GENERAL AGREEMENT ON

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NOTIFICATION IN PURSUANCE OF PARAGRAPH 3 OF THE UNDERSTANDING REGARDING NOTIFICATION, CONSULTATION, DISPUTE SETTLEMENT AND SURVEILLANCE

Communication from Japan

The following communication, dated 27 March 1992, has been received from the Permanent Mission of Japan for circulation to contracting parties.

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1. The Government of Japan has decided to terminate the import quota system for coal on 31 March 1992, taking account of factors such as downsizing of the domestic coal mining industry, an increase in imported coal and international trends on lifting non-tariff barriers.

2. In order to manage the final stage of structural adjustment of the domestic coal mining industry through the 1990s, the Government of Japan has to collect data regarding coal imports and supply and demand in Japan, as a base for making policy decisions. Therefore, the Government of Japan has decided to introduce this prior import confirmation system for the purpose of accurate and prompt collection of data concerning coal imports, supply and demand and related matters from 1 April 1992. In the past, the previous import quota system had a secondary effect of collecting such data.

3. Under the prior confirmation system, the Minister of International Trade and Industry confirms the quantity of planned coal imports and their origin in advance of actual import. Regardless of the planned amount of coal imports, confirmation requests will not be rejected so long as they are made in accordance with the procedures and contain no mistakes on the application form. Confirmation is estimated to take about 10 days. Therefore, the prior confirmation system has no restrictive effects, making it different from the import quota system.

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Note:

(1) Coal excluded from coverage of the prior import confirmation system:

(a) coal containing not more than 23 per cent of volatile matter and not more than 12 per cent of ash and having a coke index of not less that 1 as defined by JIS M8801 (hereinafter referred to as "coke button index") or having a free swelling index not less that 1 as defined by ASTM D 720-57 (hereinafter referred to as "free swelling index") or a Y index of not less than 5 by GOST 1186-62 (hereinafter referred to as "Y index");

and

(b) Coal containing not more that 14 per cent of volatile matter and having a coke button index of not more that 1 or a free swelling index of not more than 1 or a Y index of not more than 5.

(2) Along with the request for confirmation to the Minister of International Trade and Industry, an importer is requested to submit a document in which he/she must:

(a) Specify the quantity in terms of tons of imported coal contracted during a fiscal year, the same for coal imports planned during each period (April-September or October-March) any changes in the amount of imports originally planned during that period;

(b) Specify actual quantity of coal in terms of tons of sales, purchases, self-use and stored for each period (April-September or October-March) and the same planned for the next period; and

(c) Indicate names of buyers and sales quantity.