

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade in Agriculture

MINUTES OF THE MEETING HELD ON 5 MARCH 1984¹
EXAMINATION OF THE NOTIFICATION OF THAILAND

¹ These minutes only cover the discussions on the notification of Thailand in accordance with the procedure agreed for subsequent country examinations (AG/3 paragraph 2).

Thailand (AG/FOR/THA/1)

1. The representative of Thailand expressed his appreciation for the invaluable assistance given by the secretariat in the preparation of his country's documentation. In the meanwhile, he had received some additional information concerning sanitary and phyto-sanitary regulations and quality control standards, which he wished the secretariat to incorporate in a revised document. He, however, drew attention to a discrepancy in the description of CCCN item 07.06 in paragraph 3 on page 2 of document AG/FOR/W/THA/1, which should have covered only "manioc" and not "sweet potatoes, sago".

2. He then referred to the vital role of agriculture in Thailand's economy, in which 75 per cent of the people depended on agriculture and agro-based industries for employment and 55-60 per cent of the total export earnings derived from exports of agricultural commodities.

3. His country followed a liberal trade policy based on the principle of most-favoured-nation treatment. Restrictions on imports and exports were applied only to a few products and affected a small proportion of exports from other countries.

4. On the export side, licensing was used mainly to prevent domestic shortages of certain foodstuffs such as rice and maize, under the GATT Article XI:2(a), and to conserve exhaustible natural resources like live animals and animal products, under Article XX(g). While export quotas existed for coffee and sugar under the International Coffee and Sugar Agreements, minimum export prices were used for crustaceans and molluscs and canned pineapples, for the purpose of securing compliance with laws and regulations in relation to customs enforcement and to prevent deceptive trade practices.

5. On the import side, sanitary and phyto-sanitary regulations were applied to a number of agricultural imports with a view to protecting human, animal or plant life or health under Article XX(b). These measures, however, had no restrictive effects on imports. Similarly, import licensing was used for a number of other reasons. Under Article XVIII(c) imports of certain agro-based products like vegetable oils, sugar syrups, confectionery, pastries and biscuits and fruit juices were subject to licensing to help promote the establishment of domestic industries. Import licensing was used for certain other food products such as rice, maize and sorghum to maintain standards for international trade in the respective commodities. For the purpose of customs enforcement, imports of beverages and spirits (CCCN headings 22.03-22.09) were subject to a system of automatic licensing. Finally, the imports of certain fruits were subject to inspection by the quarantine authorities at various ports of entry on health grounds.

6. He finally concluded that only a few restrictions were maintained on the trade of agricultural products and this was in keeping with the development, financial and trade needs of his country.

7. The representative of New Zealand acknowledged that Thailand had provided useful information on measures affecting trade in agriculture. In his view, however, some details were lacking which warranted an explanation. From time to time the Thai customs authorities applied tariffs on certain shipments of goods, not with reference to the actual values set out in the invoice but the values arbitrarily established in cases of doubt, which could possibly lead to higher tariffs. Indeed, it was difficult to enter this practice in the standard format, but a footnote could be given to illustrate the point. Another question which called for an explanation was of special fees and import surcharges which could be applied to imports, on a temporary basis, under the investment promotion legislation of 1977. It was not clear if this had already been indicated in the notification and whether in future also such surcharges would be notified if and when imposed on new products.

8. With reference to the first question the representative of Thailand informed that the valuation of merchandise by customs authorities was normally based on the actual invoice value, but, occasionally in cases of doubt, could be ascertained and fixed to prevent under- or over-invoicing. He maintained that this practice did not have import-restricting effects. In regard to the second question, he made it clear that special fees and surcharges were temporary in nature and were at present being applied to only two items for investment promotion purposes (CCCN 15.10 and 21.06), and these had already been indicated in the notification. He undertook to inform the secretariat of any new surcharges imposed in the future.

9. The representative of the United States observed that imports of a number of products like sugar, confectionery and fruit and vegetable juices were prohibited, which should be indicated in column 10, with reference to Article XVIII in column 16. She also noted that Thailand had support prices for rice, cotton, corn, sugar and soyabeans, which had not been indicated as such in the format. She further observed that 30-40 per cent of Thailand's exports took place through bilateral supply agreements, which reportedly were negotiated with Japan, Taiwan, Hong Kong and a number of other countries. These agreements should have been noted in columns 7 and/or 14, as appropriate. With reference to a recent IMF report, she requested further details concerning the policy of granting special premiums to regular importers of Thai rice and the different forms in which premiums were granted. In her view, the use of such premiums should be noted in column 2, presumably as an export subsidy.

10. The representative of Thailand took note of the questions and undertook to provide the answers bilaterally to the representative of the United States at a later stage.

11. The representative of the EEC was surprised at the United States interest in sugar which, in fact, was of more importance to them. He would therefore be equally interested in the reply of Thailand in this regard.

12. The Chairman closed the discussion on Thai notification with the hope that other countries who had not so far submitted information would immediately do so in order to facilitate the future work of the Committee and that Thailand would provide the requested information directly to the secretariat for transmission to the countries concerned.