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JAPAN - TAXES ON ALCOHOLIC BEVERAGES

Status Report by Japan

Addendum

The following communication, dated 6 October 1997, from the Permanent Mission of Japan to the Chairman of the Dispute Settlement Body, is circulated at the request of Japan.

Status Report on Implementation of the Recommendations and Rulings of
the Dispute Settlement Body Regarding “Japan - Taxes on Alcoholic Beverages”
(WT/DS8/11, WT/DS10/11, WT/DS11/8)

The Government of Japan

6 October 1997

Pursuant to Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (“DSU”), the Government of Japan (“GOJ”) is obliged to inform the Dispute Settlement Body (“DSB”) on the status of the implementation of the recommendations of the DSB regarding “Japan - Taxes on Alcoholic Beverages”. Since this matter will be placed on the agenda of the DSB on 16 October 1997, the GOJ presents its second status report.

As stated in the first report, on 1 October 1997, 4 months before the expiry of the reasonable period of time, major adjustments of the liquor tax rates, as the first step to implement the recommendations of the DSB, went into effect. As of the date, the tax rate on Whisky/Brandy has been reduced by about 44 per cent, and the rates on Shochu A and B have been increased by 30 per cent and 48 per cent respectively. At the same time, the GOJ is continuing to examine possible and practical responses to this issue in order to find a mutually acceptable solution with the other parties to this dispute regarding the modalities of the implementation of the recommendations of the DSB.