

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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JAPAN: EXTERNAL ECONOMIC MEASURES

Action Program: Outline of the Tariff Component

The following communication, dated 26 June 1985, has been received from the Permanent Delegation of Japan.

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The Permanent Mission of Japan to the International Organizations in Geneva presents its compliments to the secretariat of GATT and, with reference to its Note Verbale<sup>1</sup>, KA/GATT/116, dated 9 April 1985, has the honour to inform the latter that the Government of Japan announced on 25 June 1985 the outline of the tariff component of the Action Program as mentioned in the External Economic Measures of 9 April 1985. The announcement is attached herewith.

The Japanese Mission has further the honour to inform that in addition to tariff measures, intensive work has been proceeding in other areas including standards and certification, import procedures, government procurement and services. The complete picture of the Action Program will be determined by the end of July this year.

The salient features of the tariff measures are as follows:

1. Japan has taken the lead in announcing the policy lines regarding tariffs to be taken in the course of the negotiation of the New Round. Especially, Japan expressed its readiness to reduce the tariff rates on industrial products to zero along with other advanced industrialized countries, through the negotiation of the New Round.

Japan is determined to promote the tariff negotiations on agricultural and fishery products in the New Round, considering the special characteristics of agriculture and taking into account the necessity of the rectification of tariff escalation.

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<sup>1</sup>See document L/5795.

2. Japan has decided to make concrete and tangible contributions in advance of launching the New Round.

(i) The tariff rates of a total of 42 items on primary agricultural goods and processed agricultural products (including wine and other alcoholic beverages) will be reduced or eliminated and the tariff rates of a total of 32 items on industrial products will be eliminated from the earliest possible time in 1986 (April 1987 for some products).

(ii) High technology products such as computers are subject to the 20 per cent tariff reduction as described in the following paragraph 3. Talks on the mutual tariff elimination of these products are under way.

3. Furthermore, against the background of a huge trade surplus and other factors, tariff rates of a total of about 1,800 items on processed agricultural products and industrial products are to be reduced in principle by 20 per cent from the earliest possible time in 1986.

However, with goods reasons such as import surge of certain products after the implementation of these measures, the implementation of these measures could be suspended on such products.

4. On preferential tariff system, substantial improvement will be sought to be effective in April 1987. In the FY 1986, the reduced margin of the GSP as a result of the 20 per cent tariff cut in principle mentioned above, will be rectified with tariff reduction of relevant items of industrial and processed agricultural products.

Outline of the Action Program Concerning Tariffs

Government-Ruling Parties Joint Headquarters for the Promotion  
of External Economic Measures - 25 June 1985

The Government of Japan has implemented measures including reduction and elimination of tariff rates and improvement of the Generalized System of Preferences through a series of External Economic Measures and other measures. In order to contribute to the maintenance and strengthening of the free-trade system, the early initiation of the New Round, the co-operation with developing countries, the encouragement of importing manufactured goods, the Government of Japan has decided on the following Outline of the Action Program concerning tariffs and will take necessary procedures.

I. Promotion of the New Round

1. Industrial and Mining Products

(1) Indication of the goal for tariff negotiations for industrial products:

In order to expand and to improve the scope and contents of the tariff concessions by each country and to strengthen the GATT system through the New Round negotiations, the Government of Japan will announce its readiness to reduce tariff rates on industrial products to zero along with other advanced industrialized countries. It will actively promote such tariff negotiations in the forthcoming New Round.

From this viewpoint, the Government of Japan will also vigorously promote the elimination of the tariff rates of products with low tariff rates and substantial reduction or elimination of tariff rates on many other products.

(2) Elimination of tariff rates and other measures:

- (1) As the first step towards the goal mentioned above, the Government of Japan will promote negotiation with interested parties prior to the New Round for the elimination of tariff rates on high-technology products listed in attachment 1<sup>1</sup> in order to revitalize the world economy urgently through expanding trade on high-technology products.
- (2) The Government of Japan will carry out unilateral elimination of tariff rates on low tariff rate products (32 tariff concession products) with tariff concession at or below 2 per cent with a view to implementation on 1 April 1987.
- (3) Taking into account of requests of interested parties, including developing countries, to rectify tariff escalation, the Government of Japan will proceed with the study of the actual situation of tariff escalation, and will indicate around the first half of 1986 the mid- and long-term prospect for the improvement in tariff escalation.

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<sup>1</sup>English only

## 2. Agricultural and Fishery Products

The Government of Japan will promote tariff negotiations in the New Round, considering the special characteristics of agriculture, and taking into account the rectification of tariff escalation and other factors.

## II. Elimination and Reduction of Tariff Rates

In view of the recent international economic situation, the Government of Japan will eliminate or reduce the tariff rates on more than 1,800 products in terms of the tariff line (including the products of the Generalized System of Preferences) from the earliest possible time of 1986 (1 April 1987, for some products). Necessary measures will be taken in this regard.

1. Tariff rates on the products listed in the attachment 2<sup>1</sup> will be eliminated or reduced.
2. With respect to other products, tariff rates will be reduced by 20 per cent in principle as described in Attachment 3.<sup>2</sup> If injuries to domestic industries are caused to the considerable extent by import surge or other situations after the implementation of this measure, suspension of the measure on related products may be introduced.

## III. Improvement of the Generalized System of Preferences

### 1. Industrial and Mining Products

#### (1) Self-initiated Improvements

In accordance with the implementation of the measures as described in II.2 above, necessary improvements will be made such as reduction of the tariff rates on SP Products at the earliest possible time in 1986.

Considering the equalization of the benefits among countries subject to the Generalized System of Preferences, the Government of Japan will improve the ceiling system and expand the quotas with the aim of implementation from April 1987. It will also take the initiative in leading other countries, to make fundamental improvements in the Generalized System of Preferences based upon the international principle advocated as in (2) below.

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<sup>1</sup> English only

<sup>2</sup> Will be submitted later.

## (2) Advocacy of the International Principle

The Government of Japan proposes to establish an international principle consisting of the following three points for the purpose of rendering positive support to the efforts of the developing countries to industrialize and to export as well as for the purpose of promoting, by coordinated efforts of the industrialized countries, the fundamental improvement in the Generalized System of Preferences with the aim of implementation by the time of transition to the International Convention on the Harmonized Commodity Description and Coding System (H.S.).

- 1) Freeze and reduction of the product exclusion for the Generalized System of Preferences
- 2) Principle of zero tariff rates in the Generalized System of Preferences
- 3) Consideration for the least developed countries

## 2. Agricultural and Fishery Products

For the purpose of supporting the export efforts by the developing countries, the Government of Japan will make efforts to improve the Generalized System of Preferences such as expansion of the items subject to the System and reduction of the tariff rates under the System, bearing in mind their relations with the negotiations in the New Round.

Also, in accordance with the implementation of the measures as described in II.2 above, necessary reductions and adjustments will be made concerning the tariff rates under the Generalized System of Preference.

(Attachment 1)

Proposed items for tariff elimination  
on high-technology products

Tariff item No.	Description	Present rate
<u>Telecommunication and radio equipment, etc.</u>		
70.18-2 ex etc.	Optical fibre	3.6 etc.
85.15-3 ex	Radar apparatus (for ships)	6.0
85.15-3 ex	Radar apparatus (for aircraft)	6.5
85.15-3 ex	Radar apparatus (other)	3.6
85.15-4 ex	Radio navigational aid apparatus etc. (for aircraft)	4.0
88.02-4 ex	Satellites such as communication satellites	6.5
<u>Computer-related machines and electrical parts, etc.</u>		
84.53-1	Central processing units and peripheral units for electronic digital automatic data processing machines (including those with analogue elements), etc.	4.9, 6
84.53-2	Other automatic data processing machines, etc.	3.7 - 4.9
84.55 ex	Parts of automatic data processing machines, etc.	4.2 - 4.9
85.15-4 ex etc.	Television cameras, VTR combined with camera, magnetic camera	5.1 etc.
85.18 ex	Electrical capacitors (other than electric power condensers)	4.2
85.19-2 ex	Micro-switches, printed circuits resistors and parts thereof	3.6
85.21-1 ex	Thermionic tubes	4.2
85.21-2 ex	Light emitting diodes (cased)	6.5
85.21-2 ex	Light emitting diodes (other)	4.2
92.12-3-(2) ex etc.	Floppy disc, video disc IC card	3.6 etc.
97.04-3 ex	TV game for home use	3.6

Tariff item No.	Description	Present rate
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Apparatus for medical use and based on the use of radiations from  
radio-active substances

90.17 ex	Medical apparatus NMR-CT	5.8
90.17 ex	Surgical instruments (laser scalpel)	4.9
90.19 ex	Artificial parts of the body	4.0
90.20-1	Apparatus based on the use of radiations from active-active substances	5.8
90.20-2 ex	Apparatus based on the use of X-ray for medical use	5.8
90.20-2 ex	Other apparatus based on the use of X-ray	4.2
90.28-2 ex	Electronic instruments and apparatus (electronic clinical thermometer)	4.9
90.28-3 ex	Apparatus for measuring radiations	5.1

Measuring apparatus, etc.

85.22	Signal generators	4.2
90.26 ex	Electricity supply or production meters	4.2
90.28-1	Electrical measuring or checking instruments and apparatus for electricity, such as IC testers	4.9
90.28-2 ex	Electrical measuring or checking instruments and apparatus	4.9
90.28-4 ex	Other automatic regulators (excluding automatic voltage regulators)	4.9

Nuclear related equipment

84.18-1 ex	Centrifuges	4.2
84.59-6 ex	Fuel elements of nuclear reactors and assemblies thereof	7.2
84.59-6 ex	Nuclear reactors and parts thereof (other than the above)	6.5

Tariff item No.	Description	Present rate
<u>Robot</u>		
85.11-2 ex etc.	Welding robots, painting robots and assembling robots, etc.	5.7 etc
<u>New materials</u>		
39.01-2-(4) ex	Engineering plastics (of polyacetals resin, polycarbonate resin, etc.)	5.1
39.14 ex	Articles of ceramics (scissors, knives, etc.)	4.2
68.16 ex	Carbon fibers	6.0
74.03-2-(3)B ex etc.	Shape memory alloy (copper alloy, nickel-titanium alloy, etc.)	5.8 , 7.2
81.01-3 ex	Boron fibers (boron evaporated tungsten filament)	5.8
81.04-2-(3) ex etc.	Hydrogen storage alloy (of titanium alloy, etc.)	5.8 etc.
90.19 ex	Artificial teeth of ceramics, etc.	4.0
97.06-3 ex	Appliances, apparatus, accessories and requisites of carbon fibers for sports (golf clubs, etc.)	4.8 , 3.6



(Attached 2)

(Provisional translation)

Tariff item No.	Description	Present rate (%)	New Rate (%)
02.02ex	Fowls without bone	18	14
02.02ex	Ducks	12.8	10
02.02ex	Poultry other than Fowls, Turkeys and Ducks and edible offals thereof	16	12.5
03.03-2(1)ex	Blood ark shell	10	8 (G)
04.07-1ex	Jelly fish	10	8 (G)
07.01ex	Matsutake	5	0 (G)
08.01-1(1)	Bananas (Fresh) from Apr. by Sept.	17.5 (G)	12.5 (G)
	from Oct.	35 (G)	25 (G)
08.05-1	Chestnuts	20	16
08.05-2	Walnuts	20	16
08.05-4ex	Macadamia nut, pistachios and pecan	12	9
08.05-4ex	Macadamia nut	10 (G)	6 (G)
08.09ex	Papaya	4	3 (G)
08.10ex	Pineapples preserved by freezing, not containing added sugar	35	28
08.11-3ex	Chestnuts peeled provisionally preserved	20	16
12.08-3(3)x	Hijiki	10 (G)	8 (G)
13.03-6	Pyrethrum extract	20	10
14.05-5ex	Leaves of oak	10	0 (G)
14.05-5ex	Sphagnum	10	5
15.07-8ex	Palm oil	3 (G)	0 (G)
15.07-10	Casor	9	7.2
19.08-1ex	Baker's Wares other than arare, senbei and similar rice products, biscuit, cookies and crackers (containing added sugar)	40 20 (G)	30 15 (G)
19.08-2ex	-----ditto-----	35 17.5 (G)	25 12.5 (G)

Tariff item No.	Description	Present rate (%)	New rate (%)
20.01-1ex	Tropical fruit (such as papaya), prepared or preserved by vinegar or acetic acid (containing added sugar)	15	10
20.01-1ex	-----ditto----- (other than mangoes and mangosteens)	12.5 (G)	6 (G)
20.01-1ex	mangoes and mangosteens preserved by vinegar or acetic acid (containing added sugar)	10 (G)	6 (G)
20.01-1ex	vegetables and fruits (other than tropical fruit) prepared or preserved by vinegar or acetic acid (containing added sugar)	20 16 (G)	15 12 (G)
20.01-2ex	Tropical fruit such as papaya prepared or preserved by vinegar or acetic acid (other than mangoes and mangosteens) (not containing added sugar)	12.5 10 (G)	10 6 (G)
20.01-2ex	Mangoes and mangosteens prepared or preserved by vinegar or acetic acid (not containing added sugar)	12 7-5 (G)	9 5.6 (G)
20.01-2ex	Vegetables and fruit (other than tropical fruit) (not containing added sugar)	16 12 (G)	12 9 (G)
20.03ex	Fruit preserved by freezing, containing added sugar (other than pineapples, sour cherries and berry)	28	20
20.03ex	Tropical fruit preserved by freezing (other than pineapple) (containing added sugar)	17.5 (G)	12 (G)
20.03ex	Pineapple preserved by freezing (containing added sugar)	35	28
21.02 -1(2) AEX	Instant coffee (not containing added sugar)	17.5	14

Tariff item No.	Description	Present Rate (%)	New Rate (%)
21.07 -2(2)B(a)ex	Food preparations of Jellyfish	10 (G)	8 (G)
21.07 -2(2)B(b)ex	Food preparations of Young Corncobs (in can, etc.)	10 (G)	9 (G)
22.05-1	Champagne and other sparkling wine	¥360/1 ¥260/1	¥288/1 ¥208/1(G)
22.05-2ex	Sherry, Port and other fortified grape wine	¥220/1	¥176/1
22.05-2ex ¥/1	Bottled wine  (In containers of a capacity less than 150 l	38% or ¥280/1  whichever is the less, subject to a minimum customs duty of ¥166/1	30.4% or ¥224/1  whichever is the less, subject to a minimum customs duty of ¥132.80/1
22.09-1(1) bex	Other whisky (those of an alcoholic strength of less than 50° and in containers of a capacity less than 2 l)	36% or ¥332/1 whichever is the less, subject to minimum customs duty of ¥299/1	¥246.40/1
22.09-1(2)B	Brandy (those of an alcoholic strength of less than 50° and in containers of a capacity less than 2 l)	¥407/1	¥325.60/1
.05-2(1)ex	Menthol	28% or ¥900/KG whichever is the greater	22.4% or ¥720/KG whichever is the greater
33.01-1(2)ex	Ho oil	1.85 (G)	0 (G)
38.19-5(3)ex	Catalysts (for motor vehicles, excluding iron catalysts etc.)	1.2	free
40.10ex	V belts and its belting	4.9	free
40.11-1ex	Pneumatic tyres and tyre cases (new)	4	free
68.14ex	Friction material of a kind suitable for brakes, for clutches or the like (parts of motor vehicles)	5.7	free

Tariff item No.	Description	Present rate (%)	New rate (%)
70.08ex	Safety glass (laminated glass for motor vehicles)	5.5	free
71.02-2(2)ex	Precious and semi-precious stones, excluding diamond (other than those not polished, perforated nor similarly worked and formed to be used for mechanical or industrial purposes)	3.2	free
76.03ex	Wrought plated and sheets of aluminum for aircraft (aluminium polished skin sheet)	11.5	free
82.02-2	Blades for machine saws, other than hacksaw blades	3.6	free
82.05-1	Drills, bits, reamers and screw taps	4.8	free
82.05-2ex	Milling cutters	5.5	free
82.05-2ex	Gear cutters	4.9	free
82.05-3(1)ex	Diamond tools	5.8	free
82.05-3(1)ex	Cutting tools, used in or with machines (Hard metal tools)	4.2	free
82.05-3(1)ex	Hard metal tools (other)	4.8	free
82.05-3(2)	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (others excluding hard metal tools and diamond tools)	4.2	free
82.06	Knives and cutting blades for machines or mechanical appliances	4.2	free
84.10-1(3)	Parts of pumps for liquids	3.6	free
84.31-2ex	Parts of machinery for making or finishing cellulosic pulp, paper or paperboard (excluding those of stock-makers and pulp refiners)	4.2	free

Tariff item No.	Description	Present Rate (%)	New Rate (%)
84.48	Accessories and parts of machine-tools for working metal or metal carbides, etc.	4.2	free
85.04ex	Lead-acid batteries (only those with 6v or 12v)	5.8	free
85.09-2	Electrical lighting and signalling equipment etc. (other than those for motor vehicles (excluding vehicles of heading No. 87.09 or 87.11))	4.2	free
85.13ex	Electronic telephonic and telegraphic switch boards and exchangers	5.7	free
85.13ex	Telephonic switch-boards and exchangers (other than those of electronic types) and electrical line telephone apparatus, N.E.S. (other than apparatus for carrier-current line systems)	4.2	free
85.13ex	Apparatus for carrier-current line systems, electrical line telegraphic apparatus, N.E.S. etc.	3.6	free
85.15-4ex	Radiotelegraphic and radiotelephonic apparatus (for aircraft, excluding radio navigational aid apparatus and radio remote control apparatus)	4	free
85.15-4ex	Radiotelegraphic and radiotelephonic apparatus (excluding apparatus for aircraft, television cameras, radio navigational aid apparatus and radio remote control apparatus)	5.1	free

Tariff item No.	Description	Present rate (%)	New rate (%)
85.15-5ex	Parts of radiotelegraphic and radiotelephonic transmission and reception apparatus, or of radio braodcasting and television transmission and reception apparatus (excluding parts of radio naviagation aid apparatus, radar apparatus or of radio remote control apparatus)	4.2	free
85.21-1ex	Cathode-Ray Tubes for television receivers	4.2	free
85.24ex	Carbon electro-thermal resistor	4.9	free
87.12-2ex	Parts and accessories of motor-cycle, auto-cycle etc.	4.8	free
90.07-1(3)ex	Cameras other than for microscope, aircraft, photo-engraving, X-rays, copying documents or for medical, dental or surgical purposes (exlcuding for film of a width 35mn)	5.7	free
90.07-2	parts and accessories of cameras	5.7	free
90.24ex	Pressure gauges	4.9	free
90.29	Parts or accessories suitable for use solely or principally with one or more of the articles falling within heading No. 90.23, 90.24, 90.26, 90.27 or 90.28	4.2	free

(N.B.)

Tariff reduction on the following items is to be implemented on April 1, 1987:

- (1) Champagne and other sparkling wine (22.05-1)
- (11) Sherry, Port and other fortified grape wine (22.05-2ex)
- (111) Bottled wine (22.05-2ex)