

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Japan's contribution to the modality of NTBs negotiations

Addendum

The following communication, dated 24 March, has been received from the Permanent Mission of Japan.

As already suggested by Japan in its submission (TN/MA/W/15), addressing NTBs is important in terms of meaningful improvement in market access. In this respect, Japan notified the WTO in January of a list of NTBs based on issues raised by Japanese economic operators, in response to a letter from the Chairman. Japan reserves its right to submit an additional paper in the future.

1. Basic direction for the modality of NTBs negotiations

1.1 Bearing in mind the variety and diversity of NTMs which could be NTBs, it is important, based on the experiences of the UR, not to complicate issues more than necessary, and to consider a proper direction for the modality of negotiations based on the DDA mandate. In particular, the following viewpoints are important:

- (a) It is appropriate to avoid the duplication of discussions between those taking place in this negotiating group and activities in other negotiating groups and existing WTO Committees, by considering the mandates and the expertise in each committee/group.
- (b) It is important to consider practical improvements for business with regard to measures that actually impede trade.
- (c) As NTMs are linked, in many cases, to legitimate public policy objectives, such as health and environmental protection, it is not appropriate to automatically eliminate such measures.
- (d) Based on the UR experience whereby so many NTBs were notified, resulting in dispersed discussions, it is important to scrutinise the policy objective, the practical function and the trade-distorting effect of measures, when determining whether or not to take them up during this negotiation .

1.2 Furthermore, the NTBs to be taken up in this group should be limited to such measures as those implemented by each government, and the issue of appropriateness of measures granted under the WTO Agreement or other multilateral agreements should not be addressed in this group.

2. Specific elements

2.1 Japan wishes to elaborate on the following points, which it sees as being important.

(a) Use of existing committees

As many notifications relate to activities of existing committees, it would be useful to leave investigations to such committees, with the possibility of applying horizontal disciplines.

Taking the TBT Committee, for example, the Third Triennial Review is scheduled for this year, and this opportunity could be used to the full. In this context, Japan recently submitted a paper to the WTO, entitled "A Policy Framework for the Acceptance of Results of Conformity Assessment Procedures", for the purpose of contributing to the discussions at the Triennial Review. Concerning suggestions to consider practical ways of fostering a greater use of international standards, it would be important to encourage experts to discuss the definition of international standards if necessary, although there were discussions on clarification of the definition of the term at Second Triennial Review.

Thus, it is realistic to urge such committees' activities.

(b) The priority of NTBs

The following NTBs should be taken up in priority.

(i) Export duties and export restrictions

As already suggested by Japan, export duties and export restrictions, that are implemented by the export side and have trade-distorting effects, should be taken up as NTBs. Furthermore, there exists an imbalance in the rights and obligations between the export side and the import side, thus warranting thorough discussion.

(ii) Sectoral approach for specific sectors, such as textiles and clothing

Japan suggests zero-for-zero and harmonization approaches for 18 specific sectors. Regarding the harmonization of textiles and clothing, Japan suggests that any NTB that is unique to this area, such as country-of-origin marking, trans-shipment and so forth, should be addressed in parallel with the reduction of tariffs. Furthermore, as suggested in the zero-for-zero approach for the motor vehicle sector, all NTBs that are unique in each sector, together with tariffs, should be treated simultaneously.

There have been some strong requests from the private sector of these two areas to take a sectoral approach. In addition, these requests are gaining support beyond borders and activities to increase support among international industrial associations have been vigorous. As seen in the UR, support from the private sector among countries is indispensable for successful sectoral approaches. From this point of view, the two sectors mentioned above should be dealt with in priority.

3. Methodology

3.1 Regarding the NTBs to be dealt with in this negotiating group, we should scrutinise their scope, with a view to avoiding any duplication of activities with other committees and addressing real benefits of the private sectors, and then we should set out the appropriate methods for reaching a substantial outcome.

3.2 Based on these points, it is important to use a sectoral approach on the above two sectors, as well as a bilateral approach in combination with discussion at plenary sessions, and to grant outcomes of these negotiations to all the Members.
