

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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JAPAN: ACTION PROGRAMME FOR IMPROVED MARKET ACCESS

The following communication has been received by the Director-General from the Permanent Representative of Japan and is being circulated to all contracting parties at his request.

Upon instructions from my authorities, I am sending, herewith, a progress report on the implementation of the Action Program for improved market access of 28 December 1985, by the Government-Ruling Parties Joint Headquarters for the Promotion of External Economic Measures.

The report shows the progress made in each sector of the Action Program, and therefore it will assist you to see how far the Government of Japan has achieved its goals envisaged in the outline of the Action Program circulated in GATT document L/5858.

I would also like to ask you to circulate this report to other contracting parties in an appropriate document as a series of the above-mentioned document.

I thank you in advance for your cooperation in this matter.

Progress report on the implementation of the Action Program
for Improved Market Access.

December 28th, 1985

Government-Ruling Parties Joint Headquarters
For The Promotion Of
External Economic Measures

The Government-Ruling Parties joint headquarters for the promotion of external economic measures has been energetically and steadily implementing the "outline of the Action Program for improved market access", decided upon on July 30. Progress so far made in each sector is as follows :

1. Tariffs

Tariff reduction or elimination on 1,849 items (excluding 4 items such as wine and the like) will be implemented as from January 1, 1986, with the passage of the amendments to the temporary tariff measures law at the last extraordinary diet session.

With regard to the four items not included, a necessary amendment is to be submitted to the current session of the diet in order to implement the tariff reduction on these items as from April 1, 1986, one year ahead of the original schedule of April 1, 1987, based upon the report by the Tariff Deliberation Council on December 20.

Tariff elimination on 9 items such as computer parts, already agreed upon between Japan and the United States as a result of the electronics meeting in the context of the Japan-U.S. four sector consultations, will be implemented upon completion of necessary procedures by both countries.

Necessary measures will be taken to reduce or eliminate tariffs on 88 items, based upon the substantive agreement of the Japan-U.S. negotiation on leather and leather footwear.

2. Import restriction

With regard to the issue of leather and leather footwear, quantitative import restrictions will be eliminated in line with the policy to take proper action within the framework of the GATT. At the same time, necessary measures will be taken to introduce tariff measures.

With respect to 13 agricultural products for which the current agreement is scheduled to expire next April, consultations were held with the United States this month on the implementation of the agreement. Such consultations will continue to be held.

3. Standards and certification, and import procedures

- (1) 35 of 88 items (40 0/0.) of the improvement measures decided upon by the Action Program were already implemented within the last five months since July 30.

Assiduous work is under way for the implementation of the remaining items.

(Reference)

Timetable for Implementation	Number of items mentioned in the Action Program	Number of items already implemented	Work under way for implemen- tation
(1) Implementation within one year from July 30, 1985	65	34	31

(2) Implementation within two years from July 30, 1985	11	1	10
(3) Implementation within 3 years from July 30, 1985	12	-	12

(2) The "bill for streamlining and rationalising regulations such as permission and license on private activities", incorporating the amendments to the four relevant laws concerning the introduction of self-certification etc. and to one law concerning services, was approved by the last extraordinary diet session and was promulgated on December 24.

Note: The amendments referred above cover the following measures contained in the Action Program :

- (i) Self-certification system, in which the manufacturers are allowed to check compliance with standards on their own responsibilities, will be introduced for certain products regulated by Consumer Product Safety Law, Gas Utility Industry Law, and Fire Service Law. With respect to radio equipments regulated by Radio Law, the exemption from the compulsory type approval will be expanded.
- (ii) In the field of services, restrictions under Aviation Law will be relaxed as to the manning of flight engineers.

4. Government Procurement

All the measures decided upon by the Action Program have been implemented since October 1.

5. Financial and Capital Market

(1) Liberalisation of the interests rate ceiling on large denomination time deposits of one billion yen and over, and lowering of the minimum denomination of MMCS and CDS were implemented on October 1.

(2) The bond futures market started on October 19.

(3) On October 25, operating licences were issued to two of the nine eligible foreign banks allowed to participate in trust banking activities. These two banks have started business on October 28.

After this, the licence was issued to one of the other banks which started business on October 28.

(4) The Tokyo Stock Exchange, which has already decided to increase the current seats of the TSE by ten, lately decided to provide six foreign securities firms with the membership of TSE on December 24, for the first time from its beginning.

6. Services, Import Promotion Measures

(1) Foreign Lawyers

Consultations were held three times in September, October and November this year between Japanese and U.S. Government officials. The fourth meeting is scheduled in the mid or late January next year in Tokyo.

The Extraordinary General Meeting of the Japan Federation of Bar Associations approved a resolution on December 9 concerning the basic provision of legal services by foreign lawyers in Japan. Efforts are now being made for finalising the proposal on the specific terms for the entry of foreign lawyers in Japan.

(2) Commuter Services and Helicopters

(i) Commuter Services

The size limit of aircraft for non-scheduled commuter services has been expanded from the maximum takeoff weight limit of 5.7 tons or about 19 passenger seats to 60 passenger seats.

(ii) Helicopters

Standards for heliport construction including those for restricted surface have been relaxed. Standards for the use of temporary heliports were also relaxed and the procedures to get permissions have been simplified.

(3) Amendment of Aviation Law

With regard to the rationalisation of standards as to the manning of flight engineers, the Aviation Law was amended as part of the "bill for streamlining and rationalising regulations such as permission and license on private activities" at the 103th extraordinary session of the diet.

(4) Counterfeit Products

In the month of October designated "Anti-Counterfeit Month", efforts were made to strengthen the law enforcement against counterfeit products, with a result of seizure of a

number of counterfeit products and arrest of the producers and dealers involved. Necessary measures are also under serious consideration within the Government to administer more effective control of counterfeit products. Furthermore, active public campaign has been launched to enhance public awareness of the issue.

(5) Lowering interest rates of loans by the Export-Import Bank of Japan and the Japan Development Bank

With the reduction of interest rate of the fiscal investment and loan program from 7.1 0/0. to 6.8 0/0. on October 11, the interest rates of the Export-Import Bank of Japan for import credits for manufactured goods were lowered on the same day (ex. the interest rate for import credit for certain items such as machinery to be appropriated as imports in the fiscal years 1985 and 1986 was reduced from 6.5 0/0. to 6.2 0/0.).

Since last August, approximately 50 cases, amounting to 183 billion yen (equivalent to imports of 253 billion yen) have been financed.

The interest rates of the Japan Development Bank loans for the promotion of foreign direct investment in Japan were also lowered on October 11 (ex. the interest rate of such loans relating to high technology products was lowered from 7.1 0/0. to 6.8 0/0.).

(6) Import Promotion

- (i) In the months of October and November designated as "import promotion months", the nation-wide import promotion campaign was extended with imports fairs including large-scale import bazars in about two thousand places throughout the country.

With a view to appealing the necessity of import to the public, strenuous campaign activities have been extended through the mass media including public information services.

- (ii) The survey of import expansion efforts by major 134 companies conducted in November and December revealed that their estimated total imports (contract value) for this fiscal year has been revised upward to 104.7 billion dollars (7.4 billion dollar increase for the previous year), with about 100 million dollar increase compared with the result of September's survey. On average, about 50 0/0. of the estimated total import for this year has been achieved by the end of the first half of the fiscal 1985.

(7) Distribution Systems

A study on the distribution of imported goods has been undertaken by the Committee for Price Stabilisation Policies. "Expert Committee on the Distribution of Imported Goods", established under the Committee, has been held five times since October and is scheduled to finalise its report by the end of fiscal 1985.

The result of the fact-finding study on the distribution of imported goods was announced in November.

(8) Encouragement of Oversea Tourism

The Joint Government/Private Overseas Travel Promotion Mission to Australia is to be dispatched next February. Furthermore, campaigns for the promotion of overseas travel are being conducted.