



# **Regional Cooperation for Improvement of Trade Procedures: The Case of Japan**

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**ARTNeT Trade Facilitation Research Team Meeting on  
Improving Regional Trade Procedures and Processes**

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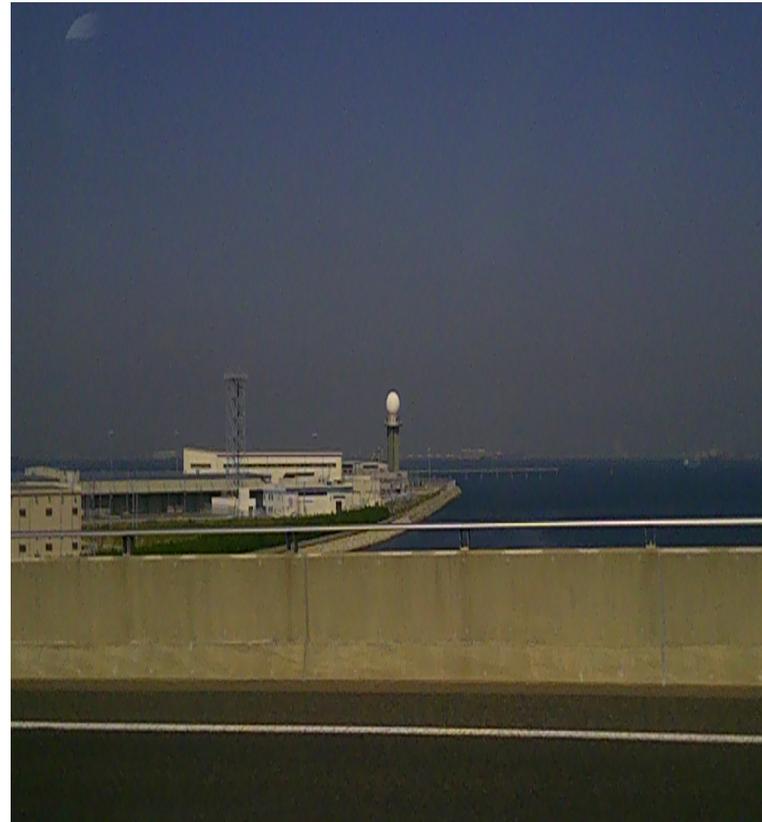
Nagoya University

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Right: Central Japan International  
Airport (Centrair), taken by the Author

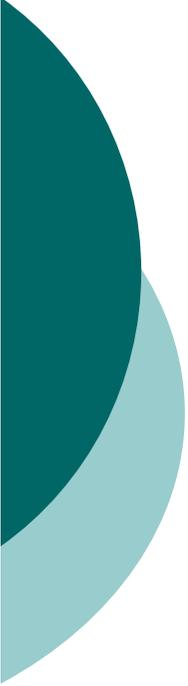




# Introduction

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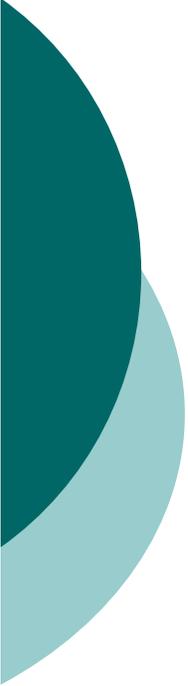
- Positive correlations between GDP growth and Export growth
- Conventional trade facilitation → addressed high costs in transportation



# Introduction

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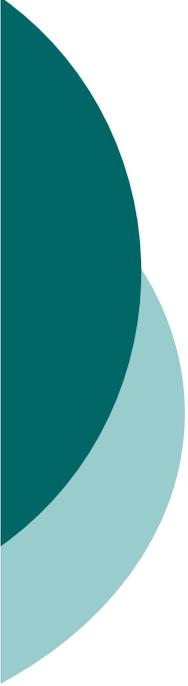
- Deepening and broadening of international and regional trade →
  - (a) simplicity and transparency in customs procedures,
  - (b) efficiency in port logistics, harmonized product and technical standards with international or regional regulations
  - (c) advanced use of information technology.



# Introduction

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- Shift in focus →
  - \*high transaction costs,
  - \*delay (for example, customs clearance and cargo handling)
  - \*high inventories and less return



# Research Objectives

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- To examine the level of simplification and harmonization of trade facilitation during import and export of products to and from Japan
- Specifically, the study looks into administrative requirements and procedures, the length of time it takes to deliver a product, and the costs involved in transporting and clearing a product in Japan and identify parts for improvement



# Methodology

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- To identify the process per traded good and clarify the time, cost and administrative procedures involved in each step based on interviews to firms and related stake holders



# Methodology

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- Selected firms for interview

- \*Exports

- To Sri Lanka from Japan: Used Cars

- 1 firm based in Nagoya (representative firm)

- To China from Japan: Auto Parts

- 1 firm based in Nagoya (representative firm)

- \*Imports

- From Sri Lanka to Japan: Tea

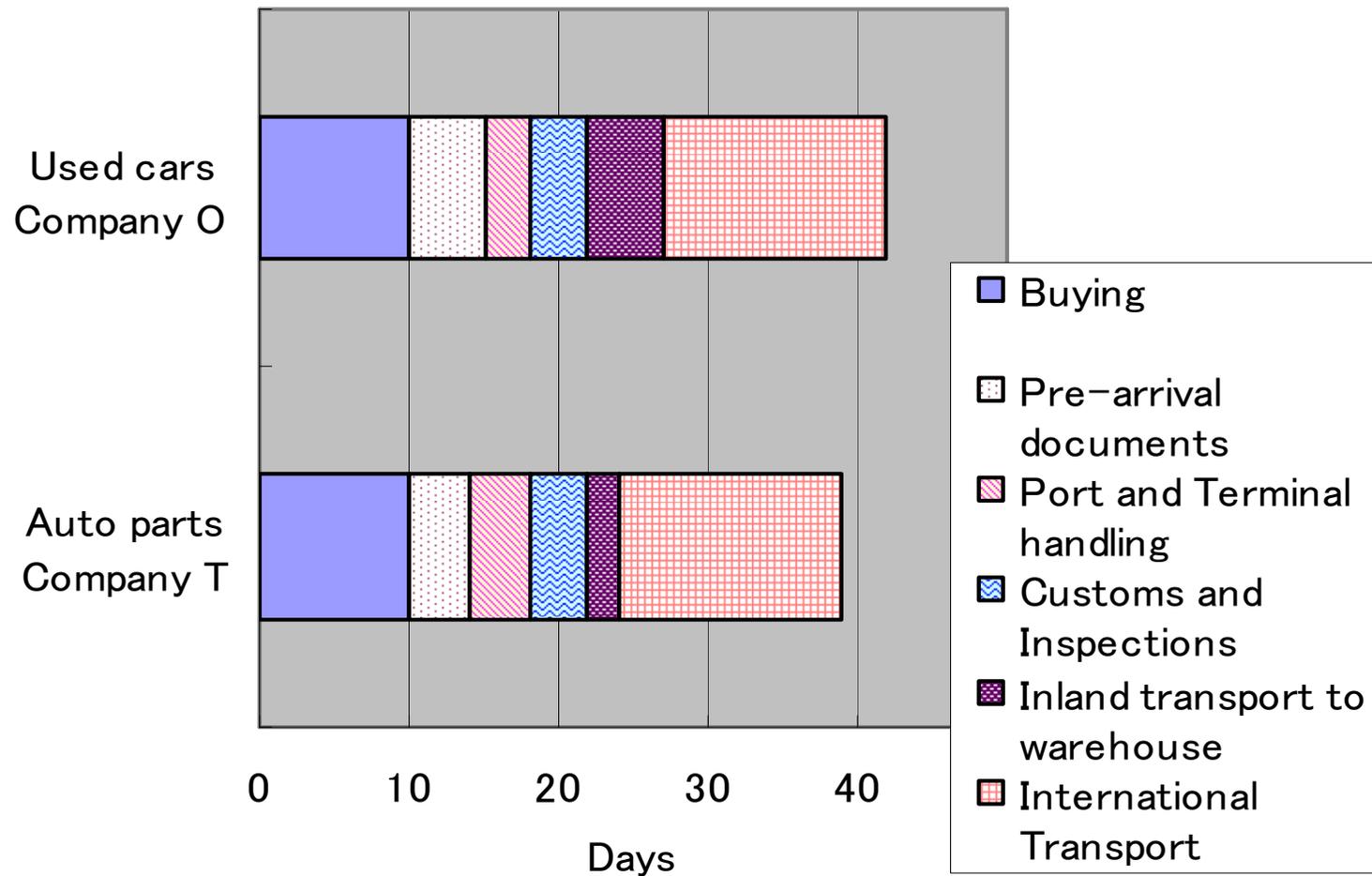
- 1 firm in Tokyo (big) and 1 firm in Nagoya (small)

- From China from Japan: Textile

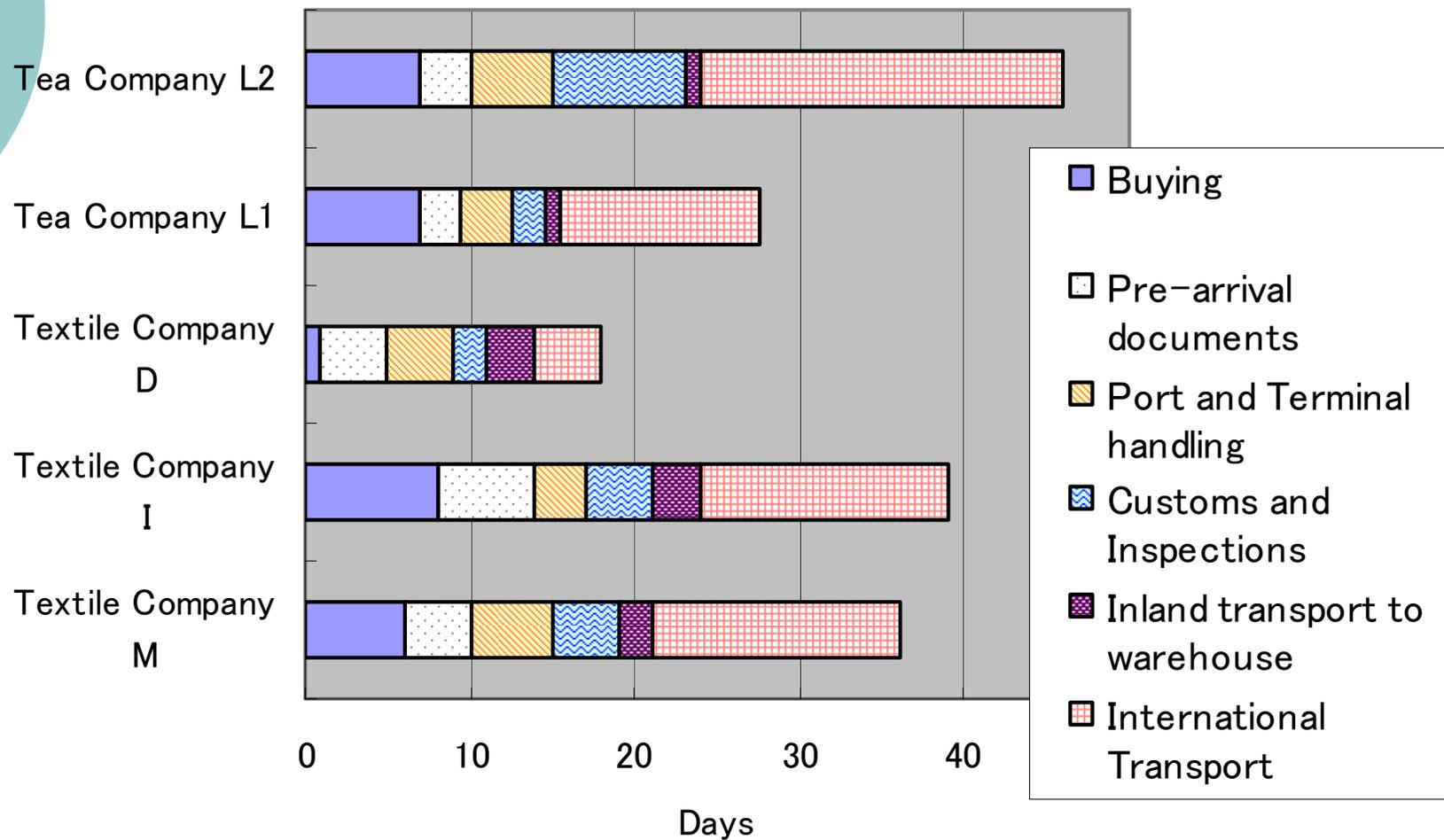
- 3 firms based in Yokohama

- \*Nagoya port-the largest port in Japan in terms of trade volume (for 8 years) and Yokohama port is the second largest.

# Results: Exports



# Results: Imports





## Conclusion and Recommendation

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- Almost all the companies interviewed in this study stated that both transportation cost and trade transaction costs constituted large percentage of traded goods' values in Japan despite some improvements in custom procedures-Single window system
- The number of documents needed to complete trade transaction differs based on a) the size of the company and trade volume, b) period in business, c) trading partner country, d) type of goods, and e) transportation mode



## Conclusion and Recommendation

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- While there are improvements in computerizing and standardizing documents for customs clearance, paperless and automated import/export system still appears to have limited use and stronger supporting system is called for
- There seem to be unpredictable rules and local practices, cited as major hurdles in trade facilitation by some companies (for example, strict and ever changing environmental regulation in textile, cumbersome and expensive import duties of used cars, cases of unaccountable goods and bribes in export of spare parts)