

1506: Exclusion/Graduation from the GSP scheme

Aiming to ensure a wider uptake of GSP preferences, Japan prepares the system of “graduation” to a country having achieved economic development at developed country level, and “product-by-exclusion” to a product with high level of global competitiveness.

1. Partial Graduation

Considering its global competitiveness, the products originating from the beneficiary of a) which satisfy b) shall be excluded from application of the preferential treatment.

a) Criterion for countries/territories

The beneficiary is classified as a high income economy in the “World Bank Statistics” of the previous year.

b) Criterion for products

The value of Japan’s imports of the product originating from the beneficiary exceeds one billion yen and 25% of the total value of Japan’s imports of the product from all over the world in the trade statistics of two years ago (For example, in case of FY2011, the CY2009 statistics should be considered.).

After annual review at the beginning of each fiscal year, preferential tariff treatment shall be granted again when any of the above criteria is not satisfied.

2. Entire Graduation

A country or territory shall be excluded from the beneficiaries of Japan’s GSP scheme, when the country or territory has been classified in the “World Bank Statistics” as a high income country for three consecutive years.

In a case where the country or territory which had been once excluded from the beneficiaries has not been classified as a high income country for three consecutive years, the country or territory shall be designated to be a beneficiary again if the country or territory requests so.

(Article 8-2-2 of the Temporary Tariff Measures Law, Article 25-2-1 and 25-2-2 of the Cabinet Order for Enforcement of the Temporary Tariff Measures Law)

3. Product-by-Exclusion

A product originating from a beneficiary is excluded from the product coverage of the preferential treatment for three years. Conditions for this exclusion are as follows;

1) The average value of Japan’s import of a product originating from a beneficiary for the past three years exceeds 1.5 billion yen and 50% of the total value of Japan’s imports of the product from all over the world (For example, in the case of FY2011, statistics of the CY2007, CY2008 and CY2009 should be considered.).

However, either essential export products for a beneficiary that account for more than 25% of total imports granted under preferential treatment from that beneficiary or products for which Japan agreed to provide tariff concession at the rate more favourable than that of GSP in virtually concluded EPAs are not excluded.

Products under the special preferential treatment for LDCs are not subject to this exclusion.

By this condition, the following items originating from the respective country are currently excluded from the preferential tariff treatment.

(1) Agricultural and fishery products (HS1-24)

Tariff heading	Major items	Country
0706.90ex	Burdock (fresh or chilled)	China
0709.59ex	Matsutake (fresh or chilled)	China
0712.90-2ex	Dried bamboo shoots	China
0910.10-2-(2)ex	Ginger (not put up in containers for retail sale, other than those provisionally preserved in brine, in sulphur water or in other preservative solutions) (fresh)	China
0910.10-2-(2)ex	Ginger (not put up in containers for retail sale, other than those provisionally preserved in brine, in sulphur water or in other preservative solutions) (other than fresh)	China
1211.90-4ex	Others of other plants and parts of plants, of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes (fresh or dried) (other than sandal woods and job's tears)	China
1604.11ex	Salmon (prepared or preserved) (other than in airtight containers)	China
1604.15	Mackerel (prepared or preserved)	China
1604.19ex	Eel (prepared or preserved)	China
1604.19ex	Other fish (prepared or preserved)	China
1605.10-2ex	Crab (prepared or preserved) (other than in airtight containers) (other than those containing rice)	China
1605.90-2-(3)ex	Scallops (prepared or preserved) (other than those smoked)	China
1605.90-2-(3)ex	Other molluscs (prepared or preserved) (other than those smoked) (other than in airtight containers)	China
2001.90-2-(5)ex	Ginger (prepared or preserved by vinegar or acetic acid) (not containing added sugar)	China
2101.11-2-(2)	Extracts, essences and concentrates of coffee (not containing added sugar) (other than instant coffee)	Brazil
2206.00-2-(2)-B-(b)	Other fermented beverages (other)	China

(2)Industrial products (HS25-97)

Tariff heading	Major items	Country
2704	Coke and semi-coke of coal, etc.	China
2809	Diphosphorus pentaoxide; phosphoric acid; polyphosphoric acids	China
2825	Hydrazine, metal oxides, etc.	China
2827	Chlorides, bromides, iodides, etc.	China
2834	Nitrites; nitrates	China
2835	Phosphinates, phosphonates, polyphosphates, etc.	China
2839	Silicates, etc.	China
2841	Salts of oxometallic or peroxometallic acids	China
2843	Inorganic or organic compounds of precious metals, etc.	China
2849	Carbides	China
2904	Sulphonated derivatives of hydrocarbons, etc.	China
2938	Glycosides and derivatives	China
3505	Dextrins, other modified starches, etc.	Thailand
3604	Fireworks, signalling flares and other pyrotechnic articles	China
3801	Artificial graphite, preparations based on carbon, etc.	China
3802	Activated carbon, etc.	China
3806	Rosin, resin acids, run gums, etc.	China
3814	Organic composite solvents, prepared paint or varnish removers, etc.	China
3816	Refractory cements, etc.	China
3923	Articles of plastics for the conveyance or packing of goods, etc.	China
3924	Household articles and toilet articles (of plastics)	China
3926	Other articles of plastics	China
4412	Plywood, veneered panels and similar laminated wood	China
4419	Tableware and kitchenware, of wood	China
4420	Wood marquetry and inlaid wood, etc.	China
4421	Other articles of wood	China
4601	Plaits and similar products of plaiting materials, etc.	China
4602	Basketwork, etc.	China
5107	Yarn of combed wool, not put up for retail sale	China
5513	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m ²	China

5607	Twine, cordage, ropes and cables	China
5608	Knotted netting, fishing nets and other made up nets, of textile materials	China
5702	Carpets and other textile floor coverings, woven	China
5703	Carpets and other textile floor coverings, tufted	China
5705	Carpets and other textile floor coverings (not specified or included elsewhere)	China
5806	Narrow woven fabrics, etc.	China
6213	Handkerchiefs (not knitted or crocheted)	China
6214	Shawls, scarves, mufflers, etc. (not knitted or crocheted)	China
6216	Gloves, mittens and mitts (not knitted or crocheted)	China
6217	Other made up clothing accessories (not knitted or crocheted)	China
6301	Blankets and travelling rugs	China
6302	Bedlinens, etc.	China
6303	Curtains, etc.	China
6304	Other furnishing articles	China
6305	Sacks and bags, of a kind used for the packing of goods	China
6306	Tarpaulins, tents, sails for boats, etc.	China
6307	Other made up articles of textile materials	China
6505	Hats (knitted or crocheted) and hair-nets	China
6506	Other headgear	China
6601	Umbrellas	China
6702	Artificial flowers, foliage, fruit, etc.	China
6902	Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods	China
6907	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like	China
6908	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like	China
6911	Household articles and toilet articles, of porcelain or china:	China
6912	Ceramic household articles and toilet articles, other than of porcelain or china	China

7116	Articles of pearls, precious stones, etc.	China
7406	Copper powders and flakes	China
7411	Copper tubes and pipes	China
7607	Aluminium foil not exceeding 0.2mm	China
7907	Other articles of zinc	China
8104	Magnesium and articles thereof	China
8110	Antimony and articles thereof	China
8111	Manganese and articles thereof	China
8211	Knives with cutting blades, other than knives of heading 82.08, and blades therefor	China
8213	Scissors and blades therefor	China
8215	Kitchen or tableware, e.g., spoons, of base metal	China
8301	Padlocks, locks, etc. of base metal	China
8302	Base metal mountings, fittings, etc.	China
8306	Bells, statuettes, frames, mirrors, etc. of base metal	China
8544	Insulated wire, cable and other insulated electric conductors	China
9003	Frames for spectacles and parts thereof	China
9404	Mattress supports, articles of bedding , etc.	China
9405	Lamps, lighting fittings, etc. and parts thereof	China
9503	Dolls, toys, models, etc.	China
9505	Festive, carnival or other entertainment articles	China
9506	Articles and equipment for general physical exercise, etc.	China
9507	Line fishing tackle, etc.	China
9603	Brooms, brushes, paint pads and rollers, etc.	China
9608	Pens, e.g., ball point pens, sliding pencils, etc.	China
9613	Cigarette lighters and other lighters and parts thereof	China
9617	Vacuum flasks and other vacuum vessels and parts thereof	China

2) When a country or territory is judged to be against the conservation of certain species of fish by a Regional Fisheries Management Organization (RFMO), the products of the species originating from the beneficiary are excluded from the preferential treatment.

When the product which had been excluded due to 1) has not satisfied these criteria after three-years-exclusion and when the abovementioned judgement regarding 2) on the beneficiary be changed, preferential tariff treatment shall be granted again to the excluded products.