

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Sub-Committee on Non-Tariff Barriers

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NON-TARIFF BARRIERS AND OTHER SPECIAL PROBLEMS

Proposal by the Japanese Government

The Japanese Government wishes to present its proposal to the Sub-Committee on Non-Tariff Barriers and Other Special Problems as follows:

1. A significant portion of exports of a contracting party is at present subjected in most industrialized countries to discriminatory treatment either in the form of discriminatory import restrictions or the so-called voluntary export control. In addition, a number of contracting parties are still applying Article XXXV against the contracting party.
2. It is clear that until and unless the discriminatory treatment and the application of Article XXXV are discontinued the benefit which that particular contracting party may draw from the forthcoming tariff reductions would be limited.
3. It has been agreed that the proposed tariff reductions should be negotiated on a reciprocal basis. In fact the Resolution adopted by the Ministers last May (MIN(63)9, paragraph A.5) provides "that in the trade negotiations it shall be open to each country to request additional trade concessions or to modify its own offers where this is necessary to obtain a balance of advantages between it and the other participating countries. It shall be a matter of joint endeavour by all participating countries to negotiate for a sufficient basis of reciprocity to maintain the fullest measure of trade concessions."
4. Further, the same Resolution states in paragraph B.3 (e) that the Trade Negotiations Committee should deal with "the rules to govern and the methods to be employed in the treatment of non-tariff barriers, including inter alia discriminatory treatment applied to products of certain countries and the means of assuring that the value of tariff reductions will not be impaired or nullified by non-tariff barriers".
5. Accordingly, it is urged that these discriminations and the application of Article XXXV be discontinued before the initial stages of the trade negotiations are arrived at.

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6. In the event that the discontinuance does not take place, it is understood that any contracting party the exports of which are subject to discriminations or against which Article XXXV is invoked has the right to modify its offers to the extent necessary to redress disadvantages incurred to its exports as a whole by such discriminations and the invocation of Article XXXV.