate a fixed number of days like five working days suggested in the CTIP text for grant of licence. This would be a suitable area for a differential procedure. The developing countries should grant such licences "as soon as possible without undue delay".

Annex II: Licensing to Administer Import Restrictions

Paragraph 1 of the CTIP text

India is of the view that this is an area where there is full justification for differential treatment in favour of developing countries both to enable the developed countries to accord preferential treatment to developing countries, as well as in recognition of the fact that developing countries may have to keep in view their developmental and financial needs in administering the system.

Paragraph 4 of the CTIP text

India can agree to the CTIP text, provided the condition is added that "the developing countries would not be expected to take additional administrative or financial burden on this account".

Paragraph 6 of the CTIP text

India considers the words "to the extent possible" redundant.

Paragraph 13 of the CTIP text

India prefers the alternative text suggested by Mexico.

Paragraph 14 of the CTIP text

This is an area where there is a case for differential treatment in favour of developing countries where such countries would want to keep socio-economical objectives in view in allocating the quotas.
Paragraph 15 of the CTIP text

This paragraph is of great importance as it has a bearing on the question of differential treatment in favour of developing country exports. Licences should be administered in such a manner as to:

(a) ensure access for developing country exports; and

(b) free flow of goods from developing countries without disrupting their trade.

Paragraph 16 of the CTIP text

India agrees with the addition suggested by Mexico to the CTIP text.

Paragraphs 18 and 19 of the CTIP text

The underlying idea behind the incorporation of these paragraphs is (a) where there are already quotas fixed for certain items the imports should not be made difficult by introducing unnecessary customs procedures as far as possible, and (b) the control should vest with exporting countries where bilateral quotas are agreed to. India's experience shows that where bilateral quotas (as against global quota) are agreed control of export can ensure better utilization of quotas.

One of the participating countries has suggested that when full plant and equipment have been imported, priority should be given to import of spare parts. Such matters would be outside the scope of any guidelines. It is for importing countries to determine such priorities.