

APPENDIX B-2

FOREST GOOD SAFEGUARD MEASURE

1. Notwithstanding Article 2.4 (Elimination of Customs Duties), pursuant to paragraph 5 of the General Notes of the Tariff Schedule of Japan, Japan may apply a safeguard measure on specific forest goods qualified as “originating forest goods” provided for in the tariff items indicated with “SG11”, “SG12”, “SG13”, “SG14”, “SG15”, “SG16” or “SG17” in Column “Remarks” in the Tariff Schedule of Japan, only when the conditions set out in this Appendix are met.
2. If the conditions in any one of paragraphs 6 through 12 have been satisfied, Japan may, as a forest good safeguard measure, increase the rate of customs duty on an originating forest good from another Party to a level not to exceed the lesser of:
 - (a) the most-favoured-nation applied rate of customs duty in effect at the time the forest good safeguard measure is applied; and
 - (b) the most-favoured-nation applied rate of customs duty in effect on the day immediately preceding the date of entry into force of this Agreement with respect to Japan and the Party for which the forest good safeguard measure applies.
3. For the purposes of this Appendix, an originating forest good is from the Party if the originating forest good is wholly obtained in that Party or if the last change of tariff heading took place in that Party.
4. Any forest good safeguard measure applied under this Appendix may be maintained only until the end of the year in which it is applied.
5. For the purposes of this Appendix, **year** means, with respect to Year 1, the period from the date of entry into force of this Agreement for Japan through the following March 31, and with respect to Year 2 and each subsequent Year, the 12-month period from April 1 of the respective year until the following March 31.
6. With respect to the originating forest goods provided for in the tariff items indicated with “SG11” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Canada, only when the aggregate volume of imports of those originating forest goods from Canada in any year exceeds the trigger level set out as follows:

- (a) 1,573,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 1,604,500 cubic metres for Year 2;
- (c) 1,636,000 cubic metres for Year 3;
- (d) 1,667,500 cubic metres for Year 4;
- (e) 1,699,000 cubic metres for Year 5;
- (f) 1,730,500 cubic metres for Year 6;
- (g) 1,762,000 cubic metres for Year 7;
- (h) 1,793,500 cubic metres for Year 8;
- (i) 1,825,000 cubic metres for Year 9;
- (j) 1,856,500 cubic metres for Year 10;
- (k) 1,888,000 cubic metres for Year 11;
- (l) 1,919,500 cubic metres for Year 12;
- (m) 1,951,000 cubic metres for Year 13;
- (n) 1,982,500 cubic metres for Year 14;
- (o) 2,014,000 cubic metres for Year 15; and
- (p) for each year beginning in Year 16 and continuing thereafter, the trigger level shall be 31,500 cubic metres greater than the trigger level in the previous year.

7. With respect to the originating forest goods provided for in the tariff items indicated with “SG12” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from New Zealand, only when the aggregate volume of imports of those originating forest goods from New Zealand in any year exceeds the trigger level set out as follows:

- (a) 65,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 66,100 cubic metres for Year 2;

- (c) 67,200 cubic metres for Year 3;
- (d) 68,300 cubic metres for Year 4;
- (e) 69,400 cubic metres for Year 5;
- (f) 70,500 cubic metres for Year 6;
- (g) 71,600 cubic metres for Year 7;
- (h) 72,700 cubic metres for Year 8;
- (i) 73,800 cubic metres for Year 9; and
- (j) 74,900 cubic metres for Year 10.

8. With respect to the originating forest goods provided for in the tariff items indicated with “SG13” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Canada, only when the aggregate volume of imports of those originating forest goods from Canada in any year exceeds the trigger level set out as follows:

- (a) 224,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 228,500 cubic metres for Year 2;
- (c) 233,000 cubic metres for Year 3;
- (d) 237,500 cubic metres for Year 4;
- (e) 242,000 cubic metres for Year 5;
- (f) 246,500 cubic metres for Year 6;
- (g) 251,000 cubic metres for Year 7;
- (h) 255,500 cubic metres for Year 8;
- (i) 260,000 cubic metres for Year 9;
- (j) 264,500 cubic metres for Year 10;
- (k) 269,000 cubic metres for Year 11;
- (l) 273,500 cubic metres for Year 12;

- (m) 278,000 cubic metres for Year 13;
- (n) 282,500 cubic metres for Year 14;
- (o) 287,000 cubic metres for Year 15; and
- (p) for each year beginning in Year 16 and continuing thereafter, the trigger level shall be 4,500 cubic metres greater than the trigger level in the previous year.

9. With respect to the originating forest goods provided for in the tariff items indicated with “SG14” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Malaysia, only when the aggregate volume of imports of those originating forest goods from Malaysia in any year exceeds the trigger level set out as follows:

- (a) 1,044,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 1,064,900 cubic metres for Year 2;
- (c) 1,085,800 cubic metres for Year 3;
- (d) 1,106,700 cubic metres for Year 4;
- (e) 1,127,600 cubic metres for Year 5;
- (f) 1,148,500 cubic metres for Year 6;
- (g) 1,169,400 cubic metres for Year 7;
- (h) 1,190,300 cubic metres for Year 8;
- (i) 1,211,200 cubic metres for Year 9;
- (j) 1,232,100 cubic metres for Year 10;
- (k) 1,253,000 cubic metres for Year 11;
- (l) 1,273,900 cubic metres for Year 12;
- (m) 1,294,800 cubic metres for Year 13;
- (n) 1,315,700 cubic metres for Year 14;
- (o) 1,336,600 cubic metres for Year 15; and

- (p) for each year beginning in Year 16 and continuing thereafter, the trigger level shall be 31,300 cubic metres greater than the trigger level in the previous year.

10. With respect to the originating forest goods provided for in the tariff items indicated with “SG15” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Malaysia, only when the aggregate volume of imports of those originating forest goods from Malaysia in any year exceeds the trigger level set out as follows:

- (a) 616,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 628,300 cubic metres for Year 2;
- (c) 640,600 cubic metres for Year 3;
- (d) 652,900 cubic metres for Year 4;
- (e) 665,200 cubic metres for Year 5;
- (f) 677,500 cubic metres for Year 6;
- (g) 689,800 cubic metres for Year 7;
- (h) 702,100 cubic metres for Year 8;
- (i) 714,400 cubic metres for Year 9;
- (j) 726,700 cubic metres for Year 10;
- (k) 739,000 cubic metres for Year 11;
- (l) 751,300 cubic metres for Year 12;
- (m) 763,600 cubic metres for Year 13;
- (n) 775,900 cubic metres for Year 14;
- (o) 788,200 cubic metres for Year 15; and
- (p) for each year beginning in Year 16 and continuing thereafter, the trigger level shall be 18,500 cubic metres greater than the trigger level in the previous year.

11. With respect to the originating forest goods provided for in the tariff items indicated with “SG16” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Viet Nam, only when the aggregate volume of imports of those originating forest goods from Viet Nam in any year exceeds the trigger level set out as follows:

- (a) 180,000 cubic metres for Year 1, except as provided in paragraph 16;
- (b) 193,000 cubic metres for Year 2;
- (c) 206,000 cubic metres for Year 3;
- (d) 219,000 cubic metres for Year 4;
- (e) 232,000 cubic metres for Year 5;
- (f) 245,000 cubic metres for Year 6;
- (g) 258,000 cubic metres for Year 7;
- (h) 271,000 cubic metres for Year 8;
- (i) 284,000 cubic metres for Year 9;
- (j) 297,000 cubic metres for Year 10;
- (k) 310,000 cubic metres for Year 11;
- (l) 323,000 cubic metres for Year 12;
- (m) 336,000 cubic metres for Year 13;
- (n) 349,000 cubic metres for Year 14; and
- (o) 362,000 cubic metres for Year 15.

12. With respect to the originating forest goods provided for in the tariff items indicated with “SG17” in Column “Remarks” in the Tariff Schedule of Japan, Japan may apply a forest good safeguard measure on the originating forest goods from Canada, New Zealand or Chile, only when the aggregate volume of imports of those originating forest goods from Canada, New Zealand or Chile respectively in any year exceeds the trigger level set out for each of those Parties as follows:

- (a) For Canada:

- (i) 7,000 cubic metres for Year 1, except as provided in paragraph 16;
- (ii) 7,100 cubic metres for Year 2;
- (iii) 7,200 cubic metres for Year 3;
- (iv) 7,300 cubic metres for Year 4;
- (v) 7,400 cubic metres for Year 5;
- (vi) 7,500 cubic metres for Year 6;
- (vii) 7,600 cubic metres for Year 7;
- (viii) 7,700 cubic metres for Year 8;
- (ix) 7,800 cubic metres for Year 9;
- (x) 7,900 cubic metres for Year 10;
- (xi) 8,000 cubic metres for Year 11;
- (xii) 8,100 cubic metres for Year 12;
- (xiii) 8,200 cubic metres for Year 13;
- (xiv) 8,300 cubic metres for Year 14;
- (xv) 8,400 cubic metres for Year 15; and
- (xvi) for each year beginning in Year 16 and continuing thereafter, the trigger level shall be 100 cubic metres greater than the trigger level in the previous year.

(b) For New Zealand:

- (i) 60,000 cubic metres for Year 1, except as provided in paragraph 16;
- (ii) 61,200 cubic metres for Year 2;
- (iii) 62,400 cubic metres for Year 3;
- (iv) 63,600 cubic metres for Year 4;
- (v) 64,800 cubic metres for Year 5;

- (vi) 66,000 cubic metres for Year 6;
- (vii) 67,200 cubic metres for Year 7;
- (viii) 68,400 cubic metres for Year 8;
- (ix) 69,600 cubic metres for Year 9;
- (x) 70,800 cubic metres for Year 10;
- (xi) 72,000 cubic metres for Year 11;
- (xii) 73,200 cubic metres for Year 12;
- (xiii) 74,400 cubic metres for Year 13;
- (xiv) 75,600 cubic metres for Year 14; and
- (xv) 76,800 cubic metres for Year 15.

(c) For Chile:

- (i) 13,000 cubic metres for Year 1, except as provided in paragraph 16;
- (ii) 14,000 cubic metres for Year 2;
- (iii) 15,000 cubic metres for Year 3;
- (iv) 16,000 cubic metres for Year 4;
- (v) 17,000 cubic metres for Year 5;
- (vi) 18,000 cubic metres for Year 6;
- (vii) 19,000 cubic metres for Year 7;
- (viii) 20,000 cubic metres for Year 8;
- (ix) 21,000 cubic metres for Year 9;
- (x) 22,000 cubic metres for Year 10;
- (xi) 23,000 cubic metres for Year 11;
- (xii) 24,000 cubic metres for Year 12;

- (xiii) 25,000 cubic metres for Year 13;
- (xiv) 26,000 cubic metres for Year 14; and
- (xv) 27,000 cubic metres for Year 15.

13. Japan shall not apply or maintain any forest good safeguard measure set out in paragraphs 7 and 11 after the elimination of the customs duties on the corresponding originating forest goods provided for in the tariff items indicated with “SG12” and “SG16” in Column “Remarks” in the Tariff Schedule of Japan.

14. Japan shall not apply or maintain any forest good safeguard measure on the originating forest goods from New Zealand and Chile set out in paragraph 12 after the elimination of the customs duties on the corresponding originating forest goods provided for in the tariff items indicated with “SG17” in Column “Remarks” in the Tariff Schedule of Japan.

15. Japan and Malaysia shall examine the necessity of the forest good safeguard measures set out in paragraphs 9 and 10 in a committee established by those two Parties two years before the elimination of the customs duties on the originating forest goods provided for in the tariff items indicated with “SG14” and “SG15” in Column “Remarks” in the Tariff Schedule of Japan.

16. If Year 1 is less than 12 months, the applicable trigger level for Year 1 for the purposes of paragraphs 6 through 12 shall be determined by multiplying the whole volume for Year 1 set out in paragraphs 6 through 12 respectively by a fraction the numerator of which shall be the number of months between the date of entry into force of this Agreement for Japan and the following March 31 and the denominator of which shall be 12. For the purpose of determining the numerator specified in the previous sentence and for the purpose of determining the applicable trigger level in accordance with the previous sentence, any fraction of less than 1.0 shall be rounded to the nearest whole number (in the case of 0.5, the fraction shall be rounded to 1.0).