# A Rules of Origin calculations for the Japan-Australia agreement

This appendix outlines the more detailed calculations for the Japan–Australia agreement that supports the methodology used to create the rules of origin figures published in the *Trade & Assistance Review 2013‑14* (replicated in figure 5.1 and table 5.1). The detailed calculations for Australia’s agreements with New Zealand, Thailand, the United States, Chile, ASEAN, Malaysia and Korea were presented in last year’s annex. The data set constructed using the methodology described below is at: http://www.pc.gov.au/  
research/ongoing/trade-assistance/2013-14; and http://www.pc.gov.au/research/ongoing/  
trade-assistance/2012-13 for the agreements detailed in last year’s annex.

## The Japan-Australia agreement

The product-specific rules of origin for the Japan–Australia agreement which came into force on 15 January 2015 are available at http://dfat.gov.au/trade/agreements/jaepa/official-documents/Documents/jaepa-annex-2.pdf.

For this agreement, each rule has been assigned its own unique identifier/acronym as appears in column D of the Japan Excel spreadsheet. Where there is a choice of rule, only the first rule is counted to avoid double counting of rules. A simple count of the number of each acronym is then performed to collate the data for figure 5.1. Acronyms have the following concordance:

* WO Wholly obtained
* CC Tariff change at 2-digit chapter level
* CTH Tariff change at 4-digit heading level
* CTSH Tariff change at 6-digit subheading level
* QVC Qualifying Value Content[[1]](#footnote-1)

### Total number of rules ‑ left hand panel in figure 5.1

The total number of cell entries is determined by counting all cells in column D which contain a value. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"\*\*\*") - COUNTIF(D50:D2784," "). The second term avoids the counting of non-empty cells in the text. The cell count is verified by applying the Excel function to each line item and summing the count. The cell count is 2171.

**The total number of rules for the Japan-Australia agreement is 2171.**

#### CTC only rules

##### Change at the 2-digit tariff item chapter level

The number of single rules at the 2-digit tariff item level is determined by finding rules that contain the exact string “CC”. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"CC"). The cell count is 122.

##### Change at the 4-digit tariff item heading level

The number of single rules at 4-digit tariff item level is determined by finding rules that contain the exact string “CTH”. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"CTH"). The cell count is 328.

##### Change at the 6-digit tariff item subheading level

The number of single rules at the 6-digit tariff item level is determined by finding rules that contain the exact string “CTSH”. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"CTSH"). The cell count is 366.

The cell counts are verified by applying the Excel functions to each line item and summing the counts.

**The total number of individual CTC only rules is 816 (or 122 + 328 + 366)**

#### Qualifying Value Content only rules

QVC only rules are determined by finding rules that contain the exact string “QVC\*\*\*”. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"QVC\*\*\*") matching entire cell contents. The cell count is 0.

#### CTC or Qualifying Value Content rules

The number of rules that provide either a choice of CTC or QVC rule is determined by finding rules that contain the string “\*\*\*QVC\*\*\*” and deducting cells that have a CTC and QVC rule or a QVC and another rule. The cell count is derived by using the Excel functions: COUNTIF(D50:D2784,"\*\*\*QVC\*\*\*") – COUNTIF(D50:D2784,"C\*\*\* and QVC\*\*\*") – COUNTIF(D50:D2784,"QVC\*\*\*"). The cell count is verified by applying the Excel function to each line item and summing the count. The total number of CTC or QVC rules is 952 (or 955 – 3 – 0).

#### Other rules

The number of other rules is the residual of total rules (2171), CTC only (816), QVC only rules (0) and CTC or QVC (952). The total other rules is 403 (or 2171 – 816 – 0 – 952).

### All CTC rules — right hand panel in figure 5.1

#### Change at the 2-digit tariff item chapter level

The total number of rules at the 2-digit tariff item level is determined by finding rules that contain the string “\*\*\*CC\*\*\*”. The cell count is derived by using the Excel function: COUNTIF(D50:D2784,"\*\*\*CC\*\*\*"). The cell count is verified by applying the Excel function to each line item and summing the count. The cell count is 436.

#### Change at the 4-digit tariff item heading level

The total number of rules at the 4-digit tariff item level is determined by finding rules that contain the string “\*\*\*CTH\*\*\*”. The cell count is derived by using the Excel function: COUNTIF((D50:D2784,"\*\*\*CTH\*\*\*"). The cell count is verified by applying the Excel function to each line item and summing the count. The cell count is 870.

#### Change at the 6-digit tariff item subheading level

The total number of rules at the 6-digit tariff item level is determined by finding rules that contain the string “\*\*\*CTSH\*\*\*”. The cell count is derived by using the Excel function: COUNTIF((D50:D2784,"\*\*\*CTSH\*\*\*"). The cell count is 867.

In order to avoid double counting, cells that have a rule choice between a CTH or CTSH option should be deducted. A visual check indicated the cell count is 2. The cell counts are verified by applying an Excel function to each line item and summing the count. The total number of rules at the 6-digit tariff item level is 865 (867 – 2).

**The total number of CTC rules is 2171 (or 436 + 870 + 865).**

1. The Japan–Australia agreement uses the term Qualifying Value Content rule instead of the Regional Value Content rule used in most other agreements. For example, the Japan–Australia agreement uses the term “QVC 40” which means that the good has a qualifying value content of not less than 40 per cent and that the last process of production of the good has been performed in the exporting country. [↑](#footnote-ref-1)