

**Committee on Trade and Development**  
**Sub-Committee on Least-Developed Countries**

Original: English

## **PROPOSED REFORM TO JAPAN'S GSP SCHEME IN FAVOUR OF LEAST-DEVELOPED COUNTRIES**

### Communication from Japan

The following communication, addressed to the Director-General, 22 December 2000, has been received from the Permanent Mission of Japan regarding the proposed reform by Japan to its GSP scheme in relation to least-developed countries with the request that it be circulated to all Members.

In response to your letter of 5 October, I am pleased to inform you that the report containing the following points with regard to duty-free and quota-free market access for imports from least-developed countries (LDCs) was presented by the Tariff Council to the Minister of Finance on 13 December 2000.

The report states that it is appropriate to implement (1)-(3) below from JFY2001 (starting 1 April 2001).

1. A new system that enables the Government of Japan (GOJ) to designate separately products originating in LDCs for duty-free and quota-free treatment

By this system, the GOJ will be able to add items for duty-free and quota-free treatment for the LDCs in addition to the items already covered by the Japanese GSP scheme.

2. Increase by about 360 items for duty-free and quota-free entry of LDCs products to Japan

About 360 items (HS 9 digit. See the Annex) will be added for duty-free and quota-free treatment. As a result of this measure, about 99 per cent of industrial products, including all the textile and clothing products, from LDCs will be duty-free and quota-free.

3. Increase in the number of countries

All 48 LDCs will be able to benefit from this system. Zambia, Democratic Republic of Congo, Kiribati and Tuvalu will be added to the list of countries for duty-free and quota-free treatment. This makes the number of countries for duty-free and quota-free treatment to 46. Among them, Zambia and Congo are exporters of refined copper.<sup>1</sup> The remaining two countries, Comoros and Djibouti, are also eligible if they request for the treatment.

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<sup>1</sup> Transitional arrangement for refined copper from Zambia and Democratic Republic of Congo is as follows:

- The GSP duty rate for DCs is to be applied for one year.

The Tariff Council also states that the GOJ should enable substantial increase in import under duty-free and quota-free treatment from the LDCs by further increasing the number of items under such treatment from the LDCs by further increasing the number of items under such treatment while taking account of progress in a new round of WTO negotiations and impact on domestic industry.

This proposed reform on Japan's GSP scheme *vis-à-vis* LDCs will be implemented after completing Japan's legislative procedures.

Japan hopes that such effort and progress on our part will be conducive to confidence building among the WTO Members and to a launch of the new round in 2001.

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- The current administration of ceilings for DCs as provided for under GSP is to be maintained for another five years.

# ANNEX

No.	Major Descriptions
2710.00-1-(1)-(A) 2710.00-1-(1)-(B)	Petroleum spirits (Mixed alkylenes with a very low degree of polymerisation, etc.)
2710.00-1-(2)-(A)	Kerosenes (Mixed alkylenes with a very low degree of polymerisation)
2710.00-1-(5)	Lubricating oils, including liquid paraffin
2710.00-1-(6)	Other Petroleum oils
27.11	Petroleum gases and other gaseous hydrocarbons
50.05	Yarn spun from silk waste
50.07	Woven fabrics of silk or of silk waste
52.05 52.06 52.07	Cotton yarn
52.08 52.09 52.10 52.11 52.12	Woven fabrics of cotton
58.01	Woven pile fabrics and chenille fabrics
58.03	Gauze
58.11	Quilted textile products

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