

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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EC/JAPAN - TRADE IN MOTOR VEHICLES

Joint communication from the European Communities and Japan

The following joint communication, dated 11 October 1991, has been received from the Permanent Delegation of the Commission of the European Communities and the Permanent Mission of Japan with the request that it be circulated to contracting parties.

NOTIFICATION TO GATT

1. The EC and Japan wish to inform the CONTRACTING PARTIES to the GATT that, in response to the EC's request for co-operation to achieve the objectives mentioned in 2. below, a mutually acceptable solution has been found through consultations with regard to trade in motor vehicles for the future.
2. The objectives are to achieve, through co-operation between the two parties, the progressive and full liberalization of the EC import régime on motor vehicles with avoidance of market disruption and, through an appropriate transitional period, to facilitate structural adjustments that may be required of EC manufacturers to achieve adequate levels of international competitiveness.
3. The EC has undertaken to ease the levels of national restrictions of any kind on the importation of motor vehicles from Japan, including those measures that can be authorized under Article 115 of the Rome Treaty from now and to abolish them by 1 January 1993 at the latest.

During the transitional period, which will begin in 1993 and will be fully terminated by 31 December 1999, the Japanese authorities will continue, within the measures of co-operation, to monitor total exports from Japan to the EC and, they will also monitor exports to France, Italy, Portugal, Spain and the United Kingdom, through twice-yearly bilateral consultations on current export trends and future forecasts for the following year.

4. It is confirmed that inward Japanese investment will continue to be free of restrictions and that the products of such enterprises circulate freely within the EC. In addition, measures will be taken by the EC by 1 January 1993 to ensure that type approval can be obtained at the Community level.

5. The exports from Japan in 1999 are forecast at 1.23 million units on the assumption that total demand in the EC would be at 15.1 million vehicles in that year. In the case of the five markets mentioned, the exports from Japan in 1999 are forecast at these levels:

France	150,000
Italy	138,000
Spain	79,000
Portugal	23,000
United Kingdom	190,000

based on the following assumption of demand in that year:

France	2,850,000
Italy	2,600,000
Spain	1,475,000
Portugal	275,000
United Kingdom	2,700,000

6. The coverage of this monitoring is passenger cars, off-road vehicles, light commercial vehicles, light trucks (up to 5 tonnes), and the same vehicles in wholly knocked down form (CKD sets).