STATE TRADING

Notifications Pursuant to Article XVII:4(a)

JAPAN

Supplement

The following communication has been received from the Permanent Mission of Japan.

H. Beef

1. State-trading enterprise

The Livestock Industry Promotion Corporation (hereinafter referred to as the "LIPC").

2. Reason and purpose for maintaining the State-trading enterprise

Under the Law Concerning the Price Stabilization of Livestock Products and Other Matters (hereinafter referred to as "the Law"), the LIPC is authorized to effectively perform centralized functions in the importation of beef.

The purpose of the LIPC's operation is to ensure the implementation of the beef price stabilization scheme established by the Law through the adjustment of the quantity, timing, prices etc. of purchases and sales of imported beef in a comprehensive manner in accordance with the supply and demand situation of the commodity.

3. Description of the functioning of the State-trading enterprise

(1) The LIPC handles approximately 80 per cent of total beef imports into Japan and the rest is imported by private traders. Exportation is outside the scope of the LIPC's functions.

(2) The LIPC decides the quantity to be imported and sold to it in light of the domestic supply and demand situation. This quantity is within the amount decided annually by the Government on the basis of the domestic supply and demand prospects in Japan.
The LIPC then purchases imported beef by tenders from importers. The purchases are consequently made at international market prices which consist of costs in exporting countries, transportation fees and other charges.

(3) The LIPC adjusts the amount of imported beef to be sold to the domestic market so that wholesale prices of domestic beef can be kept within the stabilization price range set by the Government prior to each fiscal year. If the prices rise due to supply reduction or demand increase, the LIPC makes a larger amount of beef available at the market by releasing imported beef held in stock. If the beef prices fall on the other hand, the volume of imported beef released to the market is reduced accordingly.

The LIPC sells imported beef in principle by auctions at the wholesale markets or otherwise by tenders from domestic users, and hereby, the imported beef is sold by the LIPC at current market prices reflecting the supply and demand situation of the commodity.

4. Statistical data

('000 tons, boneless equivalent)

<table>
<thead>
<tr>
<th>Japanese Fiscal Year</th>
<th>Production</th>
<th>Export</th>
<th>Import</th>
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<tbody>
<tr>
<td>1983</td>
<td>354</td>
<td>-</td>
<td>146</td>
</tr>
<tr>
<td>1984</td>
<td>377</td>
<td>-</td>
<td>149</td>
</tr>
<tr>
<td>1985</td>
<td>389</td>
<td>-</td>
<td>158</td>
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