

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## GENERALIZED SYSTEM OF PREFERENCES

### Notification by Japan

#### Addendum

For the information of contracting parties the delegation of Japan has notified the following improvements and modifications made in its GSP scheme for the 1984 fiscal year starting 1 April.

#### Improvements and modifications in the 1984 fiscal year

With a view to further opening the Japanese market to the developing countries, Japan has revised the Generalized System of Preferences for the fiscal year (FY) 1984, as follows:

#### 1. Increases in ceilings for imports of industrial products under the GSP

With a view to increasing the total amount of ceilings on industrial products by about 55 per cent (1,220 billion yen or approximately US\$5.2 billion for FY 1984 as against 785 billion yen or approximately US\$3.3 billion for FY 1983) the formulae for calculating GSP ceilings have been modified as follows:

- (1) With regard to items in respect of which imports are considered to present no particular difficulties to the domestic industries concerned, the formula for obtaining the ceilings has been updated on the basis of imports in the 1982 calendar year.

The new formula is indicated below:

Basic quota - the value in Yen or quantity of imports into Japan from preference-receiving countries in 1982, 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.

- (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) X (specified rate)\*;
- (ii) (Ceiling quota of the previous FY) + (Ceiling quota of the previous FY) X (specified rate)\* X 1/2;
- (iii) (Ceiling quota of the previous FY);

\*The specified rate is to be stipulated by a cabinet order and is in any case not to be more than 0.06 or 6 per cent.

However, as a temporary measure for the FY 1984, the ceilings on the above three categories have been increased by 50 per cent, 30 per cent and 10 per cent respectively.

## 2. The modification of "maximum country amount"

With a view to extending the benefits of GSP to a greater number of developing countries, the "maximum country amount" has been changed from one-half to one-third of the ceilings with the understanding that the "maximum country amounts" for the FY 1984 should not be less than those for the FY 1983.

## 3. Improvements in special measures for the least-developed countries

Within the framework of the GSP, least-developed countries enjoy "duty-free" and "ceiling-free" tariff treatment on all GSP items except for five CCCN headings. Improvements have been made with respect to three of the five headings, as indicated below.

### CCCN 5710 woven fabrics of jute

Duty-free treatment has been granted (GSP rate: 8 per cent). However, ceiling limitation has remained.

### CCCN 5904.1-4 twine, cordage, ropes and cables CCCN 6203 sacks and bags, for packing

Ceiling-free treatment has been granted (GSP: 0 per cent under ceiling limitations). As a result, these two items have been removed from the list of exceptions from the special treatment for least-developed countries.

## 4. GSP rate reductions

		<u>GSP rates</u>	
		<u>FY 1983</u>	<u>FY 1984</u>
08.01-1(1)	Bananas, fresh April-September	25%	17.5%
	October-March	40%	35%
15.07-8 ex	Palm oil	4%	3%

5. Modifications of the ceiling control (FY 1984)

(1) Application of ceiling formulae referred to in paragraph 1 above.

	<u>Number of product groups under the formula</u>
Formula for sub-paragraph (1) items	112
Formula for sub-paragraph (2) items (i)	22
(ii)	21
(iii)	46

(2) Administration of ceilings:

(a) Monthly control 141 product groups (137 in FY 1983)

(b) Daily control 41 product groups (41 in FY 1983)

(c) Prior allotment 19 product groups (18 in FY 1983).

(3) Flexible administration of ceilings:

110 product groups (110 in FY 1983)

(4) Flexible administration of maximum country amounts:

134 product groups (132 in FY 1983)

The details of the above modifications are given in the attachment.

ATTACHMENT  
Modification of the ceiling control (FY 1984)

(1): Product group number; (2): Tariff item number; (3): Control of ceilings (M=monthly control, D=daily control, Q=prior allotment); (4): "0"=flexible administration of ceilings; (5): "0"=flexible administration of maximum country amount.

FY 1983					FY 1984					Increase or Decrease					
(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)	(1)	M	D	0	(4)	(5)
6-2 13-2	28.28-6 29.27	M M	0 0	0 0	6-2 13-2	28.28-6ex 1/ 29.27	M M	0 0	0 0					-1 -1	-1
58 ex61 ex143	Ch. 44 46.03 ex2 94.01-3	M D M	0 0 0	0 0 0	58 60-3 138-2	Ch. 44 46.03-2(2) 73.01-1ex 2/	M D M	0 0 0	0 0 0	+1 +1	+1	+1		+1 +1	+1
140 ex143	73.02-4	D	0	0	140	73.02-4	Q		0		-1	+1			+1
		M	0	0	141-2	73.08 73.12-2ex 3/ 73.13-2(1)ex 3/	M		0	+1	+1				
		M	0	0	141-3	73.09 73.13-2ex 3/	M		0	+1	+1				+1
182	94.01-3 94.03-3ex 94.04-1	M 4/	0 0	0 0	142-2 182	73.12-2ex 3/ 73.13-2(1)ex 3/ 94.01-3 4/ 94.03-3ex 4/ 94.04-1	M 3/	0 0	0 0	+1 +1	+1			+1 -1	+1
1/ Antimony trioxide					Increase or decrease										
2/ Pig iron and cast iron containing more than 1.6 per cent by weight of silicon					FY 1983					196					
3/ Certain iron or steel products, not clad or plated					FY 1984					201					
4/ Certain furniture, not of base metal										110					
										132					
										110					
										134					