

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MODALITIES FOR TARIFF NEGOTIATIONS

Submission by Japan

1. Mutual elimination of tariff rates on industrial products

The following are the main points of the Japanese proposal on mutual elimination of tariff rates on industrial products (hereinafter referred to as the "elimination proposal".) :

(1) Reciprocity:

The Government of Japan will be ready to reduce tariff rates on industrial products to zero along with other developed countries.

(2) Coverage of the "industrial products":

Products such as agricultural and fishery products, mining products or forestry products which do not fall in our view under the category of "industrial products" will not be the object of the reduction to zero of tariff rates.

(3) Exceptions to the proposal:

In order to ensure the effectiveness of the "elimination proposal", Japan at the moment considers it quite appropriate that no exception be allowed on

which tariff rates will not be reduced to zero. However, we would be willing to hear views of other countries on whether or not minimum exceptions be allowed.

In our view, moreover, even if tariffs are eliminated, if protectionist measures other than tariff are introduced instead of the tariff, they will defeat the purpose of the whole exercise.

In order to facilitate and safeguard the full implementation of the "elimination proposal" namely an elimination of tariff rate to zero without NTMs, we recognize that some kind of measures will be necessary.

(4) Staging:

Some sort of staging will be necessary. We would like to study further the substantial content thereof, taking into consideration the state of consensus on the "elimination proposal" among industrialized countries.

(5) Base rate, Base date:

According to our proposal, the problems of the base rate will only play a role in assessing specific offers related to specific products, or in considering the staging. As far as Japan is concerned, we have in mind as a base rate:

- (a) the most recent bound rate in case of bound items; and
- (b) the general rate provided for in the Japanese tariff law in case of un-bound items.

As to the base date of un-bound items, Sept. 1986 is generally applicable, whilst Jan. 1988 is appropriate for countries which intend to use the H.S. as a basis for negotiations.

(6) Trade data:

In our view, negotiations should be based on the Harmonized System not only among industrialized countries but also among developing countries which are going to adopt the system. As to the trade data, we could utilize the data used in the Article 28 negotiations for the conversion to the H.S. system, and the data is to be reviewed, if necessary, at the later stage when H.S. data becomes available.

2. Contribution from developing countries

The negotiations on tariffs are not negotiations only among industrialized countries. Developing countries could and are expected to play an important role in the negotiations.

The increase in binding is the most important contribution the developing countries could provide. They could start by binding the items corresponding to a certain proportion of their respective total trading figure and would improve the content of the binding by increasing the share of binding of duties at existing or deeper levels, according to the level of the development of their economy.