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Committee on Trade and Development

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## GENERALIZED SYSTEM OF PREFERENCES

### NOTIFICATION BY JAPAN

#### *Addendum*

The following communication, received on 28 June 2022, is being circulated at the request of the delegation of Japan.

#### 1 PURPOSE OF JAPAN'S GSP

1. The Generalized System of Preferences (GSP) applies reduced tariffs on designated imported goods originating from developing countries or territories, with the aim of helping them increase their export income, advance their industrialization and promote their economic development. Japan is properly managing GSP from the viewpoint of contributing to the economic development of developing countries.

#### 2 ADDITIONAL CRITERIA FOR GRADUATION OF THE GSP SCHEME

2. In 2017, Japan has introduced additional criteria for Partial Graduation and Entire Graduation with the current GSP scheme, in light of providing more balanced market access opportunities among GSP beneficiaries. The additional criteria are underlined below.

##### *(1) Partial Graduation*

Considering its global competitiveness, the products originating from the beneficiary shall be excluded from application of the preferential treatment, if the conditions (a) and (b) below are satisfied.

##### (a) Criterion for countries/territories

(i) The beneficiary is classified as a high income economy in the World Bank Statistics of the previous year.

OR

(ii) The beneficiary is classified as an upper middle-income economy in the World Bank Statistics of the previous year, AND, the value of beneficiary's exports exceeds 1% of the total value of the world exports in the WTO World Trade Statistics Review of two years ago.

##### (b) Criterion for products

The value of Japan's imports of the product originating from the beneficiary exceeds one billion yen, AND, the said value exceeds 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.

(2) *Entire Graduation*

A country or territory shall be excluded from the list of beneficiaries of Japan's GSP scheme, if the conditions (a) or (b) below are satisfied.

(a) The beneficiary has been classified as a high income country in the World Bank Statistics for three consecutive years.

OR

(b) The beneficiary has been classified as an upper middle-income economy in the World Bank Statistics for three consecutive years, AND, the value of beneficiary's exports has been above 1% of the total value of the world exports in the WTO World Trade Statistics Review for three consecutive years.

**3 REVISION OF THE LIST OF BENEFICIARIES**

3. Pursuant to the criterion for Entire Graduation described above, Panama was excluded from the list of beneficiaries of Japan's GSP Scheme on 1 April 2022.

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