

GENERAL AGREEMENT ON

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EC/JAPAN TRADE IN MOTOR VEHICLES

Communication from the Federal Republic of Germany

The following communication, dated 15 October 1991, has been received from the Federal Republic of Germany, with the request that it be circulated to contracting parties.

The EC Commission has informed the GATT Secretariat in writing about the elements of consensus between the EC and Japan on the future EC arrangement for Japanese motor vehicle imports and intends to explain them at the meeting of the Surveillance Body on 16 October 1991.

The Government of the Federal Republic of Germany only agreed to this arrangement reached among the EC member States at their 26 July 1991 meeting subject to certain reservations which were accepted by the EC Commission. The German position was subsequently placed on record in Brussels.

In connection with the EC Commission's information to the GATT Secretariat on the elements of consensus reached between the EC and Japan, I therefore wish to draw attention to the attached statement of protocol and to request you to make it known to the CONTRACTING PARTIES of the GATT.

Annex:

Statement of protocol declaration of the Federal Republic of Germany on the "elements of consensus" for an EC import arrangement valid until 31 December 1991 for cars from Japan.

GERMAN STATEMENT OF PROTOCOL ON THE "ELEMENTS OF CONSENSUS"
FOR AN EC IMPORT ARRANGEMENT VALID UNTIL 31.12.99
FOR CARS FROM JAPAN

The Government of the Federal Republic of Germany has taken note of the "elements of consensus" provided by the Commission for the EC import arrangement for cars until 31.12.99. It draws attention to the fact that the future EC import arrangement for cars is of decisive importance for the credibility of the Community during the establishment of an open internal market.

The Federal Government regrets the defensive character of the "elements of consensus", which reveal timidity rather than acceptance of dynamic competition. It would in particular have welcomed firm efforts towards a faster and effective opening of the markets, including in Japan.

Despite its reservations, the Federal Government is prepared to approve the "elements of consensus", so that there can be a uniform Community position. The following points form the basis for this approval:

1. The full liberalization of the EC import arrangement for the vehicles covered by the "elements of consensus" after the end of the transitional period on 31.12.99. This also means the end of the monitoring envisaged during the transitional period.
2. The EC-wide monitoring - which therefore also covers the German market - shall not be of a restrictive nature on those markets where - as in Germany - there are no restrictions, but shall take the form of a statistical record.

In order to avoid misunderstandings, there shall be a clarification with regard to figure 4 of the "elements of consensus": that there is currently no EC-wide monitoring - i.e., including the German market - of Japanese exports, at least none with German approval.

3. There shall be no discrimination against Japanese investment in the field regulated by the "elements of consensus".
4. The "elements of consensus" shall not affect imports of vehicles from third countries, such as the USA.

The procedure used for the "elements of consensus" shall not form a precedent for the treatment of any other grey-area measures.