



# Japan-EU Relations

February 2016

Ministry of Foreign Affairs, Japan

# Global partners sharing fundamental values and principles

## ■ **Economic power**

- Total GDP of Member States accounts for about 24% of the world's GDP
- Major trade and investment partner for Japan

## ■ **Important presence in major international frameworks**

- UN Security Council (Permanent Member: UK, France)
- G7 (UK, France, Germany, Italy, EU)

## ■ **Influence on global agendas, formulating rules/standards and international public opinion**

- Influence through languages
- Communication via media and think-tanks

## ■ **Japan and the EU share fundamental values and principles such as democracy, rule of law and human rights; common position on a number of global issues.**



## Important global partner for Japan

### ■ Tackling global challenges in close collaboration

- Global economy, combating terrorism, global commons, energy, climate change, etc.

### ■ Fostering shared understanding on regional issues through multi-layered dialogues

- Security environment in East Asia, Middle East/ North Africa, etc.

# Japan-EU Summit

- Agreed on holding annual summit meetings in “Japan-EU Joint Declaration” (1991). Alternating annual summit in Japan/Europe.
- Since 2010 (after Lisbon Treaty), the Presidents of the European Council and the European Commission participate from EU.

## 23<sup>rd</sup> Japan-EU Summit (May 29, 2015 in Tokyo)

### ***1. Developing Strategic Partnership***

- Recognized Japan and EU's contribution to the peace, stability and prosperity of the international society over the past 70 years since the end of WWII and 40 years since the conclusion of the Helsinki Final Act.
- Confirmed to accelerate the negotiations on Strategic Partnership Agreement (SPA) and Economic Partnership Agreement (EPA).

### ***2. Acting together for global peace and security***

- Security: welcomed expanding cooperation and agreed to explore further cooperation in Ukraine and Somalia.
- Counter terrorism: strongly condemned terrorism in all its forms and agreed to intensify Japan-EU cooperation in this regard.
- Cyber, space, ocean: emphasized the importance of ensuring the rule of law and welcomed cooperation in anti-piracy activities
- Disarmament and non-proliferation: reaffirmed further cooperation and committed to ensure strict export control.
- Regional security: condemned all violation of international law and shared concern over unilateral actions that change the status quo and increase tensions.

### ***3. Fostering growth, prosperity and sustainable development***

- Climate change: resolved to play their parts towards COP21.
- Development: committed to cooperate on post 2015 development agenda and to organize an expert meeting on humanitarian assistance and emergency relief.
- Science and technology: endorsed “Joint Vision towards a new strategic partnership in Research and Innovation”.



### ***4. Deepening mutual understanding for future cooperation***

- Prime Minister Abe announced to invite 150 university/post-graduate European students to Japan (MIRAI program).
- Welcomed active parliamentary exchanges, such as the 35<sup>th</sup> Japan-EU Interparliamentary Meeting.

# Overview of Japan-EU relations

## Economic ties

- ◆ **Trade:** Total trade between Japan the EU is approximately 108 billion euro (app. 16 trillion yen)  
Japan is the 7<sup>th</sup> trading partner for EU, EU is the 3<sup>rd</sup> trading partner for Japan
- ◆ **Investment:** EU accounts for the 2<sup>nd</sup> largest share of outward FDI stocks in Japan (app. 33 trillion yen)  
EU has the largest share of inward FDI stocks in Japan (app. 10 trillion yen)

\*All figures indicated on this sheet are based upon the data in 2014.

## ⇒ Japan-EU Economic Partnership Agreement (EPA)

- To promote trade and investment by eliminating tariffs and improving trade/investment rules in order to contribute to boosting economic growth, creating employment and business competitiveness for both Japan and EU.
- To contribute to stable growth of the world economy and to global rule-making on trade and investment
- The leaders shared the view that Japan and EU continue to do their utmost efforts to reach agreement in principle at the earliest possible time in 2016 (Japan-EU Summit Meeting in Antalya, November 2015).

## Cooperation for the peace and security

- ◆ Cooperation between Japan's Official Development Aid (ODA) and EU's CSDP missions
- ◆ Anti-piracy activities off the coast of Somalia and in the Gulf of Aden

## Addressing global challenges

- ◆ Space, Cyber: First Japan-EU dialogue in 2014 and continuing
- ◆ Disaster reduction, humanitarian assistance and emergency relief: Third UN World Conference on Disaster Risk Reduction (March 2015, Sendai), Japan-EU expert meetings
- ◆ Education, people-to-people exchange: MIRAI program (150 European students invited in 2015)

## ⇒ Japan-EU Strategic Partnership Agreement (SPA)

- Reinforce overall partnership as global partners sharing fundamental values and principles
- Establish legally binding foundation for Japan-EU strategic partnership covering wide range of areas

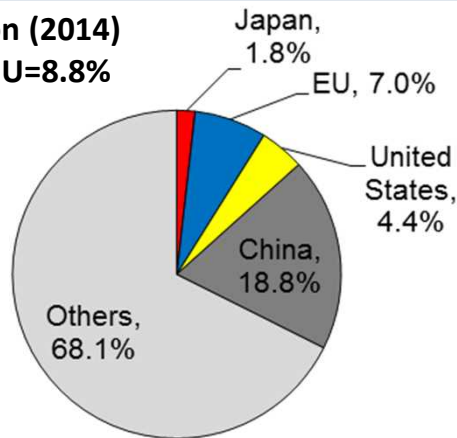


# Japan-EU Economic Partnership Agreement (EPA)

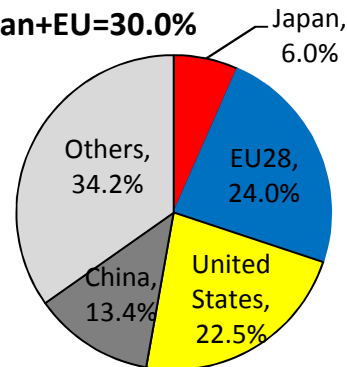
## 1. Benefits of the Japan-EU EPA

- 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 500 million and accounts for approximately 24% of the world GDP. The EU is Japan's major trading and investment partner which contributes to approximately 10% 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 will also promote inroads into the European market by Japanese companies.
- The Japan-EU EPA is one of the mega FTAs along with TPP (Trans-Pacific Partnership) and TTIP (Transatlantic Trade and Investment Partnership), aimed at further deepening of the economic relations among Japan, the US and the EU, which share a common view to building a free, fair and open international economic system.

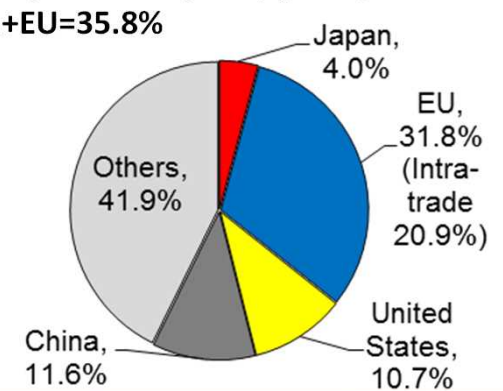
**Population (2014)**  
Japan+EU=8.8%



**GDP (2014)**  
Japan+EU=30.0%



**Trade (Exports & Imports) (2014)**  
Japan+EU=35.8%



	Population (2014, million)	Proportion (%)
Japan	127	1.8%
EU	508	7.0%
U. S.	319	4.4%
China	1,364	18.8%
Others	4,942	68.1%
World	7,261	—

	GDP (2014, \$ billion)	Proportion (%)
Japan	4,602	6.0%
EU	18,527	24.0%
U.S.	17,348	22.5%
China	10,357	13.4%
Others	26,435	34.2%
World	77,269	—

	Trade (Exports & Imports) (2014, \$ billion)	Proportion (%)
Japan	1,502	4.0%
EU	11,821	31.8%
Intra-trade	7,774	20.9%
U.S.	3,968	10.7%
China	4,306	11.6%
Others	15,579	41.9%
World	37,177	—

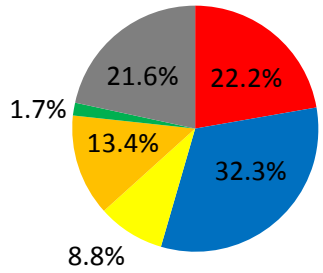
Source: World Bank, World Development Indicators, December 2015

Source: IMF, World Economic Outlook Database, October 2015

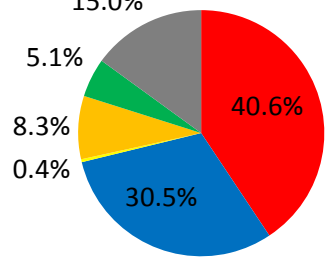
Source: IMF, Direction of Trade Statistics, February 2016

# Japan-EU economic relations

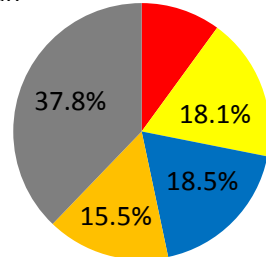
Investment destination of Japan (Stock)



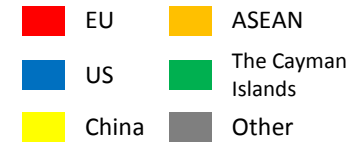
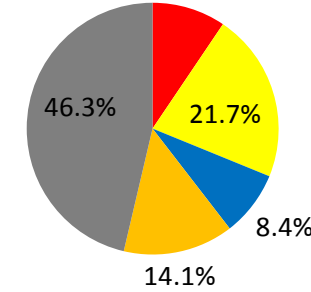
Origins of Investment to Japan (Stock)



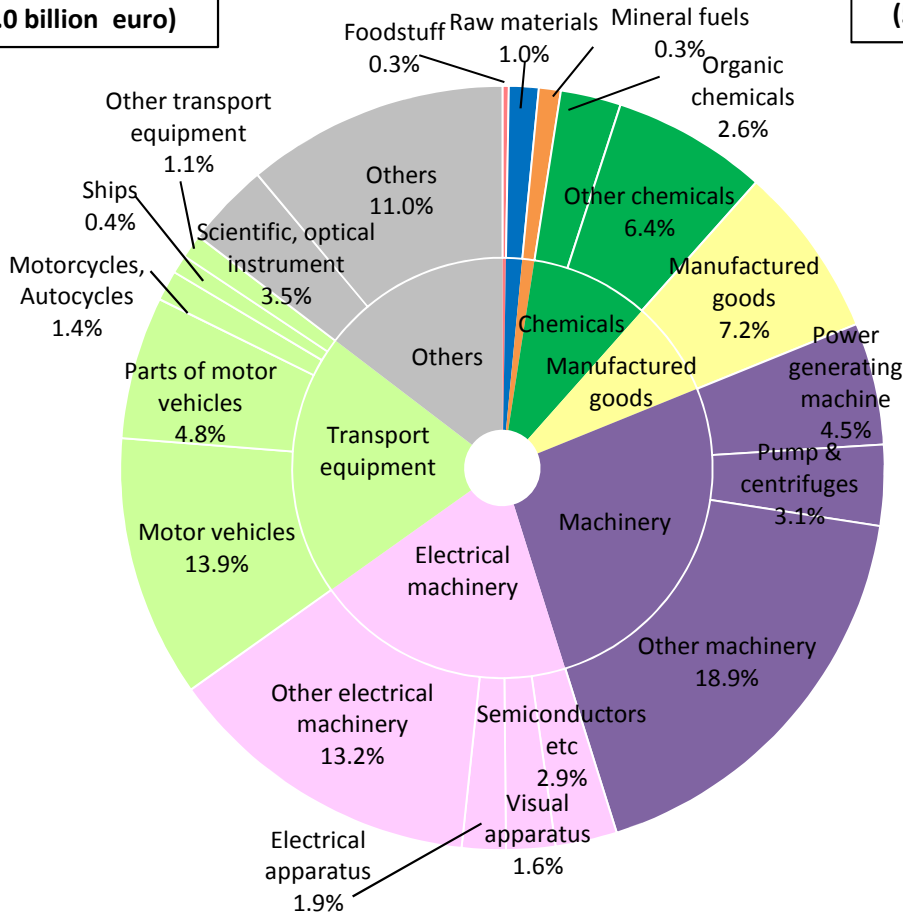
Export destination of Japan



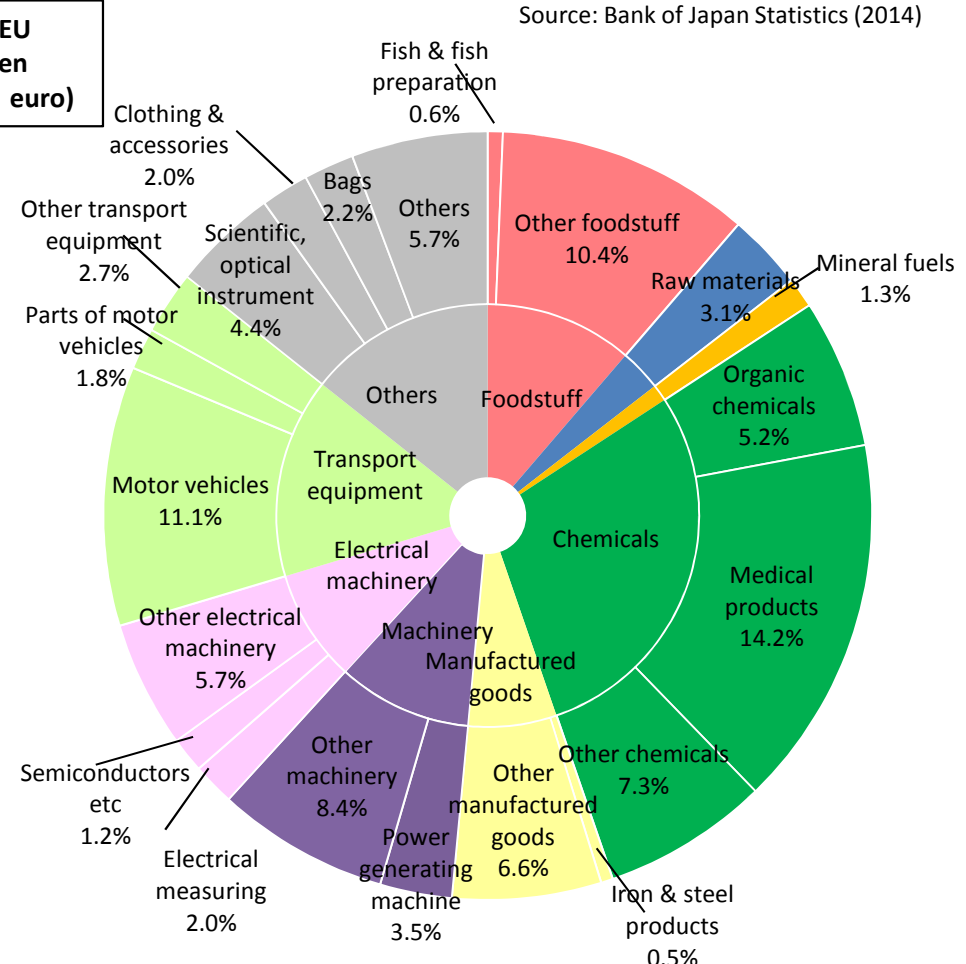
Origins of Japan's imports



**Exports to the EU**  
7.6 trillion yen  
(54.0 billion euro)



**Imports from EU**  
8.2 trillion yen  
(58.6 billion euro)



Source: Bank of Japan Statistics (2014)

Source: Trade Statistics of Japan, Ministry of Finance (2015)

# Japan-EU Strategic Partnership Agreement (SPA)

## 1. Background and current status

- ◆ At the Japan-EU Summit of May 2011, leaders agreed to start the process for negotiating **“a binding agreement, covering political, global and other sectoral cooperation in a comprehensive manner” (Strategic Partnership Agreement: SPA, provisional title)** . After a scoping exercise, the **negotiation was launched in March 2013.**
  - ◆ Since then, 11 negotiation meetings (including a follow-up meeting) have been held.
- ⇒ **Currently negotiated in parallel with the Economic Partnership Agreement (EPA) , aiming for an early conclusion**



## 2. Significance of the Agreement

- ◆ **Reinforce overall partnership** between Japan and EU from strategic perspective, by establishing consensus in various fields of cooperation, **on the basis of their shared fundamental values** such as democracy, rule of law, human rights.
- ◆ To be the first legally binding agreement between Japan and EU, after Japan-EC Joint Declaration (1991) and Japan-EU Action Plan (2001-2010) .
- ◆ **Provide legal basis for the Japan-EU strategic partnership for the coming decades on the basis of existing cooperation, with a view to achieving peace, stability and prosperity of the world and regions.**