

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 3/20/2019

GAIN Report Number: JA9030

Japan

Post: Tokyo

Japan Invokes Special Safeguard for Cornstarch

Report Categories:

Grain and Feed
Trade Policy Monitoring
WTO Notifications

Approved By:

Christopher Riker

Prepared By:

Keiko Fujibayashi

Report Highlights:

On February 7, 2019, Japan notified the World Trade Organization that it was invoking a volume-based special safeguard on imports of cornstarch (HS code 110812) – see [G/AG/N/JPN/234](#). Between April and December 2018, Japan imported 1,038 MT of cornstarch which exceeded its trigger level for implementation of a special safeguard. Accordingly, Japan is imposing additional duties (an additional one third of the normal duties) from February 1 to March 31, 2019.

General Information:

On February 7, 2019, Japan notified the World Trade Organization that it was invoking a volume-based special safeguard on imports of cornstarch (HS code 110812) – see [G/AG/N/JPN/234](#) and Attachment 1. Between April and December 2018, Japan imported 1,038 MT of cornstarch which exceeded the 922.8 MT trigger level for implementation of a special safeguard (NOTE: the safeguard is triggered when imports exceed 125 percent of the average import volume of the last three years). Accordingly, Japan is imposing additional duties (an additional one third of the normal duties of 25 percent or 119 yen/kg) from February 1 to March 31, 2019 (the remainder of the Japanese fiscal year¹).

Tariffs Applied to Japanese Imports of Cornstarch

HS	Product	WTO duty		CPTPP	Japan-EU EPA
		In quota duty	Out of quota duty		
110812010	Cornstarch for manufacturing starch sugar, dextrin, dextrin glue, dissolve starch, roasted starch, and starch glue (WTO Pooled Quota)	Free			
110812020	Cornstarch for other use than HS110812010 (WTO Pooled Quota)	25%		23.8%	
110812091	Imported within the FTA quotas for manufacturing starch sugar, dextrin, dextrin glue, dissolve starch, roasted starch or starch glue		119 yen/kg	Free	Free
110812099	Other		119 yen/kg	12.5% for the Pooled quota, 119 yen/kg for outside the Pooled quota	12.5% for the Pooled quota

Source: http://www.customs.go.jp/english/tariff/2019_2/data/e_11.htm

Note: HS110812090 was replaced by HS110812091 and HS110812099 on December 30, 2018.

From April to December 2018, Japan imported 1,038 MT of cornstarch, including 42.2 percent (438 MT) from Australia, 32.3 percent (336 MT) from the Netherlands, and 9.6 percent (100 MT) from South Korea. Japan imported 29 MT from the United States, accounting for 2.8 percent of the import share during this period.

By HS code, 571 MT was imported outside of the WTO Pooled Duty-Free Quota² (HS110812090) and 427 MT and 40 MT were imported within the WTO Pooled Quota via HS110812020 and HS110812010,

¹ The Japanese fiscal year runs from April through March.

² Additional information on the quota system for cornstarch imports can be found in [JA8102](#).

respectively. In January 2019, only product from Australia and Italy (66 MT and 4 MT, respectively) was imported under HS110912099.

Despite their imports contributing to the safeguard trigger, the special safeguard does not apply to imports within the Tariff Rate Quota or to imports from Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries³ or EU member states.

³ Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

ATTACHMENT 1

NOTIFICATION

The following submission, dated 7 February 2019, is being circulated at the request of the delegation of **Japan**. The notification concerns the volume-based special safeguard (**Table MA:3**) .

Table MA:3

MARKET ACCESS - JAPAN

Notification under Article 5 of the Agreement: Special safeguard: Volume-based

1. Description of product: Maize (corn) starch

2. Tariff item number: 110812

3. Trigger level: 922.8 tonnes
(as calculated in Annex 1)

4. Volume of imports entering territory in current period: 1,038 tonnes

5. Period of application: 1 February 2019 – 31 March 2019

SPECIAL SAFEGUARD: VOLUME-BASED: ANNEX 1 TO MA:3

Information required for the calculation of the trigger level

Domestic consumption is not taken into account

Imports in the 3 preceding years for which data are available:

	Year	Quantity	Unit
Year 1	2015	677.514	Tonne
Year 2	2016	672.489	Tonne
Year 3	2017	864.546	Tonne
Average:		738.2	
	Base Trigger Level		
<u>Calculation of trigger level:</u>	125%	x	738.2 = 922.8

As domestic consumption is not taken into account, in accordance with paragraph 4 of Article 5 of the Agreement on Agriculture, the base trigger level is calculated as 125% of the three-year average imports.

In the relevant ministerial notification (Notification of the Ministry of Finance, No.91, 31 March 2018), trigger level of this product is described as 923 tonnes as a result of rounding to integer.

Source:

https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Language=ENGLISH&SourcePage=FE_B_009&Context=Sc

[ript&DataSource=Cat&Query=%40Symbol%3DG%2FAG%2FN%2F*+AND+%40Title%3Dsafeguard*+&DisplayContext=popup&languageUIChanged=true#](#)