

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)
Negotiating Group on Tariffs

MODALITIES FOR TARIFF NEGOTIATIONS

Supplementary Submission by Japan

1. The Government of Japan expressed its readiness to reduce tariff rates on industrial products to zero along with other developed countries in the "Action Programme for Improved Market Access" announced on July 30, 1985. The objective was to expand the scope and improve the content of tariff concessions of all contracting parties, and thus to strengthen the GATT system.

Based on this, the Government of Japan proposed in this Negotiating Group the reciprocal elimination of all tariffs on industrial products by developed countries in April 1987.

In the past meetings of this Negotiating Group, the Government of Japan repeatedly underlined the significance of our proposal and sought understanding of participants. Japan would like to submit the following supplementary proposal with a view to facilitating the negotiations in this group. This supplementary proposal is made taking into account the views so far expressed by participants and in recognition of the need to allow for minimum exceptions while still maintaining the original aim of the complete elimination of tariffs on all industrial products.

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2. Modality for Elimination or Reduction of Tariffs

(1) Among the developed countries, reciprocal and complete elimination of tariffs on all industrial and mining products will be maintained as the principle; and in order to eliminate tariffs on as many products as possible, developed countries will first agree upon the proportion of products for which tariffs will be eliminated. The proportion may, for instance, be defined by agreement as a rate which represents, in terms of either tariff revenue or import value, the share of products to be eliminated in the whole industrial and mining products. Specific products for which tariffs will be eliminated are to be chosen by each country.

(2) As for those products whose tariffs are not eliminated as exceptions, formula-cut method for reduction of tariffs (e.g. harmonization-formula adopted at the Tokyo Round) will be applied.

(3) Some sort of staging will be considered in reducing the tariffs.

(4) For the purpose of our proposals industrial and mining products are defined as products classified in the CHAPTER 25 and thereafter in the Harmonized System tariff classification excluding agricultural, forestry and fishery products and petroleum. However, due consideration should be given to any agreement which may emerge in other negotiating groups.

The bound rate shall be used as the base rate.

(5) Developing countries are expected to make appropriate efforts to increase their degree of binding and reduce their tariffs commensurate to their stage of economic development.