GENERAL AGREEMENT ON

TARIFFS AND TRADE

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NOTIFICATION CONCERNING THE PRIVATIZATION OF JAPANESE NATIONAL RAILWAYS

Communication from the European Economic Community

The following communication from the Permanent Mission of the Commission of the European Communities, was received in the secretariat on 19 June 1987.

With reference to the notification made by Japan on 8 April 1987 concerning the privatisation of Japan National Railways as contained in the document GPR/39 and to the decision taken by the Committee meeting on 20 May, the European Community would like to state the following.

The European Community attaches great importance to the replacement of Japan National railways by seven different companies, in the list of entities referred to in Article I, paragraph 1(c) of the Agreement. It regards these amendments as being more than purely formal or minor.

The Government of Japan is invited to report in full detail about the development of purchases made by the seven entities, in comparison to JNR's purchases, including both in terms of value covered by the Code, and in terms of product categories. The legal status of the seven entities and the prospects for any change of their status should be covered.

This report should be given at the end of the first year of operation of the new companies.

Furthermore, particular attention will be paid by the Community to the statistical reports of Japan, in this respect.

The Community entirely reserves its rights as regards the results of JNR's privatisation in terms of equal balance of rights and obligations under the Agreement.