



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

MATERIALS

ISSUES AND RECOMMENDATIONS



Tax

TARIFF ISSUES



Tariff Issues

YEARLY STATUS REPORT: Progress

- ❑ Currently, Japan imposes tariffs on some metals.
- ❑ These metals are in many cases essential for Japan's core industries, including the vehicle, battery and more traditional steel industries.
- ❑ Tariffs constrain the competitiveness of Japanese manufacturing, a sector already under pressure from low-cost countries.
- ❑ Removal of import tariffs is, therefore, imperative for Japan to retain its competitive edge.
- ❑ For the stainless steel industry, where the cost of nickel accounts for 40% of total production costs, the tariff plays a major role in determining competitiveness.



Tariff Issues

YEARLY STATUS REPORT: Progress

- ❑ The same can be said for the battery and photovoltaic sectors, where it makes little sense to penalise companies with an additional cost added through a tariff, and for silicon carbide and manganous manganic oxide, where domestic production accounts for only 10% of demand.
- ❑ Moreover, industrial materials imported into Japan are occasionally subjected to arbitrary tariff classifications and revisions.
- ❑ Regional Customs offices do not apply classification rules on a consistent basis and the appeal mechanism is both time-consuming and costly, without any guarantee that the outcome will be in line with international practice.
- ❑ This is a problem not only for products entering the market for the first time, but also for well-established products subject to arbitrary classification reviews.



Tariff Issues

RECOMMENDATIONS

- ❑ The Government of Japan should remove import tariffs from all industrial raw materials, irrespective of the site of production, including:
 - nickel products and aluminium, such as semi-fabricated and flat-rolled aluminium,
 - fused aluminium oxide, silicon carbide, and manganous manganic oxide, and
 - non-organic chemicals and polymers.

- ❑ The Government of Japan should rationalise its tariff classification regime and develop a comprehensive strategy to improve consistency between regional Customs offices in classification rulings and to strengthen and simplify dispute resolution mechanisms.



A close-up photograph of a pile of white, crystalline powder, likely a chemical substance, resting on a dark, textured surface. The powder is piled in the center, with some smaller clumps scattered around it. The lighting is dramatic, highlighting the texture of the crystals against the dark background.

CHEMICAL SUBSTANCE CONTROL LAW

Chemical Substance Control Law

YEARLY STATUS REPORT: Some Progress

- ❑ With both the EU and Japan now having introduced their own chemical substance registration systems, producers, exporters and importers are faced with re-testing, double submissions and an increased administrative burden to fulfil the respective regulations.
- ❑ On top of this, the EBC is concerned that in some cases, in order for a European product to be tested and approved for sale in Japan, commercially sensitive information has to be handed over to Japanese competitors.
- ❑ This gives the competitors an undeserved advantage and creates unfair competition.

Chemical Substance Control Law

RECOMMENDATION

- ❑ Japan and the EU should harmonise their registration systems or mutually recognise test results and supporting documents to avoid unnecessary re-testing and administrative burdens, and also make certain that products are not classified differently in the two jurisdictions.

The background features a light gray gradient with a central white horizontal band. Overlaid on this is a faint, stylized chemical structure of a benzene ring. Each of the six carbon atoms in the ring is represented by a gray hexagon with a dark gray question mark inside. The text is centered on the white band.

WORKERS' SAFETY LABELLING FOR CHEMICALS

Workers' Safety Labelling for Chemicals

YEARLY STATUS REPORT: No Progress

- When products are not registered in Japan, despite having a CAS number, MHLW does not consider the actual nature of the substance but applies a warning label based either on the individual components or on the most similar substance that is already registered in Japan.
- This can lead to compounds being unnecessarily labelled as dangerous.
- There is, furthermore, a lack of information in English on this legislation.

Workers' Safety Labelling for Chemicals

RECOMMENDATIONS

- MHLW should give due consideration to compounds not currently registered in Japan that nevertheless have an international CAS number.
- MHLW should provide proper information on how importing companies should comply with its regulations, including in English.

