

(Appendix 3)

OTO Activities in and after FY 2004

March 29, 2004

Market Access Ombudsman Council

As a decade has passed since the enhancement of the OTO framework in 1994, the situation surrounding Japan's market access problems has changed. While dispute-settlement procedures within a multilateral framework have been enhanced since the creation of the World Trade Organization in 1995, Free Trade Agreements have recently been globally given high trade policy priority. Japan's external trade frictions have generally calmed down during this period. Accordingly, the number of complaints brought to the OTO Secretariat has been on a declining trend.

In spite of such changes, similar complaints have been repeatedly brought to the OTO Secretariat. In consideration of this situation, the Market Access Ombudsman Council examined the Office of Market Access decisions in the current fiscal year in order to confirm whether complaints have finally been solved. A pending problem is that deliberations on past complaints have not necessarily been utilized for later complaints.

As the OTO framework fetes the 10th anniversary of its enhancement, the OTO is required to address changes as discussed above and pending problems. In and after fiscal 2004, therefore, the Market Access Ombudsman Council will take actions in accordance with the following guidelines in order to improve access to Japan's markets efficiently and effectively.

Action Guidelines in and after Fiscal 2004

(1) Enhancement of Response to Individual Complaints

- While the number of complaints has been declining, many problems being raised in recent complaints tend to be related to the international harmonization of standard and certification systems and others that are similar to those raised in the past. Regarding complaints that are linked closely to standard and certification systems, therefore, the Market Access Ombudsman Council will positively take advantage of deliberations at the Grievance Resolution Committee and have the MAOC Experts Conference deliberate on complaints as necessary, in order to compile its recommendations.

(2) Improving the MAOC Recommendations

- In compiling recommendations, the MAOC will try not only to call for specific actions for individual problems but also to consider existing problems' relations with past deliberations and an application of deliberations on past problems to similar existing problems.

- Especially when compiling recommendations on important problems, the MAOC will try to look into the root causes of problems and pursue fundamental solutions, instead of giving priority to compiling recommendations for the OMA's single-year decisions. As for problems for which the OMA fails to reach decisions on specific actions, the MAOC will repeatedly conduct examinations in accordance with the policy given in the report on the Comprehensive Review of OTO Cases (March 2003).

(3) Activities Giving Considerations to Japan's External Economic Policy

a) Enhanced Response to Requests from Foreign Governments

- Complaints raised by foreign embassies and the like in Tokyo are mostly related to Japan's standard and certification systems and the like, and the OTO framework has been created against the background of Japan's external economic frictions. Based on this, the MAOC will give priority to using deliberations at the Grievance Resolution Committee and the Experts Conference, as discussed in (1) above, for addressing complaints emphasized by foreign embassies and the like in

Japan.

- The OTO Secretariat will try to deepen cooperation with foreign embassies in Tokyo and encourage them to exploit the OTO framework. Since foreign governments and the like have increasingly exploited non-OTO frameworks, including the Council for Regulatory Reform, the World Trade Organization's dispute settlement procedures and its committee deliberations, the MAOC will try to grasp requests made through non-OTO frameworks and specify the whole picture of standard and certification problems and the like between Japan and specific foreign countries.

- Based on reports from the OTO Secretariat, the MAOC will conduct interviews with foreign embassies and chambers of commerce in Japan about market access problems, if necessary.

b) Intensive Region-by-Region Deliberations

- In compiling recommendations, the MAOC will give priority to region-by-region deliberations in consideration of progress and deepening in regional economic integration in the world. The MAOC will also try to position specific problems in the whole of Japan's market access issue and specify implications of deliberation results for Japan's external economic policy.

(Annex) Compilation of Fiscal 2004 (Eighth) MAOC Report

Based on the above guidelines, the MAOC will compile the fiscal 2004 MAOC report (the MAOC recommendations) as follows.

(1) Before deliberations at the MAOC, the OTO Secretariat will conduct interviews with embassies and the like from pre-determined regions about their market access requests including those made through non-OTO frameworks. In fiscal 2004 as the first year for MAOC activities based on the above guidelines, candidate regions for intensive deliberations may include North America, which has dominated complaints brought to the OTO, as well as East Asia, which is expected to deepen economic relations with Japan.

(2) The Secretariat will report to the MAOC a summary of requests from foreign embassies and the like in Japan and individual complaints that include important issues.

(3) Based on reports from the Secretariat, the MAOC will convene meetings of the Experts Conference to address priority requests and complaints and compile opinions. More over, the MAOC will conduct interviews with foreign embassies and chambers of commerce in Japan about their requests, if necessary.

(4) In order to specify individual problems' positions in the whole of Japan's market access issue and implications of deliberation results for Japan's external economic policy in the MAOC report, the MAOC will make specific reference to 1] present economic relations and talks between Japan and the regions in question, 2] relevant requests concerning the regions in question and 3] relevant past deliberations at the OTO and similar problems.