



Document ID: FTS19990108000060

Entry Date: 01/08/1999

Version Number: 01

Region: East Asia

Sub-Region: Northeast Asia

Country: Japan

Topic: INTERNATIONAL, ECONOMIC

Source-Date: 01/08/1999

MITI: No Promise on Voluntary Steel Export Restraints

OW0801062899 Tokyo Kyodo in English 0550 GMT 08 Jan 99

[FBIS Transcribed Text] Tokyo, Jan. 8 Kyodo -- Japan never pledged voluntary steel export restraints to the United States and cannot accept such a step because it violates World Trade Organization (WTO) rules, a Japanese trade ministry official said Friday.

"Japan cannot accept voluntary export restraints because they amount to a violation of WTO accords," the Ministry of International Trade and Industry (MITI) official said.

The official was commenting on a report presented Thursday by the u.S. Government to congress on a comprehensive program to curb the recent surge in steel imports from Japan and other countries.

In the report, Washington said Japan recently indicated efforts to reduce steel exports to the u.S. To 1997 levels. "It is our expectation that Japan's exports will return to appropriate pre-crisis levels in 1999," it said.

The Japanese official, however, said Japan never made such a pledge. Tokyo is now analyzing the comprehensive program mapped out by the u.S., the official said.

[Description of source: Tokyo Kyodo News Service in English--Japan's largest domestic and international news agency, owned by nonprofit cooperative of 63 newspaper companies and NHK]

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JFTC Will Monitor Iron and Steel Exports To Prevent Collusion in Voluntary Restraint of Exports to the U.S.

Nihon Keizai Shimbun
January 10, 1999, at 3

(Provisional Translation)

The Japan Fair Trade Commission plans to monitor unlawful export cartel activities by domestic iron and steel manufacturers based on the Antimonopoly Law. Because President Clinton submitted an action plan regarding the iron and steel dumping issue to the U.S. Congress, and implied that the U.S. could take sanctions against Japan, the JFTC will strengthen its monitoring to prevent Japanese manufacturers from engaging in collusion [*dango*] for the purpose of reducing export volumes or fixing prices. By stressing its approach of relying on market mechanisms, the JFTC is also aiming to suppress expectations by the U.S. government for a Japanese voluntary export restraint (VER).

A senior JFTC official pointed out, "If the major Japanese iron and steel manufacturers jointly control their exports to the U.S., the activity is clearly a violation of the Antimonopoly Law," and expressed the JFTC's intention to check each individual company's export volume. At the same time, noting the fact that, on the U.S. side, the Antitrust Division of the U.S. Justice Department and other antitrust law enforcement authorities have also strengthened their monitoring of foreign firms, the official stated that the JFTC would keep a watchful eye on export controls which purport to avoid trade friction.

"Export cartel" refers to an agreement among companies on price, quantity, quality, etc., for specific exported products. Such an agreement regarding products other than those designated under the Export and Import Trading Law violates the Antimonopoly Law. Designation for Antimonopoly exemption requires approval from the MITI Minister; iron and steel, however, are not subject to an exemption.