|  |
| --- |
|  **Japan’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Simple average MFN applied tariffs fell to 4.2%, led by larger falls from agricultural products. However, agricultural products on average still have higher tariffs than non-agricultural products.
* Import quotas and export controls are applicable to some products.
* Efforts to attract foreign investments include establishment of National Strategic Special Zones.
* Japan has been actively engaged in international standardization activities.
* Some specific trade concerns remain unresolved at the WTO TBT and SPS Committees.
* Mutual Recognition Arrangements (MRAs) on Authorized Economic Operators (AEOs) with trading partners are facilitating trade flows.
* Japan became a member of international intellectual property rights treaties and agreements on industrial design, patents and trademarks.
* The Patent Prosecution Highway (PPH) pilot program is expanding with more economies participating in it.
* Amendments of the Anti-Monopoly Bill have been implemented.

|  |  |
| --- | --- |
|   | **Summary of Topics** |

**Tariffs**

Simple average MFN applied rate in 2014 dropped to 4.2% from the previous year due to large falls in tariffs of some agricultural products, such as dairy products and cereals & preparations. Nevertheless, tariffs for those two product categories and other agricultural products are still high. The average tariff for agricultural products was equal to 14.3% than that for non-agricultural products (2.5%).

**Non-Tariff Measures**

Import quotas, which adhere to the WTO Agreement, are applied to certain fish products and controlled substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

Currently, there are no export taxes, charges or levies in Japan. The Export Trade Control Order specifies the goods that required approval of Minister of Economy, Trade and Industry (METI). The majority of these goods are related to Japan’s international commitments or its participation in non-binding arrangements, as well as several agricultural, fishing and forestry-related goods. The Export Trade Control Order has been revised in 2014 and 2015 mainly to ensure the implementation of concluded international agreements.

**Services**

Japan recently signed the Trans-Pacific Partnership (TPP) with 11 other APEC members, which seeks to facilitate the movement of people and services in the Asia-Pacific region. Japan also continues to be involved in negotiations of the Trade in Services Agreement (TISA), which aims to further liberalize trade in services.

At the meeting of WTO Trade Policy Review of Japan which was held in March 2015，it was acknowledged that the opening of some services sectors, such as electricity, telecommunications, maritime, and courier services, to greater competition would benefit investment and could reduce business costs. In addition, concerns were raised about Japan Post, its privatization, and the need for a level playing field in insurance. However, regarding the latter, Japan responded at the meeting that Japan Post Insurance (JPI), as a life insurance company under the Insurance Business Act, has been subject to the same laws and regulations as those applied to other life insurance companies and supervised by the Financial Services Agency. In addition to the Insurance Business Act, the regulations under the Postal Services Privatization Act are applied to JPI as "add-on regulations" in the course of privatization.

**Investment**

Between December 2013 and 2015, Japan signed five bilateral investment treaties with Kazakhstan; Myanmar; Oman; Ukraine; and Uruguay. During the same period, Japan signed economic partnership agreements, which include a chapter on investment, with Australia and Mongolia. As of June 2016, Japan has 35 international investment agreements in force.

In March 2014, six National Strategic Special Zones were set up to implement measures intended to attract foreign investment. Also, the Council for Promotion of Foreign Direct Investment adopted the initiative entitled “Five Promises for Attracting Foreign Businesses to Japan” in 2015. This initiative seeks to shorten waiting time for certain immigration procedures and to set up a system for foreign businesses to reach and consult the government easier. In September 2015, the Ministry of Economy, Trade and Industry (METI) established a scheme to support formation of investment alliances between Japanese mid-ranking companies and SMEs with foreign companies.

**Standards and Conformance**

As of March 2015, there were 10,599 Japanese Industrial Standards (JIS), 5,850 of which correspond with international standards. Japan is also a member of various standardization organizations such as the International Organization for Standardization (ISO), the International Telecommunication Union (ITU) and the International Electrotechnical Commission, among others. In addition, Japan has been actively participating in the WTO and made 66 notifications under the WTO Agreement on Technical Barriers to Trade (TBT) in 2014-2015.

In 2015, one specific trade concern was raised against Japan at the WTO TBT Committee about the Wood Use Points Programme, on the grounds that the program was designed without taking into account international standards. As of February 2016, 21 specific trade concerns raised against Japan at the WTO Sanitary and Phytosanitary (SPS) Committee had not been fully resolved. Similarly, 12 specific trade concerns regarding Japan raised at the WTO TBT Committee had not reported a resolution.

During 2014 to 2015, Japan also amended some legislation related to standards and technical requirements including the Road Vehicles Act; Telecommunications Business Act; Building Standard Law; and Food Sanitation Act, among others.

**Customs Procedures**

In January 2015, Japan introduced self-certification of origin under the Japan-Australia Economic Partnership Agreement (EPA) which allows an origin certificate to be completed by an importer, exporter or producer to support a claim for preferential tariff treatment under the EPA.

Japan started the full implementation of Mutual Recognition Arrangement (MRA) on Authorized Economic Operator (AEO) with Malaysia since March 2015. Japan has MRAs on AEO programs with New Zealand; United States; Canada; European Union; Korea; Singapore and Malaysia to secure and facilitate trade flows.

Among other initiatives to improve customs procedures, Japan signed two Customs Mutual Assistance Agreements (CMAA): with Germany and Spain between 2014 and 2015, as well as a Cooperative Framework with New Zealand between their customs administrations.

**Intellectual Property Rights**

Japan has amended several intellectual property-related legislation during 2014 and 2015. For instance, the Trademark Act was revised in 2014 to expand the scope of protection by introducing the protection for non-traditional trademarks. It also added commerce and industry associations, chambers of commerce and industry and specified non-profit organizations as entities eligible for the registration of the regional collective trademarks. The Copyright Act was revised in 2014 to include electronic books are also covered by the right of publication. In 2015, the Unfair Competition Prevention Act was revised to enhance institutional deterrence against the infringement of trade secrets.

On the international stage, Japan became a member of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs in May 2015. Moreover, Japan became a member of the Patent Law Treaty and the Singapore Treaty on the Law of Trademarks in March 2016. At the bilateral level, Japan established a collaborative Search Pilot Program with the US in August 2015 to improve the quality of examination of patent applications by sharing search results and their opinions on patentability. Japan also started its Patent Prosecution Highway (PPH) pilot program with more regional economies such as Thailand and Malaysia. Japan is currently working with other partners to expand the program.

**Competition Policy**

Following the approval of the amendment bill of the Anti-Monopoly Act (AMA) in 2013, the hearing procedure for administrative appeal was eliminated in 2015 and going forward, appeals of Japan Fair Trade Commission’s (JFTC) orders will be dealt within the Tokyo District Court.

In March 2015, the JFTC partially amended the “Guidelines Concerning Distribution Systems and Business Practices under the Antimonopoly Act”. The amendment clarifies JFTC’s policies regarding the criteria for judging the legality of vertical restraints and the justifiable grounds in the regulation of resale price maintenance.

As of the end of September 2016, the JFTC signed five Memorandum of Understanding between competition authorities from the Philippines; Brazil; Korea; China and Kenya, and two Cooperation Arrangements with Viet Nam and Australia.

The Telecommunications Business Act was amended in 2015, requiring major telecommunications companies to renew their business registration when such companies engage in mergers or share acquisitions to maintain fair and free competition.

**Government Procurement**

Japan is a party to the WTO Agreement on Government Procurement (GPA). The Protocol Amending the WTO GPA entered into force in April 2014 alongside with the modification of the Cabinet Order Stipulating Special Procedures for Government Procurement of Products or Specified Services, and the Cabinet Order Stipulating Special Procedures for Procedures for Government Procurement of Products or Specified Services in Local Government Entities.

**Deregulation/Regulatory Review**

The Cabinet Office of Japan issued the “Implementation Plan for Regulatory Reform” in June 2014 based on the “Second Report of Recommendations on Regulatory Reform” submitted by the Regulatory Reform Council. The implementation plan aims to achieve reforms of regulations and systems in five main areas including health and medical sectors, employment, business creation and IT, agriculture, and trade and investment. The Council submitted another report titled “The Third Report for Regulatory Reform” in June 2015.

**Mobility of Business People**

Several definitions from the Immigration Control and Refugee Recognition Act were revised in June 2014. For instance, the category “Investor/Business Manager” was revised to “Business Manager”, which has a broader coverage, including management and operational activities in Japanese-affiliated companies.

In April 2015, residence statuses were reorganized with the inclusion of newly established “Highly Skilled Professional” category for foreign nationals with advanced and specialized skills in fields including academic research, advanced technical activities and business management.

Easier visa requirements for short term visit visa applicants were established for nationals of Myanmar in January 2014; India in July 2014, in January and February 2016; Indonesia in September and November 2014; Philippines in September and November 2014; Viet Nam in September and November 2014 and in February 2016; China in January 2015; Brazil in June 2015 and in February 2016; and Mongolia in August 2015;. Furthermore, a visa waiver for Indonesian e-passport holders was introduced in December 2014.

**RTAs/FTAs**

Currently Japan has reported 15 Free Trade Agreements (FTA) or Economic Partnership Agreements (EPA) in force.[[2]](#footnote-2) Trans-Pacific Partnership (TPP) Agreement was signed on February 2016. In addition, seven negotiations continue, including the Japan-China-Korea FTA, Japan-EU EPA and the Regional Comprehensive Economic Partnership (RCEP).

1. \* This brief report was prepared with information from Japan’s submission of the 2016 APEC Individual Action Plan (IAP) template; the WTO 2015 World Tariff Profiles; the 2015 WTO Trade Policy Review - Report by the Secretariat - Japan; the WTO SPS and TBT Information Systems; the UNCTAD Investment Policy Hub; The Law Business Research Ltd’s The Technology, Media and Telecommunications Review, 6th edition; the Japan Fair Trade Commission; and the Ministry of Finance and Cabinet Office websites. [↑](#footnote-ref-1)
2. Japan’s RTA/FTAs in force are following ones: Japan-Singapore (2002), Japan-Mexico (2005), Japan- Malaysia (2006), Japan-Philippines (2008), Japan-Chile(2007), Japan-Brunei Darussalam (2008), Japan-Indonesia(2008), Japan-Thailand(2007), Japan-ASEAN (2008), Japan-Viet Nam (2009), Japan-Switzerland (2009), Japan-India (2011), Japan-Peru (2012), Japan-Australia (2015), and Japan-Mongolia (2016) [↑](#footnote-ref-2)