

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/410

17 August 1984

Limited Distribution

Committee on Trade and Development
Fifty-Third Session
8-12 October 1984

PART IV CONSULTATIONS: BACKGROUND INFORMATION

JAPAN

Note by the Secretariat

Table of Contents

	<u>Page</u>
Introduction	2
SECTION I: Economic background	2
SECTION II: M.f.n. duties	8
SECTION III: GSP	15
SECTION IV: Imports according to economic groupings, product groups and tariff treatment	27
SECTION V: Quantitative restrictions and other trade measures	33
SECTION VI: Other trade policy aspects	43
SECTION VII: Trade with least-developed countries	45
APPENDIX: GSP - positive list of agricultural products	55

Introduction

1. At the Fifty-First Session of the Committee on Trade and Development and the Thirty-Ninth Session of the CONTRACTING PARTIES, in November 1983, it was agreed that during 1984, Part IV consultations will be held with the European Economic Community, the United States, Japan, and a group of Latin American developing countries, members of ALADI.
2. The present document contains factual background material covering developments in trade and trade policy in regard to Japan. The material has for the most part been drawn from available official and GATT documentation. It is not intended to be exhaustive.
3. While every effort has been made, including consultations with the delegation concerned, to present a clear and factually accurate picture of the situation, the information is subject to verification and correction in the light of any comments or suggestions that might be made by delegations.

SECTION I: Economic background

Trends in indicators of domestic economic activity

4. The Japanese economy grew at an annual average rate, in real terms, of 3.7 per cent in the period from 1973 to 1982. While this rate compares favourably with the growth performance of other industrial countries, whose GNP collectively (including Japan) grew at an annual rate of 1.5 per cent during the same period, it is significantly lower than the growth rate of 10.5 per cent achieved by Japan in the previous decade. The lower growth rate during 1973-1982 reflects a slow-down in the trend rate of growth as well as the effects of the global recessions of 1974-75 and 1980-82.
5. Following an increase of 8.8 per cent in real GDP of in 1973, economic growth decelerated significantly during the 1974-1975 recession. The significant reduction in national expenditure resulted in a decline in GDP of 1.2 per cent in 1974 despite the favourable developments in the external sector. In 1975, domestic demand started to recover somewhat, but the external sector remained the main stimulus to economic growth, accounting for 80 per cent of the 2.4 per cent growth achieved in GDP. The Japanese economy grew at a rate of over 5 per cent in all four years between 1976 and 1979. The upturn in economic activity which had been initially stimulated by the external sector in 1975 was subsequently strengthened with the recovery in consumer expenditure and domestic investment.
6. While the rate of GDP growth decelerated somewhat during the 1980-1982 recession, economic growth in Japan during this period remained the highest among the industrial countries. Real GDP increased by 4.8 per cent and 3.8 per cent in 1980 and 1981, respectively, despite sluggish domestic demand. Once again the external sector proved crucial in sustaining growth in the Japanese economy at a time of weak domestic demand. In 1982, however, when real GDP increased by 3 per cent, export growth was minimal and the entirety of GDP growth was attributable to growth in domestic demand. The strengthening of domestic demand was largely due to the increase in private consumption which grew at a rate of over 4 per cent in

1982 as real household disposable income expanded for the first time in three years.¹ In 1983, real GDP increased by 3.1 per cent, with domestic demand and the external sector contributing equally to the expansion in economic activity.

7. Fluctuations in the growth rate of gross fixed investment followed closely the changes in total domestic demand throughout the period from 1973 to 1983. During the 1974-75 recession, domestic investment was particularly sluggish, registering declines of 9 per cent and 1 per cent in 1974 and 1975, respectively. Along with the recovery in aggregate output in the period from 1976 to 1979, investment activity also picked up, increasing at an average annual rate of 6.8 per cent in those three years. Since 1980, the growth in gross fixed investment has slowed down considerably. While levels of domestic investment during the recent recession have not been as depressed as they were during the 1974-75 recession when negative growth rates were registered, recovery in investment activity has not been as quick in materializing. In fact, the growth in gross fixed investment in 1983 was a mere 0.1 per cent, significantly lower than the 3.4 per cent increase in private consumption registered in the same year. Among the various components of gross fixed investment, investment in residential construction has been particularly depressed recently, with negative growth rates registered during every year since 1978.

8. Trends in industrial production have been similar to those in GDP, but both the upturns and slowdowns have been more pronounced for industrial production than for GDP. In 1974 and 1975, growth in industrial production was -2.5 per cent and -11.5 per cent, respectively, whereas GDP declined by only 1.0 per cent in 1974 and actually increased by 2.5 per cent in 1975. While growth in industrial production was more sluggish during the 1974-75 recessionary period than growth in aggregate output, it was also more robust during the period of recovery from 1976 to 1979. In fact, industrial production in Japan increased by 11 per cent in 1976 compared to the 6 per cent increase registered by GDP in the same year. In 1981 and 1982, once again, the deceleration of economic activity was more pronounced for industrial production. GDP grew by 3 per cent and 2.5 per cent in 1981 and 1982, respectively, while industrial production increased by only 1 per cent and 0.5 per cent in the same two years.

9. Even though unemployment in Japan is very low by international standards, there has been a trend toward increasing unemployment throughout the past decade. In 1983, the unemployment rate reached an historical high of 2.6 per cent, which is still far below the average rate of 8.3 per cent registered by the largest seven industrial countries in the same year. It is also important to note that there have been a number of changes in the composition of the Japanese labour force, the most important of which is the increased labour force participation of women in the 1980s. As a result, it is instructive to look at unemployment figures in conjunction with figures on employment generation. Thus, in 1983 while unemployment edged up to 2.6 per cent, total employment actually increased by 1.7 per cent, which was higher than any increase registered since 1973.

¹ OECD Economic Surveys, Japan 1982-1983, July 1983.

10. In the period from 1963 to 1972, the average unemployment rate in Japan was 1.2 per cent. As a result of the slowdown in general economic activity during the 1974-75 period, employment growth in this period was negative and the unemployment rate had reached 2.0 per cent by 1976. Despite the subsequent recovery and increases in total employment in 1976-79, the unemployment rate remained at approximately the same level throughout this period. Since 1980, unemployment has been on the increase reaching rates of 2.2 per cent, 2.4 per cent and 2.6 per cent in 1981, 1982 and 1983, respectively.

11. While the trends and present levels of unemployment may provide some cause for concern, the performance of the Japanese economy with respect to the fight against inflation has been remarkably strong. In the period from 1972 to 1974, the consumer price index increased at an average annual rate of 18 per cent. Starting in 1975 when consumer prices increased by 11.8 per cent, inflation decelerated considerably, and in 1979 the consumer price index registered an increase of only 3.6 per cent. Under the effect of the second round of oil price increases, inflationary pressures intensified once again and in 1980 consumer prices increased by 8.0 per cent. Since 1980, however, inflation has declined progressively. In 1983, consumer prices rose by only 1.8 per cent, which was not only below increases registered in any other OECD country, but also the lowest rise in Japan in over twenty-five years.

Trends in international transactions

12. Throughout the period from 1973 to 1982, the Japanese balance on trade in goods has remained positive although the magnitude of the trade surplus has fluctuated considerably. The trade surplus dwindled down to levels as low as US\$2 billion in 1974-1975 and 1979-1980 while it soared to around US\$20 billion in 1977-1978 and more recently since 1981. The trade balance which stood at US\$25.3 billion in 1978 declined to US\$1.8 billion in 1979 as a result of a 42 per cent increase in the value of imports, engendered by the second round of oil price increases, coupled with only a modest increase of 6 per cent in the value of exports. Despite a 16 per cent increase in the value of exports in 1980, Table 1 shows that the trade surplus in that year was only US\$2.1 billion, owing to an increase of a similar magnitude in the value of imports. Export growth continued to remain strong in 1981 while the growth in the value of imports decelerated considerably, thus resulting in a trade surplus for 1981 of US\$20.4 billion. In 1982 the Japanese trade performance displayed the effects of the recession prevailing both at home and in major export markets. The volume of Japanese imports stagnated in that year while export volume declined by about 3 per cent and both exports and imports declined by about 8 per cent in value terms. Japanese trade picked up in 1983 as economic recovery in some industrial countries, and in North America in particular, started to get underway. Export volume increased by 8.7 per cent in 1983 while the volume of imports registered a growth rate of 1.3 per cent after having declined during the previous three years.

13. In contrast with the erratic but consistently positive balance on trade, the balance on services has registered increasingly larger deficits throughout the 1970s. Table 1 shows that the services deficit, which had reached US\$13.6 billion in 1981, decreased to US\$9.8 billion in 1982 as a

TABLE 1
Japan's Balance of Payments, 1980, 1981, 1982
(in billions of US dollars)

	1980	1981	1982
Exports, f.o.b.	126.8	149.9	137.6
Imports, f.o.b.	-124.6	-129.5	-119.5
Trade balance	2.2	20.4	18.1
Net services	-11.3	-13.6	-9.8
Private and official transfers, net	-1.5	-1.6	-1.4
Current account balance	-10.7	5.2	7.0
Direct investment, net	-2.1	-4.7	-4.1
Portfolio investment, net	9.4	7.5	1.0
Other long-term capital, net	-4.9	-9.5	-13.0
Short-term capital, net	16.5	4.7	-0.2
Net errors and omissions	-3.1	0.4	4.5
Other transactions ¹	0.8	2.2	1.3
Total change in reserves ²	5.9	5.8	-3.5

¹ Includes monetization/demonetization of gold, allocation of SDRs and valuation changes in reserves.

² A negative sign (-) implies an increase in reserves.

Source: IMF, Balance of Payments Yearbook, 1983

result of declining services imports in that year. The combination of increasing service deficits and changes in the magnitude of the trade surplus led to fluctuations in the Japanese current account balance. The balance on the current account was negative during 1974-1975 and again in 1979-1980, two periods in which the trade balance registered only small surpluses which were swamped by the larger deficits on services. Table 1 shows that the current account balance was positive during both 1981 and 1982 owing to the sizeable surpluses registered on the trade balance.

14. An overview of movements in the capital account shows that with the exception of one year, Japan has been a net importer of short-term capital and a net exporter of long-term capital throughout the period from 1973 to 1982. The deficits on the current account balance in 1974-1975 and 1979-1980 were financed in large part by increasing inflows of short-term capital. As can be seen in Table 1, Japan's net inflows of short-term capital amounted to as much as US\$16.5 billion in 1980, when the current account deficit reached US\$10.7 billion, the largest deficit registered in over a decade. In the same year, Japan also became a net importer of long-term capital for the first time in ten years. The swing from net outflows in 1979 to net inflows in 1980 amounted to US\$15 billion. The subsequent change in the current account balance from a deficit of US\$10.7 billion in 1980 to a surplus of US\$7.0 billion in 1982 was accompanied by significant outflows of long-term capital. Following the substantial increase in Japanese net acquisition of long-term foreign assets in this period, there was a change in long-term capital flows from a net inflow of US\$2.4 billion in 1980 to a net outflow of US\$16.1 billion in 1982.

15. Table 2 shows the broad geographic distribution of Japan's trade in 1980, 1981 and 1982. After increasing by 17.3 per cent in 1981, the value of Japan's exports declined by 8.8 per cent in 1982. The largest decrease was registered in exports to the non-oil developing countries (13.1 per cent) while exports to the oil exporting countries showed the smallest decline (4.8 per cent). On the import side, the value of Japanese imports¹ (on a c.i.f. basis) grew at a very modest rate of 0.6 per cent in 1981 before declining by 7.5 per cent in 1982. In 1981, small increases were registered in imports from all groups of countries with the exception of imports from the oil-exporting group which declined by 2.7 per cent. Imports from the same group of countries also showed the largest decline in 1982 (11.6 per cent) even as imports from all sources registered negative growth.

16. Table 2 shows that Japan has run a trade surplus in all three years between 1980 and 1982 with all groups of countries other than the oil exporting group. From 1980 to 1982 the trade balance swung from a deficit of US\$10.4 billion to a surplus of US\$8.3 billion. This resulted from the reduction in the deficit with oil-exporting countries, on the one hand, and the increase in the trade surplus with the developed countries, on the other, during this period. From 1981 to 1982, however, there was a reduction in the traditional trade surplus run with the developed, non-oil developing and Eastern trading area countries, as the decline in the value of Japanese exports to these countries was larger than the reduction in the value of imports from them.

¹ Figures on the value of imports in Table 2 differ from those given in Table 1 because the former are reported on a c.i.f. and the latter on an f.o.b. basis.

TABLE 2
Balance and Direction of Japan's Trade, 1980, 1981, 1982
(in billions of US dollars, exports f.o.b. imports c.i.f.)

	1980			1981			1982		
	Exports	Imports	Trade balance	Exports	Imports	Trade balance	Exports	Imports	Trade balance
Total trade ¹	129.5	139.9	-10.4	151.9	140.8	11.1	138.6	130.3	8.3
Developed countries	61.6	48.7	12.9	74.2	49.5	24.7	68.3	47.4	20.9
Oil exporting developing countries	18.5	56.5	-38.0	22.9	55.0	-32.1	21.8	48.6	-26.8
Other developing countries	38.1	28.1	10.0	42.1	29.1	13.0	36.6	27.3	9.3
Eastern trading area	9.2	6.6	2.6	9.5	7.2	2.3	8.4	7.1	1.3

¹ Individual components do not add up to totals for the columns showing exports and the trade balance because small amounts of exports have not been specified as to destination.

Source: GATT, International Trade, 1982/83

17. A longer term overview of the geographic distribution of Japan's trade shows that the share of the oil-exporting countries in both Japanese exports and imports has increased considerably between 1973 and 1982. While in 1973 only 7.4 per cent of Japanese exports were destined for the oil-exporting countries, in 1982 15.7 per cent of total exports were absorbed by this group. The corresponding decline in the share of other groups of countries in Japanese exports during this period was evenly distributed between the developed and the non-oil developing countries. However, between 1980 and 1982 while the share of the developed countries in Japanese exports has increased slightly from 47.7 per cent to 49.3 per cent, that of the non-oil developing countries has continued to decline, from 29.4 per cent in 1980 to 26.4 per cent in 1982.

18. Changes in the origin of Japanese imports, generated in large part by the two rounds of oil price increases during the 1970s, have been far more pronounced. From 1973 to 1982, the share of the oil-exporting countries in Japanese imports increased from 18.3 per cent to 37.3 per cent. Almost the entirety of the corresponding decline in the shares of other groups of countries was absorbed by the developed countries whose share in Japanese imports declined from 51.9 per cent in 1973 to 36.3 per cent in 1982. During the same period, the share of non-oil developing countries in Japanese imports declined by three percentage points only, from 24 per cent in 1973 to 21 per cent in 1982. Since 1980, the share of the oil-exporters in Japanese imports has been declining and the corresponding increases in market shares have been distributed evenly among the remaining three groups of countries.

19. As already noted above, the predominant change in the geographic distribution of Japanese trade in the last ten years has been the increasing importance of oil-exporting countries as trading partners. It should, however, be emphasized that this change engendered equivalent declines in the shares of developed and other developing countries on the export side while it occurred predominantly at the expense of the developed countries on the import side. Thus while developed countries accounted for approximately 52 per cent of both Japanese imports and exports in 1973, the corresponding figures for 1982 were 49.3 per cent for exports and only 36.3 per cent for imports. On the other hand, all developing countries taken together accounted for 42 per cent of exports and as much as 58.3 per cent of imports in 1982. The shares of the non-oil developing countries in 1982, despite some declines registered since 1973, were still as high as 26.4 per cent for exports and 21 per cent for imports. As a result, non-oil developing countries, as a group, provided in 1982 as important a market for Japanese exports as did the United States, Japan's largest trading partner, and they were more important than the United States as a supplier of goods to the Japanese economy.

SECTION II: M.f.n. duties

Application of m.f.n. duties

20. Japan has adopted a GATT-based multilateral trading system and has no preferential tariff arrangements except the GSP. Its m.f.n. duties are applicable to all countries except some which are subject to statutory duties. Albania, Andorra, Namibia, North Korea and South Africa are subject to statutory duties. Such developing countries as Mongolia,

Vietnam, Nepal, Lebanon, Lesotho, Sudan, Ecuatorial Guinea, Botswana and Swaziland are among the beneficiaries of the Japanese GSP scheme but statutory duties are applied also to these countries where GSP does not apply; these countries do not have a GATT relationship with Japan nor have they concluded commercial treaties including most-favoured nation treatment with Japan.

The level of m.f.n. duties

21. Table 3 shows pre- and post-Tokyo Round m.f.n. duty averages (simple and weighted) of eight industrialized markets with respect to industrial products, i.e. products falling within CCCN Chapters 25-99 (excluding petroleum) and, amongst these products, separately for industrial raw materials, semi-manufactures and manufactures. As the table indicates, Japan made significant tariff concessions on industrial products in the Tokyo Round. In the industrial sector, post-Tokyo Round tariff levels of Japan are similar to those of the EEC and the United States at 6.0 per cent in the simple average (EEC and US: 6.4 per cent and 6.3 per cent) and at 2.7 per cent in the weighted average (EEC and US: 4.6 per cent and 4.3 per cent). As a result of the Tokyo Round, Japanese duties on industrial raw materials, semi-manufactures and manufactures are being reduced from 2.5 per cent, 9.7 per cent and 11.5 per cent to 1.4 per cent, 6.3 per cent and 6.4 per cent in the simple average, and from 1.4 per cent, 6.5 per cent and 12.4 per cent to 0.4 per cent, 4.5 per cent and 5.9 per cent in the weighted average.

22. While most industrial products have been covered by the Japanese GSP scheme, the level of post-Tokyo Round m.f.n. duties (which will be fully in force in 1987) continues to be of interest and relevant for developing countries to the extent that GSP rates do not apply to imports from developing countries because of the quota or ceiling limitations and origin rule limitations.

23. Table 4 shows post-MTN m.f.n. duty averages according to the stage of processing with respect to a number of industrial product groups, and imports of these product groups from GSP beneficiary developing countries according to tariff treatment (m.f.n. duty-free, GSP covered and no GSP). In the table, "No GSP" indicates imports of the products excluded from the GSP scheme, and "GSP covered" is inclusive of imports covered by GSP but not actually accorded GSP treatment due to quota, ceiling and origin rule limitations, or for various other reasons.

24. While post-MTN m.f.n. duty averages for many product groups are less than 6 per cent, higher averages are recorded for some product groups of export interest to developing countries, e.g. leather, footwear, travel goods and handbags, other finished leather manufactures, wood based panels, textile yarns and fabrics, textile made-up articles, clothing and clothing accessories, and finished semi-manufactures of precious stones and precious metals. Among the above products certain leather-related products are also subject to import restrictions. The other products including textiles and clothing are not subject to import restrictions in the context of the Multi-Fibre Arrangement or otherwise.

25. Table 5 shows the pre- and post-MTN m.f.n. duty averages (simple and weighted) of the EEC, the US and Japan with respect to some agricultural/tropical product groups in respect of which tariffs appear to be the major measure affecting imports. With respect to other agricultural

TABLE 3

Pre- and post-MTN r.f.o. duty averages (simple and weighted)¹
industrial products excluding petroleum and according to stages of processing

		U.S.	JAPAN	E.C.	AUSTRIA	SWITZERL.	FINLAND	NORWAY	SWEDEN
ALL INDUSTRIAL PRODUCTS (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE								
	-WEIGHTED	11.2	10.2	9.1	11.7	3.7	13.2	8.5	6.0
Post-MTN	-SIMPLE	2.3	5.4	6.5	8.9	2.9	6.9	4.2	5.6
	-WEIGHTED	6.3	6.0	6.4	8.1	2.9	11.4	6.7	4.8
OF WHICH:	-SIMPLE	4.3	2.7	4.6	7.7	2.2	5.5	3.1	4.0
	-WEIGHTED								
RAW MATERIALS (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE								
	-WEIGHTED	3.3	2.5	1.9	2.6	1.3	0.8	1.3	0.5
Post-MTN	-SIMPLE	0.7	1.4	0.1	0.9	0.2	0.7	0.0	0.0
	-WEIGHTED	1.8	1.4	1.6	1.9	1.5	0.5	0.9	0.4
OF WHICH:	-SIMPLE	0.2	0.4	0.1	0.8	0.2	0.3	0.0	0.0
	-WEIGHTED								
SEMI-MANUFACTURES									
Pre-MTN	-SIMPLE								
	-WEIGHTED	10.1	9.7	8.9	10.3	3.6	13.0	6.7	6.0
Post-MTN	-SIMPLE	4.4	6.5	5.5	5.7	1.6	6.7	1.7	5.2
	-WEIGHTED	6.1	6.3	6.2	7.3	2.8	11.7	5.4	5.1
OF WHICH:	-SIMPLE	3.0	4.3	4.1	4.7	1.2	5.8	1.4	3.2
	-WEIGHTED								
MANUFACTURES (EXCL. PETROLEUM)									
Pre-MTN	-SIMPLE								
	-WEIGHTED	13.0	11.5	10.0	13.4	4.0	14.3	10.0	6.6
Post-MTN	-SIMPLE	8.1	12.4	9.7	18.3	3.9	7.7	5.6	6.5
	-WEIGHTED	7.0	6.4	7.0	9.1	3.0	12.0	7.8	5.1
OF WHICH:	-SIMPLE	5.6	5.9	6.8	16.0	3.0	6.0	4.2	4.8
	-WEIGHTED								

¹Based on imports in 1977 or 1976.

TABLE 4

JAPAN - Post-MTN m.f.n. duty averages and imports from GSP beneficiary developing countries according to industrial product groups

Product groups	Post-MTN m.f.n. duty averages according to industrial product groups and stages of processing S = simple average W = weighed average, based on 1987 imports				1977 imports from GSP beneficiary developing countries according to tariff treatment GSP covered: includes imports actually accorded m.f.n. treatment due to quota and ceiling limitations and non-utilization of GSP.			
	% ad valorem				Total (\$ million)	M.f.n. duty-free	M.f.n. dutiable	
	All products	Raw materials	Semi-finished manufactures	Finished manufactures			GSP covered	No GSP
All industrial products (Ch. 29-99) excluding petroleum	S 6.0 W 2.7	1.4 0.4	6.3 4.5	6.4 5.9	10,480 100%	5,424 52%	3,974 38%	1,082 10%
As above pre-MTN	S 10.2 W 5.4	2.5 1.4	9.7 6.5	11.5 12.4				
Rubber and rubber articles	S 4.0 W 2.7	0.2 0.0	4.2 5.3	4.7 ^{1/} 4.5 ^{1/}	301 100%	257 85%	17 6%	27 9%
Hides, leather and products, fur	S 11.7 W 5.8	0.2 0.0	13.8 8.7	13.2 ^{2/} 13.8 ^{2/}	164 100%	16 10%	115 70%	33 20%
Wood and cork	S 4.1 W 0.6	0.2 0.0	3.8 0.5	5.1 ^{3/} 4.5 ^{3/}	1,907 100%	1,712 90%	183 10%	12 1%
Pulp, paper and printed matter and other articles	S 3.9 W 2.4	1.6 2.0	5.6 5.4	3.8 ^{4/} 3.3 ^{4/}	31 100%	13 42%	18 58%	0
Textiles	S 9.8 W 5.4	3.2 0.5	7.2 6.7	9.6 (fabrics) 9.4	1,679 100%	661 39%	849 51%	169 10%
Made-up articles	S W			9.7 11.5	47 100%	0	47 100%	0
Clothing and clothing accessories	S W			13.2 13.8	543 100%	0	543 100%	0
Mineral products and fertilizers	S 3.0 W 1.1	0.7 0.0	-	4.0 ^{5/} 2.6 ^{5/}	237 100%	209 88%	28 12%	0
Precious stones and precious metals	S 4.0 W 3.0	2.1 2.5	2.6 2.5	6.9 7.7	346 100%	19 5%	327 95%	0
Ores and metals	S 5.0 W 1.5	0.0 0.0	See below	5.4 5.2	3,083 100%	2,452 80%	631 20%	0
Iron and steel	S W	5.2 ^{6/} 5.3 ^{6/}	5.6 4.8		97 100%	0	97 100%	0
Non-ferrous metals	S W	4.5 ^{7/} 4.8 ^{7/}	5.8 6.1		78 ^{7/} 100%	318 40%	468 60%	0
Chemicals	S W	5.6 4.6	4.7 ^{8/} 4.2 ^{8/}	6.8 ^{8/} 6.4 ^{8/}	303 100%	7 2%	296 98%	0
Machinery, transport equipment and scientific instruments	S 4.6 W 4.4				632 100%	24 4%	608 96%	0
Miscellaneous manufactures	S 4.9 W 4.9				102 100%	0	102 100%	0

^{1/} Rubber manufactures other than the following:
rubber tyres and tubes S 5.1 W 5.4
rubber footwear S 2.4 W 16.5

^{2/} Leather manufactures other than the following:
travel goods and hand bags S 12.3 W 13.1
leather footwear S 17.3 W 13.9

^{3/} Wood and cork manufactures other than the following:
wood based panels S 269.9 W 17.8
furnitures of wood and other materials S 5.2 W 5.1

^{4/} Manufactured articles other than printed matter.

^{5/} Mineral manufactures other than the following:
manufactured fertilizers S 1.2 W 2.1
glass and glassware S 5.4 W 5.1

^{6/} Ferro-alloys

^{7/} Unwrought non-ferrous metals

^{8/} Chemicals other than the following:
dyeing, tanning and colouring materials S 5.1 W 6.0
medical and pharmaceutical products S 5.1 W 5.4
plastic materials and articles thereof S 6.3 W 6.4
essential oils, toilet preparations, etc. S 5.2 W 6.9

TABLE 5

EEC, US and Japan - Pre- and post-MTN m.f.n. duty averages
with respect to some agricultural product groups

- Notes: 1. This table covers agricultural product groups for which tariffs are the major measure affecting imports in the three markets.
2. The averages of duties being actually applied to developing countries are lower than those indicated; a number of products covered by this table enjoy GSP duty rates lower than m.f.n. duties.

Product group	Averages of m.f.n. duties ^{1/}					
	EEC		USA		Japan	
	Pre-MTN	Post-MTN	Pre-MTN	Post-MTN	Pre-MTN	Post-MTN
Coffee, tea, cocoa (0901, 0902, 2102, Ch. 18)	S 12.6	11.1	2.0	1.6	22.6	19.9
	W 7.4	4.9	0.1	0.0	2.1	1.8
Spices (0904-0910)	S 9.4	8.6	1.8	1.3	5.2	3.8
	W 13.2	6.9	0.3	0.1	6.4	6.4
Vegetables and fruit ^{2/}	S 14.0	13.5	11.0	9.2	21.2	19.9
	W 13.3	13.1	8.5	n.a.*	20.6	20.1
Unprocessed (Chs. 07, 08)	S 11.3	10.8	10.0	8.6	13.8	12.3
	W 12.5	12.2	6.3	n.a.	19.1	18.7
Processed (Ch. 20)	S 21.8	21.2	12.6	10.2	26.4	25.1
	W 22.1	22.0	13.9	12.3	26.7	25.6
Vegetable oilseeds and oils ^{2/}	S 7.9	7.8	5.3	3.8	4.3	3.6
	W 3.9	3.9	4.4	0.8	4.5	3.9
Seeds (1201)	S 0.0	0.0	5.7	4.2	1.4	1.1
	W 0.0	0.0	0.1	0.1	2.2	1.8
Oils (1507, 1510-12)	S 8.3	8.2	5.2	3.6	6.2	5.2
	W 7.8	7.8	4.6	0.8	7.4	6.4
Plants, flowers, wax (Ch. 06, 1207, Chs. 13, 14, 1515, 1516)	S 5.6	5.3	2.6	1.9	3.8	3.7
	W 3.9	3.7	2.9	1.7	3.1	2.9
Fishery products	S 12.9	12.2	6.0	5.0	9.3	8.6
	W 16.4	15.8	0.5	0.5	6.5	5.1
Unprocessed (Ch. 03)	S 12.4	11.6	1.5	1.2	7.9	7.1
	W 13.7	12.7	0.0	0.0	6.0	4.5
Processed (1504, 1604, 1605)	S 15.2	15.1	8.7	7.3	13.7	13.1
	W 20.3	20.3	5.0	4.2	14.9	14.8
Miscellaneous animal products (0106, 0204, Ch. 05)	S 3.0	2.8	2.4	1.9	1.1	1.1
	W 1.3	1.1	5.5	2.8	0.9	0.9

^{1/} Average of all tariff items (i.e. duty-free as well as dutiable items) weighted by imports of such items from GSP beneficiary countries.

^{2/} EEC data for these product groups do not cover variable levies on sugar content in preserved fruit and on olive oil.

* Not available

product groups, other commercial policy measures such as variable levies, quantitative restrictions, State-trading and subsidies, appear to be playing an important role in one or more of these markets. Reference may be made to Sections V and VI for information in regard to Japanese measures. The averages of duties being actually applied to developing countries are lower than those indicated in the table owing to lower GSP rates applying to these countries on a wide range of products.

Bindings of m.f.n. duties

26. Table 6 shows the extent to which a number of developed countries have bound their m.f.n. tariffs in the GATT. Japan has bound 64 per cent of its tariff lines covering agricultural products, accounting for 66 per cent of 1977 imports of these products. In the case of industrial products excluding petroleum, Japan has bound 98 per cent of the relevant tariff lines accounting for 79 per cent of 1977 imports of these products. While the percentages for industrial products are relatively high among developed country markets, the percentages for agricultural products are much lower than those of the United States and Canada. The share of agricultural imports covered by bindings is lower than those of any other developed countries covered by Table 6 except Switzerland.

27. The tariff bindings of GATT member countries represent the results accumulated in a series of GATT trade negotiations since the end of World War II and may be considered as one of the most important aspects of a multilateral (GATT) trading system. Their value and importance to developing countries is certain to increase progressively as they continue to diversify their economies and to increase their participation in international trade.

Market opening measures in recent years

28. Japan has taken a series of market opening measures in recent years on a unilateral basis. These measures included a number of unilateral tariff reductions on an m.f.n. basis or under the GSP, the advance implementation of a number of Tokyo Round tariff concessions, the removal or increase of some import quotas, the improvement of standards and certification systems and certain import promotion measures. Details of these measures are available in the following GATT documents:

- | | | | |
|---|--------|--|-----------------|
| - | L/5332 | Additional measures to open up the Japanese market | 18 June 1982 |
| - | TAR/65 | Reduction and elimination of customs duties | 12 January 1983 |
| - | L/5454 | Promotion of external economic policies | 26 January 1983 |
| - | L/5472 | Improvement of Japan's standards and certification systems | 13 April 1983 |

TABLE 6

Importance of m.f.n. tariff bindings in GATT

(%)

	Share of bindings in			
	Tariff lines		m.f.n. Imports	
	Agriculture (CCCN ch.01-24)	Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10)	Agriculture (CCCN ch.01-24)	Industry excl. petroleum (CCCN ch.25-99 excl. 2709-10)
United States	90	100	96	100
Canada	90	97	98	99
Japan	64	98	66	79
European Communities	63	99	79	100
Austria	65	97	78	93
Finland	59	98	86	99
Norway	70	90	94	97
Sweden	48	98	79	97
Switzerland	55	99	66	100
Australia ¹
New Zealand	56	44	76	63
Ten tariffs combined	66	92	81	96

¹It has not yet been possible to compile post-MTN data for Australia. On the basis of 1975/76 imports and pre-MTN tariff, the bindings were as follows: agriculture, 23 per cent of tariff lines and 39 per cent of m.f.n. imports; industry, 14 per cent and 29 per cent, respectively.

Note: The estimates refer to the post-MTN tariffs and to imports in 1977 or 1976 and cover full and partial bindings. The national tariff nomenclatures have been used. MFN imports include imports entitled to GSP. The figures are preliminary and will be revised when all consolidated schedules in loose-leaf form are available.

(Source: TAR/W/22)

- | | | | |
|----|--------|---|-----------------|
| - | L/5570 | Further opening of the Japanese market | 1 November 1983 |
| -- | L/5642 | Japan-tariff changes in fiscal year 1984 | 27 April 1984 |
| - | L/5648 | External economic measures taken by Japan | 9 May 1984 |

SECTION III: GSP

Introduction

29. Japan introduced its system of generalized preferences on 1 August 1971. Since then the Japanese GSP scheme has continued to be improved in the light of experiences gained in its operation, and in the context of the Tokyo Round in which GSP contributions were made as an alternative to m.f.n. concessions, in the context of the post-Tokyo Round work programme of GATT on tropical products.

30. Japan has regularly notified to GATT the changes made in the GSP scheme, and the information has been circulated as documents L/4531 and addenda. Whilst most changes were improvements, some annual changes in the GSP control system for industrial products included the transfer of newly identified sensitive items from a liberal control system to a more restrictive control system. Otherwise the Japanese GSP scheme has been stable without negative modifications.

Beneficiary countries and territories

31. The list of beneficiaries of the Japanese GSP scheme covers 122 countries including thirty-four treated as least-developed countries, and twenty-four territories. GATT member countries or territories enjoying GSP treatment in one or more developed country markets are all included amongst the beneficiaries of the Japanese GSP scheme. The Japanese scheme is comprehensive in country coverage and non-discriminatory in its application to different beneficiaries.

Agricultural products (CCCN Chapters 1-24)

32. The list of agricultural GSP items covers 179 items falling within seventy-five CCCN four-digit headings. Zero GSP rate is applied to sixty of these items and positive GSP rates, to 119 items. There are no quantitative limitations for the GSP entry of agricultural GSP items. Positive GSP rates are at various levels. A complete listing of agricultural products covered by GSP is provided in the Appendix.

Industrial products (CCCN Chapters 25-99)

- Product coverage

33. Most industrial products have been covered by the Japanese GSP scheme. While the EEC and the United States have positive lists of industrial GSP items, Japan has a negative list. Thus, products excluded from its scheme are transparent. Table 7 shows items listed in the negative list (except three petroleum items subject to duties for revenue purposes) with indications of Japanese imports and main suppliers in 1981.

Table 7

Japan - Industrial products excluded from GSP

CCCN	Product description	Imports in 1981 (US\$ million)		
		Total	From GSP origin	Main suppliers
3503-1	Gelatin and glues derived from bones, hides, nerves, tendons or from similar products	8.4	0.01	EEC, SWE, USA, CHN
4203	Articles of apparel and clothing accessories, of leather or of composition leather	102.1	77.4	KOR, EEC, PTW, HKG, CHN, USA
ex 4302	Sheep, goat and rabbit furskins, tanned or dressed	24.9	18.8	CHN, EEC, ESP, NZL, CSK, HKG
ex 4303	Articles of furskins of sheep, goat and rabbit	3.9	3.0	KOR, BRA, USA, CHN
ex 4415	Plywood	10.9	3.9	IDN, MYS, KOR, CAN, USA, EEC
5002-2	Raw silk (not thrown)	38.4	37.9	CHN, BRA, PRK, KOR
5004	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale	54.7	44.5	KOR, CHN, BRA, USA, EEC
5005-1	Yarn spun from silk waste other than noil, not put up for retail sale	21.1	21.0	CHN
5009-1	Woven fabrics of silk or of waste silk other than noil	231.9	203.2	EEC, CHN, PTW, KOR, USA, IND
ex 5104	Woven fabrics of man-made fibres (continuous), containing more than 10% by weight of silk, noil or other waste silk	0.5	0.5	EEC, USA, CHE

Table 7 (cont'd)

CCCN	Product description	Imports in 1981 (US\$ million)		
		Total	From GSP origin	main suppliers
5311-1	Woven fabrics of sheep's or lamb's wool or of fine animal hair, containing more than 10% by weight of silk, noil or other waste silk	4.5	0.05	EEC
5505-2(2)	Other cotton yarn other than sewing threads embroidery threads or lace threads, not put up for retail sale	194.3	193.2	KOR,PTW,EEC, BRA,MYS,CHN
5509	Other woven fabrics of cotton	199.1	142.9	CHN,KOR,HKG, EEC,CHE,IND,USA
ex 5607	Woven fabrics of man-made fibres (discontinuous or waste), containing more than 10% by weight of silk, noil or other waste silk	0.5	0.0	EEC
5804-2	Woven pile fabrics and chenills fabrics with pile yarn of cotton	19.2	0.0	EEC,USA,AUT,CHE
6401	Footwear with outer soles and uppers of rubber or artificial plastic material	94.8	62.3	PTW,KOR,EEC
6405	Parts of footwear (including uppers, insoles and screw-on heels) of any material except metal	21.7	17.4	KOR,BRA,EEC, PTW,USA
	Total	1,030.9	826.2	

- GSP rates

34. GSP rates on industrial products are zero except for forty-one items at the CCCN four-digit level for which GSP rates are one-half of the m.f.n. rate in force.

- Ceilings and maximum country amounts

35. For the administration of quantitative limitations on imports of industrial products under GSP, ceilings are established for all of 201 industrial product groups established for GSP control purposes. The amounts of the ceilings are calculated in accordance with four different formulae. With a view to increasing the total amount of ceilings significantly, Japan updated the formulae in 1984. The new formulae are indicated below.

(1) Items in respect of which imports are considered to present no particular difficulties to the domestic industries concerned.

- Basic quota - the value in Yen or quantity of imports into Japan from preference-receiving countries in 1982 (previously 1977), plus

- Supplementary quota - 10 per cent of the value in Yen or quantity of imports from sources other than preference-receiving countries in the year which is two years before the year for which ceilings are being set.

In the FY 1984, the above formula applies to 112 product groups, which correspond mostly to items subject to the flexible administration of ceilings and maximum country amounts. Most of these ceiling limitations are in practice not applied, as explained later.

(2) With regard to items in respect of which the application of the above formula is difficult, one of the following formulae is to be applied depending on the situation of the domestic industries concerned:

(i) (Ceiling quota of the previous FY) + (Ceiling quota of the previous FY multiplied by a specified coefficient) ;

(ii) (Ceiling quota of the previous FY) + (Ceiling quota of the previous FY multiplied by one-half of a specified coefficient) ;

(iii) (Ceiling quota of the previous FY) ;

*The specified coefficient rate is to be stipulated by a cabinet order and is in any case not to be more than 0.06. In other words, the maximum increase is to be limited to 6 per cent.

However, as a one-time measure for the FY 1984, the ceilings on the above three categories of sensitive items have been increased by 50 per cent, 30 per cent and 10 per cent respectively. In the FY 1984 the above formulae apply to 22, 21 and 46 product groups, respectively.

36. The ceilings set for each product group are open for utilization on a first-come-first-served basis by all GSP beneficiaries (subject to maximum country limitations), except that Hong Kong is not eligible for GSP on three CCCN headings. Hong Kong exceptions have been gradually decreased to the present three items. Japan adopted in 1981 the following provisions for differential treatment of preferences: "A particular beneficiary may be excluded from preferential treatment with respect to a particular product included in the scheme, under certain circumstances". However, Japan has not so far taken any action under these provisions.

37. Under the system called the maximum country amount, GSP may be suspended for a specified beneficiary if GSP imports from the beneficiary have exceeded a certain percentage of the ceiling set for each product group. The percentage had been maintained at 50 until fiscal year 1983. However, following the trend to limit GSP benefits for competitive suppliers, Japan decreased the percentage to one-third in 1984, with the understanding that the maximum country amounts for the FY 1984 should not be less than those for the FY 1983.

- Controls of ceilings and maximum country amounts

38. Three types of ceiling controls have been exercised, i.e. monthly control, daily control and prior allotment, since the inception of the scheme. These controls apply to both ceilings and maximum country amounts.

39. Under monthly control, imports under GSP are computed monthly and GSP may be suspended (or m.f.n. rate begins to apply) on the first day of the second month after the ceiling or the maximum country amount has been exceeded. In other words, GSP continues to apply during thirty to sixty days after the ceiling or the maximum country amount has been reached, depending on the day of the month on which the ceiling or the maximum country amount has been reached. As there are no quantitative limitations between the day when the ceiling or the maximum country amount has been reached and the day of GSP suspension, GSP imports under this control system have often largely exceeded the amount of ceilings and maximum country amounts allocated for the year.

40. Under daily control, imports under GSP are computed daily and m.f.n. rate begins to apply two days after the ceiling or the maximum country amount has been exceeded. With respect to the following daily control items, ceilings or maximum country amounts were exceeded on the first day of the 1983 fiscal year - 1 April 1983 - and GSP was suspended on 3 April 1983 for these items after exceeding largely ceilings and maximum country amounts allocated for the year: 2804.2, ex 2905.2(1), 2923.3, 3301.1(3), ex 4409.2 and ex 4428.5(2), 4603,2(2) China only, 5001 Taiwan only, 5403, 5404, 5405, 5801 China only, 5904, 6002, 6101, 6104, 6111, 6202 China only, 6402.2(2), 7302, 7401.2(2). It appears that neighbouring beneficiary countries have obtained most GSP benefits for the above products.

41. Under the prior allotment system, ceilings are allotted each fiscal year to importers of the products concerned. This system is applied to nineteen CCCN headings covering mostly textile and clothing items. While there are some elements of flexibility in the monthly and daily controls, the prior allotments are inflexible in the quantity of imports under GSP.

42. In 1973 Japan introduced a new control system called the flexible administration of ceilings and maximum country amounts in the light of experiences obtained in the operation of its GSP scheme and with the intention of liberalizing imports under GSP. With respect to items imports of which do not cause or pose a threat of injury to the Japanese industries concerned, GSP continues to be applied "until such time as might later be decided". However, how the system will be operated in practice has never been explained in the official publication on Japan's GSP scheme, apart from the above juridical indication.

43. An examination of the operation of the system during the period 1979-1983 has revealed that in cases where both ceiling and maximum country amounts were flexibly administered, GSP continued to be applied without suspension, except in exceptional circumstances. In the five year period only the following items under this system were subject to the suspension of GSP application: 2828-6 (1982 and 1983), 2927 (1982), 4403.2 (1980), 4411 and 4418 (1979 and 1980), 7801.1(1)B (1981-1983).

44. As far as ceilings are concerned, this system has been applied to many monthly control items and a few daily control items. With regard to maximum country amounts, it has been applied to many monthly control items and some daily control. The flexibly administered ceilings now apply to 110 of some 200 industrial product groups established for GSP purposes and the flexibly administered maximum country amounts apply to 134 industrial product groups.

- Summary of GSP on industrial products

45. As stated above, a large majority of industrial GSP items falling within some 110 product groups are subject to the most liberal among different control systems of the Japanese GSP scheme, i.e. the flexible administration of both ceilings and maximum country amounts and duty-free GSP treatment, and imports of these items under GSP are normally unlimited, although ceilings are calculated for these items. Table 8 lists exhaustively all industrial GSP items not subject to the above system and treatment and indicates for those items (i) GSP rates, (ii) type of GSP control system and (iii) whether imports under GSP were actually suspended during the period 1979-1983.

46. This table includes items selected for positive GSP rate treatment but subject to a liberal control system, items enjoying duty-free treatment but subject to a restrictive control system, items enjoying a rather liberal control system but having been subject to GSP suspensions, and items subject to a restrictive control system but for which no GSP suspension was recorded. With regard to industrial products, Japan maintained basically the system originally adopted in 1971 with the addition of the "flexible administration" system introduced in 1973 and with ad hoc adjustments in the following years. Thus, it appears that certain positive GSP rates and certain restrictive control systems established in the early 1970s on the basis of the sensitivity at that time are still maintained.

Table 8

Japan - Industrial GSP items other than those subject to the most liberal system, i.e. the flexible administration of ceilings and maximum country amounts with duty-free GSP treatment

Symbols used

* = items not having been subject to suspension of GSP application in 1981-1983, except those subject to prior allotment to importers

GSP rate

0 = 0 per cent
1/2 = one half of m.f.n. rate

Control system (in the 1982 fiscal year unless otherwise specified)

M = monthly control
D = daily control
Q = prior allotment to importers
f = flexible administration
n = non-flexible administration
(e.g. Dn = Daily control not flexibly administered)

Suspension of GSP application

- = no suspension in the fiscal years 1979, 1980, 1981, 1982 and 1983
79,80,81,82,83 = fiscal years in which GSP application was suspended for all or specified beneficiaries because of ceiling or maximum country limitations

CHN = China; HKG = Hong Kong; KOR = Korea; PIW = Taiwan Province

Tariff No. ¹	GSP rate	Control system		Suspension of GSP application	
		Ceiling	Maximum country amount	For all beneficiaries	For specified beneficiaries
2804.2	0	Dn	Df	79,80,81,82,83	-
2817.1	0	Dn	Dn	-	79 PIW;80,83 KOR
2828 ex 6	0	Mf	Mf;Mn(84)	82,83	-
2830.1(2)	0				
2838.2	0	Df	Dn	-	80,81,82,83 CHN
2842.4	0				
2856.2	0	Mn	Mf	79,80,81,82,83	-
2905.2(1)2 menthol	1/2	Dn	Dn	79,80,81,82,83	-
2916.1(3)	0	Qn	Qf	79,80,81	-
2916.1(4)	0	Mn	Mf	79,80,81,82,83	-
2923.3	1/2	Dn	Dn	79,80,81,82,83	-
sodium glutamate					
2927	0	Mf,Mn(84)	Mf,Mn(83)	82	83 Brazil
2942.3(2)	1/2	Dn	Df	79,80,81,82,83	-
nicotine sulphate					
3301.1(2)3	1/2	Dn	Df	79,80,83	-
ho oil					
ex 3301.1(3)	1/2	Dn	Dn	79,80,82,83	-
peppermint oil					
ex 3301.1(3)	1/2	Dn	Dn	79,80,81,82,83	-
* 3502	1/2	Mf	Mf	-	-
albumin					
3505	0	Mn	Mn	79,80,81,82,83	-
3605	0	Mf	Mn	-	79 PIW,KOR; 80 CHN,PIW, KOR; 81 CHN,PIW; 82, 83 CHN,PIW,KOR
3902.2	0	Mf,Mn(83)	Mn	83	82 PIW,KOR
4011.2	0	Mf	Mn	-	79,80 KOR,PIW; 81,82 KOR,PIW and Thailand; 83 KOR,PIW, Thailand, Spain

¹For product descriptions, please refer to the Addendum.

Table 8 (cont'd)

Tariff No.	GSP rate	Control system		Suspension of GSP application	
		Ceiling	Maximum country amount	For all beneficiaries	For specified beneficiaries
4102.2	1/2	Mn	Mn	80,81,82,83	-
* 4103.2(1)	1/2	Dn	Dn	-	-
* 4103.2(2)	1/2	Mf	Mf	-	-
4104.2(1)	1/2	Dn	Dn	-	79,80,81,82,83 India
* 4104.2(2)	1/2	Mf	Mf	-	-
* 4108	1/2	Mn	Mn	-	-
certain leather					
* Other items under Ch.41	0	Mn	Mn	79	-
4202	1/2	Dn	Dn	79,80,81,82,83	(HKG is excluded from GSP)
travel goods					
* 4205	1/2	Mn	Mn	79,80	-
leather articles					
* Other items under Ch.42	0	Mn	Mn	79,80	-
4301-2	0	Mf, Mn(80)	Mn	80	81,82,83 CHN
4302	0	Dn	Dn	79,80,81,82	-
4303	0	Qn	Qf	-	-
4403.2	0	Mf	Mn	80	81,82,83 CHN
4404.2	0	Mn	Mn	80,81,82,83	79 PIW
4405.2					
4413.2					
4405.4	1/2	Mn	Mf	79,80,81,82,83	-
sawn luan, etc.					
ex 4409.2	0	Dn	Dn	79,80,81,82,83	-
4428.5(2)					
ex 4414.2	1/2	Mn	Mf	79,80,81,82,83	-
sheets for plywood					
* Other items under 4414	0	Mf(81-84) Mn(79,80)	Mf	79,80	-
* 4415	0	Mn	Mf	79,80	-
ex 4423	0	Mn	Mn	-	79,80,81,82,83 PIW
ex 4424	0	Mn	Mn	83	-
ex 4602.3(2)	1/2	Mn	Mn	79	80,81,82,83 PIW
certain plaiting materials					
4603.2.2	0	Df	Dn	-	79 PIW, KOR, Philippines 80,81,82 CHN, PIW, KOR 83 CHN, PIW, KOR, Philippines
5001	1/2	Dn	Dn	79,80,81,82,83	-
cocoons					
5005.2	0	Dn	Dn	81	79 KOR; 80,82,83 CHN
5007.1					
ex 5101.1(2)	0	Qn	Qf	79	-
5104	1/2	Qn	Qf	-	-
m.m.f. fabrics					
* Other items under Ch.51	0 ¹ 1/2 ¹	Mn	Mn	80	79 PIW
5306	0	Mf	Mn	-	82 KOR, PIW; 83 KOR
5307	0	Mf	Mn	-	81,82 PIW; 83 PIW, Brazil
* 5311-2	1/2	Mf	Mf	-	-
wool fabrics					
Ch.54	0	Dn	Dn	81,82,83	79,80 KOR, Brazil, India
Ch.55	0	Dn	Dn	79,80,81,82	83 KOR
5607	1/2	Qn	Qf	-	-
m.m.f. fabrics					

¹Applicable to man-made fibre containing more than 10 per cent by weight of silk

Table 8 (cont'd)

Tariff No.	GSP rate	Control system		Suspension of GSP application	
		Ceiling	Maximum country amount	For all beneficiaries	For specified beneficiaries
Other items under Ch.56	0	Qn	Qf	79	-
5706	1/2	Qn	Qf	-	-
jute yarn					
5710	1/2	Qn	Qf	-	-
jute fabrics					
5801	0	Df	Dn	-	79,80,81,82,83 CHN, Pakistan
5802.2	1/2	Mn	Mn	-	80,81,82,83 CHN
certain carpets					
5805	1/2	Q	Qf	-	-
narrow woven fabrics					
* 5810	1/2	Dn	Dn	-	-
embroidery					
ex 5904	0	Dn	Dn	79,80,81,82,83	-
6001)	1/2	Qn	Qf	-	-
6002)	1/2	Dn	Dn	80,81,82,83	79 KOR,PIW
6003)	1/2	Qn	Qf	-	-
6004)	1/2	Qn	Qf	-	-
6005) clothing	1/2	Qn	Qf	-	-
6101)	1/2	Dn	Dn	79,80,81,82,83	-
6102)	1/2	Dn	Dn	79,80,81,82,83	-
6103)	1/2	Qn	Qf	79,80	-
6104)	0	Dn	Dn	79,80,81,82,83	-
6105)	1/2	MF	Mn	-	79 KOR; 80,81,82 CHN, KOR; 83 CHN,KOR,Malaysia
6109)	0	MF	Mn	-	79 KOR,PIW; 81,82,83 KOR
6110)					
6111	0	Dn	Dn	79,80,81,82,83	-
* 6201	0	Mn	MF	-	-
6202	1/2	Df	Dn	-	79 PIW,KOR; 80,82,83 CHN,PIW; 81 CHN, PIW,KOR
linen					
6203	0	Dn	Dn	79,80,81,82,83	-
6402.1	1/2	Dn	Dn	83	81 KOR
6402.2(1)	1/2	Dn	Dn	79	80,81,82,83 PIW
6402.2(2)	1/2	Dn	Dn	79,80,81,82,83	-
leather footwear					
6601)	0	Qn	Qf	-	-
6603)					
6702	0	Dn	Dn	79,80,83	81,82 PIW (HKG exclusion removed in 1983)
6703.3	0	MF	Mn	-	80,81,82,83 KOR
6704 wigs	1/2	Dn	Dn	79,80,81,82	(HKG is excluded from GSP); 83 PIW
7019	0	Dn	Dn	-	80 Israel
* 7102.2(2)	0	MF	Mn	-	(HKG is excluded from GSP)
7105	0	Mn	MF	79,80,81,82,83	-
7112	0	Dn	Dn	79,80,81,82,83	-
7116	0	Dn	Dn	79,80,81,82,83	-
Other items under Ch.71					
ex 7301.1	0	Mn	Mn	79,80,81,82,83	-
7302.1	0	MF	MF,Mn(84)	-	-
7302.3	0	Dn,Qn(83)	Df,Qf(83)	79,80,81,82	-
Other items under 7302					
7308	0	Dn	Df	79,80,81,82,83	-
7312 ex 2	0	MF,Mn(84)	MF	-	-
7313 ex 2(1)	0	MF,Mn(84)	MF	-	-
7309	0	MF,Mn(84)	MF	-	-
7313 ex 2	0	MF,Mn(84)	MF	-	-

Table 8 (cont'd)

Tariff No.	GSP rate	Control system		Suspension of GSP application	
		Ceiling	Maximum country amount	For all beneficiaries	For specified beneficiaries
7310	0	Mn	Mf	79,80,81,82,83	-
7401.2(1)	0	Mn	Mf	79,80,81,82,83	-
ex 7401.2(2)	0	Dn	Dn	79,80,81,82,83	-
* 7501.2(1)	1/2	Mf	Mf	-	-
nickel					
7601.1(1)	1/2	Qn	Qf	-	-
aluminium					
7601.1(2)	0	Mn	Mf	79,80,81,82,83	-
Other items under Ch.76	0	Mn	Mf	79,80,81,82,83	-
7801.1(1)B	0	Df	Df	81,82,83	-
7901.1	0	Mn	Mn	79,80,81,82,83	-
Ch.81	0	Mf	Mn	-	80 KOR,CHN; 81,82,83 CHN
ex 8518	0	Mn	Mf	79,80,81,82	-
ex 8519.2	0	Mn	Mf	79,80,81,82	-
9401.3					
9403 ex 3	0	Mf,Mn(84)	Mf	-	-
9404.1					
Other items under Ch.94	0	Mn	Mn	79,80,82,83	81 PIW
Ch.95	0	Mf	Mn	-	83 HKG,PIW
9601.2	0	Mf	Mn	-	79 PIW,KOR,HKG
					80 CHN,PIW,KOR,HKG
					81 CHN,PIW,HKG
					82,83 CHN,PIW,HKG,
					Sri Lanka
9702	1/2	Mn	Mf	79,83	-
dolls					
9703	1/2	Dn	Dn	79,80,81,82,83	(HKG exclusion removed in 1983)
other toys					
Other items under Ch.97	0	Mn	Mf	81,82,83	-

47. Also, it would appear that it is very difficult for exporters of developing countries to comprehend the significance of various GSP control systems for their export products. While neighbouring trading partners are in a better position than other GSP beneficiaries to understand the actual operation of the Japanese GSP scheme and to utilize it to their full advantage, distant and small exporters would have particular difficulties in utilizing it. This situation is likely to be eased if Japan simplifies these systems with improvements wherever possible and explains explicitly the practical operation of these systems. Japanese authorities have been working towards this objective, including through the organization of technical assistance missions and seminars on GSP.

Special treatment for least-developed countries

48. Since April 1980 Japan has applied special tariff treatment to UN-recognized least-developed countries within the framework of its GSP scheme. Duty-free and limitation-free tariff treatment has been given for these countries with respect to all products covered by its GSP scheme, with some exceptions. However, these exceptions were reduced to only three items in April 1984, as indicated below:

		<u>GSP</u>	<u>LDC treatment</u>	
			<u>1980-83</u>	<u>1984</u>
1515-2	beeswax	7.5%	7.5%	7.5%
5706	jute yarn	4%	4%	4%
		under ceiling	under ceiling	under ceiling
5710	jute fabrics	8%	8%	0%
		under ceiling	under ceiling	under ceiling
5904	twine, cordage, ropes, cables:			
1.	of cotton	0%	0%	0%
2.	of jute and abaca	under ceiling	under ceiling	(removed from exceptions)
3.	of flax, ramie, hemp or sisal			
4.	of synthetic fibres			
6203	sacks and bags for packing	0%	0%	0%
		under ceiling	under ceiling	(removed from exceptions)

Rules of origin

49. Following the pattern of the EEC, Japan uses primarily the process criterion based on the CCC Nomenclature and uses the value-added criterion supplementarily for certain food preparations and beverages, medicaments, fertilizers, certain chemical products, certain electrical and other machinery, certain transport equipments, certain precision instruments,

etc. The main advantage of the process criterion is that to the extent that the CCC Nomenclature can be used as a basis, conditions determining origin can be formulated simply and precisely and therefore, the fulfilment of the conditions can be easily proved and verified.

50. On the other hand, experience has revealed some problems of the CCCN-based process criterion. Because the CCC Nomenclature was not originally conceived for origin rules, there are products for which the use of a general rule - a change in the CCCN headings - is not appropriate. Therefore, there is a need to establish lists of exceptions from the general rule. However, it is not considered feasible to establish such exceptions exhaustively on an objective and permanent basis, given the variety of products entering into international trade and constant technical developments. Thus, different countries or markets using the CCCN-based process criterion have established their own lists of exceptions, having regard to the sensitivity of the products concerned in their markets.

51. The following provisions in List A of the Japanese rules of origin may be noteworthy.

- (i) Chocolate and certain other food preparations, animal feeding stuffs, certain electrical and other machinery, certain transport equipment, certain precision instruments, etc. - the value of the non-originating products used should not exceed 40 per cent of the value of the finished product obtained (in many other cases where the value-added criterion is used, the value addition of 50 per cent is permitted). With respect to chocolate, it is further required that the milk used originates in the beneficiary country.
- (ii) Handkerchiefs, shawls, made-up textile articles and knitted or crocheted goods - manufacture from chemical products, textile pulp, natural textile fibres or discontinuous man-made fibres is required.
- (iii) Articles of apparel other than knitted or crocheted goods - manufacture from textile yarn is required.

52. With respect to processed agricultural products and leather, it is often required that they be manufactured from locally available materials in order to develop their own processing facilities and to promote the production of primary agricultural goods. However, this means that GSP on processed agricultural products and leather products in certain circumstances does not benefit exporting countries which process imported materials.

53. Cumulative origin is recognized for the ASEAN countries. Under the donor country content rule, materials originally imported from Japan which are used in the production are regarded as being wholly obtained in the exporting GSP beneficiary country. This rule aiming at encouraging the processing industries of developing countries, is applied to all products except leather, travel goods, plastic goods, textiles and textile goods, leather footwear, hats, toys and glass fibre articles.

SECTION IV: Imports according to economic groupings, product groups and tariff treatment

54. Table 9 shows 1981 imports of Japan according to economic groupings and tariff treatment. In 1981 total imports of Japan amounted to US\$142 billion, of which imports of agricultural products, i.e. products falling within CCCN Chapters 1-24, amounted to US\$19 billion or 13 per cent, imports of petroleum and petroleum gas, US\$66 billion or 47 per cent, and imports of industrial products, i.e. products falling within Chapters 25-99 except petroleum and petroleum gas, amounted to US\$56 billion or 40 per cent.

Imports of agricultural and industrial products according to economic groupings

55. Of the total imports of agricultural products, one-third were supplied by developing countries enjoying GSP in the Japanese market. The remaining two-thirds were supplied by m.f.n. sources. In the case of imports of industrial products excluding petroleum and petroleum gas, some one-third were also supplied by developing countries, the remaining two-thirds coming from m.f.n. sources. Of the total imports of petroleum and petroleum gas, 95 per cent were supplied by developing countries.

Imports according to tariff treatment irrespective of sources of imports

56. With respect to agricultural products, imports of bound m.f.n. duty-free items accounted for 32 per cent of the total. The remaining 68 per cent comprised dutiable items (bound and unbound) and unbound duty-free items. This is broken down into imports subject to m.f.n. treatment, from whatever origin (60 per cent), imports covered by GSP (6 per cent) and imports from unspecified sources (2 per cent). With respect to industrial products, bound m.f.n. duty-free items accounted for 29 per cent of the total. The remaining 71 per cent, comprising dutiable items and unbound duty-free items, are broken down into imports subject to m.f.n. treatment from whatever origin (57 per cent) and imports covered by GSP (14 per cent).

Imports from developing countries benefitting from GSP (see column "GSP beneficiaries" in Table 9)

57. Imports of agricultural products originating in GSP beneficiaries amounted to US\$6.3 billion in 1981. Bound m.f.n. duty-free items accounted for 20 per cent of the total. The remaining 80 per cent consisted of imports covered by GSP (17 per cent) and imports subject to m.f.n. treatment, not covered by GSP (63 per cent). The last percentage is significantly higher than those of the EEC and the United States. Imports of industrial products other than petroleum and petroleum gas originating in GSP beneficiaries amounted to US\$17.5 billion in 1981. Bound m.f.n. duty-free items accounted for 37 per cent of this total. The remaining 63 per cent consisted of imports covered by GSP (45 per cent) and imports subject to m.f.n. treatment, not covered by GSP or benefitting from unbound m.f.n. zero treatment (18 per cent).

TABLE 9

Imports of Japan in 1981 According to Economic Groupings and Tariff Treatment

Sources of imports Tariff treatment	Total	MFN Sources	GSP Benefi- ciaries	Unspecified
Total imports	141.7	53.1	86.7	1.9
CCCN Chapters 1-24	18.9 100%	12.2	6.3 100%	0.5
MFN 0% bound	6.1 32%	4.9	1.2 20%	0.02
MFN dutiable (bound or unbound) and 0% unbound:	12.8 68%	7.3	5.0 80%	0.5
Covered by GSP ^{1/}	1.0 6%	-	1.0 17%	-
Covered by LDC treatment ^{1/}	-	-	-	-
Other (MFN treatment) ^{3/}	11.3 60%	7.3	4.0 63%	-
CCCN Chapters 25-99 excl. petroleum and petroleum gas	56.4 100%	37.5	17.5 100%	1.4
MFN 0% bound	16.2 29%	9.0	6.5 37%	0.7
MFN dutiable and 0% unbound:	40.2 71%	28.5	11.0 63%	0.7
Covered by GSP ^{2/}	7.8 14%	-	7.8 45%	-
Covered by LDC treatment ^{1/}	0.01 -	-	0.01 -	-
Other (MFN treatment) ^{3/}	32.4 57%	28.5	3.2 18%	-
Petroleum and petroleum gas (CCCN 2709, 2710, 2711)	66.4	3.5	62.9	-

^{1/}Including imports eligible for GSP or LDC treatment but not accorded such treatment for certain reasons.

^{2/}Including imports eligible for GSP treatment but not accorded GSP treatment because of quantitative limitations for GSP entry or for certain other reasons.

^{3/}Including imports of duty-free items unbound or current duty-free items bound at positive rates (ceiling binding).

Source: 1981 Tariff Study files

Imports under GSP

58. Table 10 shows imports of Japan from GSP beneficiaries according to product categories and tariff treatment in the fiscal years 1977-1983 and Table 11 shows imports from ten major GSP beneficiaries under GSP in the fiscal years 1980-1982.

59. Table 10 indicates that imports into Japan actually accorded GSP treatment amounted to US\$5,323 million in 1983 (agricultural products - US\$1,129 million and industrial products - US\$4,194 million). With respect to agricultural products this means that practically all imports of items covered by GSP were actually accorded GSP treatment, representing 21 per cent of m.f.n. dutiable imports. With respect to industrial products this means that about 45 per cent of the imports of items covered by GSP did not actually enjoy GSP because of the quota, ceiling or origin rules limitations for GSP treatment, or the non-utilization of GSP for one reason or another. (It may be noted that "imports of items covered by GSP" indicated in Table 10 include imports eligible for GSP treatment but not actually accorded GSP treatment because of such limitations or the non-utilization of GSP). About one-half of m.f.n. dutiable imports of industrial products from GSP beneficiaries are actually accorded GSP treatment.

60. Imports of agricultural products actually accorded GSP treatment has continued to increase in the seven year period covered by Table 10, recording US\$1.1 billion in 1983 and accounting for 21 per cent of m.f.n. dutiable imports from GSP beneficiaries. Imports of industrial products actually accorded GSP treatment also continued to increase until 1981, recording US\$4.4 billion in the year. However, these imports declined to US\$4.2 billion in 1982 and 1983, partly reflecting the general decline in Japanese imports from developing countries in these years. Improvements of GSP on industrial products for fiscal year 1984 would help rectify this situation. Table 11 indicates that the share of ten major GSP beneficiaries in total GSP imports accounted for 83 per cent of total imports under GSP in the FY 1983 and that the share increased from 80.7 per cent in 1980.

61. Table 12 covers (i) m.f.n. dutiable items not covered by GSP, (ii) GSP items subject to positive GSP rates or to quota or ceiling limitations and (iii) unbound m.f.n. duty-free items, among Japanese tariff items in respect of which imports from GSP beneficiary developing countries or territories accounted for more than 20 per cent of imports from all sources or exceeded \$2 million in 1981. The above tariff items have been broken down into several agricultural and industrial product groups. With respect to these product groups, the number of tariff lines and imports in 1981 have been indicated according to different tariff treatment (m.f.n., GSP and least-developed country treatment).

62. Among the agricultural product groups listed, Group 1, covering meat, fishery products, dairy products and cereals was most important in the dutiable imports of Japan from developing countries, partly because of Japan's heavy dependence on imports for the supply of these food items. Group 1 was followed by Group 2, covering vegetables, fruits and nuts and their products. Total imports of the 266 agricultural items examined amounted to \$8.3 billion in 1981, of which imports from developing

TABLE 10

Imports of Japan from GSP beneficiaries according to product categories and tariff treatment in 1977-1983
AG - CCCN Chapters 1-24, PET - CCCN 2709, 2710-1 and 2711, IND - CCCN Chapters 25-99 except PET

Unit: US\$ million

Fiscal year April-March	Imports from world	Imports from GSP beneficiary countries/territories								
		Total	$\frac{2}{1}$ %	of m.f.n. dutiable items	$\frac{3}{2}$ %	of items covered by GSP	$\frac{4}{3}$ %	Imports actually accorded GSP	$\frac{5}{4}$ %	
	1	2		3		4		5		
1977	AG	12,346	4,638	37.6	3,374	72.7	554	16.4	512	15.2
	IND	32,078	9,869	30.8	3,646	36.9	3,376	92.6	1,791	49.1
	PET	25,955	24,120	92.9	24,121	100.0	-	0.0	-	0.0
	TOT	70,379	38,627	54.9	31,141	80.6	3,930	12.6	2,303	7.4
1978	AG	14,629	5,179	35.4	4,072	78.6	662	16.3	620	15.2
	IND	41,693	13,503	32.4	5,601	41.5	5,172	92.3	2,527	45.1
	PET	27,041	24,948	92.3	24,948	100.0	-	0.0	-	0.0
	TOT	83,363	43,630	52.3	34,621	79.4	5,834	16.9	3,147	9.1
1979	AG	17,416	5,968	34.3	4,598	77.0	874	19.0	710	15.4
	IND	55,636	19,551	35.1	7,177	36.7	6,719	93.6	3,614	50.4
	PET	46,404	42,914	92.5	42,914	100.0	-	0.0	-	0.0
	TOT	119,456	68,433	57.3	54,689	79.9	7,593	13.9	4,324	7.9
1980	AG	18,115	6,237	34.4	4,535	74.3	977	21.1	902	19.5
	IND	62,642	22,877	36.5	7,987	34.9	7,510	94.0	4,093	51.1
	PET	61,727	59,005	95.6	59,007	100.0	-	0.0	-	0.0
	TOT	142,484	88,119	61.8	71,629	81.3	8,487	11.8	4,985	7.0
1981	AG	18,315	6,233	34.0	4,778	76.7	1,097	23.0	1,017	21.3
	IND	62,303	22,665	36.4	8,926	39.4	8,038	90.1	4,420	49.5
	PET	60,540	57,669	95.3	57,668	100.0	-	0.0	-	0.0
	TOT	141,158	86,567	61.3	71,372	82.4	9,134	12.8	5,437	7.6
1982	AG	17,215	6,406	37.2	4,974	77.6	1,076	21.6	1,026	20.6
	IND	57,426	21,122	36.8	8,357	39.6	7,500	89.7	4,237	50.7
	PET	51,335	48,781	95.0	48,781	100.0	-	-	-	0.0
	TOT	125,976	76,309	60.6	62,112	81.4	8,575	13.8	5,263	8.5
1983	AG	18,478	7,010	37.9	5,351	76.3	1,178	22.0	1,129	21.1
	IND	61,701	22,197	36.0	8,526	38.4	7,710	90.4	4,194	49.2
	PET	47,903	44,534	93.0	44,534	100.0	-	0.0	-	0.0
	TOT	128,082	73,741	57.6	58,411	79.2	8,888	15.2	5,323	9.1

Source: The Ministry of Finance, Japan

TABLE 11

Imports of Japan from ten major GSP beneficiaries under GSP in 1980-1982

(Unit: \$ million)

	Fiscal year	Total imports A	Total minus petroleum B	Imports actually accorded GSP			C B %	Country share in total GSP imports %
				Chap. 1-24	Chap. 25-99	Total C		
Rep. of Korea	1980	3,062.1	3,043.0	83.8	1,120.4	1,204.2	39.6	24.2
	1981	3,434.9	3,353.7	93.0	1,237.0	1,330.0	39.7	24.5
	1982	3,155.5	3,069.0	84.1	1,098.1	1,182.2	38.5	22.5
Taiwan Province	1980	2,301.2	2,301.2	202.2	731.0	933.3	40.6	18.7
	1981	2,531.5	2,464.2	220.9	835.1	1,056.0	42.9	19.4
	1982	2,387.1	2,385.2	286.6	829.6	1,116.2	46.8	21.2
China	1980	4,523.9	2,151.9	53.7	331.5	385.1	17.9	7.7
	1981	5,543.5	2,641.4	64.6	466.7	531.3	20.1	9.8
	1982	5,142.2	2,443.6	67.2	415.6	482.8	19.8	9.2
Philippines	1980	1,880.3	1,875.9	192.5	154.6	347.1	18.5	7.0
	1981	1,676.3	1,662.3	233.6	139.2	372.7	22.4	6.9
	1982	1,457.3	1,432.2	236.6	135.6	372.1	26.0	7.1
Brazil	1980	1,638.4	1,638.4	25.9	188.2	214.0	13.1	4.3
	1981	1,585.2	1,585.2	30.3	166.7	197.0	12.4	3.6
	1982	1,580.9	1,580.4	31.1	204.7	235.8	14.9	4.5
Singapore	1980	1,492.8	350.7	6.4	198.3	204.7	58.4	4.1
	1981	1,947.7	414.1	6.8	209.4	216.2	52.2	4.0
	1982	1,671.0	328.4	6.3	205.2	211.5	64.4	4.0
Malaysia	1980	3,367.7	2,056.2	83.3	112.0	195.3	9.5	3.9
	1981	2,925.2	1,887.7	87.1	122.5	209.6	11.1	3.9
	1982	2,936.7	2,013.8	76.3	130.8	207.1	10.3	3.9
India	1980	1,017.5	1,017.5	15.5	127.1	142.5	14.0	2.9
	1981	1,072.1	1,065.6	12.1	157.5	169.5	15.9	3.1
	1982	1,151.2	1,129.0	14.3	181.7	196.0	17.4	3.7
Spain	1980	384.8	384.8	104.2	107.5	211.7	55.0	4.2
	1981	460.1	460.0	110.7	109.6	220.2	47.9	4.1
	1982	335.1	335.0	73.3	118.9	192.2	57.4	3.7
Israel	1980	208.7	208.7	1.7	181.8	183.5	88.0	3.7
	1981	204.0	204.0	1.3	181.4	182.7	89.6	3.4
	1982	187.9	187.9	0.8	167.4	168.1	89.5	3.2
Total	1980	19,877.4	15,028.3	769.2	3,252.4	4,021.4	26.8	80.7
	1981	21,380.5	15,738.2	860.4	3,625.1	4,485.3	28.5	92.7
	1982	20,004.9	14,904.5	876.6	3,487.6	4,364.0	29.3	83.0

Source: The Ministry of Finance, Japan

TABLE 12

Tariff Treatment of Selected Products of Interest to Developing Countries

- Notes: 1. Bound a.f.n. duty-free items and GSP duty-free items not subject to quota or ceiling limitations are not covered by this table. Free among unbound a.f.n. duty-free items, a.f.n. dutiable items not covered by GSP treatment but subject to GSP quota or ceiling limitations, the following items have been selected for an analysis: items in respect of which imports from GSP beneficiary developing countries accounted for more than 20 per cent of imports from all sources or exceeded \$2 million in 1981.
2. In the table imports from all sources include imports subject to general duties applicable to some non-GATT countries and imports from unidentified sources. Therefore, the sum of the percentages for different tariff treatments is less than 100% for certain product groups.

CCCN chapters	Product groups	Number of tariff lines	Imports from all sources				
				MFN		GSP	LDC
				GSP beneficiaries	Other		
(1) 01-04, 10, 11, 16, 19, 21, 23	Meat, fishery products, dairy products and cereals	107	5,160.3 100%	2,493.1 48.3%	1,989.0 38.5%	387.2 7.5%	-
(2) 07, 08, 20	Vegetables, fruits and nuts and their products	85	1,139.3 100%	525.6 46.2%	292.2 25.7%	302.5 26.6%	-
(3) 17, 22, 24	Sugar, tobacco, alcoholic beverages	26	1,401.7 100%	593.6 42.3%	631.0 45.0%	23.4 1.7%	-
(4) 06, 09, 12, 14, 15, 18	Flowers, coffee, tea, cocoa, spices, oils and fats	48	624.1 100%	272.5 43.7%	107.0 17.1%	228.9 36.7%	1.2 0.2%
Ch. 1-24	Sub-total of agricultural products	266	8,324.4 100%	3,884.9 46.7%	36.3%	941.9 11.3%	1.3 0.0%
(5) 40, 6401	Rubber, rubber products incl. footwear	25	125.1 100%	61.1 48.8%	34.2 27.3%	29.9 23.8%	-
(6) 41, 42, 43, 6402-6405	Leather and leather products including footwear	66	743.4 100%	154.4 20.8%	213.6 28.7%	355.2 47.8%	3.0 0.4%
(7) 44, 48, 94	Wood and wood products; paper	35	556.0 100%	3.7 0.7%	130.5 23.5%	420.4 75.6%	0.8 0.1%
(8) 50-59, 62	Textiles, made-up articles	176	1,241.3 100%	642.5 51.8%	160.7 12.9%	427.2 34.4%	5.0 0.4%
(9) 60, 61, 65	Clothing	181	1,429.7 100%	-	265.6 18.6%	1,163.7 81.4%	0.1 0.0%
(10) 25, ex 27, 69, 70, 71	Mineral products; precious stones and metals	69	3,544.9 100%	94.2 1.5%	2,693.0 76.0%	750.3 21.2%	-
(11) 73-83 except 8304-05	Metals	124	3,989.1 100%	19.0 0.5%	1,581.5 40.7%	2,084.2 53.6%	0.3 0.0%
(12) 28-39	Chemicals	198	2,165.3 100%	21.3 1.0%	1,444.0 66.7%	687.4 31.7%	-
(13) 84-91	Machinery, transport equipment and scientific instruments	165	3,044.1 100%	35.3 1.2%	1,927.7 63.2%	1,086.1 35.7%	-
(14) 66, 67, 68, 8305, 8307, 92, 95, 97	Miscellaneous	57	446.7 100%	-	147.8 33.1%	301.7 67.5%	-
Ch. 25-99 excl. petroleum	Sub-total industrial products	1,116	17,185.5 100%	991.4 5.8%	8,593.7 50.0%	7,309.0 42.5%	9.3 0.1%
(15) 2709-11	Petroleum & Petroleum Gases	26	66,363.7 100%	52,895.3 79.7%	1,463.2 2.2%	-	-
	Total	1,408	91,873.7 100%	57,771.6 63.0%	15,076.0 16.4%	8,250.9 9.0%	10.5 0.0%

Source: 1981 Tariff Study Files

countries accounted for 58 per cent (m.f.n. treatment: 47 per cent and GSP treatment: 11 per cent). Table 12 shows that with respect to Groups 1 and 3 a large majority of dutiable imports from developing countries have not been covered by GSP. Details at the tariff line level may be seen in the Addendum to this document.

63. Among the industrial product groups listed, Group 11 covering metals was most important for developing countries, followed by Group 9 covering clothing, Group 13 covering machinery, transport equipment and scientific instruments, Group 8 textiles and make-up textile articles and Group 10 covering mineral products, precious stones and precious metals.

64. Data on industrial imports from GSP beneficiaries subject to m.f.n. treatment (or excluded from GSP) show that most of such imports are textiles and made-up textile articles (Group 8) and leather and leather products (Group 6). Metals also occupy an important place in Japan's dutiable imports. Japan's imports of clothing from developing countries imports are free from quantitative restrictions and fully covered by GSP, even though the GSP rates are in most cases positive. Japan's imports of leather and leather articles are relatively small due to the quantitative restrictions and exclusion from GSP which are applicable to some of these products.

65. Total imports of the 1,116 industrial items examined amounted to \$17.2 billion in 1981, of which imports from developing countries accounted for 48.3 per cent (m.f.n. treatment: 5.8 per cent and GSP items: 42.5 per cent). However, it may be noted that imports of GSP items include imports not actually given GSP treatment because of limitations for GSP application. Details at the tariff line level may be seen in the Addendum to this document.

SECTION V: Quantitative restrictions and other trade measures

Selective internal taxes

66. Internal taxes imposed specifically on such tropical products as coffee, cocoa, tea and bananas are a legacy of the time when these products had been considered as "easily taxable luxury items". Such taxes have been gradually reduced or removed in a number of developed countries as these products have become ordinary consumer goods. Moreover, with the increasing importance of other taxes, governments have come to rely less on taxes on tropical products as a source of revenue.

67. Selective taxes on tropical products have drawn particular attention in the work of GATT for developing countries since 1959. A report of Committee III in 1959 stated that "in regard to coffee, tea and cocoa, the taxes impinge exclusively on imports from the less-developed countries as there is no domestic production in the country imposing the taxes" (BISD, Eighth Supplement, page 138). The Ministerial Declaration of 1961 stated that "fiscal charges, whether imposed as tariff duties or internal taxes may inhibit efforts directed towards increasing consumption of particular products important in the trade of less-developed countries and, even where applied equally to imports and to competing domestic products, can be a serious obstacle to the expansion of trade" (BISD Tenth Supplement, page 30). One of the results of GATT activities in this area was the adoption

of the provisions of GATT Article XXXVII:1(c) in Part IV with respect to fiscal measures "which would hamper, or which hamper, significantly the growth of consumption of primary products, in raw or processed form, wholly or mainly produced in the territories of less-developed contracting parties, and which are applied specifically to those products".

68. Japan applies selective internal taxes on a number of commodities. Two of these are tropical products, namely coffee and cocoa, which are subject to a commodity tax of 5 per cent.

Import restrictions

69. Quantitative import restrictions maintained by Japan mainly relate to some agricultural products, falling under Chapters 1-24. In the industrial sector import restrictions remain only on certain leather and leather products. Quantitative import restrictions maintained by Japan affecting selected items currently of export interest to developing countries have been shown in the Addendum.

70. In April 1984, the Japanese government announced its decision to liberalize existing import restrictions on a number of products, including some products of export interest to developing countries. The decision included the following measures:

(a) import liberalization, in respect of the following products:

- (i) Prepared or preserved products of pig meat or offals (without bovine meat or offals); to be implemented as from fiscal year 1985; (a price differential duty system will be applied on prepared or preserved products, consisting solely of pig meat or offals);
- (ii) Hi-test molasses and other sugars; to be implemented during fiscal year 1984;
- (iii) Fruit puree and paste (except of citrus (excluding lemon and lime), pineapple, peach, apple and grape); to be implemented during fiscal year 1984;
- (iv) Fruit pulp (except of citrus (excluding lemon and lime), pineapple, peach, apple and grape); to be implemented during fiscal year 1984;
- (v) Fruit juices of prune, cherry, apricot, and berries (excluding blueberry and strawberry) and of tropical fruits (excluding pineapple); to be implemented during fiscal year 1984;
- (vi) Other food preparations containing added sugar (except the categories (a) to (d) below): to be implemented during fiscal year 1984;
 - (a) ice cream powder, prepared milk powder for infants and other preparations mainly consisting of milk,

- (b) food preparations of seaweeds,
 - (c) "mochi" (rich cake), cooked rice, roasted rice flours, enriched rice with vitamin, and other similar food preparations of rice, wheat and barley (including naked barley),
 - (d) food preparations containing, in terms of weight, 50 per cent or more of sugar.
- (b) Increase in quantity of import quotas, etc.
- (1) The following measures will be taken on the basis of the results of consultations with the countries concerned.
 - (a) Beef

Import of high-quality beef is to be increased by 27,600 tons over the four-year period from fiscal 1984 through fiscal 1987.
 - (b) Fresh oranges

Import quotas are to be increased by 11,000 tons per every fiscal year, as from fiscal 1984 through fiscal 1987.
 - (c) Orange juice

Import quotas are to be increased by 500 tons per every fiscal year, as from fiscal 1984 through 1987.
 - (d) Grapefruit juice

Import quotas are to be set up to meet the actual domestic demand for fiscal 1984 and fiscal 1985, after which its import quotas system will be eliminated.
 - (2) The following increases in import quotas will also be affected:
 - (i) Dried leguminous vegetables

Minimum import quota allocation of 55 million dollars or 120,000 MT each year for fiscal 1984 and fiscal 1985.
 - (ii) Groundnuts

Minimum import quota allocation of about 55,000 MT each year for fiscal 1984 and fiscal 1985. About 60,000 MT in fiscal 1985.
 - (iii) Corned beef (in airtight containers) 50 per cent increase in fiscal 1984
 - (iv) Fruit puree and paste; for portions not liberalized, 2,000 MT in fiscal 1984.

- (v) Fruit pulp; for portions not liberalized, 2,000 MT in fiscal 1984.
- (vi) Canned pineapple; 900,000 cases each year for fiscal 1984 and fiscal 1985.
- (vii) Non-citrus fruit juices;
 - Grape juice: minimum import quota allocation of 3,500 MT each year for fiscal 1984 and fiscal 1985.
 - Apple juice: minimum import quota allocation of 1,000 MT each year for fiscal 1984 and fiscal 1985.
 - Other juices not liberalized (excluding pineapple juice): 1,000 MT in fiscal 1984.
- (viii) Tomato juice; 5,000 KL in fiscal 1985.
- (ix) Tomato ketchup and tomato sauce; 5,000 MT in fiscal 1985.

(c) Import liberalization and distribution improvements for manufactured tobacco products. The bills such as the Tobacco Business Bill related to the reform of Tobacco and Salt Monopoly Corporation, submitted to the 101st session of the Diet, are to abolish the tobacco monopoly system as well as to take the measures to liberalize imports and to improve the distribution system of manufactured tobacco products.

Textile trade, trade flows and restrictive measures

71. As shown in Table 13, Japan's trade in textiles and clothing, both exports and imports, maintained a rising trend during the period of 1973 to 1982. Exports, valued at \$2,738 million in 1973, rose to \$5,435 in 1982. Imports increased from \$1,599 million in 1973 to \$2,830 million in 1982. In 1973, and over the years 1976-1982, Japan's trade in textiles and clothing was in surplus. The surplus amounted to \$1,139 million in 1973 and \$2,605 million in 1982.

72. Textile exports rose from \$2,392 million in 1973 to \$5,672 million in 1981, decline to \$4,905 million in 1982. Clothing exports were valued at \$346 million in 1973 and rose to \$530 million in 1982. Imports of textiles amounted to \$1,052 million in 1973 and \$1,312 million in 1983; imports of clothing to \$347 million in 1973 and \$1,518 million in 1982. Trade in textiles was throughout in surplus. The surplus stood at \$1,340 million in 1973 and rose to \$3,593 million in 1982. Trade in clothing was throughout in deficit. The deficit stood at \$201 million in 1973 and rose to \$988 million in 1982.

73. Aggregate values of imports of textiles and clothing from developing countries exceeded those from developed countries throughout. In value terms, the share of imports of textiles from developed countries was 44.43 per cent in 1973 and 39.35 per cent in 1982. The corresponding figures for developing countries were 46.73 per cent and 44.57 per cent respectively.

TABLE 13

JAPAN

Trade in Textiles and Clothing

		(US\$ millions)										
		1973	1976	1977	1978	1979	1980	1981	1982			
Total exports	Textiles	2,392	3,218	3,599	3,718	3,879	4,966	5,672	4,905			
	Clothing	346	396	438	460	334	476	556	530			
Total imports	Textiles	1,052	568	575	1,058	1,498	1,236	1,280	1,312			
	Clothing	547	714	768	1,061	1,540	1,323	1,493	1,518			
Imports from developed countries	Textiles	467	282	291	401	581	534	511	516			
	percentage share in total imports	44.43	49.62	50.60	37.86	38.77	43.19	39.92	39.33			
	Clothing	95	126	168	233	359	361	335	325			
	percentage share in total imports	17.34	17.66	21.89	21.98	23.29	27.28	22.41	21.45			
Imports	Textiles	492	224	222	527	712	498	557	585			
	percentage share in total imports	46.73	39.47	38.55	49.78	47.55	40.28	43.48	44.57			
	Clothing	406	542	543	746	1,019	733	915	928			
	percentage share in total imports	74.43	76.00	70.65	70.36	66.19	55.45	61.30	61.12			

In clothing, the share of developed countries was 17.34 per cent in 1973 and 21.45 per cent in 1982. The corresponding figures for developing countries was 74.43 per cent and 61.11 per cent respectively.

74. Table 14 shows Japan's imports and exports of textiles and clothing as a percentage of total apparent consumption (gross output plus imports minus exports) in Japan. In 1978-79, the latest year for which published figures are available, imports from developing countries constituted 2.23 per cent of the total apparent consumption of textiles and 6.38 per cent of consumption of clothing. The value of Japan's exports during the same period expressed as a percentage of total apparent consumption in the domestic market was 11.11 per cent for textiles and 4.69 per cent for clothing.

75. Japan has not entered into any bilateral restraint agreements under the MFA.

Safeguard actions

76. No Article XIX actions have been taken by Japan.

Voluntary export restraints and orderly marketing arrangements

77. The only voluntary export restraint agreement entered into by another country in respect of its exports to Japan of which the secretariat is aware is that signed with the Republic of Korea in regard to woven fabrics of silk. This measure was introduced in April 1978 and is still in force.

Anti-dumping actions

78. Japan has not initiated any anti-dumping actions.

Countervailing measures

79. Japan initiated a countervailing duty investigation in April 1983 with respect to cotton yarn from Pakistan. In February 1984, the Japanese authorities announced that they did not intend to take any further action in this matter.

Other non-tariff measures

80. Table 15 lists notifications by other contracting parties in regard to other non-tariff measures maintained by Japan and affecting products of export interest to developing countries. Notifications under the relevant procedures do not however necessarily establish the existence of non-tariff barriers to trade in all these cases. Relevant documents, which have been indicated, may be referred to for further information on these measures.

Table 14
Trade in Textiles and Clothing as a Percentage of
Apparent Consumption in Japan

	1974- 1975	1976- 1977	1978- 1979
<u>Textiles</u>			
Apparent consumption (\$ million)	20,836	30,839	35,486
Trade as percentage of consumption:			
Total Imports	4.27	2.93	4.96
Imports from:			
Developing countries	1.59	1.36	2.23
Socialist countries	0.64	0.42	0.79
Developed market economy countries	1.85	1.01	1.55
Total Exports	14.47	11.49	11.11
<u>Clothing</u>			
Apparent consumption (\$ million)	8,343	12,596	16,022
Trade as percentage of consumption:			
Total Imports	10.78	8.99	13.09
Imports from:			
Developing countries	5.28	4.76	6.38
Socialist countries	1.14	0.59	0.99
Developed market economy countries	2.78	2.48	3.96
Total Exports	6.31	5.81	4.69

Source: UNCTAD Handbook of Trade and Development Statistics

Table 15

Other non-tariff measures affecting the trade to Developing Countries
(extracted from inventories maintained by NTM and Agriculture Divisions)

A - Product - related notification

CCCN	Description	Notifying Country	NTM	Reference
0404	Cheese and curd	Canada Romania	Packaging and labelling regulations	AG/DOC/7/JPN.2
0806	Apples, pears, quinces, fresh	Canada New Zealand	Sanitary regulations	AG/DOC/4/JPN.2
1207	Coca leaves, cannabis plant and poppy straw	EEC	Health and sanitary regulations	AG/DOC/4/JPN.2
1303	Resin, extracts and tincture of cannabis and crude cocaine	EEC	Health and sanitary regulations	AG/DOC/4/JPN.2
1806	Chocolate	Switzerland	Marketing standards and packaging and labelling regulations	AG/DOC/7/JPN.2
1908	Cheese cake	Canada	Health and sanitary regulations	AG/DOC/4/JPN.1
2001	Pickles	Canada Romania	Health and sanitary regulations	AG/DOC/4/JPN.1
2007	Fruit juices and vegetables juices, whether or not containing added sugar or spirit	Romania	Packaging and labelling regulations	AG/DOC/7/JPN.2
2104	Diet-spreads	Canada	Health and sanitary regulations	AG/DOC/4/JPN.2
2107	Instant puddings	Canada Romania	Health and sanitary regulations	AG/DOC/4/JPN.2
7102	Cut diamonds	EEC	In-bond imports	NTM/INV/II.G.5
Chapter 44	Radiata pine (less than 6 millimetre rings)	New Zealand	Restrictive standards	NTM/INV/III.A.7

Table 15 (cont'd)

CCCN	Description	Notifying Country	NTM	Reference
3306	Cosmetics	EEC	Test requirements	NTM/INV/III.C.8
Chapter 87	Motor vehicles	EEC	Test requirements	NTM/INV/III.C.8
8421	Liquid gas-fire extinguishers	EEC	Test requirements	NTM/INV/III.C.8
3811 ex Chapt. 29	Intermediate material for the production of technical grade pesticides	Israel	Standards: Pesticide Registration Act	NTM/INV/III.C.9
9810	Cigarette lighters	EEC	Cigarette lighter tax	NTM/INV/V.E.32

B - Other Notifications

NTM	Notifying Country	Reference
Tax incentive, direct tax deferral and deductions in relation to exports	Canada	NTM/INV/I.A.28
Government Procurement	Canada	NTM/INV/I.C.14
Testing and certification procedures	Czechoslovakia Hungary	NTM/INV/III.C.7
Discriminatory rules regarding packaging	EEC	NTM/INV/IV.K.8
Control on activities of branches of foreign companies	Canada	NTM/INV/IV.L.1
Discriminatory licensing of technology	Canada EEC	NTM/INV/IV.L.2
Patent and trademark registration	Canada EEC	NTM/INV/IV.L.3
Credit restrictions for importers	EEC	NTM/INV/V.D.8

SECTION VI: Other trade policy aspectsStructural adjustment policies

81. Information in regard to structural adjustment policies and developments in Japan, contributed by Japan to the Working Party on Structural Adjustment and Trade Policy, is contained in document Spec(82)6/Add.1. The record of the discussions on this contribution in the Working Party is contained in the document Spec(83)29/Add.13.

82. Information in regard to structural adjustment policies and developments in Japan in the textiles sector, submitted by Japan to the Sub-Committee on Adjustment appointed by the Textiles Committee, is contained in document COM.TEX/32/Add.10, and in the document COM.TEX/33.

Agricultural policy

83. The following general statement on agricultural policy and agricultural trade policy was submitted by Japan in connection with the information on Measures Affecting Trade submitted to the Committee on Trade in Agriculture (AG/FOR/JPN/2):

Agricultural policy and agricultural trade policy in Japan(1) Targets, basic direction and future task of agricultural policy in Japan

"The targets and basic direction of Japan's agricultural policy are laid down in the Agricultural Basic Law enacted in 1961. The law defines the task to be achieved in the agricultural sector and provides for the basic direction of its policy. The task is, firstly, to shift in agricultural production to those crops in which demand is expected to increase, and secondly, to rectify difference in productivity between agriculture and other industries and difference in income level between agricultural workers and those in other industries, by means of eliminating the disadvantages at which agriculture in Japan is placed, compared with other industries, due to the natural and economic restrictive factors. Various measures, such as selective expansion in agricultural production, increase of productivity and reform of agricultural structure, are being taken along these basic lines.

"To date, these measures have achieved significant results. On the other hand, however, as referred to in 1 above, there are various difficulties requiring solution, including (a) noticeable decline in food self-sufficiency ratios resulting from the increasing agricultural imports, (b) expanding imbalance in demand and supply for rice and other main agricultural products and (c) insufficient agricultural productivity due to the situation in which the work to expand the scale of farming operation in the land-intensive sector of agriculture is lagging and due to the increasing tendency for part-time farming.

"Accordingly, the basic task confronting agricultural policy is, firstly, to ensure stable supply of food and food security, secondly, to rearrange agricultural production in line with the changing food supply-demand situation, and, thirdly, to further increase agricultural productivity.

"With regard to the first task, stable supply of food and food security, the Government is not considering increase in domestic production in disregard to productivity and cost of production, but intends to maintain domestic agricultural production at least at the present level, while working to ensure a stable importation of agricultural products.

"The second task, rearrangement of agricultural production, is to eliminate the oversupply situation of rice and to promote effective diversion of rice to other crops. Consumption of rice is expected to continue to decrease in the future, and it is estimated to be necessary to carry out diversion of 760,000 ha of paddy field (30 per cent of the total) by 1990. Furthermore, in other farming sectors - raw milk, pig meat, citrus, and so on, there is the same problem of oversupply, and, therefore, in these sectors, too, the Government intends to keep limiting production in line with the changing supply-demand situation.

"As regards the third task, increase of productivity, the Government has been endeavouring for farming land improvement and such technological innovation as farming mechanization, and in the future will step up the efforts to expand the scale of farming operation in the land-intensive sector of agriculture, thereby helping to increase productivity.

"The recent improvement of productivity has been reflected in the support prices of agricultural products. In spite of the price increase of agricultural equipment and materials and the increasing labour cost, the government has virtually fixed its agricultural support prices for these several years, thus exercising restraint on assistance to agriculture. This is a proof of the fact that the Japanese Government is making strenuous efforts in increasing agricultural productivity and in eliminating oversupply of domestic agricultural products.

Annual Increase Ratio of Support Price
for Agricultural Products

	1978	1979	1980	1981	1982	(%)
Rice	0.1	0.2	2.3	0.5	1.1	
Milk	0.0	0.0	0.0	0.0	0.6	
Beef	0.0	0.0	2.9	1.2	0.2	

(2) Border measures for agricultural imports and import policy

"As already mentioned, Japan is now a major importing country of agricultural products and contributes largely to the expansion of world's agricultural trade. This is ascribable to the fact that Japan has taken steps to open its market for foreign farm products, while working to harmonize agricultural import with domestic agriculture.

"In other words, the Japanese market is one of the most widely open, and this fact, we believe, should be valued highly. The largely increasing agricultural import has placed Japan at a very low level among countries in the scale of food self-sufficiency. Given the situation, concern is being felt in Japan over the matter of food security.

"At the same time, it should be noted that the Government is actively implementing the production adjusting measures on those over-supplied agricultural products, thus endeavouring not to create excessive surpluses which might be exported across the border.

"Japan is importing large quantities of agricultural products from various countries based on the principle of free trade, and thus the present border measures are the minimums necessary for Japan's agricultural policy and regional policy.

"These minimum border measures are also practiced by most countries. Considering the economic and social importance of agriculture and the significant role of agriculture for stable supply of food, food security and land conservation, it is vitally necessary to take these border measures for maintaining, at least, the present level of domestic agricultural production, rearranging agricultural production and enhancing agricultural productivity."

Participation in international commodity agreements

84. Japan is a member of the international commodity agreements on coffee, cocoa, jute, rubber, wheat, sugar and tin. Japan is also a member of the international agreements on dairy products and meat. Japan has also signed and ratified the Agreement on the Common Fund for Commodities.

SECTION VII: Japan's trade with the least-developed countries

85. The evolution of trade between Japan and the least-developed countries between 1980 and 1982 is analyzed in Table 16. It shows that exports of Japan to these countries which amounted to approximately US\$1.3 billion in 1980 had declined to US\$1.1 billion in 1982. These represented respectively 1.0 per cent of Japan's total exports in 1980 and 0.8 per cent of total exports in 1982. Japan's total imports from the least-developed countries amounted to approximately US\$274 million in 1980, and declined to US\$258 million in 1981 and US\$261 million in 1982. These represented an average of 0.2 per cent of total imports of Japan. The balance of trade during the period 1980 to 1982 was largely in favour of Japan, with imports from the least-developed countries representing only 20.9 per cent, 20.8 per cent and 23.3 per cent of exports to them in 1980, 1981 and 1982 respectively. The main export markets for Japan among the least-developed countries are Bangladesh, Yemen Arab Republic, Afghanistan, Ethiopia, Tanzania, Democratic Republic of Yemen, Sudan and Nepal, which accounted for about 77.5 per cent of the total exports to the least-developed countries in 1982. The most important sources of imports in 1982 were Bangladesh, Ethiopia, Sudan, Uganda, Tanzania, Upper Volta, Malawi, Democratic Republic of Yemen, and the Central African Republic; these accounted for 87.6 per cent of total imports from the least-developed countries.

JAPAN'S TRADE WITH THE LEAST-DEVELOPED COUNTRIES (1980-1982)

Year	Country figures (US\$ '000)			Totals (US\$ million)		
	Exports to			Imports from		
	Country	1980	1981	1982	1980	1981
Afghanistan	102,197	78,880	96,648	1,429	828	607
Bangladesh	323,231	282,586	210,128	27,994	34,688	57,843
Benin	21,781	29,132	26,850	4,338	3,504	3,118
Bhutan	187	324	2,077	24	12	13
Botswana	415	645	1,075	622	353	378
Burundi	9,607	12,984	12,631	4,622	2,531	2,284
Cape Verde Islands	2,319	352	285	12	13	2
Central African Republic	2,876	2,421	5,342	9,538	7,542	7,165
Chad	70	60	5	7,522	8,908	695
Comoros	426	1,593	120	54	438	106
Democratic Peop. Rep. of Yemen	83,381	106,012	90,698	17,095	15,432	19,043
Djibouti	23,582	25,547	25,005	-	3	1
Equatorial Guinea	22	15	61	-	7	40
Ethiopia	62,611	66,199	56,708	28,839	30,498	31,893
Gambia	4,740	3,281	5,752	29	-	-
Guinea	3,195	3,629	4,048	49	41	112
Guinea Bissau	95	83	929	2	1	-
Haiti	29,245	19,333	25,641	685	1,219	3,003
Lao Peop. Dem. Rep	12,397	9,004	9,646	6,036	3,793	1,130
Lesotho	367	207	75	-	-	14
Malawi	20,991	15,174	13,455	4,386	11,061	12,785
Maldives	3,879	3,409	2,291	2,717	2,923	3,002
Mali	6,823	6,612	5,323	8,943	10,006	4,229
Nepal	38,489	43,928	54,271	8,808	2,246	1,385
Niger	20,173	16,615	15,784	156	2,310	1,248
Rwanda	28,543	27,213	22,615	2,009	685	2,497
Western Samoa	3,950	4,590	4,441	700	1,586	3,658
Sao Tome & Principe	2,422	482	900	-	5	-
Sierra Leone	37,210	15,979	20,392	936	1,897	814
Somalia	5,138	5,577	3,135	-	94	-
Sudan	66,742	100,208	76,683	56,688	57,009	46,102
Togo	24,184	27,185	26,228	919	2,958	2,381
Uganda	17,283	5,057	7,637	37,333	15,527	24,706
United Rep of Tanzania	112,228	94,113	89,754	23,736	18,420	17,930
Upper Volta	10,068	10,174	8,734	16,852	12,330	11,075
Yemen Arab Republic	227,859	220,155	192,069	1,027	8,943	1,473
TOTAL: JAPAN/LLDC TRADE (US\$ million)	1,308.7	1,238.8	1,117.4	274.1	257.8	260.7
TOTALS, JAPAN/WORLD TRADE (US\$ million)	129,587	151,759	138,255	140,934	142,669	131,123
Share of LLDC in Total Japan Trade	1.0%	0.8%	0.8%	0.2%	0.2%	0.2%

86. Agricultural food products and raw materials, as well as minerals, industrial raw materials and semi-manufactures constitute the bulk of Japan's imports from the least-developed countries. Table I7 shows that the most important food imports are fish, crustaceans and molluscs; coffee beans; vegetable oilseeds, vegetable oils and fats, cashew nuts, spices, and molasses. Agricultural raw materials include raw cotton, the single most important item, gum arabic, vegetable saps, extracts and pectic substances, unmanufactured tobacco, horns, antlers, hooves, etc, and beeswax. The major mineral products Japan imports from the least-developed countries are petroleum products, ores and concentrates of uranium and thorium, while imports of industrial raw materials and semi-manufactures are mainly hides and skins, leathers, wood, jute and other textile hard fibres, yarn of jute and of other hard fibres. The manufactures which Japan imports from these countries are mainly woven fabrics of jute and other textile hard fibres, twine, ropes, cables, cordage of flax, sisal, etc., jute bags, and hardwood furniture.

Tariff measures affecting imports from least-developed countries

87. The least-developed countries enjoy special concessions within the framework of the Japanese GSP scheme by which they receive duty-free and ceiling-free access for almost all of their exports covered by the scheme. (see also Section III: GSP). There are however some products of major export interest to some least-developed countries which are not covered by the Japanese GSP scheme and are thus subject to m.f.n. duties, while a few major exports covered by the GSP scheme are subject to only reduced positive tariffs as special LLDC treatment. Table 18 shows a list of imports from least-developed countries still subject to duties either on m.f.n. basis or within the framework of the Japanese GSP scheme. Among these are various fish products, crustaceans and molluscs, groundnuts other than from oil extraction, certain fixed oils, beeswax, pyrethrum extract, molasses, and yarn of jute.

TABLE 17

JAPAN'S IMPORTS FROM THE LEAST-DEVELOPED COUNTRIES (1981)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
01.06	Live animals other than those in 01.01-01.05	166	TGO,SLE,ETH,SOM,TZA,BGD,BWA,HTI
Ex 02.01	Meat of sheep or lambs, fresh, chilled or frozen	81	WSM
Ex 03.01	Aquarium or ornamental fish other than carp and goldfish	14	MWI,TZA
Ex 03.01	Fish for consumption	2666	MDV
Ex 03.02	Fish, salted, in brine or dried, n.e.s.	282	YEM
Ex 03.03	Crustaceans and molluscs	31283	BGD,SLE,YMD
Ex 05.01	Human hair, unworked and waste of human hair	86	BGD
05.04	Guts for sausage casing	130	BGD
05.08	Bones, horn-cores, unworked, etc. and waste	451	BGD
05.09	Horns, antlers, hooves, claws etc.	8751	BDI,CML,TCD,SOM,BGD,BWA,ETH,TZA,SDN,USA,HTI,MDV,CPV
05.12	Coral and similar substances, unworked etc.	162	COM,HTI,TZA
05.14	Ambergris, castoreum; cantharides, etc., animal products, fresh, chilled or frozen etc.	346	NPL,CAF,ETH
08.01	Cashew nuts	2328	TZA
Ex 08.04	Grapes, dried other than in containers weighing not more than 10 kg. each, net.	79	AFG,WSM
Ex 08.12	Papaya, papaw, duriam, bilimbi, cherimoya etc.	23	WSM
Ex 08.13	Peel of melon and citrus fruits, fresh, frozen, dried or preserved	9	HTI

Table 17 (cont'd)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
09.01	Coffee beans, unroasted	53165	BDI, YMD, ETH, HTI, RWA, UGA, TZA, YEM
09.02	Black tea, not put up for retail sale	58	BGD, NRL, TZA
09.07	Cloves, unground, not put up for retail sale	1244	COM, TZA
09.08	Mace and cardamoms, unground and unmixed	27	TZA
12.01	Vegetable oilseeds	24146	SDN, ETH, MLI, TZA HVO, TGO, WSM, BEN
12.07	Plants, parts of plants, etc.	556	AFG, NPL
13.02	Gum arabic	4317	SDN
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; mucilages and thickeners, etc.	480	TZA
ex 14.02	Kapok	256	TZA
14.05	Vegetable products not elsewhere specified or included	260	NPL, TZA
ex 15.04	Fish liver oil, refined or not	61	MDV
15.07	Vegetable oils and fats	1276	MWI, BEN
15.15	Beeswax	1139	BGD, ETH, TZA
ex 16.02	Preserved meat or meat offal of bovine animals not in airtight containers, etc.	67	WSM
ex 16.04	Prepared or preserved fish	18	MDV
ex 17.03	Molasses, containing not more than 60 per cent sucrose, etc.	690	BGD
18.01	Cocoa beans, raw or roasted	113	WSM, SLE

Table 17 (cont'd)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
ex 20.00	Roasted groundnuts, shelled but not in pulp form	21	SDN
ex 23.01	Flour and meal of meat or offals, unfit for human consumption: greaves	554	ETH
23.04	Residues (except drugs) resulting from the extraction of rape seed	28	NPL
24.01	Unmanufactured tobacco and refuse	10921	MWI
ex 26.01	Ores and concentrates of uranium and thorium	2302	NER
ex 27.10	Petroleum spirits	16477	YMD, YEM
ex 29.01	Unestimated acrylic hydrocarbons	43	MDV
ex 29.16	Pheno-acids and their derivatives	13	AFG
ex 33.01	Essential oils	114	COM, HTI
ex 37.04	Film, cinematographic	16	MLI, NPL
ex 39.07	Articles of materials of the kinds described in headings No. 39.01 to 39.06	8	WSM
ex 41.01	Hides and skins	5731	ETH, YEM, BGD
ex 41.03	Sheep and lam skin leather	407	ETH, TZA
41.04	Goat and skin kid leather	2444	BGD, ETH, NPL
41.05	Other kinds of leather	78	BWA
42.02	Travel goods	26	AFG, BGD, HTI, NPL
ex 42.03	Belts, of leather	13	AFG
ex 43.03	Articles other than apparel, etc.	13	BTN, BWA
ex 44.03	Wood, in the rough	3086	LAO, CAF, HTI

Table 17 (cont'd)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
ex 44.13	Wood, planed, grooved, etc.	22	LAO
ex 44.27	Articles of wood	86	HTI, TZA, NPL, WSM, ETH
ex 46.03	Basketwork, wickerwork, etc.	5	BGD, HTI
ex 47.01	Pulp, derived from fibrous vegetable materials	11	BGD
ex 48.21	Articles of paper or paperboard	6	BGD, NPL
ex 53.02	Cashmere goat hair, not carded or combed	10	AFG
ex 53.03	Waste of animal hair, not pulled or garmented, n.e.s.	6	BGD
ex 55.07	Cotton not carded or combed	67345	BGD, BEN, CAF, TCD, MLI, SDN, HVO
ex 55.02	Cotton linters	258	ETH, SDN
ex 55.03	Cotton yarn waste, not carded or combed	50	BGD
57.03	Jute and other textile bast fibres	4547	BGD
ex 57.04	Sisal fibres	48	TZA
57.06	Yarn of jute or of other bast fibres	944	BGD
ex 57.10	Woven fabrics of jute and other textile bast fibres	1941	BGD
58.01	Carpets, carpeting and rugs, knotted, of wool, etc.	47	AFG, NPL
58.02	Carpets, carpeting and other than knotted	27	AFG
ex 59.04	Twine, ropes, cordage and cables, of flax, sisal, etc.	1873	TZA
ex 59.06	Other articles made from yarn, twine, cordage, rope/cables, of flax, jute, sisal, ramie, etc.	13	BGD

Table 17 (cont'd)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
60.02	Gloves, mitten and mitts, knitted or crocheted, etc.	5	AFG,NPL
ex 60.05	Outergarments and other articles, knitted or crocheted, etc.	37	AFG,NPL
ex 61.01	Mens' and boys' outer- garments, of cotton, n.e.s.	12	NPL
ex 61.02	Women's, girls' and infants clothing, of cotton	17	AFG,BGD,NPL
ex 62.03	Gunny bags, unused, made of jute fabrics, weighing not less than 500g/m ²	215	BGD
ex 65.05	Hats and other headgear, knitted or crocheted	21	AFG,NPL
ex 71.02	Diamond rough, semi- precious and precious stones	170	CAF,TZA,AFG
ex 71.16	Necklaces, brooches and pendants, of base metal	11	AFG
ex 74.01	Waste and scrap of brass and bronze	22	TZA
ex 76.01	Waste and scrap of aluminium	12	WSM
ex 78.01	Waste and scrap of lead and its alloys	206	SDN
ex 81.04	Unwrought cobalt	35	MWI
83.06	Statuettes and other indoor ornaments of base metals	60	NPL
85.01	Silicon rectifiers and rectifying apparatus	5	UGA
ex 85.15	Parts of radiotelegraphic and radiotelegraphic apparatus	5	MWI,WSM

Table 17 (cont'd)

CCCN Heading	Product Description	Imports From LLDC ('000 US\$)	LLDC Suppliers
ex 85.22	Electric goods and apparatus	22	HTI
ex 90.28	Oscilloscopes, etc.	5	TZA
ex 94.03	Other furniture of hardwood, etc.	693	LAO
ex 95.05	Worked ivory of elephants' tusks and articles thereof	79	ETH,TZA
ex 95.08	Worked vegetable carving material, etc.	5	NPL
ex 97.03	Toys and working models, etc.	6	HTI
ex 98.01	Buttons and button moulds, studs, etc.	20	HTI
ex 99.01	Paintings, drawings and pastels, etc.	20	ETH,HTI,NPL
ex 99.05	Collections and collectors' pieces, etc.	37	GIN,LAO,MWI,MLI, SLE,SDN,HVO

TABLE 18

IMPORTS FROM THE LEAST-DEVELOPED COUNTRIES SUBJECT TO DUTIES IN JAPAN (1981)

CCCN Numbers	Product Description	Final MTN Rates	Imports from LLDCs	Major LLDC Suppliers
ex 03.01	Skip-jack and other bonito, frozen excluding fillet	5.0%	1,989	MDV
ex 03.01	Yellowfin tuna (excluding fillet)	5.0%	654	MDV
ex 03.01	Sword fish, frozen excluding fillet	5.0%	23	MDV
ex 03.02	Fish, salted, in brine or dried n.e.s.	15.0%	282	YEM
ex 03.03	Shrimps, prawns and lobsters (other than ISE-EBI), fresh, chilled or frozen	3.0%	24,484	BGD,SLE
ex 03.03	Other cuttlefish and squid, fresh (live or dead) chilled or frozen	5.0%	6,799	YMD,SLE
ex 08.04	Grapes, dried, other than in containers weighing not more than 10 kg each net	2.0%	79	AFG,WSM
ex 08.13	Peel of melons and citrus fruits, fresh, frozen, dried or preserved	2.5%	9	HTI
ex 12.01	Groundnuts other than for oil extraction under the supervision of customs	20.0% (Temp.10%)	2,780	SDN
ex 13.03	Pyrethrum extract	20.0%	120	TZA
ex 15.04	Fish liver oil, refined or not	5.0%	61	MDV
ex 15.07	Fixed vegetable oils, of an acid value exceeding 0.6 n.e.s.	3.7%(S)	1,224	BEN
ex 15.15	Beeswax	15.0%(MTN) 7.5%(LDC)		
ex 16.02	Preserved meat or meat offal of bovine animals not in airtight containers, simply boiled in water n.e.s.	25.0%	67	WSM
ex 17.03	Molasses, containing not more than 60% sucrose but not containing added flavouring/colouring, n.e.s.	56.4%(S)	690	BGD
ex 20.06	Roasted groundnuts, shelled but not in pulp form	25.0%	21	SDN
ex 27.10	Petroleum spirits, intended for use in manufacturing petrochemical products	4.0%(S)	16,477	YMD, YEM
ex 42.03	Belts worn on persons, of leather or of composition leather	12.5%	13	AFG
ex 57.06	Yarn of jute or of other textile bast fibres of heading no 57.03, of a weight less than 0.4G/M	10.0%(MTN) 4.0%(LDC)	31	BGD
ex 57.06	Yarn of jute or of other textile bast fibres, of a weight not less than 0.4G/M but less than 1G/M	10.0%(MTN) 4.0%(LDC)	913	BGD
ex 57.10	Woven fabrics of jute or other textile bast fibres not less than 95cm but less than 120cm in width	20.0%(MTN) 8.0%(LDC)	43	BGD
ex 57.10	Woven fabrics of jute or other textile bast fibres, not less than 200 cm in width	20.0%(MTN) 8.0%(LDC)	1,898	BGD

Legend: S = Specific rates

APPENDIX

Positive List of Agricultural Products (CCCN chapters 1-24).

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
03.01	Fish, fresh (live or dead), chilled or frozen: ex.1 Aquarium or ornamental fish other than Carp and goldfish	2.5%	Free
03.02	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process: ex.1 Hard roes, other than those of salmon, Tara (genus Gadus, genus Theragra and genus Merluccius) and Nisshin (genus Clupea)	4%	Free
	2 Other: ex.(2) Other than smoked Salmonidae, Nisshin and Tara	15%	10%
03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water: 1 Shrimps, prawns and lobsters: (2) Other	6%	4%
	2 Other: ex.(1) Fresh (live or dead), chilled or frozen Octopus	10%	5%
	ex.(2) Other: Hard clam, dried	15%	9%
04.07	Edible products of animal origin, not elsewhere specified or included: ex.1 Trepanng, jelly fish and sea urchins: Sea urchins	10%	7.5%
05.07	2 Salanganes' nests	2.5%	Free
	Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, dis- infected or treated for preservation; powder and waste of feathers or parts of feathers: 2 Others	5%	Free
05.12	Coral and similar substances, unworked or simply prepared but not otherwise worked;		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
	shells, unworked or simply prepared but not cut to shape; powder and waste of shells: 1 Coral	20%	5%
ex.05.13	Natural sponges Less than 3600 yen/kg in value for customs duty	5%	Free
05.14	Ambergris, castoreum, civet and musk; can- tharides; bile, whether or not dried; animal products, fresh, chilled or frozen, or otherwise provisionally preserved, of a kind used in the preparation of pharmaceutical products: 3 Other	5%	Free
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption: 8 Other	2.5%	Free
06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or other- wise prepared	1.9%	Free
06.04	Foliage, branches and other parts (other than flowers or buds) of trees, shrubs, bushes and other plants, and mosses, lichens and grosses, being goods of a kind suitable for bouquets or ornamental purposes, fresh, dried, dyed, bleach- ed, impregnated or otherwise prepared	5%	Free
ex.07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder, but not further prepared: Bamboo sprouts	15%	7.5%
	Other vegetables, excluding onions and shiitake mushrooms	15%	10%
08.01	Dates, Bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not: 1 Bananax:		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
08.11	Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption: ex.3 Other Papaya, papaw, avocados, guavas, durian, bilimbi, champeder, jackfruit, bread fruit, rambutan, rose-apple jambo, jambosa diamboo-kaget, chico-mamey, cherimoya, keliapi, sugar-apple, mangoes, bullock's-heart, passion-fruit, dookoo kokosan, mangosteens, sourrop and litchi		20%
ex.08.12	Fruit, dried, other than that falling within heading No. 08.01, 08.02, 08.03, 08.04 or 08.05: Papaya, Papaw, durian, bilimbi, champeder, jackfruit, bread-fruit, rambutan, rose-apple jambo, jambosa diamboo-kaget, chico-mamey, cherimoya, keliapi, sugar-apple, bullock's-heart, passion fruit, dookoo kokosan, sourrop and litchi		15%
09.01	Coffee, whether or not roasted or freed of caffeine; coffee husks and skins; coffee substitutes containing coffee in any proportion: 1 Coffee other than coffee beans unroasted		20%
09.02	Tea 1 Black tea (1) Put up for sale by retail (3) Other		20% Free 20% 5%
09.04	Pepper of the genus "Piper"; pimento of the genus "Capsicum" or the genus "Pimenta": 1 Put up for sale by retail 2 Other:		7.5 or 10% Free
ex.(1)	Fresh, if imported during the period from 1st October to 31st March	50%	3%
(2)	Dried	40%	17.5%
ex.2	Pineapples: Dried	6.6%	Free
ex.4	Other: Coconuts Brazil nuts Cashew nuts Avocailos, mangoes and mangosteens, fresh Avocados, mangoes, guavas and mango-steens, dried	15% 7.5% 7.5% 1.9% 6% 6%	10% Free Free Free 4% Free
08.03	Figs, fresh or dried: 2 Dried		5%
08.04	Grapes, fresh or dried: ex.2 Dried: In can, bottle or pot, not more than 10 kg each including container		5%
08.05	Nuts other than those falling within heading No. 08.01, fresh or dried, shelled or not: ex.4 Other Sweet almonds Hazel nuts Macadamia nuts Pistachios	6% 4% 10% 12% 16%	3% Free 10% Free
ex.08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar: Papaya, papaw, avocados, guavas, durian, bilimbi, champeder, jackfruit, bread-fruit, rambutan, rose-apple jambo, jambosa diamboo-kaget, chico-mamey, cherimoya, keliapi, sugar-apple, mangoes, bullock's-heart, passion fruit, dookoo kokosan, mangosteens, sourrop and litchi		15%

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
09.07	(2) Ground or mixed Cloves (whole fruit, cloves and stems): 1 Put up for sale by retail 2 Other: (2) Ground Nutmeg, mace and cardamoms: 2 Other: (1) Put up for sale by retail (2) Other: B Ground or mixed	4.1% 7.5% 4.1% 7.5% 4.1%	Free Free Free Free Free
09.08	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper: 1 Put up for sale by retail 2 Other: (2) Ground or mixed	10% 5%	Free Free
09.09	Thyme, saffron and bay leaves; other spices: 3 Other: (1) Put up for sale by retail (2) Other: A Unground and unmixed: (a) Ginger B Ground or mixed: (a) Ginger (b) Other	7.5 or 10% 5% 5% 4.1%	Free Free Free Free
09.10	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except rice falling within heading No. 10.06; germ of cereals, whole, rolled, flaked or ground: ex.1 Of wheat, oat, maize or rice, excluding germs of cereals: Oats	20%	10%
12.03	Seeds, fruit and spores, of a kind used for		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
12.07	sowing: 1 Vegetable seeds Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes, fresh or dried, whole, cut, crushed, ground or powdered: 2 Insect flower ex.12 Other: Other than cubé root, cannabis plant, poppy straw and Panax ginseng Chicory roots, fresh or dried, whole or cut, unroasted; locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading: 3 Edible seaweeds, wet or dried: ex.(3) Other: Hijiki (Hijikia fusiformis) Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams: 2 Seed lac Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, derived from vegetable products: 7 Pectic substances, pectinates and pectates Vegetable materials of a kind used primarily for plaiting (for example, cereal straw, cleaned, bleached or dyed, osier, reeds, rushes, rattans, bamboos, raffia and lime bark): 2 Bamboos Vegetable materials of a kind used primarily in brushes or in brooms (for example, sorgho, piassava, couch-grass andistle), whether or not in bundles or hanks: 2 Other	Free 20% 5% 15% 10% or 10yen/kg which ever is the greater 5% 10% 5% 10%	Free Free Free 10% Free Free 5% 5% 2.5%
12.08			
13.02			
13.03			
14.01			
14.03			

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
14.05	Vegetable products not elsewhere specified or included: 1. Sea weeds, wet or dried: ex.(2) Of genus <i>Clopotellis</i> ex. 5 Other Tamarind seeds of <i>Machilus thunbergii</i> Sieb. et Zucc Loofah Fats of bovine cattle, sheep or goats, un-rendered; rendered or solvent-extracted fats (including "premier jus") obtained from those unrendered fats: 1 Beef fallow 2 Other	5% 10% 10% Free Free	Free Free Free Free Free
15.02			
15.05	Wood grease and fatty substances derived therefrom (including lanolin): 1 Wool grease	2.2%	Free
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified: ex.8 Palm oil and palm kernel oil: Palm oil ex. 14 (1) Rice bran oil	7.4% 17yen/kg	3% 10yen/kg
15.08	Animal and vegetable oils, boiled, oxidised, dehydrated, sulphurised, blown or polymerised by heat in vacuum or in inert gas, or otherwise modified	5%	Free
15.10	Fatty acid; and oils from refining; fatty alcohols: 1 Olein 2 Stearin 3 Other	5% 5% 5%	4% 4% Free
15.11	Glycerol and glycerol lyes: 1 Glycerol 2 Other	8% 2%	Free Free
15.12	Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
15.15	by any other process, whether or not refined, but not further prepared Spermaceti, crude, pressed or refined, whether or not coloured; beeswax and other insect waxes, whether or not coloured: 1 Spermaceti 2 Beeswax 3 Other	5% 7.5% 15% 15%	Free Free 7.5% 7.5%
15.16	Vegetable waxes, whether or not coloured: 1 Carnuba wax 2 Other	5% 7.5%	Free Free
16.02	Other prepared or preserved meat or meat offal: 2 Other: ex.(2) Other: Not containing meat or meat offal of bovine animals or pigs		15.6% 15.6%
16.03	Meat extracts and meat juices; fish extracts	16 or 12%	8%
16.04	Prepared or preserved fish, including caviar and caviar substitutes: 1 Caviar and caviar substitutes ex.2 Other: Other than hard roes: Other than salmon in airtight containers; Katsuo (skipjack and bonito) in airtight containers Other Hard roes of Nishin (genus <i>Clupea</i>) or Tara (genus <i>Gadus</i> , genus <i>Theragra</i> and genus <i>Merluccius</i>), in airtight containers	8% 12% 12% 16%	6% 8% 9% 12%
16.05	Crustaceans and molluscs, prepared or preserved: ex.1 Smoked: Of airlimpa, prawns and lobsters	6%	Free

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
	Other:		
	Other than those of cuttle fish, squid, adductors of shell-fish and scallops . . .	12%	8%
	ex.2 Other:		
	Shrimps, prawns and lobsters:		
	Simply boiled in water or in brine;		
	Salted, in brine or dried, after simply boiled in water or in brine	6%	4%
	Other (except those of chilled or frozen after simply boiled in water or in brine)	9.2%	9%
	Cuttle fish and squid in airtight containers	15%	9%
	Other than cuttlefish and squid	9.2 or 12%	9%
18.03	Cocoa paste (in bulk or in block), whether or not defatted:		
	Not defatted	10%	5%
	Defatted	20%	10%
18.04	Cocoa butter (fat or oil)	2.5%	Free
18.05	Cocoa powder, unsweetend	21.5%	15%
18.06	Chocolate and other food preparations containing cocoa:		
	2 Other:		
	(2) Other	25%	12.5%
19.02	Malt extract, preparations of flour, meal, starch or malt extract, of a kind used as infant food or dietetic or culinary purposes, containing less than 50% by weight of cocoa:		
	1 Malt extract	12%	7.5%
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit; communion wafers, cachets of a kind suitable for pharmaceutical use; sealing wafers, rice paper and similar products:		
	1 Bread, ships' biscuits and other ordinary bakers' wares	12%	9.5%

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
19.08	Pasty, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion:		
	ex.1 Containing added sugar:		
	Other than biscuits, cookies, crackers, Arare and Senbel	40%	20%
	ex.2 Other:		
	Other than biscuits, cookies, other crackers, Arare, Senbel and similar rice products	35%	17.5%
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard:		
	1 Containing added sugar:		
	Papaya, papaw, avocados, guavas, during, bilimbi, champeder, jackfruit, bread-fruit, rambutan, rose-apple jambo, jambosa diamboo-kaget, chico-mamey, cherimoya, kehapi, sugar-apple, bullock's-heart, passion-fruit, dookoo kokosan, soursoop and litchi	16.9%	12.5%
	Mangoes and mangosteens	16.9%	10%
	Other	20%	16%
	2 Other:		
	Papaya, papaw, avocados, guavas, durian, bilimbi, champeder, jackfruit, bread-fruit, rambutan, rose-apple jambo, jambosa diamboo-kaget, chico-mamey, cherimoya, kehapi, sugar-apple, bullock's-heart, passion-fruit, dookoo kokosan, soursoop and litchi	13.5%	10%
	Mangoes and mangosteens	13.5%	7.5%
	Other	16%	12%
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid:		
	ex.1 Containing added sugar:		
	Other than leguminous vegetables podded out	28%	17.5%

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
2	Other:		
ex.(2)	Other:		
	Other than asparagus, bamboo shoots, mashed potatoes, potato flakes, mushrooms, and leguminous vegetables, podded out, n.s.a.		
	Garlic powder:		
	In airtight containers not more than 10kg each including container	20%	15%
	Other	14%	10%
	Greenpeas	20%	15%
	Ripe olive:		
	In airtight containers not more than 10kg each including container	9%	7%
	Tomatoes	12%	9.5%
	Other:		
	In airtight containers not more than 10kg each including container	16%	12%
ex.20.03	Fruit preserved by freezing containing added sugar:		
	Papaya, papaw, avocado, guavas, durian, bilimbi, champeder, jackfruit, bread-fruit, rambutan, rose-apple jambo, jambosa djamboo-kaget, chico-mamey, cherimoya, kehepi, sugar-apple, mangoes, bullock's-head, passion-fruit, dookoo kokosan, mangoes, soursoop and litchi	28%	17.5%
20.04	Fruit, fruit-peel or parts of plants, preserved by sugar (drained, glace or crystallized)	21%	16%
	Marrons glace	24%	16%
20.06	Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit:		
	1 Containing added sugar or spirit:		
ex.(2)	Other:		
	Peaches and pears, not containing added sugar:		
	In pulp form	35%	20%
	Other	28 or 26.1%	20%
	Cherries and apricots, not containing		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
	added sugar:		
	In pulp form	25%	16%
	Other	20%	16%
	Bananas, avocados, mangoes, guavas, and mangoes, in can, bottle or pot, but excluding those in pulp form	28%	15%
	Cashew nuts, but excluding those in pulp form	28%	15%
	Chestnuts, containing added sugar; in can, bottle or pot, not more than 10kg each including container but excluding those in pulp form	28%	25%
2	Other:		
ex.(2)	Other:		
	Peaches and pears:		
	In pulp form:		
	In can, bottle or pot	20%	12%
	Other	25%	12%
	Other:		
	In can, bottle or pot	15 or 15.4%	12%
	Other	20 or 18.8%	12%
	Cherries and apricots:		
	In pulp form	20%	12%
	Other	16%	12%
	Bananas, avocados, mangoes, guavas and mangoes (other than those in pulp form):		
	In can, bottle or pot	20%	15%
	Coconuts, Brazil nuts, paradise nuts, and hazel nuts:		
	In pulp form	20%	10%
	Other	16%	10%
	Cashew nuts	20%	10%
	In pulp form	16%	7.5%
	Other	20%	10%
	Macadamia nuts	20%	10%
	In pulp form	10%	8%
	Other	14%	12%
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
	sugar, but unfermented and not containing spirit:		
2	Vegetable juices:		
ex.(1)	Containing added sugar	13.5%	12%
ex.(2)	Other, excluding tomato juice		
	Mixtures of vegetable, in airtight container.....	11%	9%
	Mixtures of vegetable, excluding those in airtight container.....	9%	7%
	Other, in airtight container.....	17%	12%
	Other, excluding those in airtight container.....	12%	10%
21.02	Extracts, essences or concentrates, or coffee, tea or maté and preparations with a basis of those extracts, essences or concentrates; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof.		
	1 Extracts, essences or concentrates, of coffee, tea or maté and preparations with a basis of those extracts, essences or concentrates:		
	(1) Containing added sugar:		
	Extracts, essences or concentrates, of coffee, preparation with a basis of coffee extracts, essences or concentrates.....	24%	15%
	Other.....	16%	10%
	(2) Other:		
	ex.A Instant coffee and instant tea.....	20%	10%
	B Other:		
	Extracts, essences or concentrates, of coffee, and preparations with a basis of coffee extracts, essences or concentrates	20%	Free
	Other.....	16%	10%
2	Other.....	10%	7.5%
21.04	Sauces; mixed condiments and mixed seasonings:		
1	Sauces:		
ex.(3)	Other:		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
21.05	Other than French dressings and salad dressings.....	12%	7.5%
	Soups and broths, in liquid, solid or powder form; homogenized composite food preparations:		
	Vegetable soups, in airtight containers, Containing added sugar.....	21%	15%
	Other.....	13.6%	10%
	Homogenized composite food preparations:	16%	12%
	Other soups and broths.....	21%	15%
21.06	Natural yeasts (active or inactive); prepared baking powders:		
	1 Natural yeast		
	(1) Active.....	17.5%	12.5%
	(2) Inactive.....	8%	5%
	2 Prepared baking powders.....	17.5%	12.5%
21.07	Food preparations not elsewhere specified or included:		
	2 Other:		
	ex.(1) Containing added sugar:		
	Bases for beverage containing Panax ginseng or its extract.....	35%	25%
	Peanut butter.....	25%	20%
	(2) Other:		
	ex.A Bases for beverage, non-alcqholiq: Containing Panax ginseng or its extract..	19.7%	16%
	B Other:		
	ex.a Products specified in heading No. 04.07: of trepang, jelly fish or sea urchins.....	15%	10%
	ex.b Other:		
	Peanut butter.....	23.4%	20%
	Young corn cobs, in can, bottle or pot ..	25%	10%
	Hijiki (Hijikia fusiformis).....	25%	10%
22.01	Waters, including spa waters and aerated waters; ice and snow		

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
1	Spa waters and aerated waters	4%	Free
22.03	Beer made from malt	8yen/1	Free
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	320yen/1	Free
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:		
	1 Champagne and other sparkling wines	455yen/1	325yen/1
	ex.2 Other:		
	In containers of a capacity exceeding 150 l	160yen/1	40yen/1
22.06	Vermouths, and other wines of fresh grapes flavoured with aromatic extracts	126yen/1	90yen/1
22.07	Other fermented beverages (for example, cider, perry and mead):		
	1 Sake (Seishu or Dakushu)	88yen/1	Free
	2 Other	77yen/1	55yen/1
22.09	Spirits (other than those of heading No. 22.08); liquors and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages:		
	1 Spirits; alcohol and distilled alcoholic beverages:		
	(3) Gin	35% or 154yen/1	110yen/1
	ex.(4) Other:		
	Ethyl alcohol excluding that intended for use in distilling alcohol for making alcoholic beverages through the continuous still; for "the Pooled Quota" ...	120yen/1	60yen/1
	Distilled alcoholic beverages other than rum and ethyl alcohol, not intended for use in distilling alcohol for making alcoholic beverages through the continuous still; for "the Pooled Quota" ...	32%	45yen/1
2	Liquors and other spirituous beverages:		
	(2) Imitation sake and white sake	88yen/1	Free
	(3) Other	160yen/1	Free

Tariff Item Number	Description	Rate of Duty	
		MFN	Preferential
3	Other	16%	Free
22.10	Vinegar and substitutes for vinegar	10%	6%
23.07	Sweetened forage; other preparations of a kind used in animal feeding:		
	1 Preparations of a kind used in animal feeding, excluding those directly used as feed or fodder	5%	Free