Europe Business Council (EBC) / Japan Held Meeting To Report Its Activities

= EBC Industrial Materials Committee, Proposed To Remove All Import Duties On Industrial Raw Materials

Japan Office of Europe Business Council (EBC) held on the 21st of November their briefing sessions at Westin Hotel in Tokyo. This meeting was well attended by number companies and committee chiefs reported about their activities in relation to business circumstances in Japan under the title of " New Ways for Economic Integration and Reformation ".

Materials Committee (Chief : Mr. Vincent Trelut, Representative of Eramet International in Tokyo) proposed as the priorities to remove all import duties on such industrial raw materials as <> refined nickel, <> fused aluminium oxide, <> silicon carbide, and so on. The contents of main 3 subjects taken up this time by EBC Materials Committee are as follows ;

(1) Nickel

Yearly report has no progress. Approximately 60% of total stainless steel production contains nickel, corresponding to about 40% of total production costs. Therefore, it is essential for stainless steel mills of Japan to purchase their nickel requirements at competitive prices and to ensure easy and stable access to nickel products. However, Japan is only the developed country in the world to impose the duties on imports of processed nickel products, such as nickel metal, ferro-nickel and nickel oxide sinters. These products are subject to tariffs ranging between 3.0% and 3.3% or Yen 44 per kg. Accordingly, the continuation of tariffs on imported processed nickel products and the impact of this matter on European producers can no longer be justified. The EBC believes that eliminating tariffs on nickel would be an important step towards enhancing the competitive strength of the stainless steel industry in Japan. The EBC also recommends that the Government of Japan should remove import tariffs on all industrial raw materials including nickel products.

(2) Fused aluminium oxide and silicon carbide

Yearly report has no progress. Fused aluminium oxide and silicon carbide are both subject to a 3.3% tariff, though most imports come from countries enjoying tariff exemption under the Generalized System of Preferences. For some categories, a duty is being applied to some products that are not even produced in Japan. This rises the price for imported fused aluminium oxide and effectively penalizes the Japanese end-user. This aspect was exacerbated further by a current shortage of supply. As regards silicon carbide, almost all imports come from only one source. In this context, such dependency on only one source makes Japan vulnerable to supply shortage or market control attempts. Therefore, the EBC recommends that the Government of Japan should remove import duties on all industrial raw materials including aluminium oxide and silicon carbide.

(3) General view of regulatory developments

Japan, one of the main consumers of industrial materials in the world, would greatly benefit from unrestricted access to the reliable sources of high quality products at the market-based prices that European companies can offer. In this regard, the EBC welcomed the removal of duties on ferro-molybdenum imported from Chile. Moreover, following requests from the domestic stainless steel industry, the Government of Japan is now considering to remove tariffs on chrome, a key ingredient in the producing of all stainless steels. It is now understood that the Ministry of Economy, Trade and Industry supports the removal of the import duties on chrome products, while this request is being studied by the Ministry of Finance.

C-COM Nickel: Official Prices On November 26

Primary Nickel	Nov. 26 (Unit :Yen/kg)						The Total Turnover 11/22 511.
	Jan.2008	Mar.2008	May 2008	Jul. 2008	Sep. 2008	Nov. 2008	
the day before closing question	3,264	3,252	3,264	3,290	3,266		32
Morning 1st Ring	3,264	3,252	3,264	3,260	3,151	3,151	18
Morning 2nd Ring	3,264	3,252	3,264	3,260	3,151	3,151	6
Afternoon 1st Ring	3,264	3,252	3,264	3,260	3,151	3,151	6
Afternoon 2nd Ring	3,264	3,252	3,264	3,260	3,151	3,156	6
Afternoon 3rd Ring	3,264	3,252	3,264	3,260	3,151	3,156	17
Turnover (MT)	8	5	14	5	7	14	53