

(PROVISIONAL TRANSLATION)
EXTERNAL ECONOMIC MEASURES

MINISTERIAL CONFERENCE
FOR ECONOMIC MEASURES
APRIL 27, 1984

IN THE LIGHT OF THE RECENT ECONOMIC TRENDS AT HOME AND ABROAD, AS WELL AS THE STATUS IT OCCUPIES IN THE WORLD ECONOMY, JAPAN CARRIES AN IMPORTANT RESPONSIBILITY OF MAKING ACTIVE EFFORTS IN ORDER TO ATTAIN ECONOMIC GROWTH LED BY THE EXPANSION OF DOMESTIC DEMAND, TO MAINTAIN AND STRENGTHEN THE FREE TRADE SYSTEM, TO FORM HARMONIOUS EXTERNAL ECONOMIC RELATIONS, AND TO REVITALIZE THE WORLD ECONOMY.

IT IS FROM THIS VIEWPOINT THAT JAPAN HAS IMPLEMENTED A SERIES OF EXTERNAL ECONOMIC MEASURES, WHICH HAVE GRADUALLY STARTED TO SHOW EFFECT.

IN VIEW OF THE ROLE JAPAN SHOULD PLAY IN THE WORLD ECONOMY, THE GOVERNMENT CONSIDERS IT IMPORTANT TO CONDUCT EVEN MORE VIGOROUSLY SUCH POLICY MEASURES AS MARKET-OPENING, IMPORT PROMOTION, LIBERALIZATION OF FINANCIAL AND CAPITAL MARKETS, ENCOURAGEMENT OF INVESTMENT TO AND FROM JAPAN, AND SO FORTH. THUS, THE GOVERNMENT OF JAPAN HAS DECIDED TO IMPLEMENT THE FOLLOWING MEASURES FOR THE PENDING ISSUES IN JAPAN'S EXTERNAL ECONOMIC RELATIONS.

I. MARKET-OPENING AND IMPORT PROMOTION

1. REDUCTION OF TARIFF RATES

(1) ELIMINATION OR REDUCTION OF TARIFF RATES ON CERTAIN ITEMS

ALTHOUGH JAPAN'S TARIFF RATES ARE ALREADY MUCH LOWER THAN THOSE OF OTHER COUNTRIES, TARIFF RATES ON THE ITEMS LISTED IN APPENDIX 1 ARE TO BE ELIMINATED OR REDUCED FURTHER AS FROM FISCAL 1985 AND NECESSARY PROCEDURES WILL BE TAKEN TO THAT END.

- B. FRESH ORANGES
THE IMPORT QUOTAS ON FRESH ORANGES ARE TO BE INCREASED BY 11,000 TONS PER EVERY FISCAL YEAR, AS FROM FISCAL 1984 THROUGH FISCAL 1987.
- C. ORANGE JUICE
THE IMPORT QUOTAS ON ORANGE JUICE ARE TO BE INCREASED BY 500 TONS PER EVERY FISCAL YEAR, AS FROM FISCAL 1984 THROUGH 1987.
- D. GRAPEFRUIT JUICE
AS FOR GRAPEFRUIT JUICE, THE IMPORT QUOTAS ARE TO BE SET UP TO MEET THE ACTUAL DOMESTIC DEMAND FOR FISCAL 1984 AND FISCAL 1985, AFTER WHICH ITS IMPORT QUOTAS SYSTEM WILL BE ELIMINATED.

(2) FURTHER RELAXATION OF THE IMPORT RESTRICTIONS WILL BE UNDERTAKEN AS FOLLOWS.

- (A) IMPORT LIBERALIZATION
- (1) PREPARED OR PRESERVED PRODUCTS OF PIG MEAT OR OFFALS (WITHOUT BOVINE MEAT OR OFFALS): TO BE IMPLEMENTED AS FROM FISCAL 1985. (A PRICE DIFFERENTIAL DUTY SYSTEM WILL BE APPLIED ON PREPARED OR PRESERVED PRODUCTS CONSISTING SOLELY OF PIG MEAT OR OFFALS.)
- (II) HI-TEST MOLASSES AND OTHER SUGARS: TO BE IMPLEMENTED DURING FISCAL 1984.
- (III) FRUIT PUREE AND PASTE (EXCEPT OF CITRUS (EXCLUDING LEMON AND LIME), PINEAPPLE, PEACH, APPLE AND GRAPE): TO BE IMPLEMENTED DURING FISCAL 1984.
- (IV) FRUIT PULP (EXCEPT OF CITRUS (EXCLUDING LEMON AND LIME), PINEAPPLE, PEACH, APPLE AND GRAPE): TO BE IMPLEMENTED DURING FISCAL 1984.
- (V) FRUIT JUICES OF PRUNE, CHERRY, APRICOT, AND BERRIES (EXCLUDING BLUEBERRY AND STRAWBERRY) AND OF TROPICAL FRUITS (EXCLUDING PINEAPPLE): TO BE

FURTHERMORE, AS FOR WINE AND PAPER PRODUCTS (AS LISTED IN APPENDIX 1), EFFORTS WILL BE MADE AIMING AT THEIR TARIFF REDUCTIONS AS FROM FISCAL 1985: THE CONCRETE FIGURES OF THEIR TARIFF REDUCTIONS WILL BE FINALIZED AT AN EARLIEST POSSIBLE TIME.

(2) ADVANCED IMPLEMENTATION OF TARIFF REDUCTION IN THE TOKYO ROUND AGREEMENTS

TAKING INTO ACCOUNT THE ADVANCED IMPLEMENTATION BY OTHER INDUSTRIALIZED COUNTRIES OF TARIFF REDUCTION IN THE TOKYO ROUND AGREEMENTS, THE IMPLEMENTATION OF TARIFF REDUCTION ON INDUSTRIAL PRODUCTS IS TO BE ADVANCED BY TWO YEARS, AND THAT ON AGRICULTURAL PRODUCTS BY ONE YEAR, IN FISCAL 1985. NECESSARY PROCEDURES WILL BE TAKEN TO THAT END.

(3) EXTENSION OF TARIFF-EXEMPT ITEMS UNDER THE AGREEMENT ON TRADE IN CIVIL AIRCRAFT
NECESSARY PROCEDURES WILL BE TAKEN TO ACCEPT THE AMENDMENT OF THE ANNEX TO THE AGREEMENT ON TRADE IN CIVIL AIRCRAFT SO THAT AN ADDITIONAL NUMBER OF ITEMS WILL BE TARIFF-EXEMPT.

2. RELAXATION OF IMPORT RESTRICTIONS

(1) THE FOLLOWING MEASURES WILL BE TAKEN ON THE BASIS OF THE RESULTS OF CONSULTATIONS WITH THE COUNTRIES CONCERNED.

A. BEEF

THE IMPORT OF HIGH-QUALITY BEEF IS TO BE INCREASED BY 27,600 TONS OVER THE FOUR-YEAR PERIOD FROM FISCAL 1984 THROUGH FISCAL 1987.

- IMPLEMENTED DURING FISCAL 1984.
- (VI) OTHER FOOD PREPARATIONS CONTAINING ADDED SUGAR (EXCEPT THE CATEGORIES A) THROUGH D) BELOW): TO BE IMPLEMENTED DURING FISCAL 1984.
- A) ICE CREAM POWDER, PREPARED MILK POWDER FOR INFANTS AND OTHER PREPARATIONS MAINLY CONSISTING OF MILK,
- B) FOOD PREPARATIONS OF SEAMEEDS (GENUS PORPHYRA, ENTEROMORPHA, MONOSTROMA, KJELLMANIELLA AND LAMINARIA),
- C) "MOCHI" (RICE CAKE), COOKED RICE, ROASTED RICE FLOURS, ENRICHED RICE WITH VITAMIN, AND OTHER SIMILAR FOOD PREPARATIONS OF RICE, WHEAT AND BARLEY (INCLUDING NAKED BARLEY),
- D) FOOD PREPARATIONS CONTAINING, IN TERMS OF WEIGHT, 50-0/0 OR MORE OF SUGAR.
- (B) INCREASE IN QUANTITY OF IMPORT QUOTA, ETC.
- (I) DRIED LEGUMINOUS VEGETABLES:
MINIMUM IMPORT QUOTA ALLOCATION OF 55 MILLION DOLLARS OR 120,000 MT EACH YEAR FOR FISCAL 1984 AND FISCAL 1985.
- (II) GROUNDNUTS:
MINIMUM IMPORT QUOTA ALLOCATION OF ABOUT 55,000 MT EACH YEAR FOR FISCAL 1984 AND FISCAL 1985. ABOUT 60,000 MT IN FISCAL 1985.
- (III) CORNED BEEF (IN AIRTIGHT CONTAINERS)
50-0/0 INCREASE IN FISCAL 1984
- (IV) FRUIT PUREE AND PASTE:
FOR PORTIONS NOT LIBERALIZED, 2,000 MT IN FISCAL 1984

- (V) FRUIT PULP:
FOR PORTIONS NOT LIBERALIZED, 2,000 MT IN FISCAL 1984
- (VI) CANNED PINEAPPLE:
900,000 CASES EACH YEAR FOR FISCAL 1984 AND FISCAL 1985
- (VII) NON-CITRUS FRUIT JUICES:
GRAPE JUICE: MINIMUM IMPORT QUOTA ALLOCATION OF 3,500 MT EACH YEAR FOR FISCAL 1984 AND FISCAL 1985
APPLE JUICE: MINIMUM IMPORT QUOTA ALLOCATION OF 1,000 MT EACH YEAR FOR FISCAL 1984 AND FISCAL 1985
OTHER JUICES NOT LIBERALIZED (EXCLUDING PINEAPPLE JUICE): 1,000 MT IN FISCAL 1984
- (VIII) TOMATO JUICE:
5,000 KL IN FISCAL 1985
- (IX) TOMATO KETCHUP AND TOMATO SAUCE:
5,000 MT IN FISCAL 1985
3. IMPORT LIBERALIZATION AND DISTRIBUTION IMPROVEMENTS FOR MANUFACTURED TOBACCO PRODUCTS
THE BILLS SUCH AS THE TOBACCO BUSINESS BILL RELATED TO THE REFORM OF TOBACCO AND SALT MONOPOLY CORPORATION, SUBMITTED TO THE 101ST SESSION OF THE DIET, ARE TO ABOLISH THE TOBACCO MONOPOLY SYSTEM AS WELL AS TO TAKE THE FOLLOWING MEASURES AS REGARDS THE IMPORT AND DISTRIBUTION OF MANUFACTURED TOBACCO PRODUCTS.
- (1) IMPORT LIBERALIZATION
THE IMPORT AND WHOLESALE BUSINESS OF MANUFACTURED TOBACCO PRODUCTS ARE TO BE LIBERALIZED.
- (2) IMPROVEMENTS IN THE DISTRIBUTION SYSTEM
(A) FROM THE VIEWPOINT OF EASING BURDENS ON RETAIL OUTLETS AS A RESULT OF DRASTIC CHANGES IN THE DISTRIBUTION SYSTEM, THE NATIONWIDE UNIFORM RETAIL PRICE SYSTEM IS TO BE MAINTAINED FOR THE

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4. FURTHER IMPROVEMENTS IN STANDARDS AND CERTIFICATION SYSTEMS

(1) POSITIVE UTILIZATION OF FOREIGN TESTING ORGANIZATIONS

IN ORDER TO MAKE IT EASIER FOR FOREIGN FIRMS TO OBTAIN JAPAN'S CERTIFICATION UNDER THE FOLLOWING LAWS, TEST DATA FROM FOREIGN TESTING ORGANIZATIONS WHICH MEET CERTAIN REQUIREMENTS, INCLUDING TESTING ABILITY, WILL BE ACCEPTED. CLEAR GUIDELINES SETTING FORTH THESE REQUIREMENTS INCLUDING TESTING ABILITY, THE MODALITY OF ACCEPTING THE DATA, ETC. WILL BE DRAWN UP AND PUBLISHED WITH RESPECT TO EACH CERTIFICATION SYSTEM BY THE END OF 1984.

- (A) CONSUMER PRODUCT SAFETY LAW
- (B) LAW CONCERNING THE SECURING OF SAFETY AND THE OPTIMIZATION OF TRANSACTION OF LIQUEFIED PETROLEUM GAS
- (C) MEASUREMENT LAW
- (D) ELECTRICAL APPLIANCE AND MATERIAL CONTROL LAW
- (E) GAS UTILITY INDUSTRY LAW
(IMPLEMENTING MANUALS ON UTILIZATION OF TEST DATA FROM FOREIGN TESTING ORGANIZATIONS RELATING TO (A) TO (E) ABOVE HAVE BEEN PUBLISHED.)
- (F) HIGH PRESSURE GAS CONTROL LAW (ELIGIBILITY REQUIREMENTS HAVE ALREADY BEEN DRAWN UP FOR FOREIGN TESTING ORGANIZATIONS WHOSE DATA WILL BE ACCEPTED ON HIGH-PRESSURE GAS CONTAINERS.)
- (G) JAPAN INDUSTRIAL STANDARDIZATION LAW
(POLICY GUIDELINES HAVE ALREADY BEEN DRAWN UP FOR APPROVING FOREIGN TESTING ORGANIZATIONS TO DO FACTORY INSPECTIONS FOLLOWING JIS-LABELLING APPROVAL)

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TIME BEING. HOWEVER, THE COSTS FOR DISTRIBUTION AND OTHER COSTS CAN BE DETERMINED FREELY BY DEALERS, AND THE PRICE POLICIES ON IMPORTED TOBACCO PRODUCTS CAN BE FREELY DEVELOPED BY IMPORTERS.

(B) IMPORTERS OF MANUFACTURED TOBACCO PRODUCT WILL BE ABLE TO FREELY SELECT ANY RETAIL OUTLETS WITH WHOM THEY WANT TO DEAL.

PRIOR TO ENFORCEMENT OF THE LAWS RELATED TO THE REFORM OF TOBACCO AND SALT MONOPOLY CORPORATION, EFFORTS WILL BE MADE TO IMPROVE DISTRIBUTION OF IMPORTED TOBACCO PRODUCTS, INCLUDING THE INCREASE IN THE NUMBER OF THEIR RETAIL OUTLETS.

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(2) ACCEPTANCE OF FOREIGN TEST DATA AND INTERNATIONALIZATION OF JAPANESE STANDARDS

(A) IT HAS BEEN DECIDED TO INTRODUCE GOOD LABORATORY PRACTICES (GLP) FOR THE TESTING FOR NEW CHEMICAL SUBSTANCES FOR WHICH EXAMINATION IS SOUGHT UNDER THE LAW CONCERNING THE EXAMINATION AND REGULATION OF MANUFACTURE, ETC. OF CHEMICAL SUBSTANCES, AND AN ENGLISH-LANGUAGE PUBLICATION EXPLAINING THIS IS TO BE DRAWN UP AND PUBLISHED SOON.

GLP FOR TOXICITY TESTS ON AGROCHEMICALS WILL BE ADOPTED BY THE END OF FISCAL 1984, UNDER THE AGRICULTURAL CHEMICALS REGULATION LAW.

(B) ON THE ACCEPTANCE OF FOREIGN CLINICAL TEST DATA FOR PHARMACEUTICALS AND MEDICAL DEVICES SEEKING EXAMINATION UNDER THE PHARMACEUTICAL AFFAIRS LAW, FURTHER STUDY IS TO BE GIVEN TO THIS, INCLUDING TECHNICAL CONSULTATIONS WITH FOREIGN COUNTRIES ON SUCH QUESTIONS AS ETHNIC-BASED PHYSIOLOGICAL DIFFERENCES AND OTHER DIFFERENCES, AND AN INTERIM REPORT IS TO BE ISSUED BY THE END OF FISCAL 1984.

(C) ON THE TESTING FOR TYPE AUTHORIZATION UNDER THE ELECTRICAL APPLIANCE AND MATERIAL-CONTROL LAW, JAPAN HAS BECOME A PARTICIPANT IN THE MUTUAL RECOGNITION OF FOREIGN TESTING DATA SYSTEM (CB SYSTEM) OF THE INTERNATIONAL COMMISSION ON RULES FOR APPROVAL OF ELECTRICAL EQUIPMENT (CEE).

JAPAN IS ALSO PROMOTING HARMONIZATION WITH THE INTERNATIONAL ELECTROTECHNICAL COMMISSION (IEC) STANDARDS FOR THOSE ITEMS FOR WHICH THE EUROPEAN ELECTROTECHNICAL STANDARDIZATION COMMITTEE (CENELEC) IS PROMOTING HARMONIZATION WITH IEC STANDARDS.

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(H) AGRICULTURAL MECHANIZATION PROMOTION LAW (POLICY GUIDELINES HAVE ALREADY BEEN ANNOUNCED FOR ACCEPTING FOREIGN TEST DATA CONDUCTED BY TESTING ORGANIZATIONS DESIGNATED BY FOREIGN GOVERNMENTS IN ACCORDANCE WITH THE OECD TEST CODE AND ACCEPTED BY THE OECD.)

(I) LAW FOR IMPROVEMENT AND INCREASED PRODUCTION OF LIVESTOCK (ELIGIBILITY REQUIREMENTS HAVE ALREADY BEEN ANNOUNCED FOR THOSE TESTING ORGANIZATIONS WHICH ARE DEEMED TO BE OF THE SAME STANDING AS FOREIGN GOVERNMENT AGENCIES IN TERMS OF THE ISSUANCE OF THE NECESSARY CERTIFICATE ACCOMPANYING LIVESTOCK SEMEN FOR ARTIFICIAL INSEMINATION OR LIVESTOCK EMBRYOS.)

(J) LAW CONCERNING SAFETY ASSURANCE AND QUALITY IMPROVEMENT OF FEED

(K) LAW CONCERNING STANDARDIZATION AND PROPER LABELLING OF AGRICULTURAL AND FORESTRY PRODUCTS

(L) SHIP SAFETY LAW

(M) ROAD VEHICLES ACT

(N) PUBLIC TELECOMMUNICATIONS LAW (AND LIKEWISE WITH RESPECT TO THE TELECOMMUNICATIONS BUSINESS BILL IN THE EVENT IT IS ENACTED AND PUT INTO FORCE.)

(O) RADIO LAW

(P) FOOD SANITATION LAW (THE ELIGIBILITY REQUIREMENTS HAVE ALREADY BEEN ANNOUNCED FOR FOREIGN OFFICIAL TESTING ORGANIZATIONS WHOSE TEST DATA CAN BE ACCEPTED, WHEN IMPORTING FOODSTUFFS, ETC.)

(Q) INDUSTRIAL SAFETY AND HEALTH LAW

(R) FIRE SERVICE LAW

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FOR THE TECHNICAL STANDARDS FOR WHICH HARMONIZATION WITH THE IEC STANDARDS HAS BEEN ACHIEVED, AN ENGLISH-LANGUAGE PUBLICATION IS TO BE DRAWN UP AND PUBLISHED SOON EXPLAINING THE DEVIATION FROM THE IEC STANDARDS ARISING OUT OF THE DIFFERENCES IN VOLTAGES USED AND OTHER FACTORS.

SIMPLIFICATION AND SPEEDING UP OF CERTIFICATION PROCEDURES

- (A) THE UPPER LIMIT FOR ELIGIBILITY FOR THE HANDLING PROCEDURE FOR SMALL-QUANTITY MOTOR VEHICLES IS TO BE RAISED FROM 300 VEHICLES PER YEAR AT PRESENT TO 500 VEHICLES PER YEAR.
- (B) FOR APPROVAL FOR NEW PHARMACEUTICALS UNDER THE PHARMACEUTICAL AFFAIRS LAW, IT WILL SOON BE MADE POSSIBLE TO START EXAMINATION EVEN WHEN THE LONG-TERM STABILITY TESTS ARE NOT COMPLETED PROVIDED THAT THE ACCELERATED STABILITY TEST DATA ARE APPENDED TO THE MID-TERM REPORT ON THE LONG-TERM TESTING AND THAT LONG-TERM STABILITY TEST DATA ARE SUBMITTED FOR THE ALREADY-BEGUN EXAMINATION PROCESS ONCE THEY ARE AVAILABLE.

5. IMPORT PROMOTION OF MANUFACTURED GOODS

- (1) IMPLEMENTATION OF PROGRAMS TO PROMOTE MARKET PENETRATION OF SPECIFIC FOREIGN MANUFACTURED GOODS

UNDER COOPERATION BETWEEN PUBLIC AND PRIVATE SECTORS OF JAPAN AND OTHER COUNTRIES, PROGRAMS INTENDED FOR EXPORT TO JAPAN WILL BE IMPLEMENTED TO PROMOTE MARKET PENETRATION OF SPECIFIC FOREIGN MANUFACTURED GOODS, IN WHICH SURVEYS ON STRATEGIES TO INCREASE SALES OF SPECIFIC FOREIGN MANUFACTURED GOODS IN THE JAPANESE MARKET AS WELL AS ASSISTANCE IN EXPANDING THEIR MARKET SHARES IN JAPAN WILL BE CARRIED OUT.

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(2) SUPPORT FOR EXHIBITIONS OF FOREIGN MANUFACTURED GOODS

JAPAN EXTERNAL TRADE ORGANIZATION (JETRO) AND OTHER AGENCIES SHALL BE UTILIZED TO SUPPORT THE GERMAN EXHIBITION '84, THE FRENCH EXHIBITION, THE JAPAN-HOLLAND '84, AND OTHER SIMILAR EVENTS, AND EXHIBITIONS OF FOREIGN MANUFACTURED GOODS HELD BY LOCAL GOVERNMENTAL BODIES SUCH AS THE NAGOYA IMPORT FAIR.

THE MONTH OF OCTOBER 1984 SHALL BE DESIGNATED THE SECOND MANUFACTURED IMPORTS PROMOTION MONTH AND EFFORTS SHALL BE STRENGTHENED THROUGH JETRO AND THE MANUFACTURED IMPORTS PROMOTION ORGANIZATION (MIPRO) TO BETTER INFORM FOREIGN AUDIENCES OF JAPAN'S EFFORTS FOR IMPORT PROMOTION OF MANUFACTURED GOODS.

ENSURING CONSISTENCY WITH THE SPACCE DEVELOPMENT POLICY, AND

- (B) WITH RESPECT TO SATELLITES WHICH THE GOVERNMENT AND ITS RELATED AGENCIES MAY WISH TO BUY, WE WILL OPEN THE WAY FOR THE GOVERNMENT AND ITS RELATED AGENCIES TO PURCHASE EITHER IN JAPAN OR FROM ABROAD THOSE SATELLITES WHICH ARE NOT NECESSARY FOR THE AUTONOMOUS DEVELOPMENT OF TECHNOLOGY UNDER THE SPACE DEVELOPMENT POLICY.

2. TELECOMMUNICATION BUSINESS

- (1) THE TELECOMMUNICATION BUSINESS BILL WHICH HAS BEEN SUBMITTED TO THE 101ST SESSION OF THE DIET IS DESIGNED TO INTRODUCE THE IDEA OF COMPETITION INTO THE TELECOMMUNICATION MARKET, THEREBY UTILIZING THE VITALITY OF THE PRIVATE SECTOR. THUS, WITH REGARD TO THE CLASS II TELECOMMUNICATION BUSINESS, THERE IS NO RESTRICTION ON THE PARTICIPATION OF FOREIGN CAPITALS, AND THE PRINCIPLE OF NON-DISCRIMINATION BETWEEN JAPANESE AND FOREIGN FIRMS IS SET FORTH. WHEN THE BILL IS PASSED, EFFORTS WILL BE MADE, AS REGARDS SUCH MEASURES AS REGISTRATION, NOTIFICATION AND SO FORTH CONCERNING THE CLASS II TELECOMMUNICATION BUSINESS, TO ENSURE THEIR SIMPLICITY AND TRANSPARENCY AS WELL AS TO DULY APPLY THE LAW, GIVING CONSIDERATION TO FREE ENTRY AND FREE BUSINESS ACTIVITIES BY FIRMS WITH FOREIGN CAPITALS.

IT IS DESIGNED IN THE SAID BILL THAT EXAMINATIONS ARE TO BE MADE WITHIN THREE YEARS AS TO HOW THE LAW IS BEING IMPLEMENTED AND THAT NECESSARY MEASURES ARE TO BE TAKEN ON THE BASIS OF THE RESULTS OF THE EXAMINATIONS.

- (2) UPON THE ENACTMENT OF THE NIPPON TELEGRAPH AND TELEPHONE COMPANY BILL, WHICH HAS BEEN SUBMITTED TO THE 101ST SESSION OF THE DIET, THE NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION WILL BE TRANSFORMED

11. MARKET-OPENING IN THE HIGH-TECHNOLOGY SECTOR

1. TELECOMMUNICATIONS SATELLITES, ETC

- (1) PURCHASE OF FOREIGN-MADE COMMUNICATIONS SATELLITES BY PRIVATE FIRMS

UNDER THE TELECOMMUNICATION BUSINESS BILL AND ITS RELATED BILLS CURRENTLY SUBMITTED TO THE 101ST SESSION OF THE DIET, PRIVATE FIRMS ARE TO BE PERMITTED TO ENGAGE IN TELECOMMUNICATION BUSINESS.

WHEN THESE BILLS ARE ENACTED, CASES CAN EMERGE IN WHICH PRIVATE FIRMS PURCHASE COMMUNICATIONS SATELLITES AND ENGAGE IN TELECOMMUNICATION BUSINESS IN ACCORDANCE WITH THE PROCEDURES OF THE RELEVANT DOMESTIC LAWS AND REGULATIONS. THIS WILL OPEN THE WAY FOR PRIVATE FIRMS TO PURCHASE FOREIGN-MADE COMMUNICATIONS SATELLITES. NECESSARY MEASURES WILL BE TAKEN TO THIS END.

- (2) PURCHASE OF COMMUNICATIONS SATELLITES IN THE EVENT NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION IS TRANSFORMED INTO NIPPON TELEGRAPH AND TELEPHONE COMPANY, INC., AND PURCHASE OF SATELLITES BY THE GOVERNMENT AND ITS RELATED AGENCIES

JAPAN WILL CONTINUE TO PURSUE THE POLICY OF AUTONOMOUS DEVELOPMENT OF TECHNOLOGY IN SATELLITES. HOWEVER, IN THE FUTURE,

- (A) WITH RESPECT TO COMMUNICATIONS SATELLITES WHICH NIPPON TELEGRAPH AND TELEPHONE COMPANY, INC. MAY WISH TO BUY IN THE EVENT NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION IS TRANSFORMED INTO NIPPON TELEGRAPH AND TELEPHONE COMPANY, INC., WE WILL OPEN THE WAY FOR THE COMPANY TO PURCHASE THESE SATELLITES EITHER IN JAPAN OR FROM ABROAD ON ITS OWN JUDGMENT, WHILE

JAPAN WILL PURSUE THIS COURSE OF LIBERALIZATION AND INTERNATIONALIZATION INDEPENDENTLY, ACTIVELY, AND STEADILY IN CONCRETE TERMS, TAKING INTO ACCOUNT ECONOMIC, FINANCIAL AND OTHER CIRCUMSTANCES AT HOME AND ABROAD. PROSPECTS FOR THE FUTURE ON THIS MATTER WILL BE DRAWN UP AND ANNOUNCED AS SOON AS POSSIBLE.

IV. PROMOTION OF INTERNATIONAL INVESTMENT

1. IMPROVED SYSTEM OF INFORMATION DISSEMINATION
THE HEADQUARTERS FOR PROMOTION OF INDUSTRIAL COOPERATION IS TO BE ESTABLISHED WITHIN JETRO, HEADED BY ITS PRESIDENT. THIS INSTITUTION, IN CLOSE COOPERATION WITH THE COMPETENT GOVERNMENT ORGANIZATIONS, LOCAL GOVERNMENT BODIES, AND PRIVATE BUSINESS, AIMS AT STRENGTHENING THE FUNCTIONS OF DISSEMINATING INFORMATION ON DIRECT INVESTMENT EXCHANGES AS WELL AS PROVIDING THOROUGH ASSISTANCE OVER THE DOMESTIC PROCEDURAL MATTERS RELATED TO DIRECT INVESTMENT IN JAPAN.
THE FUNCTION OF INFORMATION DISSEMINATION ON DIRECT INVESTMENT IN JAPAN BY COMPETENT MINISTRIES AND AGENCIES IS TO BE STRENGTHENED.

2. STRENGTHENING THE OTO SYSTEM
THE OFFICE OF TRADE OMBUDSMAN (OTO) IS TO BE STRENGTHENED AND ITS MANDATE BROADENED AS EXPLAINED IN THE APPENDIX 2. ATTACHED HERETO TO IMPROVE THE INSTITUTIONAL ARRANGEMENTS FOR DEALING WITH COMPLAINTS REGARDING DIRECT INVESTMENT PROCEDURES IN JAPAN AND OTHER RELATED MATTERS.

3. SUPPORT FOR INVESTMENT PROMOTION MISSIONS
ACTIVE SUPPORT IS TO BE PROVIDED TO INVESTMENT MISSIONS, BOTH THOSE SENT OVERSEAS BY JAPAN'S LOCAL GOVERNMENT BODIES SEEKING TO INVITE INVESTMENT IN JAPAN AND THOSE SENT TO JAPAN BY FOREIGN GOVERNMENTS OR OTHER BODIES SEEKING TO ENCOURAGE JAPANESE INVESTMENT IN THEIR COUNTRIES. MISSIONS WILL BE SENT OVERSEAS IN ORDER TO PROMOTE JAPANESE DIRECT-INVESTMENT ABROAD.

INTO THE NIPPON TELEGRAPH AND TELEPHONE, INC. IN THE CONDUCT OF BUSINESS BY THE SAID NEW COMPANY, CONSIDERATION WILL BE GIVEN SO THAT A FAIR COMPETITION BETWEEN THE SAID COMPANY AND OTHER TELECOMMUNICATION BUSINESS ENTITIES WILL BE ENSURED.

3. SOFTWARE PROTECTION
AS FOR THE PROTECTION OF SOFTWARE RIGHTS, FURTHER COORDINATION OF VARIOUS VIEWPOINTS WILL BE MADE IN SEARCH OF BETTER WAYS OF PROTECTING SUCH RIGHTS, NOTING THE NEED FOR INTERNATIONAL HARMONY. THE SUBMISSION OF A BILL TO THE PRESENT SESSION OF THE DIET WILL NOT BE ADHERED TO.

III. PROMOTION OF THE LIBERALIZATION OF FINANCIAL AND CAPITAL MARKETS AND THE INTERNATIONALIZATION OF YEN

WITH THE CHANGES IN SOCIO-ECONOMIC STRUCTURES AS WELL AS ADVANCES IN THEIR INTERNATIONALIZATION, JAPAN'S FINANCIAL AND CAPITAL MARKETS HAVE UNDERGONE STEADY LIBERALIZATION SUCH AS LIBERALIZATION OF INTEREST RATES, RELAXATION OF THE CONDITIONS FOR ISSUANCE OF PUBLIC BONDS AND CORPORATE DEBENTURES, DIVERSIFICATION OF BUSINESS, AND SO FORTH.

ALONG WITH THIS TREND, THE SCALE OF FINANCIAL FLOWS HAS BEEN EXPANDING, AND INTERNATIONALIZATION OF YEN IS GRADUALLY PROCEEDING.

IN RESPONSE TO THESE ENVIRONMENTAL CHANGES, JAPAN HAS BEEN TAKING VARIOUS ADMINISTRATIVE MEASURES OF LIBERALIZATION AND RELAXATION. IN THE RECENT COMPREHENSIVE ECONOMIC MEASURES, FOR INSTANCE, VARIOUS MEASURES HAVE BEEN TAKEN, INCLUDING THOSE WHICH REQUIRE AMENDMENTS IN THE RELEVANT LAWS.

LIBERALIZATION OF FINANCIAL AND CAPITAL MARKETS AND INTERNATIONALIZATION OF YEN WILL CONTRIBUTE TO BRINGING ABOUT GREATER EFFICIENCY IN THE JAPANESE ECONOMY. ALSO JAPAN SHOULD DISCHARGE ITS INTERNATIONAL RESPONSIBILITY COMMENSURATE WITH ITS STATUS IN THE WORLD ECONOMY. THUS

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4. PROCEDURAL IMPROVEMENTS TO PROMOTE DIRECT INVESTMENT
IN JAPAN

EFFORTS ARE TO BE MADE TO FURTHER EXPEDITE THE
PROCESSING OF APPLICATIONS FOR REGISTRATION OF DIRECT
INVESTMENT IN JAPAN.

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V. ENERGY

ON THE BASIS OF THE LONG-TERM OUTLOOK FOR ENERGY
SUPPLY AND DEMAND, AND RESPECTING AUTONOMY OF THE PRIVATE
SECTORS, AS WELL AS TAKING INTO ACCOUNT THE COMMERCIAL
FEASIBILITY AND STABILITY OF SUPPLY, EFFORTS ARE TO BE
MADE TO ENHANCE JAPAN'S COOPERATIVE RELATIONSHIP WITH THE
ENERGY-SUPPLYING COUNTRIES. AS PART OF SUCH EFFORTS,
FOLLOW-UP MEASURES OF JAPAN-U.S. JOINT POLICY STATEMENT ON
ENERGY COOPERATION ANNOUNCED BY JAPAN-U.S. ENERGY WORKING
GROUP IN NOVEMBER, 1983, ARE TO BE TAKEN. THESE INCLUDE
THE VISIT TO THE UNITED STATES BY A PRIVATE-SECTOR COAL
MISSION, ENCOURAGEMENT OF FEASIBILITY STUDY ON ENERGY
RESOURCE EXPLOITATION.

VI. FOREIGN LAWYERS' ACTIVITIES IN JAPAN

ON THE QUESTION OF FOREIGN LAWYERS' ACTIVITIES IN
JAPAN, THE JAPAN FEDERATION OF BAR ASSOCIATIONS IS MAKING
FURTHER EFFORTS TO COME TO A DOMESTICALLY AND
INTERNATIONALLY APPROPRIATE CONCLUSION, AS EARLY AS
POSSIBLE. WHILE RESPECTING THE INITIATIVE OF THE
FEDERATION, THE GOVERNMENT WILL WORK TO HAVE AN
APPROPRIATE SOLUTION MATERIALIZED AS EARLY AS POSSIBLE.