JAPAN WILL ACCEPT THE GATT DECLARATION PROHIBITING EXPORT SUBSIDIES ON INDUSTRIAL PRODUCTS

The GATT rules concerning the grant of export subsidies distinguish between subsidies on the export of primary products and those on the export of industrial products.

The provisions of GATT, under the amendments drawn up in 1955, envisage the eventual prohibition of measures which subsidize the export of industrial products. The relevant clause provides that, after a date to be fixed, "contracting parties shall cease to grant either directly or indirectly any form of subsidy on the export of any product other than a primary product which subsidy results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market". Pending the entry into force of this prohibition contracting parties had the obligation not to extend the scope of any such subsidization by the introduction of new, or the extension of existing, subsidies.

In November 1962 sixteen contracting parties, including most industrialized countries with the exception of Japan, accepted a Declaration prohibiting all subsidies on exports of industrial goods. At the current session of the Contracting Parties the representative of Japan announced that at the end of March 1964, following the completion of certain domestic legislative changes, the Japanese Government will accept this Declaration.

END