GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

STATE-TRADING ENTERPRISES

Notifications Pursuant to Article XVII:4(a)

J A P A N

Corrigendum

Point B 3(a) on page 5

Delete the passages under "Tobacco" and replace by the following text:

"(a) Tobacco: The Japanese Monopoly Corporation is the sole manufacturer and importer of leaf tobacco and tobacco products. Tobacco and tobacco products imported by this Corporation - or persons entrusted by it - can be imported duty free.

"Manufactured tobacco is imported largely for the use of foreign tourists, while leaf tobacco is imported chiefly as aroma and taste material to be mixed with the home-grown leaf tobacco. The annual importation programme for these kinds of tobacco is drawn up on the basis of the domestic demand-supply programme.

"The purchase price of the leaf tobacco of domestic produce is fixed yearly with a view to enabling its growers to earn adequate profits, taking into account cost of production, current commodity prices and other economic factors, with advice of the 'Tobacco Cultivation Council' composed of learned and experienced persons as well as representatives of growers. As for the leaf tobacco of foreign origin, it is purchased at the market price. The sale price of leaf tobacco for export is fixed by adding the amounts of the expenses to be borne by the Corporation and a certain margin to its purchase price.

"The retail prices of tobacco products are fixed by the Corporation subject to the approval of the Minister of Finance. They are fixed so as to include the monopoly profits, the consumption taxes and the retail cost in addition to the cost of production or, in the case of imported tobacco products, the purchase price.

"If tobacco products are imported by private persons entering Japan these persons have to pay a duty of 355 per cent ad valorem for products which exceed the duty-free allowance. In this way about the same levy is collected on such products as on those imported and sold by the tobacco monopoly."