The following communication, dated 21 June 1990, is circulated at the request of Hong Kong.

Progress Report on Hong Kong-Japan Rollback Consultations (RBC/8)

1. Concerning RBC/8, Hong Kong and Japan had held four rounds of consultations on 11 December 1987, 26 April 1988, 23 February 1989 and 19 September 1989. As detailed in the notification, the consultations concerned 13 items subject to an Import Quota System and the Prior Confirmation System on imports of silk fabrics.

2. On the 13 items subject to import quota system, Hong Kong has accepted Japan's justification in respect of six items, noted that Japan is implementing the panel findings/recommendations on three items and received further information and clarification from Japan on justification for restrictions on the four remaining items.

3. However, consultations remained inconclusive on the question of the GATT consistency of the Prior Confirmation System on imports of silk fabrics. In the event, Hong Kong concluded that the rollback consultations had gone as far as they could. Hong Kong is reviewing its position on this long-standing problem and is reserving all its rights under the GATT.