

Introduction:

Japan is an island nation located in the Pacific Ocean with high-rise-filled cities, imperial palaces, mountainous national parks and thousands of shrines and temples. Tokyo, the crowded capital, is known for its neon skyscrapers and pop culture. In contrast, Kyoto offers Buddhist temples, Shinto shrines, gardens and cherry blossoms. Sushi, the national dish, is served everywhere from casual pubs to gourmet restaurants.

Archaeological research indicates that Japan was inhabited as early as the Upper Palaeolithic period. The first written mention of Japan is in Chinese history texts from the 1st century AD. Influence from other regions, mainly Imperial China and later from Western Europe, has characterized Japan's history

Japan is a member of the UN, the G7, the G8, and the G20 and is considered a great power. The country has the world's third-largest economy by nominal GDP and the world's fourth-largest economy by purchasing power parity. It is also the world's fourth-largest exporter and fourth-largest importer.



Note: Representative map

Population

Japan's population is estimated at around 127 million, with 80% of the population living on Honshū. Japanese society is linguistically and culturally homogeneous, composed of 98.5% ethnic Japanese, with small populations of foreign workers. Zainichi Koreans Zainichi Chinese, Filipinos, Brazilians mostly of Japanese descent, and Peruvians mostly of Japanese descent are among the small minority groups in Japan. In 2003, there were about 134,700 non-Latin American Western and 345,500 Latin American expatriates, 274,700 of whom were Brazilians (said to be primarily Japanese descendants, or nikkeijin, along with their spouses the largest community of Westerners.

Japan has the second longest overall life expectancy at birth of any country in the world: 83.5 years for persons born in the period 2010–2015. The Japanese population is rapidly aging as a result of a post-World War II baby boom followed by a decrease in birth rates.

Japan's population is expected to drop to 95 million by 2050; demographers and government planners are currently in a heated debate over how to cope with this problem. Immigration and birth incentives are sometimes suggested as a solution to provide younger workers to support the nation's aging population

Economy

Over the past 70 years, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (1% of GDP) have helped Japan develop an advanced economy. Two notable characteristics of the post-World War II economy were the close interlocking structures of manufacturers, suppliers, and distributors, known as keiretsu, and the guarantee of lifetime employment for a substantial portion of the urban labor force. Both features are now eroding under the dual pressures of global competition and domestic demographic change.

Scarce in many natural resources, Japan has long been dependent on imported raw materials. Since the complete shutdown of Japan's nuclear reactors after the earthquake and tsunami disaster in 2011, Japan's industrial sector has become even more dependent than it was previously on imported fossil fuels. A small agricultural sector is highly subsidized and protected, with crop yields among the highest in the world. While self-sufficient in rice production, Japan imports about 60% of its food on a caloric basis.

For three decades, overall real economic growth had been impressive - a 10% average in the 1960s, a 5% average in the 1970s, and a 4% average in the 1980s. Growth slowed markedly in the 1990s, averaging just 1.7%, largely because of the after effects of inefficient investment and an asset price bubble in the late 1980s, after which it took a considerable time for firms to reduce excess debt, capital, and labor. Modest economic growth continued after 2000, but the economy has fallen into recession four times since 2008. Government stimulus spending helped the economy recover in late 2009 and 2010, but the economy contracted again in 2011 as the massive 9.0 magnitude earthquake and the ensuing tsunami in March of that year

disrupted economic activity. The economy has largely recovered in the five years since the disaster, although output in the affected areas continues to lag behind the national average.

Key Economic Indicators of Japan during 2015

GDP	
PPP	\$4.658 trillion
Real growth rate	0.6%
Per capita	\$38,200
Composition	agriculture: 1.2%, industry: 26.6%, services: 72.2%
International Trade	
Export	\$624 billion
Major Export Item	motor vehicles 14.9%; iron and steel products 5.4%; semiconductors 5%; auto parts 4.8%; power generating machinery 3.5%; plastic materials 3.3%
Major Export partner	US 20.1%, China 17.5%, South Korea 7%, Taiwan 5.9%, Hong Kong 5.6%, Thailand 4.5%
Import	\$625.4 billion
Major Import Items	petroleum 16.1%; liquid natural gas 9.1%; clothing 3.8%; semiconductors 3.3%; coal 2.4%; audio and visual apparatus 1.4%
Major Import partner	China 24.8%, US 10.3%, Australia 5.4%, South Korea 4.1%, Saudi Arabia 3.9%

Source: CIA Fact book

The major agricultural produce of Japan are vegetables, rice, fish, poultry, fruit, dairy products, pork, beef, flowers, potatoes/taros/yams, sugar cane, tea, legumes, wheat and barley.

Japan is among world's largest and most technologically advanced producers of motor vehicles, electronic equipment, machine tools, steel and nonferrous metals, ships, chemicals, textiles, processed foods.

INDIA'S EXPORTS OF HANDICRAFTS TO JAPAN (2014-2016)

Sl. no	Items	US\$ Million		
		2014-2015	2015-16	Growth rate (%)
1.	ARTMETALWARES	2.93	2.78	-5.1
2.	WOODWARES	1.84	3.06	66.3
3.	HAND PRINTED TEXTILES & SCARVES	2.48	3.72	50.0
4.	HAND KNITTED AND CROCHETTED GOODS	3.36	3.61	7.4
5.	SHAWLS AS ARTWARE	0.09	0.11	22.2
6.	ZARI & ZARI GOODS	-	-	-

7.	IMITATION JEWELLERY	3.17	3.52	11.0
8.	MISCELLANEOUS HANDICRAFTS	5.18	5.66	9.3
	Total	19.10	22.47	17.6

Source- DGCI&S Kolkata

Indian trade relation with Japan is also increasing significantly. The volume of export during 2014-15 from India to Japan was to the tune of USD 5,385.57 million while the total import from Japan was USD 10,131.36 million. The share of Handicrafts export in total export from India to Japan was 0.41 percent of India's total export to Japan.

Trade Policy¹:

Since 2011, Japan has had a persistent trade deficit, the longest since comparable records began. In 2013, Japan had its biggest annual trade deficit (US\$118 billion), although exports increased in U.S. dollar terms while imports grew to their highest-ever level. Increased imports of fossil fuels were a major factor in the rise in imports as they replaced energy from nuclear power following the accident at the Fukushima nuclear plant in 2011 and the subsequent shut-down of other nuclear power plants.

Japan's overall simple average applied MFN tariff rate declined from 6.3% in FY2012 to 5.8% in FY2014 due to higher unit prices for many agricultural products which reduced the ad valorem equivalents (AVEs). Thus, the simple average for agriculture (WTO definition) is 14.9% (down from 17.5% in FY2012), and 3.7% for non-agricultural products (the same as in FY2012).

Japan has bound 98.3% of its tariff (159 lines are unbound). The difference between the average bound MFN tariff (5.9%) and the average applied MFN tariff (5.8%) in FY2014 was negligible, which reflects a high degree of predictability in the tariff. However, the average bound rate remains considerably higher for agricultural products (15.2%) than for non-agricultural products (3.7%).

Japan makes relatively little use of contingency trade remedies. It applied neither countervailing or safeguards measures during the review period and has only one anti-dumping duty in force on electrolytic manganese dioxide originating from China, South Africa, and Spain. The period of imposition was extended by five years and will expire on 5 March 2019.

FACT SHEET: COUNTRY INFORMATION AT-A-GLANCE

Japan

¹ https://www.wto.org/english/tratop_e/tpr_e/s310_sum_e.pdf

S. No.	ITEMS	DETAILS
1	LOCATION OF COUNTRY	Japan is an island nation located in the Pacific Ocean with high-rise-filled cities, imperial palaces, mountainous national parks and thousands of shrines and temples.
2	GOVERNMENT & ADMINISTRATION	parliamentary government with a constitutional monarch
3	CAPITAL OF THE COUNTRY	Tokyo
4	CLIMATE AND TEMPERATURE	The weather in Japan is generally temperate, with four distinct seasons: Winter, from December to February, is quite dry and sunny along the Pacific coast
5	TIME AND TIME DIFFERENCE FROM INDIA	UTC+9
6	ECONOMIC REGION/ZONE	East Asia
7	NEIGHBOURING COUNTRIES	The 14 countries that border China are Russia, India, Kazakhstan, Mongolia, Pakistan, Myanmar, Afghanistan, Vietnam, Laos, Kyrgyzstan, Nepal, Tajikistan, North Korea and Bhutan
8	AREA COVERED	377,915 sq km
9	OFFICIAL LANGUAGE	Japanese
10	LANGUAGE SPOKEN	English, Italian, Romanian, French, Portuguese, Spanish
11	POPULATION	126,919,659
12	MAJOR RELIGION	Shintoism 79.2%, Buddhism 66.8%, Christianity 1.5%, other 7.1%
13	ELECTRICITY SUPPLY SYSTEM-VOLTAGE	100 volts AC, 50Hz.
14	TRANSPORT SYSTEM	In Japan, railways are a major means of passenger transportation, especially for mass and high-speed transport between major cities and for commuter transport in metropolitan areas. Seven Japan Railways Group companies, state-owned until 1987, cover most parts of Japan. There also are railway services operated by private rail companies, regional governments, and companies funded by both regional governments and private companies. Total railways of 27,182 km include several track gauges, the most common of which is 1,067 mm (3 ft 6 in) narrow gauge, with 22,301 km of track of which 15,222 km is

		<p>electrified</p> <p>According to Japan Statistical Yearbook 2015, Japan in April 2012 has had approximately 1,215,000 km of roads made up of 1,022,000 km of city, town and village roads, 129,000 km of prefectural roads, 55,000 km of general national highways and 8,050 km of national expressways. The Foreign Press Center/Japan cites a total length of expressways at 7,641 km. A single network of high-speed, divided, limited-access toll roads connects major cities on Honshu, Shikoku and Kyushu. Hokkaido has a separate network, and Okinawa Island has a highway of this type. In the year 2005, the toll collecting companies, formerly Japan Highway Public Corporation, have been transformed into private companies in public ownership, and there are plans to sell parts of them. The aim of this policy is to encourage competition and decrease tolls.</p> <p>In 2013 Japan had the fourth largest passenger air market in the world with 105,913,000 passengers. In 2013 Japan had 178 airports. The main international gateways are Narita International Airport (Tokyo area), Kansai International Airport (Osaka/Kobe/Kyoto area), and Chūbu Centrair International Airport (Nagoya area). The main domestic hub is Tokyo International Airport (Haneda Airport), Asia's busiest airport and the world's 4th busiest airport; other major traffic hubs include Osaka International Airport, New Chitose Airport outside Sapporo, and Fukuoka Airport. 14 heliports are estimated to exist.</p>
15	MAJOR AIRPORTS AND PORTS	<p>Airports: Kansai International Airport Tokyo International Airport Osaka International Airport Narita International Airport</p> <p>major seaport (s): Nagoya, Osaka, Kobe, Kitakyushu</p>
16	MAJOR STATES	Osaka, Tokyo, Nagoya, Yokohama
17	BUSINESS CITIES	Tokyo, Nagoya, Yokohama , Kyoto
18	GDP PER CAPITA	\$38,200
19	CURRENCY	yen (JPY))
20	EXCHANGE RATE (USD/ARP)	yen (JPY) per US dollar -122.1 (As on March 2016)
21	ECONOMY - GENERAL	The economy of Japan is the third-largest in the world by nominal GDP and the fourth-largest by purchasing power parity (PPP). and is the world's second largest developed economy. Japan is a member of the G7.
22	LABOUR FORCE	64.32 million

23	MEDIA - PRESS, TV AND OTHER SYSTEM	Newspaper: Yomiuri Shinbun, Asahi Shinbun, Mainichi Shinbun, Sankei Shinbun, Nikkei Shinbun
		TV: NHK General TV, Nippon Television, TV Asahi
		Radio: NHK Radio 1, Japan Radio Network , National Radio Network, Radio Nikkei
24	INDUSTRY ASSOCIATION AND CHAMBER OF COMMERCE	Japan External Trade Organization https://www.jetro.go.jp/en Japan Chamber of Commerce and Industry https://www.jcci.or.jp
25	BANKS	Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co Sumitomo Mitsui Trust Holdings The Master Trust Bank of Japan The Nomura Trust & Banking Co
26	BANNED ITEMS	Weapons, simulated weapons, ammunition and explosives, Printed matter, films, photos, movies, audiotapes, videotapes, CDs, DVDs, computer storage devices and other things that could do harm to China's politics, economy, culture and morality.
27	HOLIDAYS - NATIONAL/PUBLIC	Jan 1 New Year's Day
		Feb 7 Coming of Age Day
		February 11, Foundation Day
		May 4, Greenery Day
		April 29, Shōwa Day
		May 5, Children's Day
		August 11, Mountain Day
December 23, The Emperor's Birthday		
28	Embassy of Japan in India	Mr. Kenji Hiramatsu Ambassador Plot No.4&5, 50-G, Shantipath, Chanakyapuri, New Delhi 110021 Tel:00-91-11-2687-6581/ 4610-4610 Fax:00-91-11-2688-5587 Email: jpembjic@nd.mofa.go.jp
29	Embassy of India in Japan	Mr. Sujan R. Chinoy 2-2-11 Kudan-Minami, Chiyoda-ku, Tokyo 102-0074 Tel : +81 3 3262-2391 to 97 Fax : +81 3 3234-4866 Email: embassy@indembassy-tokyo.gov.in
30	TRAVEL INFORMATION	Japan National Tourism Organisation http://www.jnto.go.jp/eng
31	PLACES OF TOUISTS INTEREST	Hiroshima Peace Memorial, Jigokudani Monkey Park, Kiyomizu-dera Buddhist temple, The Great Buddha of Kamakura, The Todaiji

		Temple, Tokyo Tower, Mount Fuji , Kinkaku-ji
32	TRADE FAIRS AND EXHIBITIONS HELD RELATED TO HANDICRAFTS	GIFTEX, 6-8 July 2016, TOKYO FASHION JEWELLERY EXPO, 06- 08.April, 2016

Tariff applicable in Japan in 2015

ITC HS Code	Description	Japan	
		MFN rate	Preferential rate
330190	ATTARS OF ALL KINDS IN FIXED OIL BASE	0	
330741	AGARBATTI" & OTHR ODORIFEROUS PRPNS WHICH OPERATE BY BURNING	5.4	0
330749	OTHER ODORIFEROUS PRPNS USD FOR DEODORIZING ROOM (EXCL AGARBATTI)	3.9	0
340600	CANDLES	0	
392310	WATCHBOX JEWELLERY BOX AND SIMILAR CONTAINER OF PLASTICS	3.9	0
441400	WOODEN FRAMES FOR PAINTING, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS	3.2	0
441900	TABLEWARE	4.03	0
442010	STATUTES & OTHER ORNAMENTS OF WOOD	0	
442090	WOOD MARQUETRY & INLAID WOOD	6.35	1.9
442190	PARTS OF DOMESTIC DECORATIVE ARTICLES USED AS TABLEWARE & KITCHENWARE	3.92	0.63
460120	COIR MATS & MATTING BOUND IN PARALLEL STAND		
460199	PLNTS & SMLR PRDCTS OF PLATNG MATRLS PLATS& SMLR PRODCTS PLACD SIDE BY SIDE & BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS ETC)		
460219	PALM LEAF BASKET ETC	6.75	0.75
460211	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF BAMBOO.	5.65	0
460212	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF RATTAN.	7.9	0
630491	OTHER - FURNISHING ARTICLES, KNITTED/CROCHETED	10	0
630790	DRESS MATERIAL HANDPRINTED OF SILK	5.3	0
650400	HATS & OTHR HEADGEAR PLTD/MADE BY ASSMBLNG STRIPS OF ANY MATRLS W/N LIND/TRMMD		
650590	OTHER HEADGEAR, HATS, KNITTED / CROCHETED MADE UP FROM LACES ETC W/N LIND/TRMMD		
660200	WALKING STICKS, SEAT STICKS, WHIPS, RIDING CROPS, AND THE LIKE	3.1	0
670100	FEATHERS DUSTERS	3.9	0
670290	ARTIFICIAL FLOWERS ETC OF OTHER MATERIALS	3.9	0
681599	OTHERS-OTHER ARTICLES OF STONES/OTHER MINERALS	0	
691190	OTHERS -WATER FILTERS OF A CAPACITY NOT EXCEEDING 40 LTRS. OF PORCELAIN		

701328	OTHER - GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701333	OF LEAD CRYSTAL		
701337	OTHERS -GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	3.1	0
701341	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701349	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	3.9	0
701391	OF LEAD CRYSTAL	3.9	0
711711	CUFFLINGS AND STUDS	5.35	0
711719	BANGLES	3.7	0
711790	JEWELLERY STUDDED WITH IMITATION PERALS OR IMITATION OR SYN. STONES	5.18	0
732392	OTHER HOUSEHOLD ARTICLES OF CAST IRON ENAMELLED		
732394	UTENSILS - OTHER HOUSEHOLD ARTICLES OF IRON (OTHER THAN CAST IRON)OR STEEL,ENAMELLED	0	
741810	OF EPNS	0	
761510	OTHER TABLE AND KITCHENWARE OF ALUMINIUM	0	
940330	CABINETWARE		
940350	BED STEAD		
940360	OTHER WOODEN FURNITURE	0	
940381	FURNTIURE OF WICKERWORK/BAMBOO	0	
940389	OTHER - FURNITURE OF OTHER MATERIALS, INCLUDING CANE, OSIER, BAMBOO PR SIMILAR MATERIALS	0	
940390	PARTS OF FURNITURES OF HEADING 9403	0	
940490	HANDMADE POUFFES/ ARTICLES OF BEDDING, CUSHIONS ETC	3.8	0
940510	HANGNG LMPs COMPLETE FITNGS	0	
940530	LGHTNG SETS OF A KIND USD FR CHRISTMS TREE		
950510	ARICLES OF CHRISTMAS	3.2	0
950590	OTHER MAGICAL EQUIPMENTS	3.2	0
960190	WRKD MOTHR OF PEARL & ARTCLS THEROF	1.37	0
960200	WORKED VEGETABLE CARVING MATERIAL & ARTICLES THEREOF	3.2	0
960310	BROOMS & BRUSHES,CONSTNG OF TWIGS/OTHR VGTBL MTRLS BOUND TOGTHR,WTH/WHT HNDLS		
960622	BUTTONS OF BASE METAL NOT COVERED WITH TEXTILE MATERIAL	5.3	0
961400	SMOKING PIPES (INCLUDING PIPE BOWLS) & CIGARS AND CIGGERATE HOLDERS AND PARTS THEREOF	4.55	0
970110	MADHUBANI PAINTINGS(ON TXTLS)	0	

970190	DOMESTIC ARTICLES OF WOOD HAND DECORATED		
970200	ORIGNL ENGRVNGS,PRNTS & LITHOGRPHS		
970300	ORIGINAL SCULPTURE & STATUARY IN METAL	0	
970500	STUFFED ANIMALS & BIRDS (TAXIDERMY)	0	
970600	ANTIQUES OF AN AGE EXCDNG ONE HUNDRED YRS	0	
420229	HANDBAGS OF OTHER MATERIALS EXCLUDING WICKER WORK OR BASKET WORK	8	4.1
420231	JEWELLERY BOX - SURFACE OF LEATHER	13	6.6
420239	JEWELLERY BOX - OTHER SURFACE OF LEATHER	4.1	0.5
480210	HAND MADE PAPER	0	
482390	PRODUCT CONSISTINGS OF SHEETS OF PAPER/ RBORD, IMPREGNGTED,COTED OR COVERED WITH PLASTICS	0	
580430	HAND MADE LACE		
580500	HAND WOOVEN TAPESTRIES HAND MADE OR NEDDLE WORKED BY HAND, OF COTTON - EMBRODIERY		
580810	BRAIDS, IN PCS OTHER THAN OF COTTON	6.6	0
581010	EMBORIDERY IN THE PIECE, IN STRIPS OR IN MOTIFS - EMBRODIERY WITHOUT VISIBLE GROUND	0	
581092	EMBROIDERY BADGES, MOTIFS AND THE LIKE	0	
581100	KANTHA - EMBROIDERY		
610431	ENSAMBLES OF WOOL OR FINE ANIMAL HAIR - CROCHETTED		
611710	SHAWLS OF WOOL	8.4	0
640610	EMBROIDERED UPPERS OF TEXTILE MATERIALS	17.8	17.4
691110	TABLEWARE OF BONE CHINA AND SHOFT PORCELAIN	2.3	0
691200	CERAMIC TABLEWARE (E.G. OF IMITATION PORCELAIN/OR SEMI-PORCELAIN)	2.3	0
691310	STATUETTES ETC OF PORCELAIN/CHINA		
691390	OTHER STATUETTE ETC (EXCL OF PORCLAIN /CHINA	2.3	0
691410	OTHER CERMC ARTCLS OF PORCELAIN / CHINA	0	
691490	OTHER CERMC ARTCLS EXCL OF PORCELAIN / CHINA	0	
700992	OTHR GLASS MIRRORS, FRAMED	0	
701810	BANGLES	8	5.1
701890	GLASS STATUE OF OTHR ARTCLE OF HDG 7018	3.3	2.1
702000	GLOBES FOR LAMPS & LANTERNS	0	
711311	SILVER FILLIGREE WORK	5.2	1.3
741999	UTENSILS ARICLES OF COPPER ALLOYS ELECTROPLATED WITH NICKLE SILVER	0	
830621	OTHER ORNMNT PLTED WITH PRCS METAL	3.1	0
830629	OTHR STATUETTES(EXCLUDING WORKS OF ART)	3.1	0

830630	PHOTOGRPH,PICTURE/SMLR FRAMES,MIRORS	3.1	0
830890	IMITATION ZARI SPANGLES	4.2	0
920290	OTHER STRING MUSICAL INSTRUMENTS	0	
920590	FLUTES	0	
920600	PERCUSSION MUSICAL INSTRUMENTS (E.G. DRUMS, XYLOPHONES, CYMBOLS, CASTENETS, MARACAS)	0	
940550	HURRICANE LANTERNS	0	
960899	PEN HOLDERS PENCIL HOLDERS AND SIMILAR HOLDERS	3.4	0
830610	BELLS GONGS AND THE LIKE	0	
482370	ARTICLE OF PAPER MACHIE	0	
640320	KOLAPURI CHAPPALS AND SIMILAR FOOTWEAR	22.8	11.4

Source: WIS, TRAINS