

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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DEVELOPMENTS RELEVANT TO THE OPERATION OF PART IV

Note by the Secretariat

Addendum

The following notification has been received from the Government of Japan in reply to GATT/AIR/750.

The Government of Japan is well aware of the importance of problems faced by developing countries in international trade. In an effort to ensure the implementation of the provisions of Part IV of the General Agreement, the Government of Japan is giving due consideration to the interest of developing countries in formulating and implementing its trade policy.

In order to contribute to the expansion of trade of developing countries, the Government of Japan took the following actions recently.

In the field of customs tariffs, the Government of Japan has made strenuous efforts in formulating a scheme of general preferences in favour of developing countries, and submitted to UNCTAD a scheme designed to grant, in principle, duty-free treatment to virtually all manufactures and semi-manufactures and some other products imported from developing countries.

In the field of quantitative restrictions, the Government of Japan has been pushing liberalization measures, paying full consideration to the interest of developing countries. Following the liberalization of five items effective 1 October (L/3258), the Cabinet decided, on 17 October, upon an ambitious liberalization programme. According to this programme about sixty items which are now under restriction will be liberalized by the end of 1971. This liberalization list covers a substantial part of the items which are under discussion in the Group on Residual Restrictions.

Japan is a large importer of sugar and other commodities which are of particular importance to developing countries. The Government of Japan has actively participated in commodity agreements and has contributed to the improvement and stabilization of export earnings of developing countries.

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The Government of Japan is taking various measures in the field of trade promotion. These measures complement trade policy measures for the interest of developing countries. Particularly notable among such measures are exhibition of products of developing countries conducted by Japan External Trade Organization and the trade promotion seminar for trainees from developing countries sponsored by the Overseas Technical Cooperation Agency. In 1969, Pakistan, Colombia, Yugoslavia and Afganistan utilized the exhibition facilities. Japan accepted, in 1969, twenty trainees from developing countries including four trainees chosen by the International Trade Centre.

The effort along these lines, supported by the general economic policy of the Japanese Government, have contributed to closer relations with developing countries in Japan's foreign trade. This is shown by the fact that the share of developing countries in Japan's total imports has been gradually increasing and now stands at 40 per cent. This ratio is the highest among developed countries. Japan's imports from developing countries increased annually by around 16 per cent in 1967 and 1968. The same rate of increase was registered for the period January through September 1969, while total imports increased by 14.3 per cent. As a result, Japan's imports from developing countries doubled for the past five years. The share of exports to Japan in the total exports of developing countries has increased considerably. Particularly as regards countries of South-East Asia, one fifth of their total exports are now directed to Japan as compared with one tenth in 1955. Developing countries of other areas are also experiencing a similar trend. It should be noted that the annual reports of the GATT, International Trade, in recent issues, pointed out the fact that Japan plays an important rôle by offering a stable and expanding market for the products of developing countries.