

Provisional Survey Report 2014

**New Issues and Requests for Improvements on Trade and Investment  
- Middle East and Africa -**

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Issues and requests relating to foreign trade and investment - GCC

	Category	No	Issue	Issue Details	Requests	Governing Laws
1	Restrictions on Entry of Foreign Capitals	(1)	Restricted Foreign Capital Majority Share Contribution Rate	- In many countries, restrictions remain on Foreign Capital Majority Share Contribution, barring Foreign Funded Enterprises' (FFE) entry in setting up distribution foothold in GCC. (Foreign capital monopoly investment based on commercial fund is disallowed.)	- It is requested that GCC liberalises the domestic market to allow FFEs' dynamic sales activity as distributor.	- Distributor Protection Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Mandatory Acquisition of Consular Legalisation on Products Import	- GCC requires Consular Legalisation on documents for trade such as invoices with added costs and a longer lead-time.	- Only a few countries in the world now require Consular Legalisation. It is requested that GOJ sounds out the respective subject countries for removal of this requirement.	- Customs rules and regulations
		(2)	Physical Inspection upon Import Customs Clearance by Opening Containers	- At the container yard, a substantial rate (about 30%) of containers was opened for inspection. It took much time and substantial cost for shippers; numerous damages were caused upon reloading cargoes back to containers.	- It is requested that GOJ approaches GCC for rectifying the inspection rate to a level in line with other countries, as the inspection rate is excessively too high.	- Customs Rules and Regulations
		(3)	Pre-Shipment Inspection System	- Upon customs clearance, Pre-shipment Inspection Certificate issued by a third party institution is required, provided, however, that it is extremely costly (SASO in Saudi, and KUSO in Kuwait), while changes to inspection details are frequent occurrences.	- It is requested that GOJ approaches the countries requiring Pre-Shipment Inspection; as such inspection is required only in a few countries in the world.	- Customs Rules and Regulations
		(4)	Physical Inspection upon Import Customs Clearance by Opening Containers	- At the container yard, a substantial rate (about 30%) of containers was opened for inspection. It took much time and substantial cost for shippers; numerous damages were caused upon reloading cargoes back to containers.		
		(5)	Safeguard Measures	- On 7 November 2009, following the petition by local manufacturers in Saudi Arabia and Oman, investigation was conducted on Shape Steel (Square Shape Steel, Structural Shape Steel, Beam Shape Steel), GCC initiated investigation on Safeguard Measures. <b>(Improvement)</b> - On 30 December 2009, Large Shape Steel exceeding 200mm has been removed from the subject goods of investigation. - On 9 June 2010, at the TSAD Standing Committee, GCC Antidumping Office determined no serious injury to the domestic industries, and on 9 June 2010, officially notified the Japanese Mills for termination of investigation.		
14	Taxation Systems	(1)	Discriminatory Tax Treatment Foreign vs. Domestic	- In certain countries in GCC including Qatar, Corporate Income Tax is exempted on fully locally owned enterprises. Consequently, the Japanese affiliated enterprises face competitive disadvantage against the local enterprises funded by the local capitals.	- It is requested that GOJ accelerates negotiation on free trade agreement (FTA) between Japan and GCC to support the entry into GCC countries of Japanese affiliated industries, so that they receive the same preferential tax treatment as is afforded to the GCC local capital enterprises.	

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17 Implementation of Intellectual Property Rights ("IPRs")	(1)	Assumption of Cost Incurred for Disposal of Counterfeit Goods	- While GOK works for eradication of counterfeit goods, copy goods, etc., GOK compels IPRs owners' assumption of the costs incurred for storage, transportation, and destruction.	- It is requested that GOK takes steps to strengthen: -- legislation for executing IPRs, -- clampdown at Customs, -- introduction of import embargo measures and their facilitation on counterfeit goods, and -- alleviation of the cost assumption relative to confiscated counterfeit goods.	- The Anti-Counterfeiting Trade Agreement (ACTA), October 2010
22 Environmental Pollution and Waste Disposal	(1)	Mandatory Use of Oxo-Biodegradable Plastic Bags and other related Packaging Materials	- Mandatory use of Oxo-Biodegradable Plastic Bags and Other Related Packaging Materials enforced from 1 January 2014 under UAE Ministerial Decree No.118-2013 expands the scope of the items subject to regulations from the previous shopping bags only to 15-items of Packaging Materials, (although it seems uncertain, including) Packaging Materials for Electric/Electronic Products. In addition, The Decree requires submission of sample packaging materials using the ESMA approved additives for further approval by the Emirates Authority for Standardisation and Metrology (ESMA) and attachment of Mark for Certification of Conformity. Use of oxidatively decomposed Packaging Materials susceptible of oxidation, in lieu of the sturdy, ruggedly composed materials, which are prerequisite for quality assurance of products, goes beyond the reasonable extent of protecting the products in transit.	- It is requested that GCC exempts Electric/Electronic Products from the scope of the goods subject to Mark for Certification of Conformity. (DE of EU and KEA of R.O.K. already despatched letters to ESMA, requesting clarification of the subject products, and postponement of its enforcement. Furthermore, Gulf Petrochemicals and Chemicals Association (GPCA) submitted its Position Paper to UAE, to the effect that this regulation is not an optimum correct policy, as it gives negative impact among others on plastic recycling efforts, etc.)	- United Arab Emirates / Ministry of Environment & Water Office of the Minister UAE Ministerial Decree No.118-2013
23 Inefficient Administrative Procedures, Regimes and Practices	(1)	Complex Responsive Measures Restrictions on Pharmaceutical Business	- When exporting Particle Beam Treatment System or Equipment to countries, where legislation is not well organised relative to pharmaceuticals, the purchasers from time to time, purchasers seek application of EU/USA legislation on Pharmaceuticals as the governing law. Furthermore, apart from the regulation of pharmaceuticals, in each country, various rules and regulations exist, including without limitation, Regulation on Protection from Radiation, Regulation concerning Manufacture, Import, Sales, etc. of Pharmaceutical Equipment. It is extremely complex to respond properly to each requirement.	- It is requested that GOJ takes steps to negotiate with respective countries to cause the respective countries to accept acquisition of Certification of Conformity to the Japanese Pharmaceuticals Law suffices for acquisition of Licences and Approvals in the respective countries.	- Pharmaceuticals Law, etc.
26 Others	(1)	Demand for Continuation of Support after Export of Pharmaceutical Equipment.	- When exporting Particle Beam Treatment System or Equipment (PBTSE) to Newly Developing Countries, simply exporting System or Equipment does not suffice. Exporter's total support is necessary after introduction of PBTSE, including without limitation, the Environmental Overhaul of the importing country (such as Human Resources, Laws and Regulations, Health Insurance Scheme, Pharmaceutical Infrastructure, Construction, Operational Financing, etc.)	- It is requested that GOB takes steps to: -- exchange Human Resources between Japanese Universities, Hospitals and Research Institutes (JHRIs) equipped with PBTSE and Medical Institutions of a Partner Country in order to promote Human Resources of the Partner Country(ies)(PCs),	

	Category	No	Issue	Issue Details	Requests	Governing Laws
					<ul style="list-style-type: none"> <li>-- grant incentives such as Tax Reduction, Priority Allocation of Facilities Expense, etc. to JHRIs accepting interns of PCs.</li> <li>-- support Export PCs by providing overhaul for Medical Information Infrastructure (such as Support for Overhauls of Operation by Remote Control, Establishment of International Security Guidelines for Medical Information, Framework Construction for Medical Information Collection Scheme, etc.), and</li> <li>-- construct the framework to utilise Public Fund Loan on New Technology.</li> </ul>	

Issues and requests relating to foreign trade and investment - United Arab Emirates

	Category	No	Issue	Issue Details	Requests	Governing Laws
1	Restrictions on Entry of Foreign Capitals	(1)	Restricted Majority Foreign Ownership	<p>- Foreign investment is restricted to so that the majority foreign ownership is disallowed in the United Arab Emirates (UAE).</p> <p>- UAE enterprises' Capital contribution of more than 51% (or more than 60% for energy related industries such as petroleum and gas) is necessary for a Foreign Funded Enterprises (FFE) to establish a local legal entity outside the Free Zone in UAE. In addition, UAE nationals' or UAE enterprises' sponsorship is required for establishment of a Representative Office in UAE. Legislative overhaul is under way with the view to enable FFEs to establish local legal entity in UAE. Its development is keenly watched.</p>	<p>- It is requested that GOU repeals the restrictions on the majority foreign ownership.</p> <p>- No request for the moment, as the development is watched with interest.</p>	- UAE Company Act, Article 22, Ministerial Decision 1989 (No.71)
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Certificate of Origin Requirement	- Since 1 January 2003, in order to protect and foster the domestic industries in the GCC Countries (the Gulf Cooperation Council Countries, comprising of 6-Countries, UAE, Bahrain, Kuwait, Oman, Qatar, and Saudi Arabia), they have begun requiring Certificate of Origin issued by the respective government.	- It is requested that GOU repeals the requirement for Certificate of Origin or streamlines the procedures.	
16	Employment	(1)	Compulsory Employment of Local Workers	<p>- The requirement under Emiratisation to employ UAE nationals at high remuneration poses problems in operational profitability.</p> <p>- In an office with more than 50-employees, employment of indigenous workers of more than 2% (5% in insurance sector, and 4% in banking sector) is compelled. However, it is difficult to recruit indigenous local workers that match the required terms and conditions.</p>	<p>- It is requested that GOU:</p> <ul style="list-style-type: none"> <li>-- repeals Emiratisation requirement,</li> <li>-- eliminates the gaps in wages, and</li> <li>-- enhances higher education.</li> </ul> <p>- While Member Firm appreciates the need for employment of indigenous workers, it is requested that GOU constitutes a structure that supplies workers with diversified competencies.</p>	- Ministerial Decision 2005 (No.41, 42, 43)
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Absorption of Cost for Disposal of Counterfeit Goods	- A Firm's Subsidiary conducting annihilation of counterfeit goods is faced with the problem of the various costs incurred for the confiscated counterfeit goods, i.e., storage, transportation, and disposal costs.	<p>- It is requested that GOU:</p> <ul style="list-style-type: none"> <li>-- reinforces implementing rules of Intellectual Property Right</li> <li>-- tightens clamp down at Customs,</li> <li>-- introduces simple, import suspension measures, and</li> <li>-- alleviate financial burdens upon official importers related to confiscated goods.</li> </ul>	- The Anti-Counterfeiting Trade Agreement (ACTA), October 2010
22	Environmental Pollution and Waste Disposal	(1)	Abrupt Amendment of Energy Efficiency Regulation	- Product development cannot catch up with the amendment in Energy Efficiency Regulation, which was announced in April and enforced from September. A Member Firm's Subsidiary is unable to import products for distribution in UAE for more than 6-months, due to the lead-time required for development of products that satisfy the requirements under Amended Energy Efficiency Regulation.	- It is requested that the Government of UAE (GOU) releases the energy efficiency regulation, etc. 2 to 3-years ahead of enforcement.	

Category	No	Issue	Issue Details	Requests	Governing Laws	
	(2)	Mandatory Use of Oxo-Biodegradable Plastic Bags and other related Packaging Materials	- Mandatory use of Oxo-Biodegradable Plastic Bags and Other Related Packaging Materials enforced from 1 January 2014 under UAE Ministerial Decree No.118-2013 expands the scope of the items subject to regulations from the previous shopping bags only to 15-items of Packaging Materials, (although it seems uncertain, including) Packaging Materials for Electric/Electronic Products. In addition, The Decree requires submission of sample packaging materials using the ESMA approved additives for further approval by the Emirates Authority for Standardisation and Metrology (ESMA) and attachment of Mark for Certification of Conformity. Use of oxidatively decomposed Packaging Materials susceptible of oxidation, in lieu of the sturdy, ruggedly composed materials, which are prerequisite for quality assurance of products, goes beyond the reasonable extent of protecting the products in transit.	- It is requested that GCC exempts Electric/Electronic Products from the scope of the goods subject to Mark for Certification of Conformity. (DE of EU and KEA of R.O.K. already despatched letters to ESMA, requesting clarification of the subject products, and postponement of its enforcement. Furthermore, Gulf Petrochemicals and Chemicals Association (GPCA) submitted its Position Paper to UAE, to the effect that this regulation is not an optimum correct policy, as it gives negative impact among others on plastic recycling efforts, etc.)	- United Arab Emirates / Ministry of Environment & Water Office of the Minister Decree No.118-2013 (Law)	
	(3)	Mandatory Change into the Use of Oxo-Biodegradable Plastic Bags and other related Packaging Materials	- The requirement under the Decree is use of Oxo-Biodegradable Plastic Packaging Materials made from Polyethylene (PP), Polypropylene (PP) as raw materials, with attachment of Mark for Certification of Conformity, accompanying neither formal explanation of the scope of the subject products, nor precise specifications for Oxo-Biodegradable Plastic. If Packaging Materials for all products are subject to the new rulings under the Decree, due to the wide variety of Packaging Materials, it is impossible for complete the switch to the new requirement by the due enforcement date of 1 January 2014.	- It is requested that GOU narrows the scope of the subject product categories to those that materially damage the environment, and exclude electric/ electronic products and Packaging Materials for distribution from the scope of the subject products.	- United Arab Emirates/ Ministry of Environment & Water Office of the Minister UAE Ministerial Decree No.118-2013	
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Risks for Acquisition of Licences	- In the contract with Dubai Electricity and Water Authority, state owned enterprise; bidders are responsible to assume the risk of the decision by Ministry of Economy for tax exemption.	- It is requested that the state owned enterprise assumes the risks for the grant of tax exemption measures.	
		(2)	Expensive Consular Office Endorsement Fees	- UAE's Consular Office Endorsement Fee (120,000 yen per Endorsement is by far more severely expensive than that of other countries. Moreover, there is no Registration Category in the Classification for Foreign Trade Firm as Contractor.	- It is requested that GOU reduces Consular Office Endorsement Fees.	
		(3)	Difficult Acquisition of Contractor Licence	- Contractor Classification by Department of Economy (DED) is devoid of any category that matches the modality of International Trade Firms (ITFs). It makes difficult ITFs' acquisition of Contractor Licence.	- It is requested that GOU implements the Regulation in the manner that allows Japanese International Trade Firm's working as Main Contractor, notwithstanding the Contractor Licence and Classification Issues.	
24	Indigested Legislation, Abrupt Changes	(1)	The Risks for Legislative Changes	- A Contract with TRANSCO (State Enterprise) includes provisions that hold the Contractor liable for all risks arising from legislative changes, including the taxation system.	- It is requested that GOU changes the contract so that TRANSCO is liable to assume all risks arising from legislative changes, including the taxation system.	

Issues and requests relating to foreign trade and investment - Iran

	Category	No	Issue	Issue Details	Requests	Governing Laws
2	Grant of a Preferential Tariff Rates based on Increased Home Production, and/or Local Procurements	(1)	Preferential Measures to Domestic Steel Industries	- As a measure to protect the domestic steel industry implemented since March 1982, sometimes, GOI requires foreign investors to obtain "Non-Production Certificate" from the domestic mills.	- It is requested that GOI repeals the system or deregulates the procedures.	
		(2)	Preferential Booking of Home Country Vessels	- In March 1982, the Central Bank of Iran (CBI) promulgated Notification compelling the use of Islamic Republic of Iran Shipping Lines (IRISL), a state carrier on goods destined to governmental institutions. Particularly due to the substantial volume involved in the governmental procurement, GOI has strictly enforced the requirements under this Notification. In October 1990, GOI compelled the use of IRISL for the lot of more than 500MT in principle, provided, however, that, use of foreign flag carriers was allowed by payment of 10% penalty over the ocean freight.	- It is requested that CBI repeals the prioritising requirement for use of the state carrier.	
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Import Control by Foreign Currency Allocation	- With a view to controlling the balance in export/import business and achieving planned imports by quota allocation of foreign currency, each Ministry de facto controls foreign currency (upon issuance of L/C).	- It is requested that GOI repeals the system for the foreign currency quota allocation.	
		(2)	Buy Iranian Policy	- In March 2009, with the purpose of protecting the domestic iron and steel industry, GOI promulgated "Notification on the Buy Iranian Policy" that restricts public procurement of iron and steel products only to the domestically manufactured products.	- It is requested that GOI repeals the Buy Iranian Policy.	
12	Exchange Controls	(1)	Foreign Exchange Control is Tightened	<ul style="list-style-type: none"> <li>- In August 1980, acquisition of approvals has been made necessary, issued respectively by the Plan and Budget Office (PBO), Ministry of Economic Affairs and Finance (MEAF), General Administrative Agency (GAA), Ministry of Commerce (MOC), and CBI to open Letters of Credit (L/Cs).</li> <li>- Since March 1992, Regulation has been enforced, necessitating CBI's approval on L/C extension, etc.</li> <li>- Since October 1993, MOC's approval has been required on all foreign exchange transactions including opening of L/Cs.</li> <li>- Since 1994, GOI has strictly controlled imports, making it unlawful of any imports made without intervention of financial institutions, in principle. Simultaneously, any import made corresponding to exports has been severely restricted.</li> <li>- Since about the end of 1997, the number of L/Cs opened at sight terms has increased and from the beginning of this year, more than 90% of L/Cs have been opened with "at sight" terms. The rate of foreign exchange has been fixed at US\$1.00= IR3000, while the floating rate for import at US\$1.00=IR1750 has been applied to import of subsistence goods.</li> <li>- In March 1999, export foreign exchange rate of US\$1.00= IR3000 was discontinued.</li> <li>- Since March 2000, the foreign exchange transaction has begun at Teheran Stock Exchange.</li> <li>- In the middle of 2001, the preferential import rate of US\$1.00=IR1750 was discontinued.</li> </ul>		



Category	No	Issue	Issue Details	Requests	Governing Laws
			<ul style="list-style-type: none"> <li>- Since March 2002, the foreign exchange rate has been harmonised to the current rate to achieve a healthier economy, by reflecting the improved foreign currency reserves and deregulating import restrictions.</li> <li>- Since December 2006, GOI has discontinued opening of L/Cs in US dollars.</li> </ul>		
13	Finance	(1) Restricted Cash Withdrawal from Foreign Currency Deposit	<ul style="list-style-type: none"> <li>- Foreign Currency Cash Withdrawal from the Foreign Currency Account is restricted at Iranian City Banks, presumably due to the shortage in the Foreign Currency Reserve resulting from the economic sanctions. Withdrawal limit has become smaller and smaller so that cash withdrawal, in effect, has become no longer possible in certain cases. While devaluation trend of the Iranian currency continues, foreign currency demand grows. For example, the Landlord demands payment in foreign currency for the fixed assets lease fees. The negative impact upon operation of the Liaison Office by the shortage in Foreign Currency Reserve is a matter of concern.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOI removes the limit on the Foreign Currency Withdrawal Amount.</li> </ul>	
20	Monopoly	(1) Concentrated Purchase by Ministries and Agencies	<ul style="list-style-type: none"> <li>- Governmental Agencies (such as Industrial Development and Renovation Organization of Iran (IDRO)) centrally purchase mainly certain imported items in substantial volume for a planned distribution to SME purchasers, who are unable to procure parts at advantageous terms. There are some movements for privatisation of this effort.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOI repeals this system.</li> </ul>	
26	Others	(1) Impact from International Economic Sanctions	<ul style="list-style-type: none"> <li>- In August 2013, new Rowhani's Administration inaugurated office, expressing resolution of nuclear arms issues through friendly exchange of dialogues, developing consultation with the concerned countries. On 20 January 2013, partial removal of sanctions came into effect, albeit with 6-months duration, while the balance of the sanctions continues, and so does the constricted business environment.</li> <li>- Due to the substantially tightened economic sanctions, the activities of the major domestic enterprises have come to a standstill. A Member Firm has no alternative but to restrict its operation.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOI takes steps to:                             <ul style="list-style-type: none"> <li>-- proceed expeditiously toward the ultimate solution of the nuclear issues, and</li> <li>-- achieve removal of economic sanctions.</li> </ul> </li> <li>- It is requested that the economic sanctions against Iran is lifted.</li> </ul>	

Issues and requests relating to foreign trade and investment - Saudi Arabia

	Category	No	Issue	Issue Details	Requests	Governing Laws
2	Grant of a Preferential Tariff Rates based on Increased Home Production, and/or Local Procurements	(1)	Prioritised Purchase of Domestic Steel Products	- To protect the domestic industry, GOSA (Government of Saudi Arabia) implements the BUY SAUDI Policy by giving priority to steel bar and wire rod manufactured by HADEED. Especially in GOSA's Construction Tender, GOSA gives priority to steel bar manufactured by HADEED. Moreover, job owners and consultants directly and indirectly urge constructors to purchase HADEED products.	- It is requested that GOSA repeals BUY SAUDI Policy.	
6	Reduction and Elimination of Preferential Policies for Foreign Capital	(1)	Tax Incentives are Insufficient	- No tax incentive is available to foreign investors for establishing an FFE in SA. There is no incentive for starting business locally in SA.	- It is requested that GOSA grants tax holiday of at least 10-years, where foreign capital establishes a new local enterprise.	
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Vexatiously Complex Customs Clearance Based on the Saudi Specifications	- GOSA is engaged in standardisation of products in each category to facilitate quality inspection. As regards steel products, it promotes standardisation of major items. GOSA conducts Customs Inspection on bar steel and bar in coil steel under the Saudi Specifications.	- It is requested that GOSA repeals Customs Inspection or streamlines the procedure.	
		(2)	Compulsory Marking of Country of Origin on Steel Sales to Wholesalers	- GOSA mandates Country Of Origin (COO) Marking to be painted on each piece of steel products imported into SA and sold by dealers to end users. Since 1 February 2009, under Saudi Arabia Customs' Directive, GOSA has tightened its Certificate of Origin marking requirement, by provision of print or stamp, on the external packaging (cartons, etc.) of all goods destined to Saudi Arabia.	- It is requested that GOSA repeals or simplifies the COO Marking requirement or streamlines the procedure.	
		(3)	Pre-shipment Inspection System	- Upon customs clearance, Pre-shipment Inspection Certificate issued by a third party institution is required, provided, however, that it is extremely costly (SASO in Saudi, and KUSO in Kuwait), while changes to inspection details are frequent occurrences.	- It is requested that GOJ approaches the countries requiring Pre-shipment Inspection; as such inspection is required only in a few countries in the world.	- Customs legislations
		(4)	Engraved marking requirement of Country of Origin on the Body of Each Export Product	- Express marking of Country of Origin (COO) is mandatory, only on all cargoes imported into Saudi Arabia and South Korea.	- While many countries accepts COO labeled on the outer package, only Saudi Arabia and South Korea requires COO marked by die-stamping, or engraving on the product itself. It is requested that GOSA likewise follow suit of the rest of the countries in regard to its COO marking requirement.	
		(5)	Physical Inspection upon Import Customs Clearance by Opening Containers	- At the container yard, a substantial rate (about 30%) of containers was opened for inspection. It took much time and substantial cost for shippers; numerous damages were caused upon reloading cargoes back to containers.	- It is requested that GOJ approaches GOSA for rectifying the inspection rate to a level in line with other countries, as the inspection rate is excessively too high.	- Customs legislations

Category	No	Issue	Issue Details	Requests	Governing Laws										
	(6)	Radiation Inspection	- GOSA requires Radiation Inspection for each vessel from Japan, at the quite unnecessary, substantial cost to Japanese affiliated enterprises.	- It is requested that GOSA removes the burden for radiation inspection.	- Import Law of Saudi Arabia										
	(7)	Compulsory Acquisition of Consular Legalisation on Shipping Documents	- GOSA requires consular legalisation on documents for trade such as invoices with added costs and a longer lead time.	- Only a few countries in the world now require Consular Legalisation. It is requested that GOJ sounds out the respective subject countries for removal of this requirement.	- Customs legislations										
	(8)	Unavailability of Shipment by Boat	- Due to the risk of loss, personal cargoes in small quantity cannot be shipped by sea in substance.												
	(9)	Uniform Tariff in GCC-6	- For protecting the domestic mills, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, & UAE (GCC-6) used to levy high tariff rates on items that can be manufactured domestically in GCC-6. However, since 2005 when GCC-6's accession to WTO, the tariff rate has been reduced to the uniform 5%.												
14	Taxation Systems	(1) Withholding Tax Levy	<p>- Pursuant to Japan/Saudi Arabia Tax Treaty, the Withholding Tax Rates for Consideration applicable to Non-Resident without Permanent Establishment in Saudi Arabia are as follows:</p> <table border="1"> <tr> <td>--Royalty</td> <td>5%</td> </tr> <tr> <td>--Interests, Dividends</td> <td>5%</td> </tr> <tr> <td>--Technical Fees, Airfreight, Ocean Freight, International Call</td> <td>5%</td> </tr> <tr> <td>--Consideration for Other Services</td> <td>15%</td> </tr> <tr> <td>--Management Fee</td> <td>20%</td> </tr> </table> <p>- By virtue of Japan-Saudi Arabia Tax Treaty, tax has been exempted in Saudi Arabia on consideration for service rendered payable to Non-Resident. Consequently, Saudi Arabian Taxation Authority requires either of the following two alternatives:</p> <p>(1) After first collecting withholding tax in Saudi Arabia, receives tax refund by filing the refund request.</p> <p>(2) Filing in advance Application or Withholding Tax Exemption.</p> <p>While the Taxation Authority shows the procedures for Withholding Tax exemption, the requisite documents are profuse, requiring much work to prepare. Moreover, it takes much time for the grant of exemption. It is quite possible that the customer, who pays for the contract price, could question the seller's failure to observe the Withholding Tax Obligations, which could lead to penalty in the end in the worst case.</p>	--Royalty	5%	--Interests, Dividends	5%	--Technical Fees, Airfreight, Ocean Freight, International Call	5%	--Consideration for Other Services	15%	--Management Fee	20%	<p>- It is requested that GOSA reduces withholding tax rate to zero percent, especially strongly requested as regards withholding tax rate on interests and dividends.</p> <p>- It is requested that GOS streamlines the withholding tax exemption procedures, especially as regards the alternative (2).</p>	
--Royalty	5%														
--Interests, Dividends	5%														
--Technical Fees, Airfreight, Ocean Freight, International Call	5%														
--Consideration for Other Services	15%														
--Management Fee	20%														
16	Employment	(1) Compulsory Employment of Saudi Arabian Nationals	- GOSA implements the national policy of Saudi Arabia to encourage employment of Saudi nationals in the private sector in a certain ratio. In many cases migrant foreign workers from India, etc. are assigned to operate factories. It causes operational problems.		- Nitaqat Saudization Programme										
		(2) Visa issuance is Complex and Delayed	- It takes much time for filing visa application and get it issued, nearly a month. Persons without visa are unable to go on business trip at short notice. As a Manufacturing depot Saudi Arabia could be a difficult location to send quickly staff for trouble shooting, etc.	- It is requested that GOSA (continues) to deregulate restrictions to enable emergency despatch of personnel for troubleshooting purposes.											

Category	No	Issue	Issue Details	Requests	Governing Laws	
	(3)	Difficulty in Acquisition of Work Visa	- It takes several months from the date of filing application to acquisition of Work Visa, without disclosure of the reason for the delays. The whole process is veiled in gray.	- It is requested that GOSA: -- expedites the visa issuance, -- provides a expedited processing, especially to enterprises having achieved more than 30% Saudisation.		
	(4)	Inefficient Immigration Procedures	- It is common to see alien residents in Saudi (Japanese and other aliens, not on business trip), having to wait in queue for one or two-hours at the Immigration. Recently, Japanese on business trip had to wait actually for more than 4-hours in queue. There is no sign of improvement on the complaint filed with GOSA via the Japanese Embassy in Saudi. Immigration personnel's' behaviours are outrageous, fighting for the rubber stamp, etc. with their colleagues. They would abruptly leave the post, and would not get back for a long-time. Especially striking delays take place in Damman Airport.	- It is requested that GOSA: -- increases the number of Immigration Wickets to the maximum extent possible, -- motivates Immigration Personnel to maximise efficiency in all sincerity, and -- executes prioritised Immigration Process for Foreign Businesspersons.		
	(5)	Difficulty in Securing Quality Saudi Workers	- It is requested that difficult to employ quality Saudi workers who demand double wage payment compared to non-Saudi workers. Incentive measures should be provided for enterprises with more than 30% of Saudi employees, such as deregulating employment of non-Saudis.	- It is requested that GOJ contributes to fostering Saudi human resources through provision of education and vocational training of Saudi nationals for the development of economic and industrial cooperation between Saudi and Japan.	- Labour Law, Article 26 - Nitaqat, Saudi Arabia's Indigenisation Programme	
	(6)	Sudden Changes in Saudisation Restrictions	- Changes are made frequently in Rules and Regulations on Saudisation, which is of vital importance to Foreign Funded Enterprises, suddenly without any prior notice, to the great consternation and inconveniences of private enterprises. Moreover, the fact remains that the clerical workers at Ministries and Agencies are unable to catch up with these changes.	- It is requested that GOSA provides an ample grace period in implementing these changes.	- Nitaqat, Saudi Arabia's Indigenisation Programme	
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Absorption of Cost for Disposal of Counterfeit Goods	- A Member Firm's Subsidiary (MFS) conducting annihilation of counterfeit goods is faced with the problem of the various costs incurred for the confiscated counterfeit goods, i.e., storage, transportation, and disposal costs.	- It is requested that GOSA: -- reinforces implementing rules of Intellectual Property Right -- tightens clamp down at Customs, -- introduces simple, import suspension measures, and -- alleviate financial burdens upon official importers related to confiscated goods.	- The Anti-Counterfeiting Trade Agreement (ACTA), October 2010
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	Abrupt Amendment of Energy Efficiency Regulations	- Due to the shortage in grace period on the amended Energy Efficiency Regulation from the announcement (in April) to implementation (in September) product development cannot meet the deadline. While Member Firm is now engaged in development of Energy Efficiency Products (EEP), it takes much time before starting production and exporting EEP--For more than half a year, Member Firm's subsidiary is unable to import and sell the EEP.	- It is requested that GOSA releases Energy Efficiency Control, etc. in advance, envisaging the lead-time scheduling of 2-3 years length.	

Issues and requests relating to foreign trade and investment - Kuwait

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Mandatory Pre-Shipment Inspection	- Upon Customs Clearance, Pre-Shipment Inspection Certificate (SASO, Saudi, KUSO, Kuwait) issued by a third party institution is necessary for a fee, which is extremely expensive. Moreover, the details of inspection items frequently change.	- The countries requiring Pre-Shipment Inspection Certificate are small in number. It is requested that GOK approach the concerned countries toward abolishment of Pre-Shipment Inspection Certificate requirement.	- Unified Customs Law & Explanatory Note
		(2)	Legalisation Required on Shipping Documents	- Concerning shipping documents such as invoices, GOK requires legalisation with extraneous additional cost and lead-time.	- It is requested that GOK alleviates the burden described in the left column.	- Unified Customs Law & Explanatory Note
		(3)	Radiation Inspection	- GOK requires radiation inspection on each steamer originating from Japan, forcing unnecessary cost for compliance.	- It is requested that GOK cuts down the cost described in the left column.	- Import Law
14	Taxation Systems	(1)	Inadequate Provisions as to "Taxable Income attributable to Permanent Establishment"	- In January 2009, Agreement in Principle on Tax Treaty between Japan and Kuwait was reached, and in February 2010, the contents of Tax Treaty were disclosed. However, as to taxable income, it merely states: "taxable income attributable to permanent establishment". Thus, in the context of turnkey work such as plant construction in Kuwait, imported equipment manufactured outside Kuwait could be regarded as taxable in Kuwait. In light of the prevailing circumstances in Kuwait, certain countries including Switzerland, Germany, Italy, the Netherlands, and India expressly stipulate in the Tax Treaty, "Taxable Income attributable to Permanent Establishment is restricted only to the activity in the country where construction of the object article takes place". Consequently, these countries stand in a better bargaining position in international tender for plant construction, etc. ROK concluded Tax Treaty with Kuwait since a long time ago. However, it did not include the provisions relative to permanent establishment. As a result an ROK enterprise has faced problems with the Kuwait Taxation Authority and the bilateral talk takes place on the revision of the Tax Treaty, according to information source, is on the way.	- Before the Japan/Kuwait Tax Treaty enters into force, it is requested that GOJ carefully takes corrective actions as necessary. In addition, in negotiating new Tax Treaty or its revision with other countries, it is requested that GOJ: -- gathers information from private business sectors already entering the countries, -- listens to the experts' advice, and -- researches/grasps fully the special characteristics of the individual negotiating countries.	- Japan-Kuwait Tax Treaty
		(2)	Irrational Retention System	- In a Construction Project (under the All In Contract, including procurement of design, equipment and materials, and construction) for Petro-Refinery, Petro-Chemical, Natural Gas Treatment, Liquid Natural Gas (LNG) Plant, etc., Taxation Authority enforces Retention System, whereby pending acquisition of No Objection Certificate, and Tax Clearance Certificate (so called Notice of Completing Tax Payment Obligations), the Taxation Authority retains a portion (5% in Kuwait and 3% in Qatar) of the Contract Amount, giving rise to Disbenefit of Time in regard to capital fund collection.	- It is requested that GOK refrains from applying the Retention System described in the left column.	

Category	No	Issue	Issue Details	Requests	Governing Laws
	(3)	The Broad Scope of Object of Taxation	- In a Plant Export Contract (All In Contract for Design, Procurement of Equipment and Materials and Construction), the Total Contract Amount is taxable. Consequently, all services rendered abroad (for example, in Japan and third countries) are taxable in Kuwait. On the other hand, ROK and some other countries successfully negotiated tax free treatment on services rendered abroad, placing Japan in less favourable position for plant export from Japan in competing against ROK and other countries for which tax is exempted.	- In a Plant Export Contract (All In Contract for Design, Procurement of Equipment and Materials and Construction), it is requested that all services rendered abroad (for example, in Japan and third countries) are not taxable in Kuwait. - It is requested that GOJ negotiates with GOK to incorporate into the Tax Treaty a provision that expressly deducts income attributable to the Permanent Establishment (PE) only to the portion constructed in the country in concern (Kuwait), to ensure that Japanese enterprises may compete on an equal footing with other countries, such as ROK.	
16	Employment	(1) Adverse Effect of Sponsorship Requirement	- It takes unnecessarily long time for acquisition of Work Visa or Area Restricted Pass, as it requires a sponsor's intervention. In addition, frequent changes in handling methods at the window make the acquisition procedures cumbersome.	- It is requested that GOK exempts tax on services rendered outside Kuwait (such as in Japan and in third countries) as regards Plant Export Contract (All In Contract for Design, Procurement of Equipment and Materials and Construction)	- Company Act - Labour Laws, etc. relative to the Sponsorship System
17	Implementation of Intellectual Property Rights ("IPRs")	(1) Assumption of Cost Incurred for Disposal of Counterfeit Goods	- While GOK works for eradication of counterfeit goods, copy goods, etc., GOK compels IPRs owners' assumption of the costs incurred for storage, transportation, and destruction.	- It is requested that GOK takes steps to strengthen: -- legislation for executing IPRs, -- clampdown at Customs, -- introduction of import embargo measures and their facilitation on counterfeit goods, and -- alleviation of the cost assumption relative to confiscated counterfeit goods.	- ACTA-Anti-Counterfeiting Trade Agreement (ACTA) of October 2010
23	Inefficient Administrative Procedures, Regimes and Practices	(1) Nebulous Offset Programme	- Relative to Tender on Public Work Project, other than oil and gas, contractor's satisfaction of offset obligation is mandatory requirement. It has a negative aspect of interfering with the competitive tender from having to satisfy the counter-trade offset requirement directly unrelated to the project itself.	- It is requested that GOK discontinues the Offset Programme.	- Law Concerning the Counter-Trade Offset Program
		(2) Adverse effect of Commercial Agency Scheme	- For import of equipment and materials from abroad, appointment of 100% local enterprise as commercial agent is a mandatory requirement. It is quite possible that a fair and competitive procurement is interfered with.	- It is requested that GOK takes steps to repeal the Commercial Agency Scheme.	- Commercial Code on Commercial Agencies

Category	No	Issue	Issue Details	Requests	Governing Laws
	(3)	Complex Acquisition Procedures for Licences and Approvals	- Hardly any coordination seems to exist by and among Ministries and Agencies so that in many cases contractors need to intercede over the complicated issues between the Competent Authority that issues Licences and Approvals and another Competent Authority acting as Contractor.	- It is requested that Ministries and Agencies streamline their internal adjustments as necessary.	
	(4)	Ministries and Agencies' Paucity in Observance of Contract Terms	- On a governmental project involving construction work, payment for 30% of the contract amount has delayed beyond the due date, while on a large project, the government compelled monetary burdens upon the contractor over an extended period. On the part of the party to the contract, namely, the government, absence of the spirit for observing the contract terms was noticed on a few occasions, so that on another case where performance under the contract came to a standstill for reason of the government, the purchaser, the contractor was forced to absorb the burden in effect.	- It is requested that GOK takes steps to: -- deregulate the contract terms (particularly, the terms of payment), and -- drive home the spirit of observing contract terms on the part of the governmental institutions.	
	(5)	Restricted Debiting of Headquarters Expenses	- In a Construction Project (under the All In Contract, including procurement of design, equipment and materials, and construction) for Petro-Refinery, Petro-Chemical, Natural Gas Treatment, Liquid Natural Gas (LNG) Plant, etc., in regard to debiting Sales Expenses arising individually per Project, Headquarters' General & Administrative Expenses, and Engineering Department's Indirect Expenses, Taxation Authority in Qatar allows maximum 3%, and in Kuwait 3.5% over the [Sales Amount less External Purchase Amount] and in Oman 3% over the Sales Amount or 3% over the Headquarters Sales and Administrative Expenses.  In the process of performance in Individual Projects, while Headquarters' and Indirect Departments' supports are indispensable, Personnel Cost and Expenses for supporting the Project, by far, exceed the foregoing Deemed Amounts.	- It is requested that GOK allows debiting the cost incurred for Individual Projects on account of Sales, General And Administrative Expenses, Engineering (Manufacture) Department Indirect Expenses, at the level reflecting the real accrual of expenses.	

Issues and requests relating to foreign trade and investment - Egypt

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Customs Clearance Procedure is Nebulous and Delayed	- Customs clearance delays have become a matter of normal occurrence. The lack of clarity in the customs clearance procedures makes it impossible to determine in advance the schedules for export/import cargoes.		
		(2)	Tariff Disparity Due to FTA	- Tariff reduction on motorcars has been effected since 2010 under the Egypt-EU Partnership Agreement. While tariffs on motorcars manufactured in the EU Member States are reduced in stages finally to zero by 2019, motorcars imported into Egypt from countries outside the EU Member States face handicaps to the extent of the staged tariff reductions.	- It is requested that Government of Japan (GOJ) propels toward signing the bilateral FTA between Egypt and Japan. - It is requested that Government of Egypt (GOE) reduces import tariff on motor vehicles.	- Egypt-EU Partnership Agreement (signed in 2001)
		(3)	High Import Tariff	- High Customs Duty of 30% is levied on Television Receivers (finished products). Products, incapable of domestic production in Egypt, in effect, cannot be imported for domestic distribution.		
		(4)	Mandatory Radiation Inspection Obligations	- Government of Egypt (GOE) compels radiation inspection on all imports from Japan upon customs clearance. It interferes with completing the timely import procedures, as the execution of inspection takes days on end.	- It is requested that GOE deregulates the inspection method to make possible speedy customs clearance.	
12	Exchange Controls	(1)	Rigorous Foreign Exchange Control	- Due to the Central Bank's Foreign Exchange Control, outflow of U.S. Dollars is restricted. It makes extremely difficult the settlement of account in US\$ with the domestic import firm, or opening of Letters of Credit for imports.	- It is requested that GOE deregulates Foreign Exchange Control to enable speedy Customs Clearance.	
14	Taxation Systems	(1)	Indefinite Tax Investigation Schedules	- Tax Investigation Schedules are uncertain. Abruptly the investigation begins, without however, any indication of how long the investigation lasts. The waiting period could be counted in the period subject to additional penalty tax payment. Pending completion of tax investigation, enterprises are unable to nail down the profit and loss of their accounts.	- It is requested that the taxation authority: -- clearly defines the tax investigation schedule, and -- clarifies the investigation procedure.	
16	Employment	(1)	Obligations to employ Local Workers	- In so long as an Foreign Funded Enterprise (FFE) employs under its payroll one (1) Japanese expatriate, at all times, it must satisfy the minimum employment requirement of local employees. In the event FFE, as a result of its retrenchment in certain business sector, the Law requires continued employment of its employees specialised in a specialised business sector, transfer or relocation, or discharge under the justifiable amicable terms and conditions. This is a factor that blocks new employment of workers in a new business sector. This requirement, which is triggered by acceptance of a Japanese expatriate for a fixed period frustrates, de facto, a dynamic fostering of the local expatriates' forces.	- It is requested that GOE repeals or deregulates the restrictions.	- Labour Law (No. 12 of 2003). - Ministry of Manpower & Emigration Decree No.136 (Amending Labour Law 2003): "The number of the foreign workers in any establishment though it might have several branches, shall not exceed 10% of the total number of its workers."



	Category	No	Issue	Issue Details	Requests	Governing Laws
22	Environmental Pollution and Waste Disposal	(1)	Abrupt and Ambiguous Introduction of Environmental Control System	<p>- In 2010, GOE abruptly announced a partial introduction in Egypt of UNECE (Egypt and the United Nations Economic Commission for Africa) Vehicle Regulations - 1958 Agreement, (namely, the items selectively adopted by EOS, "UNECE/EOS"), foreclosing entry into Egypt of non-conforming motorcars after a grace period of only half a year or so. Motorcars not conforming to UNECE/EOS must be modified to make them compatible with UNECE/EOS. It compels price increase and makes difficult introduction of new models. While the website of EOS quoted in the Reference Column gives the implementation schedule in stages of UNECE/EOS, no other details have yet been made public. Firms are at a loss how to cope with the new requirement to make its motorcars compatible with UNECE/EOS.</p> <p><b>(Reference)</b>                      - Please refer to the following web site for the items selectively adopted by EOS out of the UNECE Vehicle Regulations - 1958 Agreement:  <a href="http://www.eos.org.eg/Public/en-us/Testing+Organization1/Cars/">http://www.eos.org.eg/Public/en-us/Testing+Organization1/Cars/</a></p>	<p>- It is requested that GOE:</p> <ul style="list-style-type: none"> <li>-- affords Foreign Funded Enterprises (at least local Distributors) opportunities to exchange dialogues in introducing new regulations,</li> <li>-- provides sufficient and adequate explanation, and an ample grace period for all interested parties including manufacturers to make requisite preparation.</li> </ul>	<p>- UNECE Vehicle Regulations - 1958 Agreement, (as selectively adopted by EOS (The Egyptian Organization for Standardization and Quality), namely, UNECE/EOS</p>

Issues and requests relating to foreign trade and investment - Nigeria

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Abrupt Change in Import Duty Rate	- In the case of Passenger Cars, Import Duty Rate (Customs Tariff and Port Development Tax) has been raised on Finished Vehicles by 20.5% from the Going Rate of 26.75% to 47.25% after the raise.	- It is requested that Government of Egypt discloses information in advance of implementing the changes.	

Issues and requests relating to foreign trade and investment - Tanzania

	Category	No	Issue	Issue Details	Requests	Governing Laws
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Delayed Customs Clearance Procedures	- Customs Clearance Procedures takes 10 to 14-days at Sea/Airports, burdening importers for substantial amount of stock funding cost.	- It is requested that GOT takes drastic measures to beef-up the handling capacity for customs clearance at Sea/Airports.	
		(2)	Mandatory Pre-Shipment Inspection	- Since 2012, GOT has mandated Pre-Shipment Inspection in the exporting country. As a result, exporters must request a Third Party Inspection Institute for inspection. The relative cost has increased, compared to the previous practice of effecting Pre-Shipment Inspection in Tanzania.	- While the new scheme will hopefully curb illegal conducts such as smuggling, in reality, smuggling remains rampant. It is requested that GOT rigorously implements the new scheme.	- Customs Rules and Regulations
13	Finance	(1)	Excessive Bank Protection	- The Interest Rates excessively protects the bank's interest, deviating by large margin from the Prevailing Rates in the World, as follows: Lending in Local Currency: 16 to 22% Deposit Interest Rate: 0 to 2% Prevailing World Rate in US\$: 5 to 7%	- Interest rates are excessively high.	
14	Taxation Systems	(1)	Prevailing Inefficiency in Tax Collection Work	- The inefficiency of the taxation authority (TRA) causes over-issue of additional tax collection, mistakes, etc. As a result taxpayer must spend much time to take corrective measures, incurring additional cost (including consultant's fees).	- It is requested that the taxation authority: -- overhauls the window, and -- conducts its auditing in the annual sequence.	
26	Others	(1)	Shortage in Electric Power Supply	- While the diffusion rate of power supply remains at 14%, blackouts are frequent, accompanying continual raise in the price. In addition, users must incur additional fuel costs, during blackout, for in-house generation.	- It is requested that GOT takes steps to: -- improve the basic generating capacity, and -- ensure transparency for the operational costs.	

Issues and requests relating to foreign trade and investment - South Africa

	Category	No	Issue	Issue Details	Requests	Governing Laws
2	Grant of a Preferential Tariff Rates based on Increased Home Production, and/or Local Procurements	(1)	Localisation Requirement	- As regards the requirement for the Localisation Rate Achievement, the process for the Exemption Application awaits overhaul, including the Exemption List for Products and Parts, which are incapable of localisation, due to the cost economy (in regard to international competitiveness, and marketability).	- It is requested that Government of South Africa (GOSA) takes steps for: -- Clear, express identification of the Exempted Parts, -- Early establishment of Exemption List for Products and Parts, and its Subsequent Timely Renewal, and -- Nimble response to the Exemption Application.	
9	Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Tariffs	- GOSA levies 10% Import Duty on Wheel Loaders originating from Japan.	- It is requested that GOSA reduces or repeals the Import Duty.	
		(2)	Unratified Japan-South Africa FTA	- Under the EU-SA FTA already ratified, imports of Finished Vehicles (FVs) from EU enjoy the difference of 7% benefit in Import Tariff compared to imports of FVs from Japan (namely, as of 2014, 25% on Japanese FVs versus 18% on EU FVs). On the other hand, the Tariff Rate on Car Parts in SA is nominal 20%, which is higher than that of EU FVs Tariff Rate. As of now, the effective Tariff Rate is low on Car Parts, under the Preferential Measures, which, however, cannot be expected to last forever. Member Firm's Subsidiary (MFS) is concerned about its continued long-term cost competitiveness.	- It is requested that both GOSA and GOJ ratify Japan-SA FTA just as soon as possible.	
		(3)	Pilferage of goods upon import into SA	- Pilferages frequently occur during the import customs clearance and domestic transportation in SA. The shipper is held responsible for the loss in most cases. It drives up the cost.	- It is requested that GOSA will exert its efforts for further improvement of public security.	
14	Taxation Systems	(1)	Nebulous Contents and Enforcement Period of the New Taxation System	- The Contents and Due Enforcement Date for New Legislation or its Renewal are promulgated, out of the blue, on Vehicle Sales, Taxation System of various kinds, Various Rules and Regulations (on CO2 Tax, Tyre Tax, Exhaust Emission Standard, and Safety Standard), etc. Moreover, their Implementing Due Dates are frequently postponed. It makes forecasting difficult on the Vehicles Manufacture/Distribution Business. It materially impacts the plans for local production, and the import quantity from overseas, including Japan.	- It is requested that GOSA collects Industries' Views in the process of evaluating the contents and the implementation schedule, when introducing Environment Related Taxation System and Legislation, which by themselves are not of problems to the industries in concern. (For example, Preferential Measures for Environment Friendly Vehicles, etc.)	
16	Employment	(1)	Irrational Employment Policy	- Member Firm must think twice from time to time, if it should positively invest into South Africa, due to the Employment Issues: Complex Laws (Over-Protection of Workers' Right), High Wages (Inflationary Wages accompanying Strikes), Productivity (Inability to Adjust Workforce commensurate with Production Volume), etc.	- It is requested that GOSA improves the laws relative to the 3-Labour Related Laws on the left column. As it stands, the Administration, being supported by the Trade Union, drags its feet to convene meetings for exchange of dialogues between the Administration and the Business Groups.	- Basic Conditions Employment Act 75 of 97 - Labor Relations Act 66 of 95 - Employment Equity Act 55 of 89

	Category	No	Issue	Issue Details	Requests	Governing Laws
		(2)	BEE Policy Made More Stringent	- Black Economic Empowerment (BEE) Policy is getting more stringent. (In order to promote effective participation of black people in the economy, and employment opportunities to black people with high unemployment rate, this policy affords incentives to enterprises that provide Preferential Treatment to black people. The weighting scheme of 100 gets gradually stringent.)	- While preclusion of enterprises from government procurement is inevitable, it is requested that GOSA refrains from including penalty provisions in the Code.	- 2013: Revised B-BBEE Codes of Good Practice
17	Implementation of Intellectual Property Rights ("IPRs")	(1)	Absorption of Cost for Disposal of Counterfeit Goods	- A Member Firm's Subsidiary (MFS) conducting annihilation of counterfeit goods is faced with the problem of the various costs incurred for the confiscated counterfeit goods, i.e., storage, transportation, and disposal costs.	- It is requested that GOSA: -- reinforces implementing rules of Intellectual Property Right -- tightens clamp down at Customs, -- introduces simple, import suspension measures, and -- alleviate financial burdens upon official importers related to confiscated goods.	- The Anti-Counterfeiting Trade Agreement (ACTA), October 2010
19	Industrial Standards, Approval of Safety Standards	(1)	Rigorous Certification Standard for Telephone Line	- Rigorous requirement is incorporated into the SA standard, more precisely, Lightning Protection which is by far more rigorous than the regular standard of other countries.	- It is requested that GOSA adjust the requirement to level with the requirement in other countries.	- ICASA TE001 Clause17 - Lightning Protection
		(2)	Difficulty in Acquisition of Certificate of Conformance (COC)	- GOSA has mandated Immunity Conformance on Safety Standard since January 2011. However, industries have not yet sufficiently caught up with the new requirements. Non-conforming products still circulate in the market, while SA Authority has not yet caught up with the responsive measures. - GOSA requires acquisition of Certificate of Conformance (COC) on import and sales of goods that incorporate AC power source. However, shipment delays frequently occur due to the long time necessary for acquisition of COC.	- It is requested that GOSA thoroughly ensures observance of the safety standard throughout the importers in concern.  - It is requested that National Regulator for Compulsory Specifications (NRCS) will take measures to expedite processing COC applications.	
23	Inefficient Administrative Procedures, Regimes and Practices	(1)	No Driver's Licence for Motor Vehicles issued to Aliens	- GOSA refuses to issue Driver's Licence to aliens. An expatriate to South Africa drives the car in South Africa by getting the Translation Certificate for the Japanese Driver's Licence issued by the Resident Japanese Embassy in South Africa. However, for private or official use, regardless, it is not possible to drive the car outside South Africa, so that it is necessary for the expatriate to renew in Japan the International Driver's Licence in each year.	- It is requested that GOJ includes this issue in the agenda for the bilateral talk between GOSA and GOJ, and resolves the problem as soon as possible.	
		(2)	Nebulous Vehicle Legislation on Specifications, Custom Duty	- In regard to Motor Vehicle legislation and Customs Duty, it is rumoured that there will be changes in Next Generation Emission Control, Carbon Tax, and Knock-Down Customs Duty. However, no precise details are disclosed to this date as regards the timing of implementation and the contents of the changes. In light of the requisite development lead-time, a written advance statement of the changes in detail is necessary in advance for at least one year (or 2-years for important changes such as Emission Control). It may not be possible for Manufacturers to respond timely to the sporadic changes.	- In effecting changes in Motor Vehicle Laws and Regulations, and tariffs, It is requested that GOSA will give ample opportunities to hear industries' views and opinions, company by company, in an unbiased manner, in order to give equal treatment to all.	- Vehicle Pompously Specifications for Motor Vehicles - Customs Act (APDP)

	Category	No	Issue	Issue Details	Requests	Governing Laws
24	Indigested Legislation, Abrupt Changes	(1)	Insufficient Control on Political Contribution	- Rules and Regulations are insufficient on control of Political Contribution. There is neither Cap on the Amount of Contribution nor Mandatory Disclosure Provision for the contribution received.	- It is requested that GOSA takes steps to set a Cap on the Political Contribution Amount, and to make disclosure a mandatory requirement.	
25	Government Procurement	(1)	Nebulous Bid Price	- Due to the undisclosed Calculation Formula and its Coefficient for calculating the Evaluation Score, and to the Undisclosed Weighting Data in advance for Each Cost Element (Price, Technical Evaluation, Past Record, BEE, Social Contribution, etc.), bidders are only able to guesstimate the Bid Evaluation based on the cost elements hidden in a black box.	- It is requested that the Competent Authority in tender terms: -- discloses clearly the Calculation Formula and its Coefficient plus Weighting Details, and -- releases clearly the Evaluation Results.	
26	Others	(1)	Public Security	- Judging from the night and day occurrences of car-jack, fake patrol cars, house breaking, etc., it is not possible to lead a peaceful, secure life in South Africa.	- It is requested that GOSA makes its Crime Eradication Policy known to everyone without exception in order to assure Crime Free, Safe Life.	

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