

MEMORANDUM FOR CABINET BY THE MINISTER OF TRADE,
INDUSTRY AND AGRICULTURE

Trade Agreement between Malta and Japan

In August 1965 talks had taken place between representatives of the Government of Malta and representatives of the Government of Japan in connection with the conclusion of a Trade Agreement between the two countries.

During these talks representatives of several different Ministries/Departments formed part of the Maltese delegation. These were: Ministry of Industrial Development and Tourism (Foreign Trade Relations Division), Ministry of Commonwealth and Foreign Affairs, Ministry of Economic Planning and Finance, Customs and Port Department and the Department of Agriculture.

At the close of the discussions, agreement between the two sides had been reached on all points in the Draft as specified in Annex "A" except for the following:

- (a) Article 2: The Japanese Delegation wished to delete this article since the relative exceptions are covered by the reference to GATT in Article 1. The GATT envisages such preference and participations and has approved the current Commonwealth Preferences and permits the formation of and the participation in Free Trade Areas and Customs Unions. The Maltese Delegation agreed with this contention but felt that the exclusion of this Article in the Agreement might jeopardise Malta's ease of movement in the future. The Maltese Delegation offered to accept the inclusion of "within the framework of GATT" between "grant" and "to" in the third and fourth lines. They were also agreeable to accept the provision via an exchange of letters.

- (b) Article 3: The Maltese Delegation wished that in addition to the article there should be an exchange of letters to bring out Japan's willingness to consider favourably requests for economic and technical cooperation in respect of mutually agreed projects. (See Annex "G"). The Maltese Delegation offered to delete the words in Annex "G" -- "in taking note of the disinvocation by Malta of Article XXXV of the General Agreement on Tariffs and Trade". The Japanese Delegation stated that Article 3 was the only understanding that Japan could give.
- (c) Article 5: Notwithstanding agreement of the actual wording, the Maltese Delegation wished to have further consultations with their Government. The Japanese Delegation stated that they wished this Article to be included, first because it had been formally suggested by Malta itself to Japan and secondly because it was their practice to include such provision in Trade Agreements with other countries.

Agreement was also reached on exchange of letters as per Annexes B, C, D, E, F. Agreement on Annex "G" is conditional to agreement being reached on Article 3.

It was consequently agreed between the two delegations that before continuing with the talks, both sides thought it necessary to refer the disagreed points to their respective Government. A joint communique was issued to this effect.

This Ministry has now been informed that the Japanese Government have given instructions to their Embassy in Rome to proceed with the talks for the purpose of concluding a Trade Agreement between the two countries.

The most important point, as regards Malta, concerns Article 3 in respect of which the Maltese Delegation had insisted that it should be supplemented by an exchange of letters to bring out Japan's willingness to consider favourably requests for economic and technical cooperation in respect of mutually agreed projects. Since the Japanese

Government have taken the initiative to request the resumption of the talks it is safe to assume that they are prepared to meet Malta's wishes in this regard.

In the light of what has been stated earlier in this Memorandum, Hon. Ministers are asked to give their approval to the following:-

1. That discussions between Maltese and Japanese representatives be resumed;
2. That Mr A. Wirth, Secretary to the Ministry of Trade, Industry and Agriculture, be authorised to represent the Government of Malta for the purpose of the discussions, the initialling of the Trade Agreement and the signing of same (this authority to be availed of in the event of the Japanese representative being invested with similar powers.)
3. That the draft Trade Agreement at Annex "A" should serve as a basis of discussions subject to the following:
 - (i) Article 2 to be deleted;
 - (ii) Article 5 to be retained;
 - (iii) Article 3 to be supplemented by an exchange of letters on the lines of Annex "G".
4. That concurrently with the signing of the Trade Agreement, Malta disinvokes Article XXXV of GATT in relation to Japan and takes immediate action to inform the Director General of GATT to this effect (Annex "B").
5. That Annexes C, D, E and F should form part of the Trade Agreement.

July 2nd, 1966.

ANNEX "A"

DRAFT

TRADE AGREEMENT BETWEEN MALTA AND JAPAN

The Government of Malta and the Government of Japan, in their desire to expand and strengthen the trade relations between their two countries, have agreed as follows:

Article 1

The Government of Malta and the Government of Japan undertake to improve in every possible way existing mutual trade relations.

In order to promote and facilitate trade between Malta and Japan, the Government of each country will grant the most-favoured-nation treatment in respect of trade between the two countries in accordance with the rights and obligations which each country has or may have as a Contracting Party to the General Agreement on Tariffs and Trade.

Article 2

The provisions of Article 1 above shall not extend to advantages, concessions and exemptions which either of the Contracting Parties grant or will grant to states participating in a Customs Union, in a Customs Preference System or in a Free Trade Area already in existence or which may be established in the future.

Article 3

With a view to contributing to the economic and social development of their respective countries, the two Contracting Parties shall endeavour to find the appropriate form of economic and technical cooperation between the two countries.

Article 4

All payments between the two countries shall be effected in pounds sterling or in other freely convertible currencies within the scope of the laws and regulations of the respective countries.

Article 5

A Mixed Commission will be formed which shall meet at the request of either side and, if possible, on the suggested date. It will be the function of the Mixed Commission to clarify any questions or problems which may arise in the carrying out of this Agreement. This Mixed Commission will be composed of representatives of both Governments.

Article 6

The two Contracting Parties shall, subject to the laws and regulations in force in their respective country, exempt from customs duties articles destined for Fairs and Exhibitions as well as samples of goods for advertising purposes provided that such articles and samples shall not be disposed of without the prior permission of the competent

authorities of the importing country and the payment of the appropriate customs duties.

Article 7

This Agreement shall come into force on signature. It shall be valid for one year and shall thereafter be automatically renewed from year to year unless written notice of termination is given by one contracting party to the other at least three months in advance.

Done in duplicate at.....on
the.....1966, in the English language.

For the Government
of Malta

For the Government
of Japan.

L-ARKIVI NAZZJONALI TA' MALTA

DRAFT

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Valletta,

Sir,

I take pleasure in informing you that the Government of Malta has withdrawn its invocation of Article XXXIV of the General Agreement on Tariffs and Trade with regard to Japan and that the Director General of the G.A.T.T. has been informed accordingly.

I avail myself.....

2.

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Acknowledgement of above.

ANNEX "C"

DRAFT

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Valletta,

Sir,

I have the honour to confirm on behalf of the Government of Malta, on the occasion of the signing of the Trade Agreement between the Government of Malta and the Government of Japan, that Malta is a member to the Convention on the International Regime of Maritime Ports, including the Statute, Annex and Protocol relative thereto, signed at Geneva on 9th December 1923.

I avail myself.....

2.

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Acknowledgement of above.

ANNEX "D"

DRAFT

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Valetta.

Sir,

I have the honour to confirm on behalf of the Government of Japan, on the occasion of the signing of the Trade Agreement between the Government of Japan and the Government of Malta, that Japan is a member to the Convention on the International Regime of Maritime Ports, including the Statute, Annex and Protocol relative thereto, signed at Geneva on 9th December 1923.

I avail myself.....

2.

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Acknowledgement of above.

DRAFT

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Vallette,

Sir,

In the course of the discussions which have led to the signing of the Trade Agreement between Japan and Malta it was agreed that Malta would facilitate, within the scope of its laws and regulations, and in conformity with the principle of non-discrimination, the entry into its territory of the nationals of Japan and their sojourn, travel, residence, and the exercise of various activities therein.

I should very much appreciate if you would confirm the above.

I avail myself.....

2.

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Acknowledgement of above.

DRAFT

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Valletta,

Sir,

In the course of the discussions which have led to the signing of the Trade Agreement between Malta and Japan it was agreed that Japan would facilitate, within the scope of its laws and regulations, and in conformity with the principle of non-discrimination, the entry into its territory of the nationals of Malta and their sojourn, travel, residence and the exercise of various activities therein.

I should very much appreciate if you would confirm the above.

I avail myself.....

2.

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Acknowledgement of above.

DRAFT

FROM THE HEAD OF THE MALTESE DELEGATION
TO THE HEAD OF THE JAPANESE DELEGATION

Valletta,

Sir,

In the course of the recent discussions which have led to the signing of the Trade Agreement between the Government of Malta and the Government of Japan, in particular Articles 1 and 3 thereof, the Japanese Delegation, in taking note of the disinvokation by Malta of Article XXXV of the General Agreement on Tariffs and Trade, have expressed the willingness of their Government within existing possibilities, favourably to consider affording economic and technical assistance in mutually agreed projects to help Malta's industrial development.

I would appreciate your confirmation of the above.

I avail myself.....

2.

FROM THE HEAD OF THE JAPANESE DELEGATION
TO THE HEAD OF THE MALTESE DELEGATION

Acknowledgement of above.