

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES

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REPORT OF THE WORKING PARTY ON ARTICLE XXXV REVIEW

1. The Working Party was appointed by the CONTRACTING PARTIES at their eighteenth session and was instructed to conduct a review, under paragraph 2 of Article XXXV, of the operation of that Article with respect to Japan. The composition of the Working Party and its terms of reference are as set out in document L/1482.
2. The Working Party met from 28 August to 2 September 1961. In the absence of its Chairman the meetings were presided over by Mr. Wyndham White, the Executive Secretary. Corresponding to the terms of reference of the Working Party the present report sets out (i) the findings of the Working Party in the course of the factual review, and (ii) certain general considerations which might be taken into account by the CONTRACTING PARTIES in formulating recommendations pursuant to paragraph 2 of Article XXXV.

I. Review of the Facts

3. As requested by the CONTRACTING PARTIES, the Executive Secretary had prepared a note on the origin of Article XXXV and its application in the case of Japan (L/1466) as well as a paper on the trade **relationships** between Japan and contracting parties invoking Article XXXV against it (L/1531). The last-mentioned secretariat paper sets out the import treatment granted to Japanese products by the contracting parties concerned. These secretariat papers are annexed to this report.
4. The Working Party noted that at present there were fourteen contracting parties invoking the Article in question against Japan (in addition, Cambodia and Tunisia had indicated that they might want to invoke Article XXXV against Japan when they acceded to the General Agreement). It was noted that among the fourteen contracting parties only two, namely Haiti and South Africa, withheld most-favoured-nation customs tariff treatment to imports from Japan. All the other contracting parties in question granted imports from Japan, either unilaterally on a de facto basis or pursuant to bilateral agreements, most-favoured-nation tariff treatment.¹ In the case of South Africa, maximum

¹In regard to France's customs treatment of Japanese products, see paragraph 27 of Annex II (L/1531).

duty rates higher than most-favoured-nation rates existed in regard to some of the customs tariff items.

5. As regards import restrictions and controls, it would be difficult to categorize the different kinds of treatment which varied greatly from country to country. They may, however, be broadly described as follows: In some countries no special restrictions were applied and imports from Japan were admitted on a completely non-discriminatory basis; these provisions were embodied in bilateral agreements. In some other countries, there was also a general commitment to extend non-discriminatory treatment to imports from Japan, but provisions were made for the continued application of restrictions to a selected list of significant products. In other cases, restrictions were applied to a range of imports from Japan subject to periodic bilateral negotiations on a product-by-product basis. In the remaining cases, no undertakings existed in the importing countries regarding the access of Japanese products to their markets. The actual treatment varied from a liberal to a fairly restrictive régime.

6. In cases where most-favoured-nation treatment, or most-favoured-nation treatment in principle, was accorded to Japan in bilateral agreements, provision was made that if serious injury to a domestic industry in either country were caused or threatened by imports of a particular product, the importing country would be entitled to suspend its obligations under the agreement in respect of that particular product. However, these agreements provided that before any obligation was suspended there should be consultation between the parties with the objective of avoiding the need for such suspension.

7. The Working Party noted that in no case did Japan give more favourable treatment to any contracting party invoking Article XXXV than to any other contracting party.

8. The Working Party was also instructed to examine the effects of the invocation of Article XXXV against Japan on the trade of Japan. From the statements supplied by the countries invoking Article XXXV and from statistics, the Working Party noted that in most cases there had been a considerable increase in imports from Japan in absolute terms into these countries; in some cases, their imports from Japan as a proportion of their total imports had also shown a significant increase. The Working Party noted that the invocation of Article XXXV as such did not necessarily constitute an inhibition to the expansion of trade between the countries concerned. More relevant to a consideration of trade possibilities was the existence or absence of discriminatory import restrictions or other restraints on trade. Where Japan's exports were faced with such restrictions not applicable to other countries, imports from Japan would tend to stay at a relatively lower level or to increase at a slower rate than imports from other sources.

9. In order to make its assessment of the effects of the invocation of Article XXXV in the case of Japan the Working Party took note of the trading relationships between Japan and countries applying the General Agreement to Japan. It was noted that in some cases these countries did not extend to

Japanese goods equality of import licensing treatment. It was understood that Japan had made certain arrangements with some of the countries concerned which gave some assured access for Japanese goods. For certain countries which, in conformity with their GATT obligations, did not apply import restrictions against Japan, Japan had undertaken to exercise voluntary restraints to exports of a limited number of products to those markets.

II. General Considerations

10. In the light of the factual review the Working Party puts forward the following considerations which the CONTRACTING PARTIES might wish to take into account in formulating their recommendations pursuant to paragraph 2 of Article XXXV.

11. The Working Party noted that an important element motivating the invocation of Article XXXV had been the fear that some Japanese goods might be imported under such conditions as to result in serious damage or threat of serious damage to domestic industries. In the view of some members of the Working Party the apparent severity inherent in the invocation of the Article was disproportionate to the problems which had in practice arisen. In the view of some countries the problem of imports referred to above was not the sole obstacle to their disinvocation of Article XXXV. For example, some countries, before taking such a step, would have to satisfy themselves that, having regard to the trading system operated by Japan, the application of the provisions of the General Agreement would in practice afford non-discriminatory access for the exports of the disinvoking country in the Japanese market.

12. Although clearly the invoking countries were legally entitled to maintain their invocation of the Article, the fact nevertheless remained that restrictions maintained under cover of the invocation not only affected the trade between two countries directly concerned but also created problems for third countries.

13. While it was true that trade was affected by restrictions whether or not these were based on an invocation of Article XXXV, the Working Party considered that there was a distinction between restrictions applied by countries invoking the Article and those applied by countries not invoking it; restrictions against Japanese products imposed by countries not invoking Article XXXV were subject to the provisions of the General Agreement concerning control and remedial procedures and the absence of such control and procedures would seem in some cases to have some significant effects on trade.

14. While noting that trade between the countries invoking Article XXXV and Japan had as a whole in recent years developed in a reasonably encouraging manner, the Working Party considered that the atmosphere of uncertainty created by the lack of contractual GATT relations between Japan and a number of important countries had had inhibitive effects on Japan's exports to some markets. Inasmuch as this situation adversely affected Japan's foreign

exchange earnings and consequently its capacity to pay for imports, it was a cause of serious concern to countries for which Japan was an important export market.

15. The Working Party noted that Japan had announced its intention of proceeding in the near future with a substantial elimination of its import restrictions. It had been suggested that Japan's efforts to fulfill its obligations in this regard might be hampered by reason of the widespread invocation of Article XXXV. Although Japan would have no obligations under GATT to extend liberalization measures to countries invoking Article XXXV, it had indicated a reluctance to refrain from doing so unless no satisfactory solution were found.

16. The Working Party also examined the contention of Japan that the widespread invocation of Article XXXV had other effects detrimental to the attainment of the objectives of GATT, notably in regard to the lowering of customs tariffs. In its view, the lack of GATT relationship with a number of important trading nations had hampered and might further hamper Japan's efforts in meaningfully participating in tariff negotiations. The Working Party recognized the validity of this contention and felt that contracting parties should give it due weight in the context of the present report, and in connexion with any future arrangements for tariff negotiations. It was also noted that because of the concentration in the markets of some countries of certain Japanese products those countries found it more difficult to reduce tariffs on those products.

17. The considerations noted above have led the Working Party to conclude that there would be advantage from the point of view of Japan as well as that of contracting parties generally if the possibility of disinvoking Article XXXV with respect to Japan was further explored by the contracting parties concerned. The Working Party felt that progress in this direction might well be facilitated if concerted action were taken by the countries concerned. Because the problems arising for the different contracting parties concerned varied from case to case solutions might have to be sought through bilateral negotiations. However, solutions evolved through bilateral discussions might be such as to require action by the CONTRACTING PARTIES for their implementation. Moreover, the Working Party noted that the CONTRACTING PARTIES would be reviewing the whole situation at the nineteenth session in the light of the present report.

18. The Working Party was also aware that there appeared to be certain special problems arising for many countries in their trade with Japan, problems which had been discussed by the CONTRACTING PARTIES under the description of "market disruption". The Working Party is of the view that if satisfactory multilateral solutions were found for such problems, this would facilitate the solution of the problem of the widespread invocation of Article XXXV against Japan.

19. The Working Party also discussed the question of invocation of Article XXXV by governments assuming in their own right the status of

contracting parties pursuant to Article XXVI:5(c) or acceding to GATT under Article XXXIII. It wishes to point out that there can be no doubt that a government becoming a contracting party under Article XXVI:5(c) does so on the terms and conditions previously accepted by the metropolitan government on behalf of the territory in question. Consequently, if Article XXXV had been invoked in respect of that territory (or if that territory had not been specifically excluded from such invocation), it would continue to be valid unless expressly disinvoked by the succeeding government. If this were clearly understood, it would then be unnecessary for the new government to take an immediate decision on whether the invocation should or should not be maintained. The government could give the matter the consideration due to it after its acquiring the status of a contracting party. This question arises, however, only in cases of governments invoking Article XXVI:5(c) immediately after acquiring full autonomy; in the case of a government making use of the Recommendation of 1 November 1957 providing for delayed sponsorship, the delayed action would of course provide the necessary period in which the matter could be considered. In both cases it is suggested that the government in question would wish to reconsider the question of the application of Article XXXV in the light of the changed circumstances resulting from its acquisition of full autonomy. The CONTRACTING PARTIES might wish to consider recommending to these countries that in the course of their reconsideration they afford the country against which Article XXXV might be maintained an opportunity for an exchange of views.¹

20. As regards countries acceding to the General Agreement under Article XXXIII, the Working Party felt that there could be no question of depriving them of the legal right of making use of Article XXXV. The CONTRACTING PARTIES might, however, wish to take steps to dispel the idea that the invocation of Article XXXV was a part of the normal practice of accession or that the invocation of Article XXXV could legitimately be used as a bargaining lever for gaining privileges or advantages over and above those provided for in the General Agreement. The CONTRACTING PARTIES might wish to consider recommending to acceding countries that they afford the government against which Article XXXV might be invoked an opportunity for an exchange of views.¹

¹For juridical and constitutional reasons, the representatives of Belgium, France, the Netherlands and the United Kingdom felt it necessary to state that when the Working Party report was discussed at the nineteenth session their delegations might wish to comment further on the recommendations in paragraphs 19 and 20.

ANNEX I

Origins of Article XXXV and Actual Account of
its Application in the Case of Japan

Report by the Executive Secretary (L/1466)

1. In the original text of the General Agreement drawn up in Geneva in 1947, Article XXXIII required unanimous agreement on the accession of a non-contracting party to the General Agreement. Accordingly, there was in the original text no provision corresponding to Article XXXV since the unanimity requirement in Article XXXIII enabled any single contracting party to veto the accession of any non-contracting party.

2. At the first session of the CONTRACTING PARTIES in Havana in 1948, as a result of a recommendation from the Havana conference, the text of Article XXXIII was modified so as to permit accession upon terms to be agreed by two-thirds of the contracting parties. It was then pointed out that as a result of this amendment it would be possible for two-thirds of the contracting parties to oblige a contracting party to enter into a trade agreement with another country without its consent. It was to meet this difficulty that Article XXXV was introduced into the General Agreement.

3. Upon the accession of Japan, Article XXXV was invoked by fourteen contracting parties:

Australia	India
Austria	Luxemburg
Belgium	Kingdom of the Netherlands
Brazil	New Zealand
Cuba	Rhodesia and Nyasaland
France	South Africa
Haiti	United Kingdom

4. Of these, Brazil and India subsequently renounced their invocation of the Article. On the other hand, Ghana, Malaya and Nigeria, when they became contracting parties pursuant to the provisions of Article XXVI:5(c), had recourse to the provisions of Article XXXV which had been invoked on behalf of their territories by the United Kingdom; more recently Malaya renounced its recourse to the Article. Cambodia, under its arrangement of special relationship with the CONTRACTING PARTIES, and Tunisia, upon its provisional accession, also invoked Article XXXV, but indicated that in practice their trade with Japan would be conducted in accordance with the General Agreement.

5. In all cases, this was done by a simple notification to the CONTRACTING PARTIES through the Executive Secretary, and the notifications were not accompanied by any statement of reasons for the invocation of Article XXXV. However, some of the contracting parties concerned issued public statements explaining their action, and others furnished explanations subsequently when

the question of the application of Article XXXV to Japan was discussed from time to time by the CONTRACTING PARTIES at the request of Japan. It is common to most of these explanations that what the invoking countries sought to guard against was injury to domestic industries because of the exceptionally acute competition which they feared from Japan. Thus the Australian Prime Minister, on 15 August 1955, stated "Bearing in mind the uncertainties which still exist regarding the strength of Japanese trading competition and the possible effects of such competition on Australian industries and employment, the Government considers that Australia cannot at this stage apply the GATT to Japan without special safeguards. The Government is not satisfied that the safeguards now allowed under the Agreement would be adequate and therefore the Government is unable to accept the application of the GATT between Australia and Japan".

6. The Netherlands Government referred to certain special aspects of Japanese competition which had prevented the Government from finding adequate safeguards to justify the full application of the General Agreement to Japan.

7. In a statement of policy issued in April 1955 the United Kingdom Government stated ".....The Government are, however, unwilling to tie their hands in advance in these matters by accepting the unconditional obligations of the General Agreement towards Japan, and it has not been possible to devise any acceptable basis to limit these obligations by bilateral arrangement. International trade is going through a period of adjustment and the Government feel that before they can accept the obligations of the General Agreement towards Japan, and thus limit their full freedom of action to deal should the necessity arise with disruptive or unfair competition, they must see how the pattern of trade will develop."

8. The most systematic and detailed explanation was that offered by the delegate for France at the tenth session of the CONTRACTING PARTIES: "..... It was with regret that the French Government had had to invoke Article XXXV, as after careful study it had been found that the General Agreement did not afford France sufficient safeguards. Despite the efforts of the Japanese Government to comply with the rules of world trade, prices of Japanese exports remained in general below the world average. The standard of living in Japan, although higher than in many Asian countries, was considerably below that achieved in the industrial countries of Europe, whereas Japan's technical knowledge tended to approach that which existed in industrialized countries. The Agreement had rules which could only be observed by countries of comparable economic structure, and according Japan the guarantees foreseen in the Agreement would react to the disadvantage of the industrial countries of Europe which had to observe standards of social welfare that Japan was not yet in a position to apply.

"In its note the Japanese delegation had asked the contracting parties frankly to state their difficulties. The first main difficulty with which the French Government was faced was the general problem of industrializing France's under-developed overseas territories. Those that were under-populated required that efforts first be made toward a renovation of their

agriculture. When these territories were over-populated it was necessary to industrialize as rapidly as possible, and in this connexion the plan adopted by the Indian Government was of particular interest. The infant industries had to be aided and protected. The second main difficulty was the structural crisis in the textile industry, in all European countries as well as in France, to which the creation of textile industries in the under-developed countries had contributed. These two problems, taken together with the low wage structure in Japan's industry, represented a serious threat

9. The less-developed countries which have invoked Article XXXV have laid particular stress on their special problems of diversifying their economies and the establishment of new industries which need to be protected from acute external competition. (See, for example, statements made by Cambodia: SR.15/15, page 126; SR.16/10, page 144 Ghana: GATT/404 thirteenth session: SR.13/11, page 78; SR.14/7, page 95; SR.15/15, page 125; Spec(59)247, page 4; SR.16/10, page 144; SR.17/10, page 140. Haiti: SR.10/12, page 130; SR.13/11, page 76.) Some of these countries, for instance Ghana and Nigeria, also referred to the lack of balance in their trade with Japan.

10. The foregoing is intended merely to recall such explanations as have been given regarding the action of countries invoking Article XXXV, and is not an attempt to describe the arrangements made by the countries concerned to regulate their trading relationships with Japan. These will be described in another document which is being prepared for the Working Party by the secretariat.

ANNEX II

Secretariat Paper on Trade Relationships between Japan
and Contracting Parties Invoking Article XXXV against Japan (L/1531)

Part I

Terms of reference

1. Article XXXV of the General Agreement is invoked at present by the following countries in their trading relationships with Japan:

Australia	Ghana	Nigeria
Austria	Haiti	Federation of Rhodesia and Nyasaland
Benelux ¹	Luxemburg	Tunisia ¹
Cambodia ¹	Kingdom of the Netherlands	South Africa
Cuba	New Zealand	United Kingdom
France		

2. At the seventeenth session the Government of Japan requested the CONTRACTING PARTIES to review the operation of Article XXXV with a view to improving existing trade relationships between Japan and contracting parties invoking Article XXXV against Japan. After consideration by the Council (C/M/4) the CONTRACTING PARTIES at their eighteenth session decided to establish a working party to review and report to the CONTRACTING PARTIES on the operation of Article XXXV, as provided for in paragraph 2 of the Article, with particular reference to:

- (a) the existing trade relationships between Japan and each of the countries which have invoked Article XXXV,
- (b) the effects of the invocation of Article XXXV on Japan's trade and repercussion on the trade of other contracting parties
- (c) the widespread invocation of Article XXXV against Japan by the governments of countries acceding² to the GATT under Article XXVI:5(c) and Article XXXVIII.²

¹Cambodia, which participates in the work of the CONTRACTING PARTIES under a special arrangement, and Tunisia, which has acceded provisionally to the General Agreement, indicated that they might want to invoke Article XXXV against Japan when they accede to the General Agreement.

²For the composition of the Working Party and the full terms of reference of the Working Party, see document L/1482.

The Executive Secretary was requested to prepare a report on the origins of Article XXXV¹ and a factual account of its application in the case of Japan.

Part II

Existing Trade Relationships Between Japan and Contracting Parties Invoking Article XXXV against Japan

General

Bilateral agreements

3. With the exception of Austria, Ghana, Haiti, Nigeria and South Africa, trade relationships between Japan and contracting parties invoking Article XXXV against Japan are governed by trade agreements or trade arrangements.

Customs treatment

4. Except for Haiti and South Africa, other contracting parties invoking Article XXXV against Japan grant imports from Japan, either on a de facto basis or as provided under the respective bilateral agreements, the same customs treatment as imports from other contracting parties to the General Agreement. For the customs treatment accorded by France to Japan see paragraph 27 of this paper.

Import restrictions and control measures

5. Only seven contracting parties invoking Article XXXV, namely Australia, Cambodia, Cuba, Haiti, New Zealand, Nigeria and South Africa, do not maintain restrictions in their import licensing policies applying particularly to imports from Japan.

¹See document L/1466.

Part III

Import Treatment Granted to Japanese Products by Contracting Parties Invoking Article XXXV¹

Australia

Bilateral agreements

6. Trade relations between Australia and Japan are governed by the "Agreement on Commerce between Japan and the Commonwealth of Australia" which entered into force on 4 December 1957. The basic concept underlying the trade agreement is the exchange of GATT treatment between the two countries, as far as practicable.

Customs treatment

7. In accordance with the provisions of the Agreement referred to above, Australia applies most-favoured-nation rates to imports from Japan.

Import restrictions

8. Japan receives the same import treatment as the other contracting parties

Development of trade

9. Australian imports from Japan have increased from \$50.5* million in 1956 to \$132* million during the first ten months of the year ended 30 June 1961. Australian exports to Japan have increased from \$194* million in 1956 to \$282* million during the first ten months of the year ended 30 June 1961.²

Austria

Bilateral agreements

10. There is no bilateral arrangement between Austria and Japan.

¹Part III of the paper is based on information already available to the secretariat and on replies received from governments of countries invoking Article XXXV to the request by the secretariat for:

- (i) a detailed account of the treatment accorded to imports from Japan (customs treatment, import control measures, etc.)
- (ii) a description of any bilateral arrangements governing trade relations with Japan,
- (iii) an indication of the effect of the invocation of Article XXXV by their respective countries on Japan's trade, and repercussions on the trade of other contracting parties, and
- (iv) any other relevant information.

²The statistical data included in this paper are based on data supplied by governments (those marked with an asterisk) or based on official Japanese statistics. All data have been converted into United States dollars; import figures are c.i.f., export figures are f.o.b. Due to differences in definition, time lag, etc., these figures are not necessarily in complete agreement with data compiled by different countries for their national trade statistics.

Customs treatment

11. Austria applies m-f-n rates to imports from Japan

Import restrictions

12. Imports from Japan of those commodities included in the annexes to the Austrian Foreign Trade Law are subject to import licensing. All other commodities, the so-called "free commodities" can be imported without a licence from all sources including Japan.

Development of trade

13. The Austrian reply to the secretariat's request for information states that:

"imports from Japan in 1960 were three times as high as in 1955 ..."

"Japan is Austria's second supplier among the non-European countries trading with Austria in the sector of finished and semi-finished goods, the first place being held by the United States ..."

"During five years of the six-year period 1955-61 Austrian exports to Japan did not reach the level of Japanese exports to Austria ..."

Benelux

Bilateral agreements

14. Trade relations between Japan and the Benelux countries are governed by the "Agreement on Commerce between Japan and the Kingdom of the Netherlands¹ and the Belgo-Luxemburg Economic Union" which was signed on 8 October 1960. The agreement provides for reciprocal most-favoured-nation treatment.

Customs treatment

15. Under the provisions of the Agreement Benelux countries apply m-f-n rates to imports from Japan.

Import restrictions

16. In accordance with the provisions of the Agreement, Benelux countries grant most-favoured-nation treatment to all Japanese goods except for the products enumerated in the negative list annexed to the Benelux/Japan trade agreement of 8 August 1960.²

¹The Agreement has not yet been ratified.

²Twenty-eight products are included in the negative list annexed to the Agreement and one group of products (bolts, nuts and screws of iron and steel) is found in an exchange of letters. A list of the items involved and of the quotas established for the initial one-year period of the Agreement may be seen at the secretariat.

Development of trade.

17. Imports from Japan into Belgium/Luxemburg have increased from \$11* million in 1955 to \$21* million in 1960. Imports into the Netherlands from Japan have increased from \$17.7* million in 1955 to about \$23.8* million in 1960.

Cambodia

Bilateral agreements

18. Trade relations between Cambodia and Japan are governed by the "Trade Arrangements between the Government of Japan and the Government of Cambodia" which entered into force on 15 February 1960.

Customs treatment

19. Under the provisions of the Arrangements, Cambodia applies minimum rates (one-third as high as general rates) to imports from Japan.

Import restrictions

20. Cambodia exercises no discriminatory import restrictions against imports from Japan.

Development of trade

21. Exports from Japan to Cambodia have increased from \$9.4 million in 1959 to \$11.1 million in 1960.

Cuba

Bilateral agreements

22. Trade relations between Japan and Cuba are governed by the "Agreement on Commerce between Japan and the Republic of Cuba" which was signed on 22 April 1960 and entered into force on 20 July 1961.

Customs treatment

23. In accordance with the provisions of the Agreement referred to above Cuba applies m-f-n rates to imports from Japan.

Import restrictions

24. Under the provisions of the Agreement referred to above, Cuba does not apply discriminatory restrictions to imports from Japan.

Development of trade

25. Exports from Japan to Cuba amounted to approximately \$10.0 million in 1959 and to approximately \$6.0 million in 1960.

France

Bilateral agreements

26. Provisional trade Arrangements between France and Japan were signed on 10 July 1959. The Arrangements were extended on several occasions thereafter with certain amendments. The present Arrangements will remain in force until 30 September 1961.¹

Customs treatment

27. In principle France does not accord generally to Japan the benefits of most-favoured-nation treatment. In practice, however, all the products contained in the liberalization lists for certain countries or included in the Franco/Japanese Trade Agreement in the form of bilateral quotas or global quotas are subject to the rates of the minimum tariff when imported into France from Japan. For the remaining products, the importation of which is not permitted into France, the general tariff remains theoretically applicable.

Import restrictions

28. Certain categories of goods which have been liberalized for imports from OEEC countries, the United States and Canada, are restricted when coming from other contracting parties, including Japan. Among the items which remain subject to restrictions when coming, for example, from Japan are such major Japanese export commodities as textiles, optical goods, toys, radios, ceramics, sewing machines and canned food products.²

Ghana

Bilateral agreements

29. No bilateral agreement exists between Ghana and Japan.³

Customs treatment

30. No difference is made in customs treatment between imports from Japan and from other contracting parties.

¹ Negotiations between the two countries with a view to concluding new arrangements are in progress.

² A list of products which have been liberalized when imported from OEEC Member countries, the United States and Canada, and which are provisionally under quota in France with respect to the "other contracting parties" (including Japan), may be seen at the secretariat.

³ Negotiations are at present being held between the two countries with a view to concluding an agreement on trade and commerce.

Import restrictions

31. For all goods imported from Japan, except for industrial machinery, single licences are required, but licences are issued liberally.

Development of trade

32. Imports from Japan have increased from \$24* million in 1959 to \$30* million in 1960. Exports to Japan from Ghana have increased from \$1.7* million in 1959 to approximately \$2.5* million in 1960.

Haiti

Bilateral agreements

33. An "Agreement on Commerce between the Republic of Haiti and Japan" was signed on 17 December 1958. Haiti has, however, not yet ratified this Agreement.

Customs treatment

34. Imports from Japan are subject to the maximum tariff rates (twice the minimum rate).

Import restrictions

35. No import restrictions relating particularly to imports from Japan are applied.

Luxemburg

See Benelux

Netherlands

See Benelux

New Zealand

Bilateral agreements

36. Trade relations between Japan and New Zealand are governed by the "Agreement on Commerce between Japan and New Zealand", signed on 9 September 1958 which entered into force on 26 November 1958.

Customs treatment

37. In accordance with the provisions of the Agreement referred to above, New Zealand applies m-f-n. rates to imports from Japan.

Import restrictions

38. In accordance with the provisions of the Agreement referred to above, New Zealand accords most-favoured-nation treatment to imports from Japan.

Development of trade

39. Exports from Japan to New Zealand have increased from \$11.74 million in 1959 to \$23.72 million in 1960. Imports into Japan from New Zealand have increased from \$23.09 million in 1959 to \$31.65 million in 1960.

Nigeria

Bilateral agreements

40. No bilateral arrangements exist between Nigeria and Japan.

Customs treatment

41. The customs treatment accorded to imports from Japan does not differ from that accorded to other contracting parties.

Import restrictions

42. With the exception of "singlets" no import restrictions are applied on Japanese goods which do not also apply to imports from other contracting parties.

Development of trade

43. Imports into Nigeria of Japanese products have risen from just over \$21* million in 1957 to about \$78* million in 1960; imports into Japan from Nigeria amounted to \$6.9 million in 1959 and to \$8.1 million 1960.

Rhodesia and Nyasaland

Bilateral agreements

44. Present trade relations between the Federation of Rhodesia and Nyasaland and Japan are governed by the "Trade Arrangements between the Federation of Rhodesia and Nyasaland and Japan," concluded on 5 April 1961.

Customs treatment

45. The Federation applies m.f.n. rates to imports from Japan.

Import restrictions

46. With the exception of a limited number of goods whose importation is permitted under Open General Licences, all goods from Japan are subject to import restrictions.

Development of trade

47. Exports from Japan to the Federation have increased from \$3.25 million in 1959 to \$5.28 million in 1960. Imports into Japan from the Federation have increased from \$10.74 million in 1959 to \$22.15 million in 1960.

Tunisia

Bilateral agreements

48. Trade relations between Tunisia and Japan are governed by the "Trade Arrangements between the Government of Japan and the Government of Tunisia", signed on 3 March 1960. The Arrangements entered into force on 1 April 1960 and are scheduled to remain in force until 31 March 1962.

Customs treatment

49. Tunisia exercises no discriminatory treatment against imports from Japan.

Import restrictions

50. The liberalization list announced by Tunisia on 22 October 1959 has been applied to Japan since 1 April 1960. For nineteen other tariff items a global quota has been established for imports from Japan. For remaining items, not in the liberalization list nor under global quota, specific licences are generally required. For certain imports single quotas have been established for imports from Japan in accordance with the provisions of the Arrangements.

South Africa

Bilateral agreements

51. No bilateral arrangements exist between South Africa and Japan.

Customs treatment

52. Maximum rates are applied to imports from Japan.

Import restrictions

53. No distinction is made in import licensing, for items subject to restriction, between imports from Japan and from other contracting parties.

Development of trade

54. Exports from Japan to South Africa have increased from \$51.76 million in 1959 to \$56.84 million in 1960. Imports into Japan from South Africa have increased from \$34.6 million in 1959 to \$56.86 million in 1960.

United Kingdom

Bilateral agreements

55. Trade relations between the United Kingdom and Japan are governed by the "Trade Arrangements between the Government of Japan and the Government of the United Kingdom of Great Britain and Northern Ireland". The current Arrangements concluded on 15 July 1960, originally covered the period 1 April 1960 to 31 March 1961; subsequently, they were extended, with certain modifications, for a further period of six months until 30 September 1961.

Customs treatment

56. The United Kingdom accords the same tariff treatment to imports from Japan as to imports from other contracting parties not receiving Commonwealth preference.

Import restrictions

57. Import restrictions on Japanese products in the United Kingdom have been progressively relaxed but a substantial number of Japanese products still remain subject to import restrictions.

Development of trade

58. In 1958 the United Kingdom became the third largest customer of Japan and Japan's largest European customer. Imports into the United Kingdom from Japan have increased from \$100.5* million during the period July 1959 - April 1960 to \$110.3* million during the period July 1960 - April 1961.