

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

MTN/3E/DOC/10/Add.10  
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Multilateral Trade Negotiations

GROUP 3(e) . BASIC DOCUMENTATION

Inventory of Various Non-Tariff Barriers

Addendum

JAPAN

Miscellaneous Charges and Taxes:

Product: (BTN)	Country or group maintaining measure:	Countries indicating an interest:
Whisky (ex 22.09)	Japan	United Kingdom United States

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(a) Description:

Discriminatory internal tax

(b) Comments by other countries:

United Kingdom: The Japanese whisky industry, which already enjoys the protection of very high tariff and quota restrictions is afforded additional protection by the maintenance of a domestic system under which Scotch whisky is subject to a tax the incidence of which is considerably higher than that imposed on most Japanese whiskies. Her Majesty's Government have taken up with the Japanese Government the development of this tax system, which has the effect of discriminating heavily in favour of local manufacture. The United Kingdom representative would prefer to deal with this matter in the Committee on Trade in Industrial Products or in the Working Party on Border Tax Adjustments. The United States delegate referred to the remarks made in the Working Party on Border Tax Adjustments.

(c) Comments by country maintaining the measures:

As far as the quota restrictions on whisky are concerned, they were abolished on 1 January 1971.

This practice is not discriminatory in a legal sense and is consistent with the provisions of Article III of the GATT. The rate of the internal tax is the same for local produce and imports, but varies with the product price. The matter has been dealt with in other groups and has been subject to bilateral consultations which should allow a satisfactory solution to be found.

See item 818 of the Inventory of Non-Tariff Measures (MTN/3B/5). See document L/3389 Consolidated Document on the Examination of Practices of Contracting Parties in Relation to Border Tax Adjustments, pages 96 to 98. (Working Party on Border Tax Adjustments.)