



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

EU – JAPAN EPA

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Quick facts about EBC

- ❑ Established in 1972 as the trade policy arm of the European Chambers of Commerce in Japan
- ❑ Advocates for an improved business environment for European industry in Japan
- ❑ EBC is a member organisation where direct members make up the various committees
- ❑ EBC has currently 24 committees
 - ❑ Most of them are sector committees
 - ❑ A few cross-cutting committees



Key EBC Activities

- ❑ Hands-on advocacy
 - ❑ Regular meetings with EU and Japanese Government officials & politicians, Keidanren, Tokyo & Osaka Chamber of Commerce, Keizai Doyukai etc
- ❑ Advocacy on priority issues
 - ❑ Position papers; meet key authorities
 - ❑ Examples: Medical equipments, food additives etc
- ❑ White Paper
 - ❑ Issued every November/December, conveys the EBC's main message to relevant players in the Japanese Government and around the world
 - ❑ Japanese version is sent to every national politician



Historical background

- ❑ The Regulatory Reform Dialogue
 - ❑ Went on for a number of years without necessarily producing any tangible result

- ❑ EU – Japan Industrial Policy Dialogue

- ❑ EU – Japan Customs Cooperation agreement

- ❑ EU – Japan Summit



EBC asks for an EIA

- ❑ In 2006/2007 the EBC starts to formulate its request for an Economic Integration Agreement to the EU Commission
 - ❑ The underlying theme of the request was to set up an “Internal Market” between EU and Japan
 - ❑ If a product/service has been approved in one market it shall be approved in the other market without the need for additional testing/certification
- ❑ The Commission was not too keen on the idea and wanted to focus on the EU – Korea FTA negotiations



Preparations for negotiations

- ❑ At the EU – Japan Summit of May 2011, the two economies decided to start a so called scoping exercise – pre-negotiations
- ❑ A year later, July 2012, the Commission asked the EU member states for a negotiating mandate, which was given on 29 November 2012
- ❑ The first round of negotiations started 15 April 2013



From negotiations to entry into force

- ❑ After 18 rounds, and a number of intersessions, the two parties on 6 July 2017 announced that they had reached an agreement in principle
- ❑ Later the same year, 13 December 2017 the negotiations were concluded
- ❑ Signed 17 July 2018 in Tokyo
- ❑ After ratification by both the European Parliament and Japanese Parliament in December the EPA will enter into force 1 February 2019

Economic Partnership Agreement

- Some 15-16 chapters on tariffs, NTMs, SPS, competition, RoO, services, IPR etc
- In terms of trade value, 96.2% of Japanese tariffs will be removed
- In terms of tariff lines, Japan will remove 96% of tariffs upon EIF
- Longest dismantling period: 15 years

Agriculture

- ❑ Reductions on meat in parity with TPP
- ❑ Cheese
 - ❑ Hard cheese (gouda, cheddar...) full liberalisation in 15 years (28.9%)
 - ❑ Soft cheese (brie, feta...) TRQ
- ❑ TRQ also for whey, milk powder, condensed milk and butter
- ❑ For processed food concessions ranges from EIF to 15 years
 - ❑ Pasta 10 yrs
 - ❑ Chocolates and candies 10 yrs
 - ❑ Confectionaries and cookies 5 to 10 yrs
- ❑ Wines, EIF for both still and sparkling

Agriculture

- Fish
 - Tariff lines currently quotas will be zero duty EIF
 - Blue fin tuna will be eliminated over 5 yrs
- Geographical Indications (GIs)
 - Irish Cream
 - Irish Whisky/Whiskey and Uisce Beatha Eireannach
- Completely excluded from the agreement are rice, sea weed and whales
- Irish export in agriculture is mainly meat, dairy and fish

Industrial goods

- ❑ Forestry products, some EIF, a majority 7 yrs and some 10 yrs
- ❑ Full liberalisation in sectors such as chemical, plastics, cosmetics, metal, textile and clothing
- ❑ Shoes
 - ❑ 21% or 24.6% EIF, rest to be dismantled over 10/15 yrs
 - ❑ Ski boots over 10 yrs
- ❑ Irish export for industrial goods: chemicals, pharma and medical devices. Possibly cosmetics too.

Rules of Origin

- Products have to have EU or Japan origin to benefit from the EPA
 - Wholly obtained
 - Substantial transformation taking place inside EU or Japan
 - Change in tariff classification
 - Value added
 - Product-specific rules
- Statement of Origin by the exporter
- Origin declaration document made out by importer
 - May require additional explanatory sheet

Non-tariff measures (NTM/NTB)

- The EU Commission spent considerable effort on this chapter and this was also where the EBC was most involved.
- A big portion is allocated to automobiles -> an annex
- Food additives – timelines will be introduced for the approvals
- Timber
- Pharmaceuticals – expansion of GMP
- Beef ban
- Wash instruction symbols

Public procurement

- Single point of access for publication of notices
- Expansion of covered cities, 19 -> 49 cities
- Removal of the operation safety clause
 - Maximum one year transition period
 - An element of reciprocity



Geographic Indications (GIs)

- Japan will recognise about 200 EU GIs (both food and drinks) without the need to go through the domestic GI registration process
 - Some GIs might be in used by third countries
 - Trademarks might become invalid
 - GIs and trademarks might also be used in parallel

