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TRADE POLICY MONITORING REPORT

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ABBREVIATIONS

METI	–	Ministry of Economy, Trade and Indus
JCM	–	Joint Credit Mechanism
JAEPA	–	Japan Australia Economic Partnership Agreement
APEC	–	Asia Pacific Economic Partnership
CBPR	–	Cross-Border Privacy Rules
VNACCS/ VCIS	–	Vietnam Automated Cargo and Port Consolidated System and the Vietnam Customs Information System
JICA	–	Japan International Cooperation Agency
NACCS	–	Nippon Automated Cargo and Port Consolidated System
CIS	–	Customs Intelligence Database System
SCADA	–	Supervisory Control and Data Acquisition
MCWD	–	Metropolitan Cebu Water District
DCG	–	Djibouti Coast Guard
ODA	–	Official Development Assistance
PRSC11	–	Eleventh Poverty Reduction Support Credit
ADB	–	Asian Development Bank
SECURE	–	Stand-by Emergency Credit for Urgent Recovery
AD	–	Anti-Dumping
GPA	–	Agreement on Government Procurement
JETRO	–	Japan External Trade Organization
FS	–	Feasibility Study
JCT	–	Japanese Consumption Tax
PCT	–	Patent Cooperation Treaty
IPEA	–	International Preliminary Examining Authority
ISR	–	International Search Report
ISA	–	International Searching Authority
IPRP	–	International Preliminary Report on Patentability
JPO	–	Japan Patent Office
USPTO	–	United States Patent and Trademark Office
DSB	–	Dispute Settlement Body

EXECUTIVE SUMMARY

- Japan's GDP has continued to rise since 2013. The current quarter's GDP is 96.803 billion. However, employment condition has decreased by 6% during this quarter.
- Export price index showed a consistent falling trend during this quarter from 98.5 in April to 98.3 in May and 98.1 in June. Import price decreased in the first two quarters but increased in the month of June, 2014.
- The monetary policy for the quarter remains unchanged as the bank of Japan maintained the same interest rates throughout this quarter.
- Japan has initiated various projects that will reduce greenhouse gas emissions in Cambodia, in an effort to prevent global warming.
- Japanese and Australian governments concluded the negotiations on the Japan Australia Economic Partnership Agreement (JAEPA) during this quarter.
- In providing grant aid for various projects, Japan International Cooperation Agency (JICA) signed several grant agreements with Tajikistan, Burundi Myanmar, Philippines, Nepal and Djibouti.
- In providing loan for various projects, Japan International Cooperation Agency (JICA) signed several Official Development Assistance (ODA) loan agreements with India, Paraguay, Tanzania, Bangladesh, Pakistan, Nigeria and Peru.
- Japan External Trade Organization (JETRO) introduced Invest Japan Hotline, which provides comprehensive support to foreign companies.
- The Government of Japan, in accordance with the National Security Strategy adopted a set of new principles on overseas transfer of defense equipment and technology.
- METI and Japan Tourism Agency Jointly proposed a new scheme to make Japanese Consumption Tax (JCT) more beneficial and convenient for foreign tourists.
- The Japan Patent Office (JPO) and the United States Patent and Trademark Office (USPTO) reached a basic agreement to launch pilot programs for the JPO-USPTO cooperation in patent examination by April 1, 2015.
- Japan requested the WTO Director-General to compose the panel regarding the definitive safeguard measures imposed by Ukraine on imports of certain passenger cars and the investigation that led to the imposition of those measures.

AGENDA FOR THE NEXT REPORT

- Update on the revised Common Criteria Recognition Arrangement (CCRA) in the field of Information Technology Security.
- Update on the Japan Patent Office (JPO) and the Intellectual Property Corporation of Malaysia (MyIPO) commencement on a Patent Prosecution Highway (PPH) program.
- Update on the New International Standard proposed by Japan for Vacuum Glass.
- Update on Japan-China trade analysis in the first half of 2014, based on imports of both the countries.
- Update on Japan External Trade Organization (JETRO) memorandum of understanding with Massachusetts Office of International Trade and Investment.
- Update on release of WTO Panel reports on the import restrictions imposed by the Argentine Republic and the export restrictions by China.

TRADE POLICY MONITORING REPORT OF JAPAN FOR THE QUARTERLY PERIOD FROM APRIL TO JUNE 2014

I. INTRODUCTION

This is the Thirteenth Quarterly Trade Policy Monitoring Report prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School. This report will monitor and discuss the trade and macroeconomic policy developments that took place in Japan during the period of April-June 2014.

II. ECONOMIC ENVIRONMENT

II.A.GENERAL ECONOMIC ENVIRONMENT

The trend shows that Japan's economy has continued to recover moderately, however there has been a decline in the demand due to front loaded increases and consumer tax increase.¹ It is to be noted that exports and public investment have remained more or less the same in this quarter. Business fixed investment and industrial production have increased moderately. It is further noted that private consumption and housing investment had recoiled back into shape initially, however, as mentioned, the front loaded increases and consumer tax have slightly, decelerated this recoil.

II.B.OUTPUT AND EMPLOYMENT

Gross domestic product (GDP deflator, Index, 2010=100, SA) is 96.803 billion in Q1, 2014². This is to follow the trend towards a continuous rise from 2013. However, employment condition has decreased by 6 percentage points in the concerned quarter³. Employment condition has been deteriorating in the recent past.

II.C.INFLATION

The producer price index (2010 average=100) for all commodities for 2014 Q1 comes out to be 102.8 showing a slight increase in the price trend as compared to the last quarter of 2013. The export price index

¹ Bank of Japan, The statement of monetary policy released on July 15, 2014, accessible at http://www.boj.or.jp/en/announcements/release_2014/k140715a.pdf (last visited Sept.30,2014).

² International Financial Statistics, accessible at <http://elibrary-data.imf.org/DataReport.aspx?c=1449311&d=33061&e=169393> (last visited Sept.30,2014).

³ Bank of Japan, http://www.stat-search.boj.or.jp/ssi/mtshhtml/q_en.html (last visited Sept.30,2014).

for all commodities (contract currency basis), again taking 2010 average as the base, showed a consistent falling trend in Q1 2014, it went from 98.5 in April to 98.3 in May and 98.1 in June. Import prices decreased in the first two months of Q1, 2014 but increased in the month of June.⁴ According to the “Inflation Outlook of Enterprises”, June, 2014, in terms of output prices (rate of changes relative to the current level), the average of enterprises’ inflation outlook, comes out to be 1.1% in 1 year ahead, 1.9% in 2 years ahead and 2.3% in 5 years ahead⁵.

II.D.PUBLIC FINANCE

Outstanding national government debt in Q1, 2014 is 10,249,568 (in 100 million Yen), showing a 3.4 % increase in comparison to the previous quarter⁶. Government expenditure for the fiscal year 2014 is 958,823 (in 100 million Yen), in the initial budget. Government revenue in the same period is 500,000 (in 100 million Yen)⁷.

II.E.CURRENCY AND REAL EFFECTIVE EXCHANGE RATE

Money stock (M1) in Q1 2014, in terms of percent changes from a year earlier in average amounts outstanding, stands out to be 4.7 vis-à-vis 5.4 in the last quarter of 2013⁸. This shows a slight decrease in the money stock in the economy and is driven mainly because of the fall in deposits.⁹ Real effective exchange rate (CPI based) is 75.949 (Index=2010 base year) in Q1 2014, which shows a clear fall in comparison to the recent past.¹⁰

II.F.BALANCE OF PAYMENT

Value of exports stands at 169,721.618 US dollars in Q1, 2014 which is a clear fall vis-à-vis the export value in the previous quarter¹¹. Value of imports stood a 218,630.223 US dollars in this period, showing a slight increase vis-à-vis the previous quarter¹².

⁴ Bank of Japan, <https://www.boj.or.jp/en/statistics/pub/pim/pimsummary.pdf> (last visited Sept.30,2014).

⁵ All are current projections. Sources: Bank of Japan, <http://www.boj.or.jp/en/statistics/tk/bukka/2014/tkc1406.pdf> (last visited Sept.30,2014).

⁶ Bank of Japan and Ministry of Finance, Japan <https://www.boj.or.jp/statistics/pub/sk/data/sk5.pdf> (last visited Sept.30,2014).

⁷ *Id.*,

⁸ Bank of Japan, <http://www.boj.or.jp/en/statistics/money/index.htm/> (last visited Sept.30,2014).

⁹ Bank of Japan, <http://www.boj.or.jp/en/statistics/money/ms/ms1406.pdf> (last visited Sept.30,2014).

¹⁰ *Id.*,

¹¹ International Financial Statistics, <http://elibrary-data.imf.org/DataReport.aspx?c=1449311&d=33061&e=169393> (last visited Sept.30,2014).

The gross external debt position of Japan stands out at 304,811 billion Yen in Q1, 2014 vis-à-vis, 294,959 billion Yen in the last quarter of 2013, showing a 3.3 % increase¹³. International investment position of Japan has shown improvement vis-à-vis the previous quarter. Direct investment has become 120,813 billion Yen (projected figure) as against 120,060 billion Yen (current value) in the last quarter of 2013¹⁴. Other investments have also gone up in the same period¹⁵.

II.G. MONETARY POLICY

The overall overview of the monetary policy for the quarter remained unchanged as the Bank of Japan maintained the same interest rates throughout the quarter. There was no change in the quantitative restrictions like the legal reserve ratio requirements for the bank; there has also not been much of a change in the qualitative restrictions on margin of credit, etc.¹⁶

In order to maintain the same level of money supply and facilitate an increase in the production in the economy, the interest rates charged by the bank of Japan or the bank rate have remained unchanged throughout this quarter. Interbank rate in Japan remained unchanged at 0.14% from January 2014 to April, 2014.¹⁷

II.H. CURRENT ACCOUNT SURPLUS

Japan recorded a Current Account deficit of 1586.1 JPY Billion in January of 2014, then it started to gradually increase the exports over imports that lead to the current account surplus by the end of the quarter. The exports in the past three months clearly overshadowed the amount of imports into the Japanese economy as there has been a drastic increase in the current account surplus in this quarter as compared to the previous quarter.¹⁸

¹² *Id.*,

¹³ Bank of Japan, http://www.boj.or.jp/en/statistics/br/bop_06/index.htm/ (last visited Sept.30,2014).

¹⁴ *Id.*,

¹⁵ *Id.*,

¹⁶ Eamonn Sheridan, “Weak Japan Exports, Not Tax Hike, Could Shake BOJ”, <http://www.forexlive.com/blog/2014/05/12/weak-japan-exports-not-tax-hike-could-shake-boj-12-may-2014/> (last visited Sept.30,2014).

¹⁷ Akio Kon, Japan's Exports, Imports Tumble in May, <http://citeuslegalus.com/cite/periodical> (last visited Sept.30,2014).

¹⁸ TETSUSHI KAJIMOTO AND LEIKA KIHARA, Japan Exports Disappoint, Risks Hitting Economy Hard, <http://www.reuters.com/article/2014/06/18/us-japan-economy-trade-idUSKBN0ET06B20140618> (last visited Sept.30,2014).

II.I. INDUSTRY

Industrial Production in Japan decreased to 3.8% in April of 2014 over the same quarter from the rate of 10.3% at the beginning of the quarter in February. This tends to point out the reason of fall in the GDP of the country by the end of the quarter. It also shows the gradual fall in the aggregate supply of products in the economy, which may hint as a reason for increase in the rate of inflation in the economy.¹⁹

III. TRADE AGREEMENTS AND AGREEMENTS

III.A. Japan and Cambodia Signs a Low Carbon Growth Partnership Agreement

The Government of Japan initiated the Joint Credit Mechanism (JCM) with the government of Cambodia and signed an agreement on April 11 2014. Both countries are going to establish a joint committee to operate this mechanism. Under this mechanism, Japan will implement various projects that will reduce greenhouse gas emissions in Cambodia, utilizing its low-carbon technology. Through this mechanism, Japan will contribute not only to Cambodia's environment and economic growth but also to international efforts to prevent global warming.²⁰

III.B. Japan and Australia signs the Japan Australia Economic Partnership Agreement (JAEP A)

On April 7 2014, Australian and Japanese governments concluded the negotiations on the Japan Australia Economic Partnership Agreement (JAEP A). It has been described as the most liberalizing bilateral trade agreement that Japan has ever concluded providing Australian exporters, importers, investors and producers a significant advantage over their international competitors.

The JAEP A is expected to deliver a significant improvement to Australian farmers and other agricultural producers, resource exporters, service providers and consumers. There is an expected increase of dairy products and beef export into Japan. The JAEP A also eliminates 5% tariff on Japanese cars that are to be exported to Australia. JAEP A would remove the remaining duties levied over the Australian energy resources in the next 10 years.²¹

¹⁹ MITSURU OBE, Japan's Export Recovery Stalls Amid Subdued Global Growth, <http://online.wsj.com/articles/japans-export-recovery-stalls-amid-subdued-global-growth-1403051306> (last visited Sept.30,2014).

²⁰ News Release, *Japan and Cambodia Signed a Low Carbon Growth Partnership* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0411_01.html (last visited Sept.30,2014).

²¹ News Release, *Japan Australia Economic Partnership Agreement (JAEP A)* (Ministry of Economy, Trade & Indus.2014), http://www.pm.gov.au/sites/default/files/media/14-04-07_japan_australia_economic_partnership_agreement_jaepa_-_key_outcomes.pdf (last visited Sept.30,2014).

III.C. The Second Vietnam-Japan Coal Policy Dialogue

The Agency for Natural Resources and Energy held the Second Vietnam-Japan Coal Policy Dialogue on April 22 2014. The coal policy dialogue was held between the two countries in order to further boost the cooperation between the two countries on coal. Vietnam is a giant exporter of anthracite coal for Japan, used for steel production. Vietnam also seeks to advantage from the efficient coal fired power generation technology from Japan.

In this dialogue, Japan requested Vietnam to provide a stable supply of high-quality anthracite coal as well as to supply the resource at competitive prices. Both countries discussed mutually beneficial cooperation on:

- the exploration and development of anthracite coal in Vietnam,
- the development of relevant human resources, and
- the introduction of coal preparation technology.²²

III.D. Japan Joins APEC Cross-Border Privacy Rules System

In an attempt to save private information, the Government of Japan received approval from Asia Pacific Economic Cooperation (APEC) to participate in Cross-Border Privacy Rules (CBPR) system on April 28 2014. This system offers a framework under which measures to protect personal information in cross-border transfer of data by enterprises or other entities in the APEC region. Enterprises that are certified by the Accountability Agent will be able to prove that the handling process of personal information in their companies is in conformity with the principles, which is expected to facilitate the business activities of Japanese enterprises in the APEC region.²³

III.E. Japan to Support Improving Efficiency of Coal-fired Power Plants in Ukraine

Japan has the world's highest level technology for highly efficient coal-fired power generation. Taking advantage of this technology, Japan has decided to support Ukraine by improving the efficiency of Ukraine's aging coal-fired power plants. Japan is going to propose a specific project to Ukraine for improving the efficiency of such power plants, along with environmental measures. Through these support measures, Japan will contribute to Ukraine's energy security as well as reduction of carbon dioxide emissions.²⁴

²² News Release, *The Second Vietnam-Japan Coal Policy Dialogue Was Held* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0423_01.html (last visited Sept.30,2014).

²³ News Release, *The Government of Japan Received Approval to Join the APEC Cross-Border Privacy Rules System* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0428_01.html (last visited Sept.30,2014).

²⁴ News Release, *Japan to Support Improving Efficiency of Coal-fired Power Plants in Ukraine* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0606_02.html (last visited Sept.30,2014).

III.F. METI and Brazil agreed to advance cooperation in various fields

The Japanese State Minister of Economy, Trade and Industry and the Brazilian Minister of Mines and Energy discussed and agreed to advance cooperation in the field of nuclear energy and smart community.

The Japanese State Minister of Economy, Trade and Industry and the Brazilian Minister of Development, Industry, and Foreign Trade, discussed and agreed to advance cooperation in improving the business environment, including improving complicated tax systems with heavy burdens, relaxing the upper limit set for sending royalties concerning technology transfer, accelerating the examination of medical equipment and shortening the period of patent examination.²⁵

III.G. Release of the White Paper on International Economy and Trade 2014

On June 24 2014, the Cabinet has approved the 2014 version of its annual White Paper on International Economy and Trade. This Paper presents the results of analysis concerning worldwide trends in policies, focusing on the below issues:

- labour market reform in Europe,
- movements towards return of US manufacturers to the US and
- Asian countries efforts for enhancing and increasing the sophistication of their industries.

The White Paper also points out the importance of formulating a strategy for enhancing overseas business expansion as a part of Japan's growth strategy, i.e. promoting economic partnerships, advancing strategic efforts for entering emerging countries, and encouraging overseas enterprises to directly invest in Japan.²⁶

III.H. Japan funds for new e-Customs system in Vietnam

Vietnam launched the Japanese-funded e-Customs system known as “VNACCS/ VCIS” (Vietnam Automated Cargo and Port Consolidated System and the Vietnam Customs Information System). This system is intended to handle e-Declaration, e-Manifest, e-Invoice, e-Payment, e-C/O, selectivity, risk management/criteria, corporate management, goods clearance and release, supervision and inspection. With the launch of this system Vietnam customs is trying to simplify customs clearance procedures, reduce

²⁵ News Release, *METI State Minister Matsushima Visited Brazil and Paraguay* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0516_07.html (last visited Sept.30,2014).

²⁶ News Release, *Release of the White Paper on International Economy and Trade 2014* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0624_01.html (last visited Sept.30,2014).

clearance time, enhance the management capacity of customs authorities in line with the standards of modern customs, as well as to cut costs and facilitate trade.²⁷

IV. FOREIGN INVESTMENT REGIME

IV.A. Japan signs grant agreement with the Republic of Tajikistan

On June 27 2014, the Japan International Cooperation Agency (JICA) signed a grant agreement with the Government of the Republic of Tajikistan to provide grant aid of up to a total of 1,694 million yen for assistance for two projects.

This cooperation will build regional water supply infrastructure and raise the capacity of government officials to support the supply of safe water in regions where it is needed in Tajikistan and to support efforts to human resources development.²⁸

IV.B. Japan signs grant agreement with the Republic of Burundi

On May 23 2014, the JICA signed a grant agreement with the Government of the Republic of Burundi to provide grant aid of up to 2,800 million yen for assistance for the Project for the Improvement of the Port of Bujumbura. This project will improve port facilities and build new facilities to repair ships at the Port of Bujumbura, thereby expanding the freight capacity, reducing transportation costs and improving navigation safety. In addition, these improvements will promote an increase in trade while improving lake transportation efficiency and safety.²⁹

IV.C. Japan signs grant agreements with the Republic of the Union of Myanmar

On June 10 2014, the JICA signed two grant agreements with the Government of the Republic of the Union of Myanmar to provide grant aid of up to a total of 6,729 million yen for the Project for Construction of New Thaketa Bridge and the Project for Improvement of Education College.

The projects will replace the Thaketa Bridge that crosses Pazundaung Creek in Yangon. The new projects increase the traffic capacity of the bridge and alleviating congestion, which will make goods and traveler

²⁷ News Letter, Baker & McKenzie LLP, *2014 International Trade Compliance Webinar Series* (Ministry of Economy, Trade & Indus. 2014), http://www.bakermckenzie.com/files/Uploads/Documents/Global%20Trade%20Commerce/nl_tc_internationaltrade_complianceupdate_may14.pdf (last visited Sept.30,2014).

²⁸ Press Release, *Signing of Grant Agreements with the Republic of Tajikistan* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140627_01.html (last visited Sept.30,2014).

²⁹ Press Release, *Signing of Grant Agreement with the Republic of Burundi* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140526_01.html (last visited Sept.30,2014).

transportation more efficient on the road network connecting the eastern and southeastern parts of Yangon. These projects also aims to train more primary and middle school teachers in better conditions by expanding and improving the facilities and equipment at Taungoo Education College.³⁰On May 29 2014, the JICA signed a grant agreement with the Government of the Republic of the Union of Myanmar to provide grant aid of up to 1,945 million yen for the Project for Improving Loikaw General Hospital in Kayah State and 1,510 million yen for the Project for Improving Lashio General Hospital in Shan State.

These projects will replace old hospital facilities. The new projects will improve the medical equipment, health care services and the hospitals functions at the general hospitals in Kayah State and northern Shan State. The two hospitals are located in the eastern part of the country that shares borders with China, Laos and Thailand, and has large minority populations.³¹

On April 25 2014, the JICA signed a grant agreement with the Government of the Republic of the Union of Myanmar to provide grant aid of up to 3,990 million yen for assistance for the Project for National Single Window and Customs Modernization by Introducing Automated Cargo Clearance System. This project will build a customs system utilizing the Nippon Automated Cargo and Port Consolidated System (NACCS) and the Customs Intelligence Database System (CIS), two outstanding Japanese technologies.

It is expected that this project will improve efficiency, shorten the amount of time required to clear customs, and contribute to reform and modernization of the customs administration. In addition to this project, JICA is providing technical cooperation to enhance customs administration.³²

IV.D. Japan signs grant agreements with the Philippines

On May 12 2014, the JICA signed a grant agreement with the Government of the Republic of the Philippines to provide grant aid of up to a total of 4,600 million yen for the Grant Aid Program for Rehabilitation and Reconstruction from Typhoon Yolanda.

This project will provide assistance for early recovery and reconstruction in areas affected by Typhoon Yolanda (generally known as Typhoon Haiyan outside the Philippines) which struck the Philippines in November 2013. With the aim of strengthening the capacity of the country to withstand disasters, the

³⁰ Press Release, *Signing of Grant Agreements with the Republic of the Union of Myanmar* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140610_01.html (last visited Sept.30,2014).

³¹ Press Release, *Signing of Grant Agreement with the Republic of the Union of Myanmar* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140529_01.html (last visited Sept.30,2014).

³² Press Release, *Signing of Grant Agreement with the Republic of the Union of Myanmar* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140428_01.html (last visited Sept.30,2014).

assistance focuses on early rehabilitation and reconstruction of social infrastructure such as healthcare facilities, schools and local government offices; economic infrastructure such as airport and power facilities; and disaster preparedness infrastructure such as meteorological radar systems.³³

On April 24 2014, the JICA signed a grant agreement with the Government of the Republic of the Philippines to provide grant aid of a total of up to 1,165 million yen for assistance for the Project for Improvement of Water Supply System in Metropolitan Cebu Water District.

This project will install a Supervisory Control and Data Acquisition(SCADA) computer system in a central monitoring room where it will constantly monitor the water supply in the Metropolitan Cebu Water District (MCWD) and optimize water distribution. The SCADA will be part of an operating and management system created to accurately monitor the water supply status in real time for better control, improving water services in the area.³⁴

IV.E. Japan signs grant agreement with Nepal

On April 22 2014, the JICA signed a grant agreement with the Government of Nepal to provide grant aid of up to 1,571 million yen for assistance for the Project for Micro-Hydropower Improvement in Western Area. This project will improve aging micro-hydropower plants in rural areas of western Nepal (Bajhang, Bajura and Rukum Districts), responding to their pressing need for power.³⁵

IV.F. Japan signs grant agreement with the Republic of Djibouti

On April 10 2014, the JICA signed a grant agreement with the Government of the Republic of Djibouti to provide grant aid of up to 924 million yen for assistance for the Project for the Construction of Patrol Vessels for Enhancing the Ability to Secure Maritime Safety and Security. This project will provide the Djibouti Coast Guard (DCG) with two patrol boats to strengthen the capacity of the DCG to mobilize in the Gulf of Aden and off the shore of Somalia where piracy incidents are rampant.³⁶

IV.G. Japan signs ODA Loan Agreement with the Republic of Paraguay

³³ Press Release, *Signing of Grant Agreement with the Philippines* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140521_01.html (last visited Sept.30,2014).

³⁴ Press Release, *Signing of Grant Agreement with the Philippines* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140516_01.html (last visited Sept.30,2014)..

³⁵ Press Release, *Signing of Grant Agreement with Nepal* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140422_01.html (last visited Sept.30,2014).

³⁶ Press Release, *Signing of Grant Agreement with the Republic of Djibouti* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140411_02.html (last visited Sept.30,2014).

On June 24 2014, the JICA signed a Japanese ODA loan agreement with the Republic of Paraguay to provide up to 17.897 billion yen for the Eastern Region Export Corridor Improvement Project. This is the first Japanese ODA loan to Paraguay since the Rural Roads Improvement Project in September 2010.

The objectives of this project are to improve trunk roads (laying asphalt and gravel, and replacing bridges with wider structures) in Alto Paraná and Itapúa Departments in eastern Paraguay. It makes the transportation of grain in Paraguay more efficient, bolstering export competitiveness and stimulating economic activities in the country. The Japanese ODA loan funds will be allocated to paving and laying gravel on existing roads, replacing aging wooden bridges with concrete bridges, consulting services and the like.³⁷

IV.H. Japan signs ODA Loan Agreement with the Government of United Republic of Tanzania

On June 16 2014, the JICA signed a Japanese ODA loan agreement with the Government of the United Republic of Tanzania to provide a loan of up to 1.5 billion yen for the Eleventh Poverty Reduction Support Credit (PRSC 11).

The PRSC 11 is a non-project loan which sets key policy actions and provides loans based on accomplishing actions in Tanzania's highest level national plan and the National Strategy for Growth and Reduction of Poverty II (abbreviated as MKUKUTA II based on the Swahili name). PRSC 11 focuses on two areas: (i) the investment climate; and (ii) public financial management. This loan was approved after confirming the policy actions taken by the Government of Tanzania in its 2013/2014 fiscal year. The loan is co-financed with the World Bank.³⁸

IV.I. Japan signs ODA Loan Agreement with the People's Republic of Bangladesh

On June 16 2014, the JICA signed Japanese ODA loan agreements with the Government of the People's Republic of Bangladesh in Dhaka to provide up to a total of 120.986 billion yen for assistance for five projects. The five projects will provide assistance to improve the circumstances in both urban and rural areas of Bangladesh.

The five projects under this agreement are: (i) Construction of Matarbari Ultra Super Critical Coal-Fired Power Plant, (ii) Improving Agricultural Productivity and Diversifying Crops, (iii) Contributing Stable Supply

³⁷ Press Release, *Signing of Japanese ODA Loan Agreement with the Republic of Paraguay for the Eastern Region Export Corridor Improvement Project* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140624_01.html (last visited Sept.30,2014).

³⁸ Press Release, *Signing of Japanese ODA Loan Agreement with the Government of United Republic of Tanzania* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140616_01.html (last visited Sept.30,2014).

and Efficient Use of Natural Gas, (iv) Assisting City Corporation Economic Activities and (v) Reducing Flood Damage in the Haor Areas.³⁹

IV.J. Japan signs ODA Loan Agreement with the Islamic Republic of Pakistan

On June 4 2014, JICA signed a Japanese ODA loan agreement with the Government of Pakistan to provide an ODA loan of up to 5 billion yen for the Energy Sector Reform Program.

Together with co-financing by the World Bank and the Asian Development Bank (ADB), this program aims to promote energy sector reform and to improve the financial viability of the Government of Pakistan. The reforms are based on three pillars:

1. establishing appropriate electricity tariffs and subsidies,
2. reducing the costs for generating power, and
3. improving accountability and transparency in the energy sector.

It is expected that the Pakistan economic activities will improve, once this progress is made in energy sector reforms and a sustainable, stable power supply is achieved.⁴⁰

IV.K. Japan signs ODA Loan Agreement with the Federal Republic of Nigeria

On May 26 2014, the JICA signed a Japanese ODA loan agreement with the Federal Government of Nigeria to provide up to 8.285 billion yen for the Polio Eradication Project. This project aims to achieve early eradication of polio in Nigeria by procuring oral polio vaccines to efficiently inoculate children who are under five years of age.⁴¹

IV.L. Japan signs ODA Loan Agreements with the Government of India

On April 11 2014, the JICA signed a Japanese ODA loan agreement with the Government of India to provide up to 11,390 million yen for “Uttarakhand Forest Resource Management Project.”

The Project aims to restore the forest in the State of Uttarakhand by supporting afforestation and other forest management activities with community participation, as well as providing income-generating activities for

³⁹ Press Release, *Signing of Japanese ODA Loan Agreement with the People’s Republic of Bangladesh* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140616_02.html (last visited Sept.30,2014).

⁴⁰ Press Release, *Signing of Japanese ODA Loan Agreement with the Islamic Republic of Pakistan* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140604_01.html (last visited Sept.30,2014).

⁴¹ Press Release, *Signing of Japanese ODA Loan Agreement with the Federal Republic of Nigeria* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140527_01.html (last visited Sept.30,2014).

local people. In June 2013, heavy monsoon rains triggered devastating floods and landslides, resulting in 6,000 people missing or dead. The project also aims to reduce the risk of further disasters through mitigation measures for landslides, as well as to restore damaged infrastructure such as forest roads.⁴²

On March 31 2014, the JICA signed Japanese ODA loan agreements with the Government of India for a total of up to 183.079 billion yen for three projects. This loan will be utilized for:

1. metro construction in Delhi,
2. improvement to the power distribution system in Haryana, and
3. a safe and stable drinking water supply in Agra.

IV.M. Japan signs ODA Loan Agreements with the Republic of Peru

On April 1 2014, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Peru to provide a 10 billion yen Japanese ODA loan for Stand-by Emergency Credit for Urgent Recovery (SECURE). This is JICA's first secure loan applied to Latin America and the Caribbean regions.

The objectives of this loan are:

1. to develop the disaster risk management capacity of the Government of Peru by supporting efforts in disaster prevention,
2. strengthening the risk management of earthquake and tsunami disasters,
3. improving the emergency warning information transmission system for earthquakes and tsunamis,
4. reinforcing relevant policy actions for mainstreaming disaster prevention and risk management in public investment projects, and
5. to support rehabilitation after natural disasters by responding to emergent financial needs, thereby contributing to immediate rehabilitation.⁴³

V. TRADE POLICY AND PRACTICE BY MEASURES

V.A. ANTI-DUMPING

V.A.1. United States revoked the anti-dumping duties on ball bearings from Japan

⁴² Press Release, *Signing of a Japanese ODA Loan Agreement with the Government of India*, (Japan International Cooperation Agency. 2014) http://www.jica.go.jp/english/news/press/2014/140411_01.html (last visited Sept.30,2014).

⁴³ Press Release, *Signing of Japanese ODA Loan Agreement with the Republic of Peru* (Japan International Cooperation Agency. 2014), http://www.jica.go.jp/english/news/press/2014/140401_02.html (last visited Sept.30,2014).

Anti-dumping duty based on “Zeroing” method on Japanese ball bearings has been revoked by the United States. Unjustified AD duties had been imposed on the Japanese bearings industry based on zeroing since 1989. For its annual export to the United States of about ¥11.6 billion, it was paying excessive AD duties of about ¥1(one) billion. In February 2012, Japan and the United States agreed on a memorandum and the United States amended the Department of Commerce regulation for abolition of zeroing in May, 2014.⁴⁴

V.B. GOVERNMENT PROCUREMENT

V.B.1. Revised WTO Agreement on Government Procurement enters into force

The WTO announced the revised Agreement on Government Procurement (GPA), some two years after the Protocol amending the Agreement was originally adopted. The parties to the revised GPA will see gains in market access of an estimated US\$ 80 billion to US\$ 100 billion annually for their businesses. The revision came into force for Japan on April 16 2014. The revised Agreement also incorporates improved transitional measures to facilitate accession to it by developing and least-developed economies.⁴⁵

V.C. SANITARY AND PHYTO-SANITARY

The Sanitary and Phytosanitary Measures have been illustrated in Annexure A.

V.D. TECHNICAL BARRIERS TO TRADE

The Technical Barriers to Trade have been illustrated in Annexure B.

VI. MEASURES AFFECTING PRODUCTION AND TRADE

VI.A. REGULATORY REFORM

VI.A.1. Japan’s comprehensive support for Foreign Companies

Japan External Trade Organization (JETRO) introduced Invest Japan Hotline, which provides comprehensive support including translation and interpretation to foreign companies through the following mechanisms:

- Consultation regarding administrative procedures required for FDI into Japan.
- Arranging meetings with officials of regulatory agencies if needed.

⁴⁴ Trade Policy Bureau, *2014 Report on Compliance by Major Trading Partners with Trade Agreements –WTO, EPA/FTA, and ILA*, http://www.meti.go.jp/english/press/2014/pdf/0514_01b.pdf (last visited Sept.30,2014).

⁴⁵ News Items, *Revised WTO Agreement on Government Procurement enters into force* (WTO 2014), http://www.wto.org/english/news_e/news14_e/gpro_07apr14_e.htm (last visited Sept.30,2014).

- Relaying requests for regulatory reforms to the Japanese government.⁴⁶

VI.A.2. Review of the End User List

For the purpose of enhancing the effectiveness of the catch-all control, METI has issued the End User List providing exporters with referential information on entities belonging to foreign countries. This information includes the concern over development of and other conduct related to weapons of mass destruction and other items, which is not a list of embargo goods. Exporters must submit an application for an export license, if the user of cargos and other items to be exported is found in the said list. It is exempted from the licensing requirement in the case where it is evident that those cargos and other items are not used for the development of or other conduct related to weapons of mass destruction.⁴⁷

VI.A.3. Japan sets new Principles on Transfer of Defense Equipment and Technology

The Government of Japan, in accordance with the National Security Strategy adopted a set of new principles on overseas transfer of defense equipment and technology – “the Three Principles of Transfer of Defense Equipment and Technology”. The new principles replace the previous guidelines – “the Three Principles on Arms Exports and Their Related Policy Guidelines”.

The Government of Japan has decided to review the Government’s existing policy guidelines on overseas transfer of defense equipment and technology, and set out clear principles which fit the new security environment by consolidating the policy guidelines.

The new three principles are:

1. clarification of cases where transfers are prohibited,
2. limitation to cases where transfers may be permitted as well as strict examination and information disclosure and
3. ensuring appropriate control regarding extra-purpose use or transfer to third parties.⁴⁸

VI.A.4. Feasibility Study for the Joint Crediting Mechanism

The Government of Japan is now promoting the establishment of the Joint Credit Mechanism (JCM) with developing countries, aiming to proactively encourage the dissemination of Japan’s world-class low-carbon

⁴⁶ News Release, *Towards creating the World’s most Business-Friendly Environment* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/policy/external_economy/investment/pdf/140107a.pdf (last visited Sept.30,2014).

⁴⁷ Press Release, *Review of the End User List* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0401_01.html (last visited Sept.30,2014).

⁴⁸ Press Release, *The Three Principles on Transfer of Defense Equipment and Technology* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0401_03.html (last visited Sept.30,2014).

technology and products to developing countries, so as to promote measures for global warming mitigation worldwide.

During this quarter, METI called for the submission of candidate projects for the FY2014 Feasibility Study (FS) for the JCM. METI has selected 16 projects through fair examination by an external committee. Countries subject to these projects are Indonesia, Ethiopia, Kenya, Cambodia, Saudi Arabia, Thailand, Chile, Vietnam, Mexico, Maldives and Lao PDR.⁴⁹

VI.B. TAXATION

VI.B.1. Japanese Revised Consumption Exemption Program for Foreign Visitors

METI and the Japan Tourism Agency jointly proposed to enhance the Japanese Consumption Tax (JCT), free shopping scheme to make it more beneficial and convenient for foreign tourists. From October 2014, the scope of items that can be purchased free of JCT by non-residents of Japan will be expanded to cover all items, including consumable goods.

Under the new scheme, authorized shops will be able to sell all types of goods including consumables (e.g., food, alcohol, tobacco, cosmetics, drugs and batteries) to non-residents on a JCT-free basis, subject to the certain conditions. In addition to the above changes, the Japan Tourism Agency released a JCT-free shop logo that can be used by authorized JCT-free shops to raise awareness of the scheme and attract more foreign tourists.⁵⁰

VI.C. INTELLECTUAL PROPERTY REGIME

VI.C.1. Amendments of Regulations under the Patent Cooperation Treaty (PCT)

On June 18 2014, Japan Ministry of Foreign Affairs announced the amendments of Regulations under the PCT adopted in October 2013 will be enforced from July 1 2014. Changes with regard to the international applications are as follows:

- The International Preliminary Examining Authority (IPEA) shall conduct a top-up search on an international application whose international preliminary examination is demanded for on and after July 1, 2014. The purpose of this search is to improve the quality of international preliminary examination by discovering documents which were unpublished or documents which could not be

⁴⁹ Press Release, *Feasibility Study for the Joint Crediting Mechanism* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0630_03.html (last visited Sept.30,2014).

⁵⁰ Joint Press Release with the Japan Tourism Agency, *Details of the Revised Consumption Tax Exemption Program for Foreign Visitors were Determined* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0331_02.html (last visited Sept.30,2014).

searched due to a delay of their accumulation into the database, on the date of establishment of the International Search Report (ISR).

- In the past, written opinion of the International Searching Authority (ISA) was never released until 30 months had passed from the priority date. Herein after written opinion of the ISA on an international application filed as on July 1, 2014 will be publicly available on the WIPO website.
- Also, any informal comments on written opinion of the ISA submitted by the applicant will be publicly available on the WIPO website.
- In addition, the International Preliminary Report on Patentability Chapter I and its translation will continue to be made available after 30 months from the priority date.⁵¹

VI.C.2. JPO and USPTO Agreed to Enhance Cooperation in Patent Examination

The Japan Patent Office (JPO) and the United States Patent and Trademark Office (USPTO) reached a basic agreement that they will launch pilot programs for the JPO-USPTO cooperation in patent examination as early as April 1, 2015. This program also includes the JPO's efforts to expand its international search and international preliminary examination services as a Competent International Searching Authority or International Preliminary Examining Authority for international applications received by the USPTO under the Patent Cooperation Treaty (PCT) system.

This agreement is expected to promote harmonization of JPO's examination procedures with those of the USPTO and improve the quality of domestic examination, as well as further increasing global trust in JPO's examination results.⁵²

VI.D. SUBSIDIES AND OTHER FINANCIAL ASSISTANCE

VI.D.1. Japan's announcement of Projects Selected under the FY2014 Subsidy Program

Six projects were selected under the FY2014 Subsidy Program for Projects Promoting Foreign Direct Investment, Site Location and Regional Development in Japan. The program aims to promote regional development by subsidizing setup costs for new business facilities. It supports the formation and development of industrial clusters in cluster zones prepared by municipalities and approved by the government under the Act on Formation and Development of Regional Industrial Clusters through

⁵¹ Amendments of Regulations, *PCT (Patent Cooperation Treaty)* (Japan Patent Office.2014), http://www.jpo.go.jp/torikumi_e/pct_amendments_201406.htm (last visited Sept.30,2014).

⁵² News Release, *JPO and USPTO Agreed to Enhance Cooperation in Patent Examination* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0606_04.html (last visited Sept.30,2014).

Promotion of Establishment of New Business Facilities, etc. to support business operators' efforts, strengthen the global competitiveness of Japanese industry and develop Japan's regional economies.

These six projects aimed to the establishment of R&D sites in several fields (i.e. industrial gas, construction machinery, fibers, automobile components, commercial vehicles and medical equipment).⁵³

VI.E. COMPETITION POLICY

VI.E.1. The Japan Fair Trade Commission (JFTC) Issued Cease and Desist Orders and Surcharge Payment Orders to Corrugated Board Manufacturers

The JFTC today issued cease and desist orders and surcharge payment orders to corrugated board manufacturers, finding that they substantially restrained competition in the fields of selling corrugated board. These manufacturers are selling the corrugated boards in concert with one another, concluding an agreement to raise the selling prices. The total amount of the surcharge to be paid is 13,293.13 million yen.⁵⁴

VII. DISPUTE SETTLEMENT

VII.A. Panel composed on Ukraine - Definitive Safeguard Measures on Certain Passenger Cars

On June 10 2014, Japan requested the Director-General to compose the panel regarding the definitive safeguard measures imposed by Ukraine on imports of certain passenger cars and the investigation that led to the imposition of those measures. On 20 June 2014, the Director-General composed the panel.⁵⁵

VII.B. Japan reserves its third party right in the panel established on US-India dispute over solar energy

The Dispute Settlement Body, on May 23 2014, established a panel to examine a complaint by the United States regarding India's domestic content requirements under its solar energy program. Japan along with other countries such as Brazil, Canada, China, the European Union, Japan, Korea, Malaysia, Norway, Russian Federation and Turkey reserved its third-party right to participate in the panel's proceedings.⁵⁶

⁵³ News Release, *Announcement of Projects Selected under the FY2014 Subsidy Program* (Ministry of Economy, Trade & Indus. 2014), http://www.meti.go.jp/english/press/2014/0626_04.html (last visited Sept.30,2014).

⁵⁴ Press Release, The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders to Corrugated Board Manufacturers (Japan Fair Trade Commission.2014), <http://www.jftc.go.jp/en/pressreleases/yearly-2014/June/140619.html> (last visited Sept.30,2014).

⁵⁵ Dispute Settlement, *DS468*, http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds468_e.htm (last visited Sept.30,2014).

⁵⁶ Dispute Settlement, *DS456*, http://www.wto.org/english/news_e/news14_e/dsb_23may14_e.htm (last visited Sept.30,2014).

VIII. TRADE POLICY BY SECTOR

VIII.A. SERVICE SECTOR

VIII.A.1. Financial Services

- During this quarter, the Financial Service Agency (FSA) exchanged letters with the Bank of Mongolia,⁵⁷ State bank of Vietnam,⁵⁸ Insurance Supervisory Authority (Ministry of Finance) of Vietnam,⁵⁹ the Bank of Thailand.⁶⁰ These exchange letters intends to strengthen cooperation between the Japan authorities and the respective countries authorities through sharing of experience and expertise. The main objective of these exchange letters is to promote the development of sound financial regulatory mechanisms and financial markets.
- On May 23 2014, The Financial Services Agency (FSA) and the Certified Public Accountants and Auditing Oversight Board (CPAAOB) exchanged the “Letter on cooperation in the area of audit oversight” with the Financial Reporting Council (FRC) of the United Kingdom. This exchange letter intends to strengthen and facilitate cooperation between both authorities in order to protect investors and to help promote public trust in audit process in the capital markets of both countries.⁶¹ Through this exchange letter, each authority will be able to share information upon request, related to auditors that fall within the regulatory jurisdiction of both authorities.⁶²

⁵⁷ Press Release, Exchange of letters on co-operation with the Bank of Mongolia (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140630-2.html> (last visited Sept.30,2014).

⁵⁸ Press Release, Exchange of letters on co-operation with the State Bank of Vietnam (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140609-1.html> (last visited Sept.30,2014).

⁵⁹ Press Release, Exchange of letters on co-operation with the Bank of Insurance Supervisory Authority, Ministry of Finance of Vietnam (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140609-2.html> (last visited Sept.30,2014).

⁶⁰Press Release, Exchange of letters on co-operation with the Bank of Thailand (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140509-1.html> (last visited Sept.30,2014).

⁶¹ Press Release, Exchange of letters on co-operation in the area of audit oversight with the FRC of the United Kingdom (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140526-1.html> (last visited Sept.30,2014).

⁶² Press Release, Letter on cooperation in the area of audit oversight (Financial Service Agency.2014), <http://www.fsa.go.jp/inter/etc/20140526-1/01.pdf> (last visited Sept.30,2014).

- On April 30 2014, the FSA has established the Asian Financial Partnership Center (AFPAC) to address the issues related to the financial markets in Asia. AFPAC aims for supporting the development of financial markets in Asia through closer cooperation amongst regulatory and supervisory authorities in the region. AFPAC believes that supporting the development of financial markets in Asia is crucial for the growth and reactivation of the financial markets.^{63 64}

ANNEXURE

Annexure A

Notification & Date	Agency Concerned	Products Concerned	Purpose of Notification
G/TBT/N/JPN/453 April 15 2014	Ministry of Health, Labour and Welfare	Poisonous and deleterious substances.	Under the provision of the Poisonous and Deleterious Substances Control Law, Ministry of Health Labour and Welfare designates new substances as poisonous and/or deleterious substances. The rationale behind this measure is to prevent accidents caused by poisonous and deleterious substances.
G/TBT/N/JPN/454 April 16 2014	Ministry of Health, Labour and Welfare	Pharmaceutical Products (HS 30)	The Minimum Requirements for Biological Products is to be partially amended to add the standard for a vaccine product to be newly approved. To establish the standard for manufacturing process, properties, quality, storage and others of drugs to which special attention must be paid for the attainment of public health and sanitation (Biological products).

⁶³ Press Release, Establishment of the Asian Financial Partnership Center (AFPAC) (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140430-1.html> (last visited Sept.30,2014).

⁶⁴ Press Release, Establishment of the Asian Financial Partnership Center (AFPAC) (Financial Service Agency.2014), <http://www.fsa.go.jp/en/news/2014/20140729-1/01.pdf> (last visited Sept.30,2014).

<p>G/TBT/N/ JPN/455</p> <p>April 22 2014</p>	<p>Ministry of Agriculture, Forestry and Fisheries</p>	<p>Fertilizer (HS: 3101, 3103, 3105) or vegetable fertilizers, whether or not mixed together or chemically treated; fertilizers produced by the mixing or chemical treatment of animal or vegetable products - HS 3101. Mineral or chemical fertilizers, phosphatic - HS 3103, Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilizers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg - HS 3105.</p>	<p>In order to make parts of cattle able to be used as a fertilizer or an ingredient of fertilizers, the new requirements, which are equivalent to those for bovine Flesh-Bone Meal, are to be established.</p> <p>To revise the Official Standards, considering the situation surrounding the agriculture and development of science and technology, in order to contribute to the protection of the human health and maintain the promotion of agricultural productivity.</p>
<p>G/TBT/N/ JPN/456</p> <p>May 5 2014</p>	<p>Ministry of Health, Labour and Welfare</p>	<p>Narcotics</p>	<p>Under the provision of the Narcotics and Psychotropics control law, Ministry of Health, Labour and Welfare designates new substances Narcotics.</p> <p>To achieve a purpose of preventing the risk of public health derived from abuse of narcotics under Narcotics and Psychotropics Control law.</p>
<p>G/TBT/N/ JPN/457</p> <p>May 20 2014</p>	<p>Ministry of Health, Labour and Welfare</p>	<p>Pharmaceutical products (HS 30)</p>	<p>The Minimum Requirements for Biological Products is to be partially amended to add the standard for a blood product to be newly approved</p> <p>To establish the standard for manufacturing process, properties, quality, storage and others of drugs to which special attention must be paid for the</p>

			attainment of public health and sanitation (biological products) .
G/TBT/N/ JPN/458 June 12 2014	Ministry of Health, Labour and Welfare	Pharmaceuticals, medical devices, etc.	According to the Partial amendment to the Pharmaceutical Affairs Act and other related acts, the Order for Enforcement of the Pharmaceutical Affairs Act and other related orders, ordinances and public notices are to be partially amended, and new ordinances and public notices are to be newly established. To describe more detailed provisions to enforce the partial amendment to the Pharmaceutical Affairs Act and other related acts.
G/TBT/N/ JPN/459 June 27 2014	Ministry of Health, Labour and Welfare	Harmful chemical substances	The Enforcement Order of Industrial Safety and Health Law and related ordinances are to be partially amended to place obligations on the business operators relating to Dimethyl-2,2-dichlorovinylphosphate (alias DDVP), Chloroform, Carbon tetrachloride, 1,4-Dioxane, 1,2-dichloroethane (alias ethylene chloride), Dichloromethane (alias methylene dichloride), Styrene, 1,1,2,2-Tetrachloroethane (alias acetylenetetrachloride), Tetrachloroethylene (aliasperchloroethylene), Trichloroethylene and Methyl isobutyl ketone. In order to prevent health impairment of workers due to harmful chemical substances.

Annexure B

Notification	Agency Responsible	Product	Regions	Purpose	Description	International Regulating Authority
G/SPS /N/JP N/337	Ministry of Agriculture, Forestry and Fisheries (MAFF)	Pet Food	All trading partners	Animal Health	The objective of the revision of the Ministerial Ordinance of Standards and Specifications for Safety of Pet Food is to add the maximum levels in pet food for the listed substances as follows: <u>Substance Maximum levels in pet food</u> (1) sodium nitrite 100 µg/g (2) melamine 2.5 µg/g	None
G/SPS /N/JP N/338	Ministry of Health, Labor and Welfare	Residues - Oxine copper	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: oxine copper	None
G/SPS /N/JP N/339	Ministry of Health, Labour and Welfare (MHLW)	Pesticides - Residues - Miscellaneous products	All trading partners	Food Safety	The MHLW will withdraw all the provisional maximum residue limits (MRLs) set at the time of introduction of the positive list system for the following 29	None

					<p>agricultural chemicals. The 29 agricultural chemicals are classified into the following categories:</p> <ul style="list-style-type: none"> i. Those that are neither registered nor approved in Japan and that are not planned to be registered; ii. Those for which MRLs are set in some commodities in certain foreign countries but that are not permitted to be used; iii. Those that are permitted to be used in certain foreign countries but commodities containing those are not exported to Japan; and iv. Those that have been in part evaluated by JMPR (Joint FAO/WHO Meeting on Pesticide Residues) or JECFA (Joint FAO/WHO Expert Committee 	
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					<p>on Food Additives) but for which Codex MRLs are neither set nor expected to be set.</p> <p>Further to several import examinations conducted during the past ten years, no detection of these substances has been reported. Therefore, the MHLW has concluded that food commodities containing these agricultural chemicals are unlikely to be distributed in Japan in the future and the withdrawal of the MRLs for these agricultural chemicals is unlikely to have negative effects on international trade.</p> <p>Pesticide: Anirazine, Aramite, Azaconazole, Barban, Bromophos, Bromophos-ethyl, Chlorbenside, Chlorbufam, Chloroxuron,</p>	
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					Chlozolate, Di- allate, 1,1-dichloro- 2,2-bis(4- ethylphenyl)ethane, Dimethirimol, Dinoterb, Dioxathion, Diphenamid, Foramsulfuron, Formothion, Mecarbam, Methacrifos, Monolinuron, Naptalam, Nitrothal- isopropyl, Pyrazophos, Sulprofos Pesticide/Veterinary drug: Fenchlorphos Veterinary drugs: 2- Acetylamino-5- nitrothiazole, Bithionol, Miloxacin	
G/SPS /N/JP N/340	Ministry of Health, Labour and Welfare (MHLW)	Pesticid es - Residue s - Famoxa done	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: famoxadone.	CODEX Alimentarius Commission
G/SPS /N/JP N/341	Ministry of Health, Labour and Welfare	Pesticid es - Residue	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following	None

	(MHLW)	s - Flufenacet			agricultural chemical: Pesticide: flufenacet.	
G/SPS /N/JP N/342	Ministry of Health, Labour and Welfare (MHLW)	Pesticid es - Residue s - Propargi te	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: propargite.	None
G/SPS /N/JP N/343	Ministry of Health, Labour and Welfare (MHLW)	Pesticid es - Residue s - Pyrimidi fen	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: pyrimidifen.	None
G/SPS /N/JP N/344	Ministry of Health, Labour and Welfare (MHLW)	Pesticid es - Residue s - Danoflo xacin	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following veterinary drug: Veterinary drug: danofloxacin.	None
G/SPS /N/JP N/345	Ministry of Agriculture, Forestry and Fisheries (MAFF)	Pesticid es - Residue s - Dicamb a	All trading partners	Food Safety	Proposal for the establishment of the maximum residue limits (MRLs) for an agricultural chemical (Dicamba) . <u>Commodity</u> (for <u>feed</u>) Proposed MRL (mg/kg) <u>Current</u>	CODEX Alimentarius Commission

					<u>MRL (mg/kg)</u> Barley 7 0.5 Wheat 2 0.5 Sorghum 4 3 Soybean, dry 10 Soybean meal 10	
G/SPS /N/JP N/346	Ministry of Health, Labour and Welfare (MHLW)	Food additive (Glutamyl-valyl-glycine)	All trading partners	Food Safety	Authorization of Glutamyl-valyl-glycine as a food additive and establishment of standards and specifications.	CODEX Alimentarius Commission
G/SPS /N/JP N/347	Ministry of Health, Labour and Welfare (MHLW)	Pesticides - Etofenprox	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: Etofenprox.	CODEX Alimentarius Commission
G/SPS /N/JP N/348	Ministry of Health, Labour and Welfare (MHLW)	Pesticides - Residues - Fenpyroximate	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Pesticide: Fenpyroximate.	CODEX Alimentarius Commission
G/SPS /N/JP N/349	Ministry of Health, Labour and Welfare (MHLW)	Pesticides - Residues - Doxycycline	All trading partners	Food Safety	Proposed maximum residue limits (MRLs) for the following agricultural chemical: Veterinary drug: Doxycycline.	None

G/SPS /N/JP N/350	Ministry of Health, Labour and Welfare (MHLW)	Food additive (Biotin)	All trading partners	Food Safety	Authorization of Biotin as food additives and establishment of standards and specifications.	CODEX Alimentarius Commission
G/SPS /N/JP N/351	Ministry of Health, Labour and Welfare (MHLW)	Milk and Milk Products	All trading partners	Food Safety	Proposed revision of compositional standards for milk and milk products (raw milk, cow's milk, special milk, pasteurized goat's milk, composition modified milk, low fat milk, skimmed milk, fermented milk, fermented milk drink, and milk drink).	None
G/SPS /N/JP N/352	Ministry of Agriculture, Forestry and Fisheries	Swine blood meal used as feed material	United States of America	Animal Health	In order to prevent PED virus and Porcine Delta Coronavirus from entering into Japan, the following requirements are temporarily added to the current requirements: 1. The swine blood meal to be exported to Japan from the	None

					<p>United States must be spray-dried using spray drier with a heat treatment at a temperature of at least 80°C</p> <p>2. When the swine blood meal arrives in Japan, it must have been under room temperature for at least 6 weeks since it was produced</p>	
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