

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ADJUSTMENT ASSISTANCE PROGRAMMES

Addendum

Statement Submitted by the Government of Japan

Japan has made a remarkable progress in improving her industrial structure. But there still remain many sectors, mainly consisting of medium and small enterprises, which are unable to adapt themselves to the recent change in the industrial structure due to their lack of ability in raising funds, and to their geographical concentration in a particular district in which they play a vital importance. Such situations make it difficult for the Japanese Government to carry out measures for adjustments in the industrial structure in such a way as will directly give rise to an increase in imports from developing countries.

However, in the course of implementation of the policies for the improvement of the Japanese industrial structure, capital-intensive industries which do not directly compete with industries in developing countries are expanding in terms of relative importance in our national economy, while labour-intensive sectors are declining. As a result, it is becoming easier for developing countries to sell their products to the Japanese market.

The Japanese Government takes the following measures in order to improve our industrial structure.

- (1) The Small Business Finance Corporations and the Small Business Promoting Public Corporation offer loans to small enterprises in order to promote modernization of plant and equipment and to encourage undertaking of projects on a co-operative basis.
- (2) Public research institutes undertake experimental work for research and development as well as technological guidance.
- (3) With a view to promoting modernization sector by sector, the Japanese Government announces targets for modernization as a guide post to small enterprises designating a certain number of important sectors under the Small Enterprise Modernization Promoting Law.

Fiscal loan is given and tax deferment is allowed to firms which belong to the above-mentioned sectors.

(4) In order to make it easier for small enterprises to convert their business on their own initiative, information service and guidance are provided.

If necessary, the governmental and semi-governmental organs give assistance to small firms in their attempt to receive necessary loans from appropriate agencies mentioned above sub-paragraph (1). In addition, the Government provides facilities through the Public Employment Agency for the purpose of encouraging re-employment of workers, and the public Training Agency gives training to such workers.

(5) With a view to stabilizing household economy of owners of small enterprises who have closed their business or to encouraging resumption of their business, the Government has established the system of "Smaller Enterprise Mutual Aid", which has successfully been made use of in a number of cases.

(6) With respect to spinning, weaving and knitting industries, the Government is implementing "the Structural Improvement Policy" with a view to encouraging modernization of plant and equipment, and scrapping of redundant equipment as well as to facilitating smooth conversion of business.