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JAPAN – MEASURES CONCERNING HARBOUR TRANSPORT

Communication from the European Communities

The following communication, dated 2 June 1998 addressed to the Chairman of the Council for Trade in Goods, has been received from the Permanent Delegation of the European Commission with the request that it be circulated to WTO Members.

On 15 October 1996, the European Communities requested consultations with Japan pursuant to Article VIII of GATT 1994 concerning the operation of Japan's laws and regulations (including administrative guidance and practices) in respect of the so-called "prior consultation" system of the Japan Harbour Transportation Association (JHTA).

On 31 January 1997, the European Communities formally requested Japan under Article VIII:2 of GATT 1994 to review the operation of its laws and regulations (including administrative guidance and practices) in the light of the provisions of Article VIII of GATT 1994 with a view to minimising the incidence and complexity of import formalities imposed through the "prior consultation" system.

Since then, several rounds of consultations have taken place between the EC and Japan on this issue, with the Japanese side maintaining that those consultations did not take place within the framework of Article VIII of GATT 1994.

On 28 and 30 October 1997, two agreements were concluded between the parties directly concerned in Japan. The first agreement is intended to reform the "prior consultation" system, while the other one offers an alternative to it. At this point in time, however, these agreements have only been partially implemented. The EC also understands that licences will be granted on a non-discriminatory basis to foreign companies wishing to operate port transportation businesses in Japan.

On 11 May 1998, an official exchange of letters between the European Commission and the Government of Japan confirmed these steps and provided for a review of their implementation at the request of either side.
