

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## CONSULTATIONS BETWEEN JAPAN AND ITALY CONCERNING THE ITALIAN IMPORT RESTRICTIONS

### Statement by the Delegation of Japan<sup>1</sup>

1. At their sixteenth session the CONTRACTING PARTIES made arrangements for consultations to be held under Article XXII:1 between Italy and other contracting parties on the import restrictions of Italy. A consultation within this framework was requested by Japan. On 9 September 1960, the Italian Government supplied the Japanese Government with a negative list containing about 520 items of restricted imports from Japan, suggesting that it be taken as a basis for the consultation. Following a preliminary discussion the Italian Government produced, on 25 October, a shortened list, containing some 400 items. A consultation was started in Rome on 28 November.
2. At the outset of the consultation, the Japanese representatives defined the position of the Japanese Government, stating that the Italian Government should accord to imports from Japan treatment in conformity with the GATT principle of non-discrimination - at least, treatment similar to that accorded to imports from the "dollar area", but that, when the negative list of 25 October had been further reduced so as to include only items the import of which was likely to cause serious injury to the relevant Italian industries, the Japanese Government would be prepared to take a flexible attitude and co-operate with the Italian Government in working out practical solutions, which should be consistent with the principle of non-discrimination. The Japanese representatives then requested the Italian representatives to remove from the negative list all items the import of which would not be likely to cause injury to the relevant Italian industries, pointing out that the burden of proving that any item was sensitive and should therefore be included in the negative list should rest with the Italian Government.
3. The Italian representatives stated that the items included in the negative list of 25 October should be divided into the following three groups:
  - Group I: the imports which could be liberalized immediately;
  - Group II: the imports which could be liberalized in the near future;
  - Group III: the imports which could not be liberalized for the time being.

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<sup>1</sup> This statement has been transmitted by the Japanese delegation for circulation to the contracting parties for their information.

4. It was revealed by the Italian representatives that about one third of the items included in the negative list of 25 October should be classified under either Group I or Group II, but that about two thirds should fall under Group III. The Italian representatives added that, with regard to Group III, their Government would be ready to establish quotas for some of the items, while there would be other items for which quotas could not be established. The Italian authorities considered this offer to represent more or less the result of their maximum efforts.

5. The consultation was suspended on 22 December. When it was resumed on 23 January 1961, the Japanese representatives expressed regret that the Italian offer was still far from being satisfactory. With a view to expediting consultation, the Japanese side supplied a list of about 160 items, chosen from those included in Group III. This list excluded the items which remained in the "A Import" list in consideration of the position stated in paragraph 2 above. The Italian Government was asked to liberalize immediately the import from Japan of all the items included in the proposed list; such action, in the considered opinion of the Japanese Government, would not cause injury to the Italian industries concerned. The Japanese representatives also asked for the immediate liberalization of all the items included in Group II, which were even less likely to cause injury to the Italian industries. The Italian representatives were requested to provide factual data concerning any items which, in their opinion, would be likely to cause serious injury to the relevant industries if those items were liberalized for Japan. The Italian representatives undertook to make a careful study of the new proposals of the Japanese Government.

6. The consultation was adjourned on 27 January, and is expected to be resumed in the second half of April. It is the intention of the Japanese Government to make further efforts in order to arrive at a satisfactory conclusion as soon as possible. The same intention was stated by the Italian representatives.