COMMUNICATION FROM THE EUROPEAN COMMUNITIES

The attached communication has been received from the delegation of the European Communities with the request that it be circulated to the members of the Group.

1. At the meeting of the Negotiating Group on Non-Tariff Measures on 25 February 1988, it was agreed that the participants would inform the GATT secretariat of the non-tariff measures which they would like to see discussed in the Negotiating Group. This statement by the European Community meets that purpose. The Community reserves the right to present new proposals and further details at a later stage of the negotiations. As agreed, the non-tariff measures covered by this statement are presented without prejudice to any action taken in pursuit of the commitment on rollback.

2. In listing the non-tariff measures affecting Community products, the Community noted that they continued to be on a worrying scale and had a considerable effect on the transparency and security of international trade. As a result, the Community reaffirms the vital importance of the elimination - or substantial reduction - by the contracting parties of existing non-tariff measures, as provided for in the Ministerial Declaration adopted at Punta del Este.

I. Scope

(a) Measures considered by the Group

In its statement of 17 November 1987, the Community has already indicated the type of measures which it wished to see discussed in the Group. At the present stage of negotiations, the Community considers that the Group would have the best chance of making progress if it concentrated its attention on non-tariff and para-tariff measures not covered in the programmes of the other negotiating groups, including measures applied by countries not signatory to the codes which resulted from the previous multilateral trade negotiations.

\[^{1}MTN.GNG/NG2/W/9\]
In the Negotiating Group on Natural Resources, however, discussions are still in progress concerning the products to be dealt with. The Community reserves the right, where appropriate, to come back to problems concerning the products under discussion in this Group.

(b) Participating countries involved

All participants should contribute to the process of eliminating non-tariff measures. However, in accordance with the commitments made under GATT, confirmed by the Conference at Punta del Este and repeated in the proposal by the Chairman which was adopted by the Group on 25 February 1988, the Community does not expect developing countries to make contributions to the trade negotiations which are incompatible with their own development, financial and trade needs. Over the last few years, however, some participant countries have steadily increased their share of world trade without taking their proper share of overall rights and responsibilities under the General Agreement. The Community expects that in the current negotiations these countries will make a substantial contribution to the liberalization of non-tariff measures.

In addition, the Community notes that excessive use is being made of the opportunities provided by the balance-of-payments provisions of the General Agreement. Greater discipline should be introduced in this area when the relevant articles of the GATT are examined.

II. Definition of approaches

In February 1988 the Group adopted three types of approach:

(i) a multilateral approach;
(ii) a systematic or formal approach;
(iii) a request-and-offer approach.

A. Multilateral approach

The Community selected the following subjects:

(a) Signature of existing codes

A number of contracting parties have not yet signed one or more of the codes negotiated during the Tokyo Round. The Community considers that this situation is harmful to the smooth operation of the system set up under GATT, particularly in the case of codes as vital as those relating to licensing and customs valuation. It considers that a large number of non-tariff measures encountered by Community trade when goods are imported into countries which have not signed could be eliminated if they did sign. These codes also provide a way of resolving potential conflicts through disputes settlement procedures, to which the Community reiterates its attachment. If more countries signed, the operation of GATT would be strengthened.
(b) Preshipment inspection programmes implemented by the governments or other public bodies of certain contracting parties

The Community has already expressed its concern at these programmes, certain aspects of which may constitute an obstacle to the smooth functioning of international trade.

It will shortly submit an initial statement on this issue.

(c) Customs and consular formalities

The Community has noted that several exporters have complained of excessive import formalities in connection with customs or consular procedures or as regards the issue of documents.

Greater transparency should be introduced.

At this point it would like the secretariat to carry out a study on the use of this kind of measure.

In this connection the Community would stress the need for all contracting parties to implement the Harmonized System as soon as possible.

(d) Fees, dues and other import charges

Many contracting parties apply fees, dues and other charges on imports, often on a cumulative basis. Such charges seem in excess of what the contracting parties have agreed in the appropriate fora.

There should be greater transparency here, too.

At this point the Community would also like the secretariat to carry out a study on the use of this type of measure.

B. Systematic formula approach

In its statement to the Group dated 17 November 1987, the Community explained why it would not be realistic to try to set up a fixed procedure for trade negotiations in the non-tariff measures sector.

Its position has not changed.

C. Request-and-offer procedure in respect of specific measures

(a) In analysing non-tariff measures the Community noted that for a number of partner countries a tariff heading approach could not be envisaged, as it would seem that in very many cases the measures applied by these partners cover a large number of products. A tariff heading approach would make the negotiations particularly complicated. The Community does not feel, therefore, that such a technique would be helpful to the negotiations.
Consequently, the Community feels that it would be better to look for a solution by eliminating or reducing these types of measure.

(b) In other cases the traditional request-and-offer procedure (as set out in the negotiating plan) may be applied without special difficulties. The Community therefore presents its requests.
ARGENTINA

1. Unsigned Codes
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Government Procurement

2. Measures to be discussed

   - Priority for local producers
   - Customs formalities
   - Import embargo
   - Various import taxes
   - Discriminatory credit restrictions: (opening of letters of credit)

   Classification

<table>
<thead>
<tr>
<th>Measure</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority for local producers</td>
<td>1 D</td>
</tr>
<tr>
<td>Customs formalities</td>
<td>2 G</td>
</tr>
<tr>
<td>Import embargo</td>
<td>4 B</td>
</tr>
<tr>
<td>Various import taxes</td>
<td>5 B</td>
</tr>
<tr>
<td>Discriminatory credit restrictions:</td>
<td>5 D</td>
</tr>
<tr>
<td>(opening of letters of credit)</td>
<td></td>
</tr>
</tbody>
</table>
AUSTRALIA

1. Unsigned Codes
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement

2. Measures to be discussed

   - Government Procurement:
     - countertrade programme - computers
     - surcharges - tableware
   - Various technical regulations and standards, including requirements concerning testing, certification, labelling and packaging:
     - textile products, paints, wood, glass, beer, chemicals, ...
   - Tariff quotas: footwear, textiles, automobiles, ...
   - Import penalties in the absence of proof of the non-existence of local production
   - Various import taxes
   - Introduction of emergency action

Classification

1 B

3 A,B,C

4 K

4 I

5 B

5 B

5 F

\footnote{Without prejudice to notification of this measure to the Negotiating Group on Agriculture}
1. **Unsigned Codes**

- Agreement on Government Procurement
- Agreement on Import Licensing Procedures

2. **Measures to be discussed**

- Priority for local producers
- Customs formalities
- Quantitative restrictions and import licensing (numerous products)
- Import embargoes (numerous products)
- Exchange control procedures
- Double pricing system and regulation of domestic prices (various products)
- Countertrade
- Various import taxes
- Discriminatory credit restrictions

**Classification**

<table>
<thead>
<tr>
<th>Measure</th>
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</tr>
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<tbody>
<tr>
<td>Priority for local producers</td>
<td>1 D</td>
</tr>
<tr>
<td>Customs formalities</td>
<td>2 G</td>
</tr>
<tr>
<td>Quantitative restrictions and import licensing (numerous products)</td>
<td>4 A</td>
</tr>
<tr>
<td>Import embargoes (numerous products)</td>
<td>4 B</td>
</tr>
<tr>
<td>Exchange control procedures</td>
<td>4 D</td>
</tr>
<tr>
<td>Double pricing system and regulation of domestic prices (various products)</td>
<td>4 H</td>
</tr>
<tr>
<td>Countertrade</td>
<td>4 L</td>
</tr>
<tr>
<td>Various import taxes</td>
<td>5 B</td>
</tr>
<tr>
<td>Discriminatory credit restrictions</td>
<td>5 D</td>
</tr>
</tbody>
</table>
1. **Unsigned Codes**

2. **Measures to be discussed**

   - Consular and customs formalities: glass, paints
     
   - Quantitative import restrictions: footwear
     
   - Advertising prohibited for imports: beer

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\[1\] Without prejudice to notification of this measure to the Negotiating Group on Agriculture
1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 E</td>
<td>Imports reserved to local producers</td>
</tr>
<tr>
<td>4 B</td>
<td>Import embargoes (some products)</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
<tr>
<td>5 C</td>
<td>Special tax on imported spirits(^1)</td>
</tr>
<tr>
<td>5 E</td>
<td>Minimum import prices (various products)</td>
</tr>
</tbody>
</table>

\(^1\)Without prejudice to notification of this measure to the Negotiating Group on Agriculture
COLOMBIA

1. **Unsigned Codes**
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Import Licensing Procedures
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
</tr>
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<tbody>
<tr>
<td>Imports reserved to local producers</td>
</tr>
<tr>
<td>Customs formalities</td>
</tr>
<tr>
<td>Licensing</td>
</tr>
<tr>
<td>Quantitative import restrictions (various products)</td>
</tr>
<tr>
<td>Exchange control procedures</td>
</tr>
<tr>
<td>Various import taxes</td>
</tr>
<tr>
<td>Discriminatory credit restrictions</td>
</tr>
</tbody>
</table>
1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Import Licensing Procedures

2. **Measures to be discussed**

   - "Recommendation" system for certain imports
     - Classification: 1 C, 4 A
   - Approved-middleman system for import authorizations
     - Classification: 1 C, 4 A
   - Intercession of "offer agents" to confirm sales
     - Classification: 1 C, 1 D
   - Surveillance system
     - Classification: 4 A
   - Import embargoes (various products)
     - Classification: 4 B
   - Exchange control procedures
     - Classification: 4 D
   - Procedures for granting import licences
     - Classification: 4 G
   - Measures to regulate domestic prices
     - Classification: 4 H
   - Prior import deposits
     - Classification: 5 A
   - Various import taxes
     - Classification: 5 B
   - Discriminatory taxes (e.g. alcoholic beverages)\(^1\)
     - Classification: 5 B
   - Discriminatory credit policy
     - Classification: 5 D

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\(^1\) Without prejudice to notification of this measure to the Negotiating Group on Agriculture
UNITED STATES

1. **Unsigned Codes**

2. **Measures to be discussed**

   - Documents required for import: various products
     Classification: 2 D
   - Special foreign-built vessels to be used in the territorial waters of the United States
     Classification: 4 B
   - Foreign-built vessels, including air-cushion vehicles, to be used in coastal shipping
     Classification: 4 B
   - Foreign-built fishing boats (of 5 tons or more) to be used by Americans in the territorial waters of the United States
     Classification: 4 B
   - Foreign-built vessels to be used in United States foreign trade
     Classification: 4 B
   - Foreign-built equipment to be used on United States vessels serving in United States foreign trade
     Classification: 4 B
1. **Unsigned Codes**

2. **Measures to be discussed**

   - Customs classification: glass fibre
   - Discriminatory import taxes in comparison with local products: spirituous beverages

<table>
<thead>
<tr>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 C</td>
</tr>
<tr>
<td>5 B</td>
</tr>
</tbody>
</table>

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1Without prejudice to notification of this measure to the Negotiating Group on Agriculture
1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)

2. **Measures to be discussed**

   - Government import monopolies  
     Classification: 1 D
   - Import quotas  
     Classification: 4 A
   - Bilateral arrangements  
     Classification: 4 E
   - Various import taxes  
     Classification: 5 B
1. **Unsigned Codes**
   - Agreement on Government Procurement

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measures to be discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 D</td>
<td>Government import monopolies</td>
</tr>
<tr>
<td>1 D</td>
<td>Compulsory transactions through the intermediary of local producers</td>
</tr>
<tr>
<td>2 D</td>
<td>Customs formalities</td>
</tr>
<tr>
<td>4 B</td>
<td>Import embargo: various products</td>
</tr>
<tr>
<td>4 D</td>
<td>Exchange control procedures</td>
</tr>
<tr>
<td>4 E</td>
<td>Discrimination resulting from bilateral agreements</td>
</tr>
<tr>
<td>4 F</td>
<td>Discriminatory sourcing</td>
</tr>
<tr>
<td>5 A</td>
<td>Compulsory import deposit</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
<tr>
<td>5 C</td>
<td>Discriminatory taxes</td>
</tr>
<tr>
<td>5 D</td>
<td>Discriminatory credit conditions</td>
</tr>
</tbody>
</table>
INDONESIA

1. **Unsigned Codes**
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)
   - Agreement on Import Licensing Procedures
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 B, 1 C</td>
<td>Government procurement</td>
</tr>
<tr>
<td>1 D</td>
<td>Import monopolies: numerous products</td>
</tr>
<tr>
<td>1 D</td>
<td>Compulsory involvement of a local agent for imports</td>
</tr>
<tr>
<td>2 G</td>
<td>Customs formalities</td>
</tr>
<tr>
<td>3 B, 3 C, 4 K</td>
<td>Technical regulations, testing, certification and labelling</td>
</tr>
<tr>
<td>4 A</td>
<td>Import authorization Licensing procedures</td>
</tr>
<tr>
<td>4 B</td>
<td>Import or export embargoes</td>
</tr>
<tr>
<td>4 D</td>
<td>Exchange control arrangements</td>
</tr>
<tr>
<td>5 A</td>
<td>Prior import deposit</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
<tr>
<td>5 C</td>
<td>Discriminatory taxes on sale of imported luxury products</td>
</tr>
</tbody>
</table>
JAPAN

1. Unsigned Codes

2. Measures to be discussed

   - Distribution system: most consumer products  
     Classification: 1 C
   - Customs formalities: leather and footwear imports  
     Classification: 2 G
   - De facto embargo: chlorine, benzine and derivatives: titanium  
     Classification: 4 B
   - Double-pricing practices  
     Classification: 4 H
   - Various taxes on imported goods: road tax on motor vehicles of a cylinder capacity exceeding 2,000 cc  
     Classification: 5 B
   - Credit restrictions on imports  
     Classification: 5 D
MALAYSIA

1. **Unsigned Codes**

   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)
   - Agreement on Import Licensing Procedures
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)

2. **Measures to be discussed**

   - Government procurement: demand for countertrade
     
     Classification: 1 B

   - Provisions concerning testing, certification, technical regulations and standards, and labelling
     
     Classification: 3 B, 3 C

   - Import- and export-licensing procedures
     
     Classification: 4 A

   - Measures to regulate domestic prices
     
     Classification: 4 H

   - Various import taxes
     
     Classification: 5 B

   - Discriminatory import taxes in comparison with local products
     
     Classification: 5 C
MEXICO

1. Unsigned Codes
   - Agreement on Interpretation and Application of Articles VI, XVI and
     XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Government Procurement

2. Measures to be discussed

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 D</td>
<td>Imports reserved for local producers</td>
</tr>
<tr>
<td>2 D</td>
<td>Consular formalities</td>
</tr>
<tr>
<td>4 B</td>
<td>Import embargo: various products</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
</tbody>
</table>
NEW ZEALAND

1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)

2. **Measures to be discussed**

   - Government procurement: countertrade programme - computers
     Classification: 1 B
   - Anti-dumping: calculation of countervailing duties
     Classification: 1 B
   - Import quotas: footwear
     Classification: 4 I
PAKISTAN

1. Unsigned Codes
   - Agreement on Government Procurement
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. Measures to be discussed

   - Government import monopolies
   - Quantitative restrictions
   - Import embargo
   - Discrimination resulting from bilateral agreements
   - Various import taxes
   - Compulsory letter of credit
   - Border tax adjustments

<table>
<thead>
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<tbody>
<tr>
<td>1 D</td>
</tr>
<tr>
<td>4 A</td>
</tr>
<tr>
<td>4 B</td>
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<tr>
<td>4 E</td>
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<tr>
<td>5 B</td>
</tr>
<tr>
<td>5 D</td>
</tr>
<tr>
<td>5 E</td>
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</tbody>
</table>
**PHILIPPINES**

1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measures to be discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 D</td>
<td>Consular and customs formalities: documentation</td>
</tr>
<tr>
<td>4 B</td>
<td>Import embargo and quantitative restrictions (various products)</td>
</tr>
<tr>
<td>5 B</td>
<td>System of prior approval for regulated goods</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
<tr>
<td>5 C</td>
<td>Discriminatory import taxes in comparison with local products</td>
</tr>
</tbody>
</table>
POLAND

1. Unsigned Codes
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. Measures to be discussed

   - Government import monopolies
     Classification: 1 D
   - Lack of detailed statistics
     Classification: 1 D
   - Exchange control procedures
     Classification: 4 D
   - Balanced bilateral quotas
     Classification: 4 E
   - Countertrade
     Classification: 4 L
1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)

2. **Measures to be discussed**

   - Government import monopolies
     - Classification: 1 D
   - Lack of detailed statistics
     - Classification: 1 D
   - General measures concerning imports from Western countries
     - Classification: 4 D
   - Exchange control procedures
     - Classification: 4 D
   - Bilateral arrangements
     - Classification: 4 E
   - Countertrade
     - Classification: 4 L
SINGAPORE

1. Unsigned Codes
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. Measures to be discussed

   Classification
CZECHOSLOVAKIA

1. **Unsigned Codes**
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)

2. **Measures to be discussed**

<table>
<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>1 D</td>
<td>Government import monopolies</td>
</tr>
<tr>
<td>1 D</td>
<td>Absence of detailed statistics</td>
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<td>4 D</td>
<td>Exchange control procedures</td>
</tr>
<tr>
<td>4 E</td>
<td>Bilateral arrangements</td>
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</tbody>
</table>
THAILAND

1. Unsigned Codes
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (anti-subsidy)
   - Agreement on Import Licensing Procedures
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. Measures to be discussed

   - Priority to local producers
   - Testing regulations, certification procedures and labelling
   - Licensing procedures and quantitative restrictions
   - Import embargo (various products)
   - Measures to regulate domestic prices
   - Prior import deposit
   - Various import taxes
   - Discriminatory taxes on similar products

   Classification
   
   - 1 D
   - 3 B, 3 C
   - 4 A
   - 4 B
   - 4 H
   - 5 A
   - 5 B
   - 5 B
URUGUAY

1. **Unsigned Codes**
   - Agreement on Technical Barriers to Trade
   - Agreement on Government Procurement
   - Agreement on Import Licensing Procedures
   - Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping)
   - Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (customs valuation)

2. **Measures to be discussed**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 B</td>
<td>Arbitrary method of customs valuation</td>
</tr>
<tr>
<td>2 D</td>
<td>Consular formalities: legalization of documents</td>
</tr>
<tr>
<td>5 B</td>
<td>Various import taxes</td>
</tr>
<tr>
<td>5 C</td>
<td>Discriminatory excise: impuesto especifico interno* - alcoholic beverages</td>
</tr>
</tbody>
</table>

1 Without prejudice to notification of this measure to the Negotiating Group on Agriculture