

RESTRICTED

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GENERAL AGREEMENT ON TARIFFS AND TRADE

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JAPAN - RESTRICTIONS ON IMPORTS OF BEEF AND VEAL

The following communication, dated 20 November 1974, was received by the secretariat from the Permanent Mission of Australia.

Australia wishes to bring to the attention of the CONTRACTING PARTIES the system of quantitative restrictions applied by Japan to imports of beef and veal, the intensification of those restrictions earlier this year and their effect on the Australian beef industry. It does so with a view to seeking a decision by the CONTRACTING PARTIES on whether the Japanese restrictions in question are a breach of Japan's obligations under the General Agreement and if so, the formulation and adoption by the CONTRACTING PARTIES of appropriate recommendations to the Government of Japan.

Japan has restricted the importation of fresh, chilled and frozen beef and veal throughout the period in which it has been a signatory to the GATT. These restrictions take the form of global quotas open to imports from all countries (vide the most recent notification in GATT document L/3212/Add.7/Rev.1 of 25 February 1970). It has been the practice in recent years for the Japanese Government to announce quotas on a half-yearly basis.

In recent years the quotas for imports of fresh, chilled and frozen beef and veal into Japan have been progressively expanded. The Japanese market for beef constitutes a significant outlet for beef and veal exporters such as Australia. The Japanese market took 20 per cent of Australia's exports of beef in 1973.

Consistent with past practice the Japanese Government in November 1973 announced a global quota for the import of 90,000 tons of beef and veal for the half year terminating March 1974.

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In February 1974 it became known that the Japanese Government intended to restrict imports below this quota level. After a series of bilateral representations, the Australian Government learnt that approximately 37,000 tons of the 90,000 tons quota announced in November 1973 would be withheld.

Japan has not established a quota for imports of beef and veal for its fiscal year commencing 1 April 1974. Moreover, there has been no indication of the proposed duration of this situation.

Following further bilateral representations and consultations, the subject was taken up in the GATT Council on 21 October 1974 when the Australian delegation invited the Japanese delegation to express its intentions to the Council on the matter of Japan's intensification of its beef import restrictions, including the question of GATT notification and consultation. In the light of the Japanese delegation's response on that occasion the Australian delegation foreshadowed at the Council meeting on 8 November that in the event that Japan continued to claim that it had no further GATT obligations in the matter, the Australian delegation would make proposals for a Working Party at a subsequent meeting of Council.

I now wish to inform Contracting Parties that it is the intention of the Australian delegation to propose at the next meeting of the Council that a Working Party be established to examine and report on whether Japan's beef and veal import restrictions are consistent with its GATT obligations and to make any recommendations that may be appropriate.

Australia is of the view that the establishment of a Working Party as proposed would assist the Contracting Parties to give prompt guidance in this matter. In the event that the Council concurs in the establishment of such a Working Party, it is desirable that it be commenced as soon as possible.