

JAPAN - MEASURES CONCERNING HARBOUR TRANSPORT

Request for Consultations by the European Communities

The following communication, dated 15 October 1996, from the Permanent Delegation of the European Communities to the Government of Japan is being circulated at the request of the European Communities.

On behalf of the European Communities, I hereby request consultations with Japan pursuant to Article VIII:2 of GATT 1994 concerning the operation of Japan's laws and regulations (including administrative guidance and practices) in respect of the so-called "prior consultation" system of the Japan Harbor Transport Association (JHTA).

The European Communities consider that the prior consultation system functions in such a manner as to cause unnecessary obstacles to imports to Japan of goods from the European Communities and exports of goods from Japan to the European Communities. Such obstacles consist, *inter alia*, in the excessive formalities and overly detailed and rigid rules employed by JHTA of the prior consultation system to introduce fees which are excessive to any services rendered, and the artificially high cost of stevedoring operations in Japan resulting from JHTA's monopoly position.

The European Communities consider that the Japanese authorities are responsible for ensuring the correct functioning of JHTA and the prior consultation system, given that JHTA is a public interest legal person certified by the Japanese Ministry of Transport, and is subject to the administrative guidance and supervision of the latter, in particular in respect of the operation of the prior consultation system.

In the consultations, the European Communities intend to request the Japanese authorities to explain the operation of Japan's laws and regulations (including administrative guidance and practices) in respect of JHTA and the prior consultation system, and to review such operation, in co-operation with shipping lines concerned, with a view to changing the prior consultation system in such a manner that unnecessary trade obstacles are eliminated and do not re-appear in the future.

I look forward to receiving your reply to this request and to fixing a mutually convenient time and place for the consultations.