

# WORLD TRADE ORGANIZATION

G/L/127

30 October 1996

(96-4564)

## Committee on Import Licensing

### REPORT OF THE COMMITTEE ON IMPORT LICENSING

#### A. Background

1. The Agreement on Import Licensing Procedures (the Agreement) entered into force on 1 January 1995. This report, drawn up in accordance with the statement made by the Chairman of the General Council at its meeting on 16 April 1996 with regard to "Reporting Procedures for the Singapore Ministerial Conference" (WT/L/145), addresses the work undertaken by the Committee on Import Licensing (the Committee) during 1995 and 1996 in respect of the implementation of the Agreement.
2. The Agreement establishes disciplines on the users of import licensing systems with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify, clarify and minimize the administrative requirements necessary to obtain import licences.
3. During the period under consideration, the Committee held four meetings on 3 May and 12 October 1995, and on 8 March and 23 October 1996 (G/LIC/M/1-4). It elected Mr. Calson Mbegabolawe (Zimbabwe) as Chairman and Mr. Jan Michalek (Poland) as Vice-Chairman for 1995, and re-elected them for 1996.
4. Participation in the Committee is open to all Members of the WTO. Governments granted observer status by the WTO General Council as well as the representatives of the IMF, UNCTAD and the World Bank attended meetings of the Committee as observers.
5. At its meeting on 12 October 1995, the Committee adopted its Rules of Procedure which were subsequently approved by the Council for Trade in Goods.

#### B. Implementation of the Agreement

6. During the period covered, the Committee adopted procedures for notification and reviews under the Agreement. As concerns the annual notifications provided for in Article 7.3, it agreed on revisions to the Questionnaire on Import Licensing Procedures and established a time-limit of 30 September to submit these notifications (G/LIC/M/2).
7. To date, 30 Members (the European Communities and its member States counted as one) have notified their legislation and/or publications pursuant to Articles 1.4(a) and/or 8.2(b) of the Agreement; 29 Members have submitted replies to the Questionnaire on Import Licensing Procedures pursuant to Article 7.3; eight Members have notified the institution of import licensing procedures or changes therein pursuant to Article 5. The Chairman of the Committee repeatedly expressed concern that many Members have not yet complied with the mandatory notification requirements of Articles 1.4(a), 8.2(b) and 7.3, and urged those Members which have not yet done so to submit their notifications without further delay. Members which do not apply import licensing procedures or have no laws or regulations relevant to the Agreement were also requested to notify the Committee of this fact so that a complete picture can be obtained. The Annex reflects the current status of notifications.

8. Under Articles 1.4(a) and/or 8.2(b) of the Agreement, the Committee received notifications of laws and regulations relevant to import licensing applicable in Argentina, Australia, Barbados, Canada, Chile, Colombia, Costa Rica, Cuba, Cyprus, the European Communities, Hong Kong, Hungary, Jamaica, Japan, Malta, Mauritius, Morocco, New Zealand, Nicaragua, Norway, Pakistan, Peru, Romania, Singapore, Swaziland, Turkey, Uganda, United States, Uruguay and Zimbabwe.

9. Under Article 7.3 of the Agreement, the Committee received replies to the Questionnaire on Import Licensing Procedures from Argentina, Australia, Barbados, Bolivia, Canada, Chile, Colombia, Costa Rica, Cyprus, Ecuador, Hong Kong, Hungary, India, Japan, Korea, Malta, Mauritius, Morocco, New Zealand, Nigeria, Norway, Peru, Philippines, Romania, Singapore, Trinidad and Tobago, Turkey, Uruguay and the United States.

10. The Committee further received notifications relating to the institution of import licensing procedures or changes in these procedures submitted by Argentina, the European Communities, Hong Kong, Japan, Malaysia, Nigeria, Pakistan and Romania.

11. The Committee took note of the invocation of the provisions of footnote 5 to Article 2.2 by 24 developing country Members. This invocation enables developing countries which were not Parties to the Tokyo Round Agreement on Import Licensing Procedures to delay the application of the provisions of subparagraphs 2.2(a)(ii) and (a)(iii) linked to automatic import licensing by not more than two years from the date of WTO Membership.

12. As concerns substantive issues arising from notifications of import licensing procedures which could be raised by Members, the Committee reached an understanding on review procedures in general with a view to facilitating and speeding up the review of notifications and minimizing any delays in providing clarifications or responses to such queries concerning notifications (G/LIC/4).

13. The Committee agreed that all import licensing procedures that fall under this Agreement should be notified to the Committee on Import Licensing (G/LIC/M/2, paragraphs 21-23).

14. The Committee took note of a request by the United States, Guatemala, Honduras and Mexico for consultations with the European Communities under, *inter alia*, the Agreement on Import Licensing Procedures, concerning the EC regime for the importation, sale and distribution of bananas (G/LIC/M/2).

15. The Committee also took note of a Decision by the General Council on the "Avoidance of Procedural and Institutional Duplication" (WT/L/29).

16. The Committee conducted its first biennial review of the implementation and operation of the Agreement under Article 7.1 on the basis of a factual report prepared by the Secretariat (G/LIC/5 and G/LIC/M/4).

### C. Conclusions and Recommendations

17. As regards the implementation of the Agreement, the Committee established its Rules of Procedure, agreed on procedures for notification and biennial reviews, reached an understanding on review procedures in general to deal with queries by Members in respect of notifications, and received notifications of laws, regulations and import licensing procedures from some Members. The overall compliance with notification obligations has not been satisfactory.

18. The Committee recognizing the importance of notifications for the effective implementation and functioning of the Agreement, and noting the paucity of mandatory notifications received so far, recommends adherence by Members to these obligations.

## ANNEX

- (i) Notifications of legislation and/or publications (Articles 1.4(a) and/or 8.2(b)) received from:  
(30) (G/LIC/N/1/- series)

Argentina	Hong Kong	Pakistan
Australia	Hungary	Peru
Barbados	Jamaica	Romania
Canada	Japan	Singapore
Chile	Malta	Swaziland
Colombia	Mauritius	Turkey
Costa Rica	Morocco	Uganda
Cuba	New Zealand	United States
Cyprus	Nicaragua	Uruguay
EC	Norway	Zimbabwe

- (ii) Replies to the Questionnaire on Import Licensing Procedures (Article 7.3) received from:  
(29) (G/LIC/N/3/- series)

Argentina	Hong Kong	Norway
Australia	Hungary	Peru
Barbados	India	Philippines
Bolivia	Japan	Romania
Canada	Korea	Singapore
Chile	Malta	Trinidad & Tobago
Colombia	Mauritius	Turkey
Costa Rica	Morocco	United States
Cyprus	New Zealand	Uruguay
Ecuador	Nigeria	

- (iii) Notifications of institution of import licensing procedures or changes therein (Article 5) received from: (8) (G/LIC/N/2/- series)

Argentina	Malaysia
EC	Nigeria
Hong Kong	Pakistan
Japan	Romania

- (iv) Developing countries which have invoked the two-year delayed application provisions (footnote 5 to Article 2.2): (24) (G/LIC/1 and Adds.1-3)

Bangladesh (as from 1.1.95)	Dominican Republic (9.3.95)	Myanmar (1.1.95)
Bolivia (13.9.95)	El Salvador (7.5.95)	Sri Lanka (1.1.95)
Brazil (1.1.95)	Gabon (1.1.95)	Thailand (1.1.95)
Burkina Faso (3.6.95)	Guatemala (21.7.95)	Tunisia (29.3.95)
Cameroon (13.12.95)	Honduras (1.1.95)	Turkey (26.3.95)
Colombia (30.4.95)	Indonesia (1.1.95)	United Arab Emirates (10.4.96)
Costa Rica (1.1.95)	Kenya (1.1.95)	Uruguay (1.1.95)
Côte d'Ivoire (1.1.95)	Malaysia (1.1.95)	Venezuela (1.1.95)