

Title: Did the LDC countries benefit from Duty-free Quota-free access to the Japanese market?

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Abstract: This paper evaluates the impact of the Duty-free Quota-free access given to the Least Developed Countries (LDCs) by Japan. The construction of concordance tables for Japan's 9 digit tariff line codes enables analyses at tariff line level and thereby overcomes a possible aggregation bias. Exogenous nature of the DFQF access enables us not to worry much about the endogeneity issues. The analyses show that in general the LDCs did not benefit from DFQF access to the Japanese market. The tariff lines which were granted zero tariffs and substantial preference margins over other countries did not succeed to be imported into the Japanese market, although the total import values of Japan from the LDCs have shown an increasing trend. These findings suggest that for the LDCs the tariff barrier is a relatively small obstacle for trade compared with the other trade costs, such as infrastructures or non-tariff barriers.