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ACTION BY GOVERNMENTS
RELEVANT TO THE PROVISIONS
OF PART IV

Addendum

The following communication has been received from the delegation of Japan in connexion with the implementation of Part IV.

JAPAN

Japan, as a trading nation, keeps close relations with developing countries. Compared with other major developed countries, the trade connexions between Japan and developing countries are outstanding. Past trends show clearly how fast the mutual dependence has grown; Japan's imports from developing countries expanded over the past ten years from US\$3,934 million (c.i.f. basis) in 1966 to US\$30,962 million in 1975, nearly eight times as much as ten years ago. Moreover, the share of imports from developing countries in total imports increased in the same period from 41.3 per cent to 53.5 per cent. Japan intends to continue to seek through trade the ways and means of promoting mutual prosperity with developing countries and to contribute to the expansion of international trade, in particular the trade with developing countries.

1. Recent import trends of Japan from developing countries

(1) General

The total import of Japan in 1975, reflecting the internal economic recession, decreased by 6.8 per cent compared with 1974 and amounted to US\$57,863 million. The import from developing countries similarly decreased by 6.7 per cent to US\$30,962 million.

However, as the economic condition improved, the total imports in the first half of 1976 increased by 6.3 per cent over the corresponding period of last year reaching US\$30,685 million. Imports from developing countries for the same period increased by 11.2 per cent compared with the corresponding period of last year and amounted to US\$16,966 million. For this period, the imports from developing countries represent 55.3 per cent of Japan's total imports.

(2) Imports under GSP

Five years have passed since Japan implemented its Generalized System of Preferences. During this period, imports to Japan under the GSP scheme showed a remarkable trend of expansion and more than tripled from US\$362 million in the fiscal year 1972, to US\$1,293 million in the fiscal year 1975. Imports under the GSP scheme of the products falling within BTN Chapters 1-24 amounted to US\$257 million in 1975 and for the products falling within Chapters 25-99, US\$1,036 million.

2. Removal of import restrictions

From the view-point of promoting the liberalization of international trade, Japan has endeavoured vigorously to remove import restrictions. With the most recent addition of the liberalization of two items in 1975, the number of residual import restrictions has come down to twenty-seven items.

3. Improvements in tariff

(1) MFN tariff

In 1976, the Japanese Government reduced the m.f.n. tariff rates on ten items (in terms of four digit CCCN) including a number of items of interest to developing countries, such as scoured flax (CCCN 54.01-1) and scoured ramie (CCCN 54.02-1).

(2) Improvements in the GSP

As a new addition to the improvements in the GSP scheme, the Japanese Government enlarged the list of beneficiary countries in 1976 by adding Papua New Guinea, Surinam, São Tomé and Príncipe and Guinea-Bissau. The list of beneficiaries now covers 115 countries and twenty-five areas.

4. Other measures

(1) Measures taken by the Japanese Government

(i) Financial assistance to promote export industries in developing countries.

In conjunction with the special projects designed to develop potential export industries in the developing countries and to promote the importation into Japan of the products of such industries, if the costs of commodities thus produced are higher than the current world prices, the Japanese Government, through the Japan Overseas Development Corporation, offers financial aid until the price competitiveness of the commodities has been improved and the import of the products can take place on a commercial basis.

(ii) Subsidy granted to non-governmental associations to promote the purchase of raw materials and manufactured goods from developing countries.

The Japanese Government grants subsidies to non-governmental associations in Japan related to various industries which undertake the following tasks:

A. Research into possible use of goods from developing countries.

In order to find new markets or expand existing markets for the products of developing countries which have not been imported at all into Japan or have been imported only in very small amounts, the associations are subsidized to obtain samples of such products from developing countries, examine them and carry out research into their possible use, and take steps to propagate the information obtained as a result of these examinations. One such project was implemented in 1975.

B. Missions and technical guidance to developing countries.

Associations send missions to developing countries to conduct research and render technical assistance regarding the problems involved in the purchase by Japan of their products, the means to solve these problems and the possibility of new export products. A total of 172 missions have been sent since 1961 including eleven missions in 1975.

(iii) Basic study on the promotion of imports from developing countries.

Problems and their solutions are identified by country or by product through comprehensive discussions and examination in a forum which has been established specifically for this purpose and which is attended by many experts in this field.

On the basis of its findings the Institute of Developing Economies undertakes a comprehensive study on the problems relating to products and conducts research on possibilities of increase in import, economic co-operation for development and of regional development schemes. For this purpose and for an exchange of views with relevant governmental bodies, the Institute sends missions to developing countries concerned. The following two surveys were undertaken in 1975:

- A. Survey on the development and importation of products of Pakistan, Nepal and Sri Lanka.
 - B. Survey on the development and importation of products of Egypt and Sudan.
- (iv) Co-operation with the South-East Asian Promotion Centre for Trade, Investment and Tourism.

The Centre was established in January 1972 by Japan and nine countries of South-East Asia in pursuance to the resolution adopted by the Ministerial Conference for the Economic Development of South-East Asia (its secretariat is seated in Tokyo). The objectives of the Centre are to help to improve the balance of payment and promote the development of the countries concerned by promoting the expansion of their exports to Japan, encouraging Japanese private investments in these countries and by inducing increased Japanese tourists to this area.

The contribution by Japan to the budget of the Centre in 1975 amounted to ¥ 195 million, including ¥ 79 million for trade related activities, accounting for about 90 per cent of the total contributions to the Centre.

As for the activities designed to promote expansion of exports from other member countries to Japan and the Japanese investments in these countries, the Centre organizes exhibitions of products of member countries and undertakes marketing surveys in Japan and researches on new export products of, and investment possibilities in, other member

countries. Furthermore, the Centre helps exporters of other member countries to establish commercial contacts with possible Japanese buyers.

(v) The Japan International Co-operation Agency.

The Japan International Co-operation Agency was established in August 1974, in order to facilitate the economic and social development of developing areas abroad and thereby to promote international co-operation. The tasks of the Japan International Co-operation Agency are to send specialists, receive trainees, undertake development surveys, assist emigrants, provide financial and technical assistance required for social development as well as development of agriculture, forestry, mining and manufacturing industries in developing areas.

In the financial field it provides funds for projects for which it would be difficult to obtain credit from the Export-Import Bank of Japan or the Overseas Economic Co-operation Fund.

Through this last activity, the Agency aims at strengthening co-ordination between governmental and non-governmental co-operation projects and between financial and technical assistances. It is also designed that if surplus for export is brought about in producing countries over and above their domestic demand for products receiving development assistance by Japan, such surplus would find its outlet in the Japanese market. It is hoped that the technical and development assistance particularly for the development of primary commodities for export of developing countries will be further strengthened in future as one of the important tasks of the Agency. Four concrete projects in this field are now being carried out.

- (A) Agricultural development (field crops) in Indonesia
- (B) Forest development in the Philippines
- (C) Prawn culture in Thailand
- (D) Maize production in Thailand.

(2) Measures taken by the Japan External Trade Organization

In order to expand imports from developing countries, the Japan External Trade Organization undertook the following activities in fiscal year 1975 with financial assistance from the Japanese Government.

- (i) The exhibitions of raw materials, semi-processed and finished products of Sri Lanka, Pakistan and Costa Rica.
- (ii) Research of demand trend in Japan for cocoa, coffee, tapioca, prawn, palm oil and raw materials for vegetable oil and fats.
- (iii) Holding of consultation meetings on product adaptation and development for export; once for raw materials for fishery processing from three Central South American countries (Chile, Peru and Mexico) and once for working tools from four South-East Asian countries (Indonesia, Pakistan, the Philippines and Singapore). Thirteen specialists from these countries were invited to Japan to participate in the meetings.
- (iv) Dispatch of commodity experts, with a view to following up the consultation meetings by the Japan External Trade Organization to countries in the Central South America and South-East Asia.
- (v) Holding of a trade promotion seminar co-sponsored by ESCAP, inviting staffs from organizations for trade promotion of nine Asian countries (Thailand, Nepal, the Philippines, Sri Lanka, India, Afghanistan, Pakistan, Bangladesh and Indonesia).
- (vi) Subsidies to fifteen developing countries to meet the expenses necessary for their participation, such as rental fees and costs of decoration, extended in order to facilitate their participation in the Tokyo International Trade Fair held from 21-30 April 1976.

(3) Participation in international commodity agreements.

Japan accepted the Tin Agreement and the Cocoa Agreement and signed the Coffee Agreement. In addition, Japan participates actively in the work towards a new International Sugar Agreement including economic provisions.