

Japan's Bogor Goals Progress Report (as at 13 August 2012)*

Highlights of Achievements and Areas for Improvement

- Tariffs in 30 items were reduced/ eliminated between 2011 and 2012.
- Most of the tariffs are low. Nevertheless, some products are subject to high tariff peaks, quotas or state trading. For example, some agricultural products, leather products and footwear, among others.
- Reforms in immigration and visa system to attract high-skilled foreign professionals in an effort to contribute to economic growth.
- While some economies have concerns in relation to Japan's sanitary and phytosanitary requirements and technical regulations and standards, Japan has confirmed its regimes are science-based, transparent and consistent with international standards.
- Mutual Recognition Arrangements on Authorized Economic Operators have been signed to facilitate clearance of goods trade.
- Efforts to grant patents in a more expedite manner. Signature of the Anti-Counterfeit Trade Agreement to assist Japan to fight against counterfeit and pirated goods.
- Access to Japan's government procurement market is expanding through the WTO Government Procurement Agreement.

Summary of Updates

Tariffs

In 2011 and 2012, tariffs for 30 items, two of them corresponding to the agricultural sector and 28 items corresponding to the non-agricultural sector were reduced or eliminated. Some examples are ginger and other plants used in pharmacy, embroidery, co-axial cables, among others. Most of Japan's tariffs are low. Nevertheless, some agricultural products, leather products and footwear are subject to high tariff peaks (some of them, concealed by non-ad valorem rates), quotas and/or state trading.

Services

Japan is looking to attract highly-skilled foreign professionals to contribute with Japan's economic growth and create positive spillovers in terms of increasing domestic demand and employment. In this way, the Ministry of Justice announced in 2011 the introduction of preferential immigration control measures based on a points system that takes into account criteria such as academic, professional background and salary. This system started in May 2012. Japan also expects to enforce a new system of residence management from July 2012, which includes the extension of the maximum period of stay from three to five years.

Investment

Japan's current position is to accelerate negotiations on Bilateral Investment Treaties (BIT) to protect and promote Japanese companies overseas. Following this approach, Japan signed two Bilateral Investment Treaties with Papua New Guinea and Colombia in 2011.

* This brief report was prepared with information from Japan's submission of 2012 APEC Individual Action Plan (IAP) template and the minutes of the meeting of Japan's WTO Trade Policy Review from February 2011.

Initiatives such as the “Program for Promoting Japan as an Asian Business Center and Direct Investment into Japan” and “The Strategy for Rebirth of Japan” were released in 2011 with the aim of assisting Japan to implement institutional reforms to ensure an attractive environment for foreign businesses, increase its competitiveness and duplicate the level of inward foreign direct investment by 2020

Standards and Conformance

Japan has reported participating actively in standardization organizations such as the International Organization for Standardization and the International Electrotechnical Commission. The work to harmonize standards and discuss conformity assessment issues is also present at the regional level with the ASEAN Consultative Committee on Standards and Quality, as well at the bilateral level (for example, meetings with counterparts within the framework of the Economic Partnership Agreements signed by Japan).

Some concerns have been expressed in relation to Japan’s strict sanitary and phytosanitary (SPS) requirements and technical regulations, in particular in terms of the complexity of its systems and the appropriateness of risk assessment practices regarding SPS measures. However, Japan has reported that its regimes and risk assessment practices are consistent with international standards and science-based.

Customs Procedures

Japan Customs has been making good progress in the development of Authorized Economic Operators (AEO) program. The program is aimed to facilitate customs procedures for economic operators meeting certain security and compliance standards. In addition to that, Japan is developing partnerships with overseas AEO programs. In 2011, Japan Customs signed Mutual Recognition Arrangements of AEO programs with Korea and Singapore.

Intellectual Property Rights (IPR)

The Japan Patent Office has started Patent Prosecution Highway (PPH) programs with counterparts in several APEC economies to grant IPR faster and more efficiently. The PPH programs allow applicants who receive from a patent office a first ruling concerning that a claim in an application is patentable, may request to fast-track the examination of those claims in applications done in the office of the other party.

Japan participated in the negotiations of the Anti-Counterfeit Trade Agreement (ACTA) that were successfully concluded between several counterparts around the world. The agreement was signed by Japan in October 2011 and is in the process of approval by the Diet. This agreement will assist Japan in its efforts to combat the infringement of IPRs, in particular the proliferation of counterfeit and pirated goods.

Competition Policy

The bill to amend the Antimonopoly Act to abolish the Japan Fair Trade Commission’s (JFTC’s) hearing procedure for administrative appeal was submitted to the Diet for deliberations in 2010 and includes proposals such as implementing a system in which appealing suits to cease and desist orders/surcharge payment orders shall be subject to the jurisdiction to Tokyo District Court to ensure the expertise of the court and judgments made by a panel of three to five judges.

In addition, the bill proposes the development of provisions to provide the recipients with the explanation of the content of anticipated cease and desist orders/surcharge payment orders, give the opportunity to the recipients to present opinions and offer evidence, among others.

In 2011, the JFTC also reviewed business combination regulations (investigation procedures and criteria) to further improve the swiftness, transparency and predictability of business combination investigations, while enhancing international conformity.

Government Procurement

Japan welcomed the successful conclusion of negotiations in December 2011 to modernize WTO's Agreement on Government Procurement (GPA). With the entry into force of GPA, the coverage of the agreement for Japan will be expanded.

Deregulation/Regulatory Review

To investigate and deliberate on existing regulations and institutions, the Subcommittee on Regulatory and Institutional Reform was established under the Government Revitalization Unit in March 2010. Among their duties, the Subcommittee is making efforts to conduct regulatory and institutional reforms to assist the government to rebuild areas of Japan affected by the Great East Japan Earthquake.

Mobility of Business People

Since November 2011, Japan has improved its informational networking system to shorten the visa issuing process. This includes the short term business visit visa.

RTAs/FTAs

So far, Japan has signed and implemented 13 Economic Partnership Agreements (EPA). In addition, Japan is currently negotiating an EPA with Australia. Japan has entered into consultations toward participating in the TPP negotiations with the countries concerned.