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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 has been seeking ways and means to promote through trade mutual prosperity with developing countries and to contribute to the expansion of international trade, in particular the trade with developing countries. As a result, the trade relationship between Japan and developing countries has become increasingly closer year by year. In 1976 the imports from developing countries reached US\$35,897 million (c.i.f., unless otherwise mentioned), nearly eight times as much as was a decade ago in 1967. Imports from developing countries occupied 39.2 per cent of Japan's total imports a decade ago and reached 55.4 per cent of the total in 1976.

1. Recent trend in Japan's imports from developing countries

In 1976 the total amount of imports was \$64,799 million, 11.4 per cent more than in 1975. The amount of imports from developing countries was \$35,897 million, 15.9 per cent more than in 1975. During the first six months in 1977 the total amount of imports was \$35,099 million, 4.4 per cent more than the corresponding period in 1976. The amount of imports from developing countries was \$19,604 million during the same period, 15.6 per cent more than the corresponding period in 1976. The amount of imports from developing countries grew to 55.9 per cent of the total imports in the first half of this year. It should be further noted that in FY 1976 the amount of import under the GSP scheme was \$366 million in the field of agriculture and

fishery products under CCCN 1-24, US\$1,423 million in the field of mineral and industrial products, their respective amounts increased by 43 per cent and 37 per cent compared with FY 1975.

2. Tariff improvement

(1) MFN tariff

Japan implemented reductions on eighteen items of MFN tariff including items of interest to developing countries such as dried bananas (CCCN 0801-1(2)), and cacao fat (CCCN 1804) in FY 1977.

(2) Improvement of GSP scheme

Japan up-dated the reference year of base year for computation of preferential quota from 1968 to 1975 in principle, established preferential duties on eleven new items, mainly in the field of agricultural and fishery products, and enacted reductions of preferential duties on twenty items. The Socialist Republic of Viet-Nam was added to the beneficiaries of the GSP. Total beneficiaries of the GSP became 117 countries and twenty-four areas.

3. Other measures

(1) Measures taken by the Japanese Government

(i) The Japan International Co-operation Agency

The Japan International Co-operation Agency was established in order to facilitate the economic and social development of developing areas abroad. The technical and development assistance for the development of primary commodities for export from developing countries is one of the important tasks of the Agency. Major projects being undertaken in this field are as follows:

- A. Agricultural development (field crops) in Indonesia
- B. Forest development in the Philippines
- C. Particleboard development in the Philippines
- D. Prawn culture in Thailand
- E. Maize production in Thailand
- F. Quality improvement of natural rubber in Thailand
- G. Development of copper refinery in Chile
- H. Recovery of minerals such as zinc in Bolivia
- I. Mineral resource development in Brazil.

(ii) Co-operation with the South-East Asian Promotion Centre for Trade, Investment and Tourism

The objectives of the Centre are to help to improve the balance of payments 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 encouraging Japanese tourists to the countries of South-East Asia. Japan co-operates with the Centre in all fields of activity. The contribution by Japan to the budget of the Centre in FY 1976 amounted to ¥ 220 million, including ¥ 90 million for trade and investment related activities, accounting for about 90 per cent of the total contributions to the Centre.

(iii) Financial assistance to promote development of export products 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.

(iv) Subsidy granted to non-governmental associations to promote the purchase of primary products and manufactured products from developing countries

The Japanese Government grants subsidies to non-governmental organizations in Japan which undertake the tasks to send missions and render technical assistance to developing countries. A total of 185 projects have been undertaken since FY 1961 including thirteen in FY 1975.

(v) 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 Research Institute of Asian Economies undertakes a comprehensive study on the problems relating to products and conducts research on possibilities of increase in import, economic co-operation for promoting export industries and 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 FY 1976:

- (A) Survey on promotion of export industries of Guatemala, Honduras and Costa Rica.
- (B) Survey on the development and importation of products of Bangladesh and Pakistan.

(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 FY 1976 with financial assistance from the Japanese Government.

- (i) Research of demand trend in Japan for honey, frozen squid, chicken broiler, carpet, wooden furniture, molasses and precious and semi-precious stones.
- (ii) The exhibitions of products of Chile, Iraq, Iran and Bulgaria.
- (iii) Invitation of key personnels in economic and trade policy-making from Chile, Tanzania, Cameroon, Iraq, Algeria, Iran, Bulgaria and Egypt.
- (iv) Consultative meetings on product adaptation and development for export; for spice and mustard from Indonesia and Malaysia, and for gold medal from five ASEAN countries.
- (v) Dispatch of commodity experts, with a view to following up the consultative meetings by the Japan External Trade Organization to countries in Central and South America (Chile, Peru and Mexico).
- (vi) Trade promotion seminar co-sponsored by ECLA, inviting staff from organizations for trade promotion of seven countries (Argentina, Brazil, Colombia, Chile, Mexico, Peru and Venezuela).
- (vii) Financial assistance to twenty developing countries and one developing area to meet the expenses such as rental fees and costs of decoration, in order to facilitate their participation in the Osaka International Trade Fair held from 23 April to 6 May 1976.

(3) Participation in international commodity agreements

Japan accepted the fifth International Tin Agreement, the 1975 International Cocoa Agreement, the 1976 International Coffee Agreement, the extended 1971 International Wheat Agreement and the 1973 International Sugar Agreement. In addition, Japan participated actively in the Sugar Conference under the auspices of the United Nations, which ended in success this October.

