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TRADE AND DEVELOPMENT BOARD

GENERALIZED SYSTEM OF PREFERENCES

Scheme of Japan

Improvement in the rules of origin of Japan's GSP scheme

Note by the UNCTAD secretariat

The UNCTAD secretariat has received from the Japanese Permanent Mission the following communication containing an explanatory note on a recent improvement in the rules of origin of Japan's generalized system of preferences scheme:

"1. Under the present rules of origin of Japan's GSP, 'Articles of apparel and clothing accessories, not knitted or crocheted', coming under HS Chapter 62 have been considered as originating from a GSP beneficiary and as thus eligible for GSP, only in the case that they are manufactured from textile yarn within the beneficiary. In other words, eligible for GSP are only the articles whose two stages of manufacturing process, namely, from textile yarn to fabrics and from fabrics to apparel, are both made within the beneficiary.

2. The amendment of the rules of origin this time relaxes the rule in a way that the articles falling under HS chapter 62 are eligible for GSP even in the case that they are manufactured from fabrics within a beneficiary.

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But there are some exceptions to the new rule, which are still under the previous conditions. 'Handkerchiefs' of HS heading No. 62.13 and 'Shawls, etc.' of No. 62.14 have to be manufactured from material of fibre (chemical products, etc.), and 'Ties, etc.' of No. 62.15, 'Gloves, etc.' of No. 62.16 and 'Other made up clothing accessories, etc.' of No. 62.17 have to be manufactured from textile yarn within a beneficiary. <u>1</u>/

3. This amendment has been made to respond to the development of international specialization in textile industry. It is expected to increase the number of cases where textile products exported to Japan from developing countries would be considered GSP-eligible.

4. This amendment comes into effect after the 1st of November 1993".

1/ See Annex.

Annex

| H.S. Heading No. | Products | Conditions for origin country acknowledgement |
|---------------------|---|--|
| ex.Chapter 62 | Articles of apparel and clothing accessories, not knitted or crocheted, other than those of heading Nos. 62.13 to 62.17 | Manufactured from woven fabrics, felt, non-wovens, knitted or crocheted fabrics or lace of Chapters 50 to 56 or 58 to 60 |
| 62.13 | Handkerchiefs | Manufactured from chemical products, from products of heading Nos. 47.01 to 47.06, or 50.01, or from natural textile fibres (except raw silk), man-made staple fibres or textile fibre waste |
| 62.14 | Shawls, scarves, mufflers, mantillas, veils, and the like | Manufactured from chemical products, from products of heading Nos. 47.01 to 47.06, or 50.01 or from natural textile fibres (except raw silk), man-made staple fibres or textile fibre waste |
| 62.15 | Ties, bow ties and cravats | Manufactured from textile yarn |
| 62.16 | Gloves, mittens and mitts | Manufactured from textile yarn |
| 62.17 | Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading No. 62.12 | Manufactured from textile yarn |

List of processed products for which the condition for origin acknowledgement is specified; The extract of the amended part
