

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

NTM/W/15

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## Group on Quantitative Restrictions and Other Non-Tariff Measures

### FURTHER WORK

#### Note by the Secretariat

1. The 1984 and 1985 Reports of the Group on Quantitative Restrictions and Other Non-Tariff Measures (L/5713 and L/5888 respectively) included a number of recommendations which were adopted by the CONTRACTING PARTIES at their 40th and 41st Sessions, respectively (BISD 31S/12 and L/5929). At the 41st Session the CONTRACTING PARTIES also

"instructed the Group on Quantitative Restrictions and Other Non-Tariff Measures to oversee the implementation of the Ministerial Mandate and the recommendations of the Group, to keep the Council informed of progress made and to present a report containing its findings and conclusions to the CONTRACTING PARTIES at their 1986 Session.

"The Chairman of the CONTRACTING PARTIES added for the record his understanding that the recommendations of the Group foresee the presentation of proposals by contracting parties directed towards the implementation of the Ministerial Mandate and that the CONTRACTING PARTIES' action would give the Council an opportunity to consider the situation and to take any appropriate decisions."

This note summarizes the further work which these recommendations and action entail. It is circulated for consideration at the next meeting of this Group.

2. It has been agreed that, in all aspects of future work, priority attention should be given to the need for action on products of particular export interest to developing countries. The list of products of export interest to developing countries (NTM/W/4/Rev.3) should remain open to amendments in the context of changing conditions in developing countries (L/5713, paragraphs 44(c) and (j) and 65(h)).

#### Action by contracting parties

##### (a) Notification

3. Contracting parties should notify details of changes in the quantitative restrictions that they maintain as and when these changes occur and make a complete notification of their quantitative restrictions by the end of April 1986 and at two yearly intervals thereafter. The format for the notifications is at Annex 1. The symbols contained in Annex 2 should be used for future notifications to the Group and other relevant GATT bodies (L/5713, paragraph 44(a), and L/5888, paragraphs 7 and 8).

4. Existing notification procedures for updating the Inventory of Non-Tariff Measures (Industrial Products), as adopted by the CONTRACTING PARTIES in November 1979, should continue. The agreed format (at Annex 3) should be strictly adhered to in respect of future notifications. Both the governments which have made notifications and governments maintaining the measures should be invited to provide comments designed to ensure that, where appropriate, notifications are deleted or suitably modified or supplemented (BISD 27S/18; L/5713, paragraph 65(a); L/5888, paragraphs 9 and 10).

(b) Written Proposals

5. Contracting parties should make specific written proposals by the end of April 1986 directed towards achieving progress in the elimination of quantitative restrictions which are not in conformity with the General Agreement or their being brought into conformity with the General Agreement and in liberalizing other quantitative restrictions and non-tariff measures (L/5888, paragraph 49).

(c) GATT Procedures

6. Contracting parties which have invoked GATT provisions to justify quantitative restrictions which they maintain are invited to follow the relevant GATT procedures if they do not already do so (L/5713, paragraph 44(f)).

Action by the secretariat

7. Where requested, the secretariat should assist delegations of contracting parties to prepare their notifications of quantitative restrictions, drawing, if necessary, upon information available in official published sources (L/5713, paragraph 44(a) and 65(a); L/5888, paragraph 48).

8. Following the receipt of notifications, the secretariat should update and reissue the basic data on quantitative restrictions contained in the NTM/W/6/- series. The Inventory of NTM should be updated on a continuous basis (L/5713, paragraph 44(a) and 65(a); L/5888, paragraph 48).

9. The secretariat should, as agreed, prepare analyses of the basic data, including tables which give a clearer overall picture on a country-by-country basis. The document should analyse quantitative restrictions in sectors of particular export interest to developing countries, certain additional sectors also being included, taking into account Annex 2 of NTM/W/9. The secretariat should also prepare analyses designed to assist the identification of other non-tariff measures of particular interest to developing countries (L/5713 paragraphs 44(d) and 65(c); NTM/14, paragraph 11; L/5888, paragraphs 11 and 48).

Multilateral Reviews

10. Periodic multilateral reviews should be held of:

- (i) the accuracy and adequacy of the documentation;
- (ii) grounds on which measures are maintained and their conformity with the General Agreement.

The first of these reviews should be held in October 1986 and further reviews at two-yearly intervals thereafter (L/5713, paragraphs 44(e) and 65(e); L/5888, paragraph 12).

11. A multilateral review should also be held in October 1986 with a view to achieving progress in the elimination of quantitative restrictions which are not in conformity with the General Agreement or their being brought into conformity with the General Agreement and in liberalizing other quantitative restrictions and non-tariff measures. A decision regarding further reviews directed towards this aim should be taken at that time in the light of experience gained from the exercise (L/5888, paragraph 47).

12. Consideration should be given to drawing up bilateral request and offer procedures, subject to multilateral surveillance, that could be used to eliminate or liberalize non-tariff measures (L/5888, paragraph 52).

13. The Inventory of Non-Tariff Measures should be examined with a view to identifying areas that might warrant multilateral action and, if so, what action might be taken (L/5888, paragraph 52).

#### Reports by the Group

14. A progress report to the Council should be made as deemed appropriate.

15. A report containing the Group's findings and conclusions should be made to the CONTRACTING PARTIES 42nd Session scheduled for the week of 24 November 1986.

ANNEX 1

Quantitative Restrictions Notifications

Notifications of quantitative restrictions should contain:.

- (i) a full description of the products and tariff lines (or parts of tariff lines) affected together with the relevant heading or sub-heading in the customs tariff concerned and, in cases in which this is not based on the Customs Cooperation Council Nomenclature, the corresponding CCCN heading (L/5713, paragraph 44(a));
- (ii) a precise indication of the type of restriction using the symbols in Annex 2 (L/5713, paragraph 44(a), and L/5888, paragraph 7);
- (iii) an indication of the grounds and GATT justification for the measures maintained, including the precise provisions which they cite as a justification (e.g. the relevant section of Article XVIII or sub-paragraph of Article XX or XXI) (L/5713, paragraph 44(a));
- (iv) an assessment, to the extent possible, of the trade effects of the measures and any progress made towards the objectives laid down by Ministers (L/5888, paragraph 8).

ANNEX 2

Symbols for Use in Documentation on Quantitative Restrictions

P	Prohibition
CP	Prohibition except under defined conditions
GQ	Global quota
GQC	Global quota allocated by country
BQ	Bilateral quota (i.e. anything less than a global quota)
AL	Automatic licensing
NAL	Non-automatic licensing
STR	Quantitative restriction made effective through state-trading operations
MXR	Mixing regulation
MPR	Minimum price, triggering a quantitative restriction
VER	"Voluntary" export restraint
-S	Seasonal restriction
-X	Export restriction

(L/5888, Annex)

ANNEX 3

Non-Tariff Measures Notifications

The procedures for updating the Inventory of Non-Tariff Measures laid down by the CONTRACTING PARTIES provide that notifications should contain:

- (i) an indication of the precise nature of the measure;
  - (ii) where applicable, a full description of the products affected, including the corresponding CCCN heading;
  - (iii) a statement on the effects of the measure;
  - (iv) a reference to relevant GATT provisions.
- (BISD 27S/18; L/5713, paragraphs 65(a) and (b); L/5888, paragraph 9)