

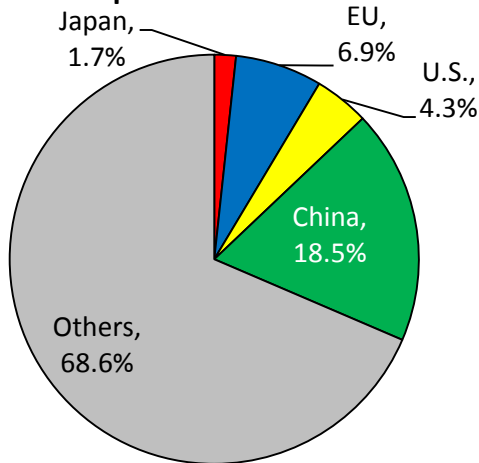
# Japan-EU EPA

## 1. Benefits of the Japan-EU EPA

- Japan and the EU are **important global partners which share fundamental values** such as democracy, rule of law, and basic human rights. The EU has a population of 510 million and accounts for approximately 22% of the world GDP. The EU is Japan's major trading and investment partner which contributes to approximately 12% of Japan's total trade volumes.
- The Japan-EU EPA, together with the Strategic Partnership Agreement (SPA), will further strengthen the bilateral strategic relations, providing important foundations for them.
- The Japan-EU EPA will **promote trade and investment** of both sides through eliminating tariffs and improving trade and investment rules. It will **contribute to boosting economic growth**, creating employment and strengthening business competitiveness both in Japan and the EU. It is one of the important pillars of Japan's Growth Strategy, and will also **promote inroads into the European market by Japanese companies**.

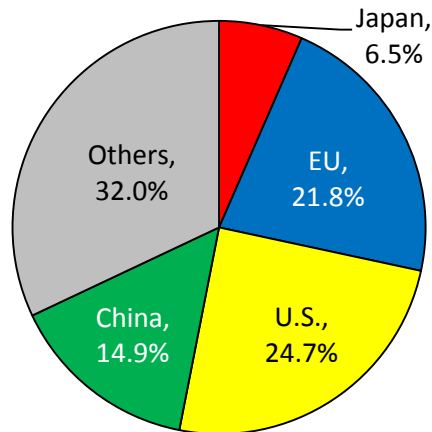
**Population (2016)**

Japan + EU = 8.6%



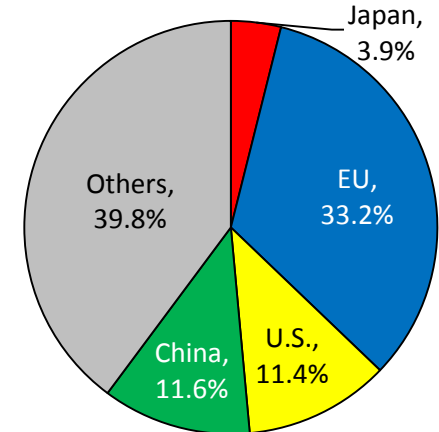
**GDP (2016)**

Japan + EU = 28.4%



**Trade (Exports & Imports) (2016)**

Japan + EU = 37.2%



	Population (2016, million)	Proportion
Japan	127	1.7%
EU	511	6.9%
U.S.	323	4.3%
China	1,379	18.5%
Others	5,102	68.6%
World	7,442	—

Source: World Bank, World Development Indicators, November 21, 2017

	GDP (2016, \$ billion)	Proportion
Japan	4,937	6.5%
EU	16,448	21.8%
U.S.	18,624	24.7%
China	11,232	14.9%
Others	24,127	32.0%
World	75,368	—

Source: IMF, World Economic Outlook Database, October 2017

	Trade (Exports & Imports)	Proportion
Japan	1,252	3.9%
EU	10,635	33.2%
Intra-trade	6,798	21.2%
U.S.	3,643	11.4%
China	3,726	11.6%
Others	12,739	39.8%
World	31,994	—

Source: IMF, World Economic Outlook Database, November 21, 2017

# Japan-EU EPA

## 2. Areas of both sides' interest

### ● Japan's main areas of interest

- Elimination of high tariffs on industrial products (e.g. motor cars:10%, electrical machinery: 14% at the highest)
- Improvement of Regulatory issues facing Japanese companies in Europe on Non-Tariff Measures (NTMs)

### ● The EU's main areas of interest

- Improvement of Market Access (MA) on agricultural products
- To cope with NTMs on automobiles, chemicals, electrical machinery, food safety, processed food, medical devices, and pharmaceuticals, among others.
- Protection of Geographical Indications (GI)
- Government procurement (e.g. railways)
- Sustainable Development

## 3. Background and state of play

May 2011	At the Japan-EU Summit, both leaders agreed to start the Scoping Exercise to define the outline of the EPA/FTA negotiations.
July 2012	Following the successful conclusion of the Scoping Exercise, the European Commission decided to ask the Council of the EU for a negotiating mandate for the Japan-EU EPA/FTA negotiations.
November 2012	Foreign Affairs Council of the EU adopted the mandate.
March 2013	Summit leaders <b>decided to launch negotiations of the Japan-EU EPA/FTA.</b>
April 2013 – April 2014	1st Round – 5th Round of negotiations in Tokyo, Japan or Brussels, Belgium.
April - May 2014	<b>Prime Minister Abe's visit to Europe (Germany, the UK, Portugal, Spain, France and Belgium):</b> PM Abe expressed on various occasions that <b>the Government of Japan aims to reach agreement in principle on the Japan-EU EPA/FTA during 2015.</b>
June 2014	<b>PM Abe's visit to Belgium and Italy:</b> Leaders reaffirmed the importance of the early conclusion of the Japan-EU EPA/FTA.
June 2014	<b>Completion of the "Review" Process on the EU side.</b>
July 2014 – October 2014	6th Round of negotiations in Tokyo, Japan, 7th Round of negotiations in Brussels, Belgium.
November 2014	<b>At the Japan-EU leaders' meeting on the occasion of the G20 Brisbane Summit, both leaders concurred on the acceleration of the negotiations, aiming to reach agreement in principle on the EPA during 2015.</b>
December 2014	8th Round of negotiations in Tokyo, Japan.

# Japan-EU EPA

## 3. Background and state of play (continued)

January 2015	<b>Minister for Foreign Affairs Kishida's visit to Europe:</b> Minister Kishida and European Commissioner for Trade Malmström shared the view that <b>the goal of reaching agreement in principle during 2015 was an ambitious but achievable goal</b> , and confirmed they would <b>further accelerate the negotiations toward achieving a comprehensive and high-level EPA.</b>
February – April 2015	9th Round of negotiations in Brussels, Belgium, 10th Round of negotiations in Tokyo, Japan.
May 2015	At <b>the Japan-EU Summit</b> , both leaders shared the view that Japan and the EU, attaching importance to both speed and quality in their EPA, <b>will further accelerate the negotiations</b> , aiming to reach agreement in principle during 2015.
July - September 2015	11th Round of negotiations in Brussels, 12th Round of negotiations in Tokyo, 13th Round of negotiations in Brussels.
November 2015	At <b>the Japan-EU leaders' meeting on the occasion of the G20 Antalya Summit</b> , both leaders shared the view to reach agreement in principle at the earliest possible time in 2016.
November 2015 – April 2016	14th Round of negotiations in Tokyo, 15th Round of negotiations in Brussels, 16th Round of negotiations in Tokyo.
May 2016	<b>Prime Minister Abe's visit to Europe (Italy, France, Belgium, Germany, and the United Kingdom):</b> PM Abe reaffirmed with the leaders of the EU and the Member States the commitment to reaching agreement in principle on the Japan-EU EPA/FTA at the earliest possible time in 2016.
May 2016	On the occasion of <b>the G7 Ise-shima Summit</b> , the leaders from Japan, the EU, France, Germany, Italy, and the UK issued a joint statement to reaffirm their strong commitment to reach agreement in principle on the Japan-EU EPA/FTA in 2016.
July 2016	At <b>the Japan-EU leaders' meeting on the occasion of the 11th ASEM Summit</b> , both leaders shared the view to continue to do their utmost efforts to reach agreement in principle on the Japan-EU EPA/FTA as early as possible in 2016.
September 2016	17th Round of negotiations in Brussels, Belgium.
December 2016	At <b>the telephone talk between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade</b> , both sides shared the view to hold negotiations early next month to achieve agreement in principle as early as possible.
February 2017	At <b>the working lunch between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade</b> , both sides reaffirmed that it is extremely important for Japan and the EU to reach an agreement on fundamental elements of Japan-EU EPA negotiations as early as possible to counter the protectionist movements.
March 2017	<b>Prime Minister Abe's visit to Europe (Germany, France, Belgium and Italy):</b> PM Abe reaffirmed with the leaders of the EU and the Member States the strong commitment to reaching an agreement on fundamental elements of Japan-EU EPA negotiations as early as possible.
April 2017	18th Round of negotiations in Tokyo, Japan.
May 2017	Chief negotiators' meeting in May in Brussels, Belgium.

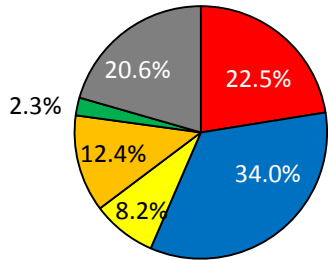
# Japan-EU EPA

## 3. Background and state of play (continued)

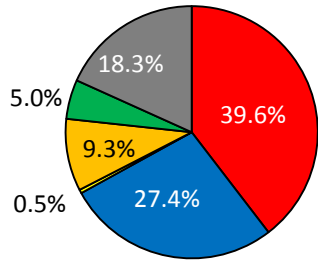
May 2017	At the telephone talk between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, both sides shared the view that Japan and the EU should concentrate on the remaining issues hereafter and make utmost efforts to realize an agreement on fundamental elements of the negotiations as early as possible.
May 2017	At the Japan-EU leaders' meeting, both leaders shared the need to instruct their negotiators to continue to accelerate the negotiations as the agreement is within reach, as well as the view that they are at the stage of exercising their political leadership.
June 2017	At the telephone talk between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, both sides shared the view that Japan and the EU should concentrate on the remaining issues and to continue to make utmost efforts to reach an agreement on fundamental elements on the negotiations as early as possible.
June - July 2017	At the talk between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, and at the talk among them and Mr. Yamamoto, Minister of Agriculture, Forestry and Fisheries of Japan and Mr. Hogan, European Commissioner for Agriculture and Rural Development, they shared the view that while some progress was made during the negotiations, there still remain important issues that need to be addressed by both parties.
July 5, 2017	At the talk between Mr. Kishida, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, both sides confirmed at the ministerial level that they reached agreement in principle of the the Japan-EU EPA.
July 6, 2017	At the 24th Japan-EU Summit, both leaders finally confirmed that they reached agreement in principle of the Japan-EU EPA.
November 15, 2017	At the telephone talk between Mr. Kono, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, they shared the view that Japan and the EU would continue to make utmost efforts to conclude the negotiations as early as possible.
December 8, 2017	At the telephone talk between Mr. Kono, Minister of Foreign Affairs of Japan and Ms. Cecilia Malmström, European Commissioner for Trade, they shared the view that the negotiations on Japan-EU EPA are at the final stage, and Japan and the EU would continue to make utmost efforts to finalise the negotiations as early as possible.
December 8, 2017	At Japan-EU Summit telephone talk, Mr. Shinzo Abe, Prime Minister of Japan and H.E. Mr. Jean-Claude Juncker, President of the European Commission, confirmed the finalisation of negotiations on the Japan-EU EPA after the five months of work following the agreement in principle on July 6 this year.

# Trade and Investment Structure between Japan and the EU

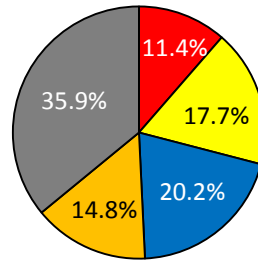
**Investment destination of Japan (Stock)**



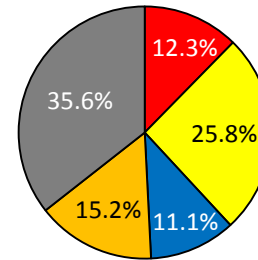
**Origins of Investment to Japan (Stock)**



**Export destination of Japan**



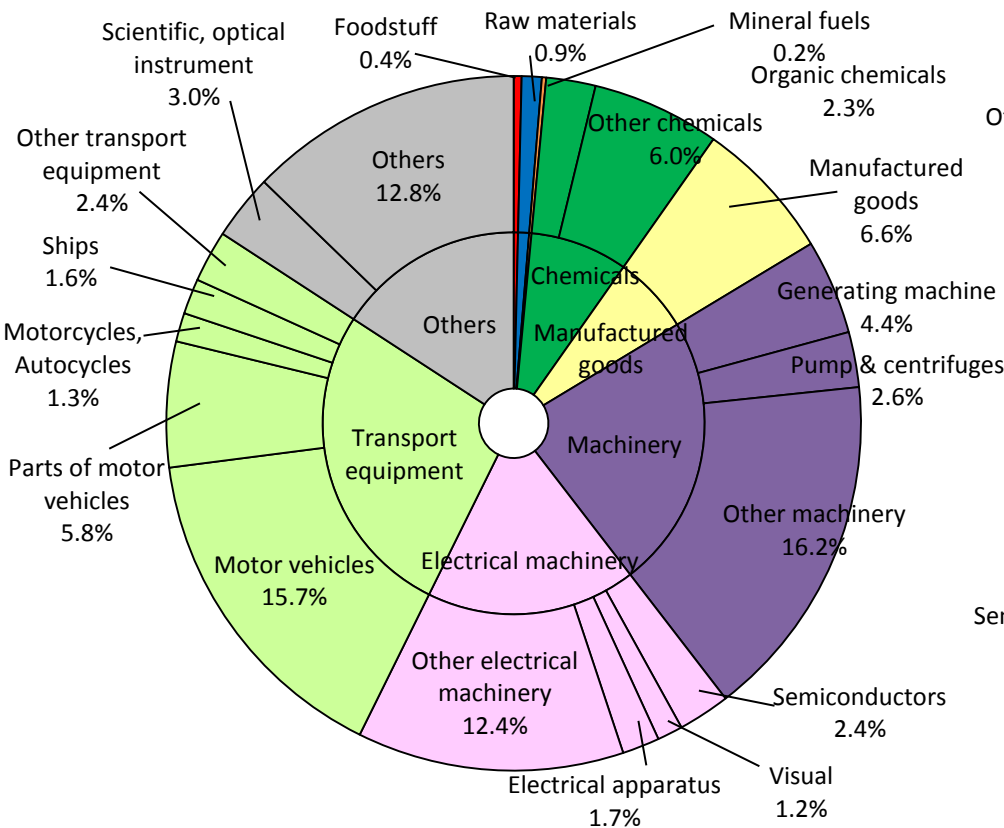
**Origins of Japan's imports**



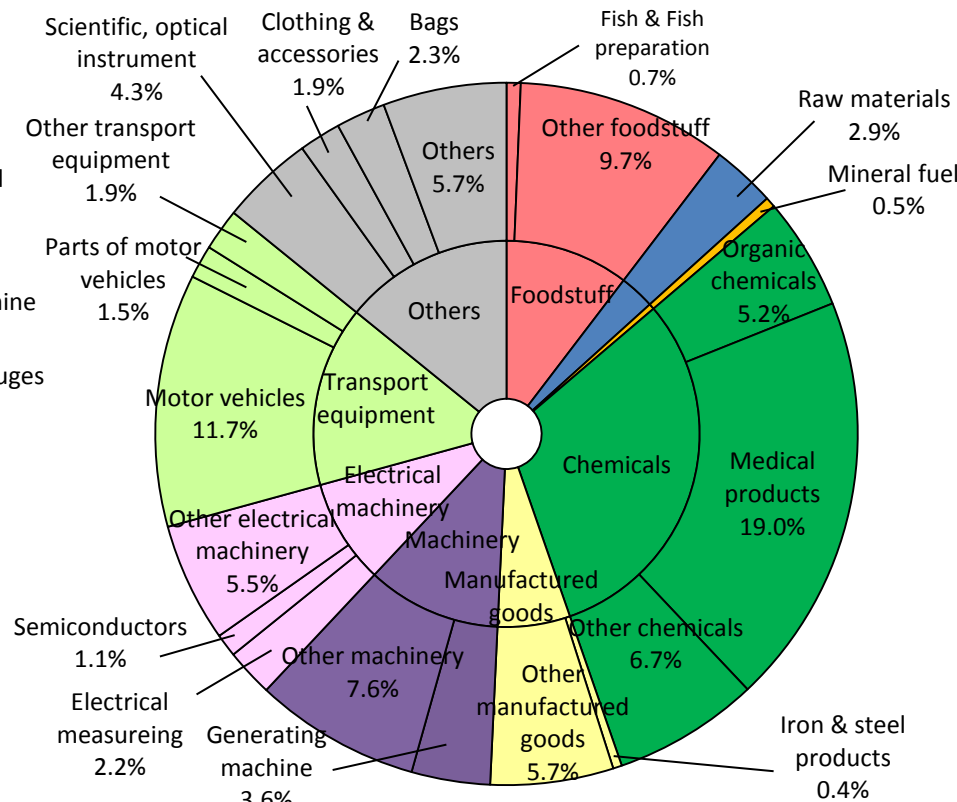
Source: Balance of payments statistics, Bank of Japan Statistics (Data of 2016)

Source: Trade Statistics of Japan, Ministry of Finance (Data of 2016)

**Exports to the EU (2016)**  
8.0 trillion yen



**Imports from the EU (2016)**  
8.2 trillion yen



Source: Trade Statistics of Japan, Ministry of Finance (Published in 2017)