

India asks Japan to reduce regulatory barriers to trade at WTO review

MAJOR CONCERN. 'Some of Japan's restrictive policies are hurdles to economic partnership reaching full potential'

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New Delhi

India has asked Japan to review its stringent technical quality regulations in sectors such as textiles and apparels as well as market access restrictions in areas like IT, pharmaceuticals and steel, as part of Tokyo's trade policy review carried out by the WTO.

The regulations and restrictions imposed by Japan have resulted in excessive cost burden and barriers to exports of goods and services, India's representative pointed out at the review meet.

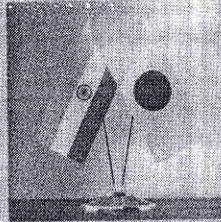
"While Japan remains an open economy, some of the policies that are restrictive in nature are coming in the way of realising the full potential of our economic partnership," the Indian representative commented.

TECHNICAL BARRIERS

India also pointed out that Japan imposed high tariffs on

POINTS TO PONDER

- The regulations and restrictions imposed by Japan have resulted in excessive cost burden and have acted as barriers to exports of goods and services
- Japan has imposed high tariffs on food products such as wheat, rice and vegetables, which need to be brought down



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Although India and Japan entered into a Comprehensive Economic Partnership Agreement (CEPA) in 2011 extending duty free/low duty market access to most items, Indian exporters have not been able to take advantage of it mainly because of quality and technical barriers and other restrictions in the Japanese market.

In fact, India's exports to

Japan declined to \$5.46 billion in 2022-23 from \$6.33 billion in 2011-12. On the other hand, its imports from Japan increased to \$16.49 billion in 2022-23 from \$11.96 billion in 2011-12, per Commerce Ministry figures. This has resulted in a huge trade deficit for India.

"India has been bilaterally taking up its concerns with Japan on the issue of regulatory barriers for some time but raising it at the WTO, where other countries too

are complaining about it, helps to build pressure," a source said.

Japan's trade policy is reviewed at the WTO every two years as it is amongst the top four members with largest share of world trade. The next 16 are reviewed every four years while the rest of the member countries have the review process every six years. The details of this review, carried out in March, were made available recently.

Noting that other countries, too, had similar concerns about Japanese regulations, India said that Japan needed to act on these. "We hope that Japan will review these requirements to make them simpler, and reduce the regulatory barriers to trade, consistent with international norms and standards," the Indian representative said.

ON REGULATIONS

In its reply, Japan acknowledged that several members referred to its measures regarding the Technical Barriers to Trade (TBT) Agree-

ment, specifically its compliance with international standards.

"In general, they are based on relevant international standards, to the maximum extent possible, in accordance with the TBT Agreement. Regarding Japanese Industrial Standards and Japan Agricultural Standards, 97 per cent and 77 per cent of them are harmonised with relevant international standards," the Japanese representative stated.