



Background & Significance

- Protectionist movements and market-distorting measures by emerging countries (industry subsidies, and forced technology transfer, etc.).
- Stagnation of the Doha Round of the WTO negotiation and the necessity of modernisation of the WTO (e-commerce, investment, dispute settlement, and transparency, etc.).



By concluding the EPA, **Japan and the EU set a model of trade liberalisation to the world as flag bearers for free trade.**

(EU's GDP: 13.3 trillion dollars (27.6 % of the world GDP), Japan's GDP: 1.5 trillion dollars (3.0% of the world GDP) (2024))



< 27 EU Member States >

Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Holland, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden

Population : 449.2million (2024)(approximately 3.6 times larger than that of Japan)

Implementation

- In principle, the **Joint Committee** (ministerial level) meets once a year. So far, the meetings have been held five times, most recently in July 2024 between Minister Kamikawa and Executive Vice President of the European Commission Dombrovskis .
- The **Specialised Committees and Working Groups** covering 12 different fields are held regularly at the working level.

(Note: In principle, the following Committees and Working Groups established under the Joint Committee are held annually. Specialised Committees: (1) trade in goods; (2) rules of origin and customs-related matters; (3) sanitary and phytosanitary measures; (4) technical barriers to trade; (5) trade in services, investment liberalisation and electronic commerce; (6) government procurement; (7) intellectual property; (8) trade and sustainable development; (9) regulatory cooperation; (10) cooperation in the field of agriculture. Working Groups: (1) wine; (2) motor vehicles and parts.)

< Chronology >

March 2013 : determining the launch of the negotiation

July 2017 : agreement in principle

December 2017 : finalisation of the negotiations

July 2018 : signing

December 2018 : conclusion

February 2019 : entry into force

Progress after entry into force

- After the EPA entered into force in February 2019, **trade has been expanding.**
- **Geographical Indications (GIs)** to be protected were added three times. In 2023, 20 new names were added as **GIs of Japan** to be protected. Currently, 131 GIs of Japan are protected under the EPA.
- In July 2024, the Protocol amending the Japan-EU EPA to include **provisions on the free flow of data entered into force.** (Signed in January, concluded in May 2024)
- **Six Joint Dialogues** have been conducted between Japanese and EU officials **and Civil Society Organisations** with a view to mutually co-operating with civil society on trade and the implementation of sustainable development, environment, labour, etc.

The Japan-UK CEPA was signed in October 2020 and entered into force in January 2021 following BREXIT.

Main contents : Trade in goods

Exportation of Japanese products to the EU's market

Elimination rate of customs duties on the EU side : **approximately 99%** (Note 1)(Note 2)



Industrial products

- **100% elimination of customs duties**
- **Automobiles**(current customs duties:10%) : **customs duties will be eliminated in 8 years.**
- **Carparts**: **more than 90% of customs duties** (exports by value) **will be eliminated immediately.**
- General machineries, chemical products and electronics : approximately 90% of customs duties (exports by value) will be eliminated immediately.
(Note)general machineries : 86.6%, chemical products : 88.4%, electronics : 91.2%

Agriculture, forestry and fisheries products, etc.

- Custom duties for almost all products including Japan's export priority products such as **beef, tea, and fisheries products will be eliminated**(almost all of them will be eliminated at the date of entry into force of the EPA).
- **Japan wine: the EU's import restriction will be eliminated**(authorisation of oenological practices of Japan Wine, introduction of self-certification). **All customs duties of alcoholic beverages will be eliminated immediately.** Free distribution will be possible.
- **Protection of geographical indications (GI)** will be ensured on agricultural products & alcoholic beverages (Japanese Sake etc.)

Industrial products : Not only big firms but also small & medium-sized supplying manufactures with parts may also benefit from the EPA.

Agriculture, forestry and fisheries products : The EPA will create an environment which promotes export of Japanese products to a market of more than 400 million people in the EU.

Alcoholic beverages : Export will expand and the brand image will be strengthened through protection of GIs.

Importation of the EU products to Japan's market

Elimination rate of customs duties on the Japanese side : approximately 94%



(agriculture, forestry and fisheries products : approximately 82%, industrial products : 100%)(Note 1)

Industrial products

- Chemical products, fiber/fiber products : customs duties will be eliminated immediately.
- Leather, footwear (maximum current customs duties: 30%) : customs duties will be eliminated in 11 years or 16 years.

Agriculture, forestry and fisheries products, etc.

- **Rice: excluded from reduction/elimination of customs duties.**
- **Wheat, Dairy products, Sugar, Pork: maintain state trading system for wheat and dairy products; sugar price adjustment system; gate price system for pork.** Ensure effective measures such as tariff rate quotas and safeguards.
- **Soft cheese: tariff rate quota is allocated**, and quota volume is limited to the extent which enables expansion of production in Japan.
- **Beef: ensure 15-year tariff reduction period and safeguard.**

Main contents : Trade in Services / Investment, Rules

Trade in Services, Investment, E-commerce

Trade in Services, Investment, E-commerce

- In principle all trade in services and investments are liberalised. Reserved exceptional measures and areas are enumerated (**Negative List**).
- Rules **meeting the needs of Japanese businesses in Europe** are provided
(telecommunications services, regulatory cooperation on financial regulation, etc.).
- Rules **ensuring security and credibility of e-commerce** are provided
(prohibition of imposing customs duties on electronic transmissions, prohibition of forced disclosure of source codes, prohibition of restriction on cross-border transfer of information by electronic means (from July 1), etc.)

High-level rules in the 21st century

State-owned enterprises, subsidies

- **State-owned enterprises** : ensuring **commercial considerations** in its purchase or sale of a good or service, and **non-discriminatory treatment** for enterprises of the other Party.
- **Subsidies** : notification obligation, procedure for the request for consultation, prohibiting certain types of **subsidies**, etc.

Intellectual Property

- **Higher standards than WTO-TRIPS**
(protection of trade secrets, extension of term of protection for rights of an author of a literary or artistic work to 70 years after the author's death, etc.)
- **High level of mutual protection of geographical indications (GI). 131 GIs of Japan** (“KOBE BEEF”, “YUBARI MELON”, “Satsuma”, and “Nihonshu / Japanese Sake”, etc.)

Regulatory Cooperation

- Regarding regulatory measures on trade and investment, regulatory authorities of both Japan and the EU: **issue publication in advance, offer reasonable opportunities for any person to provide comments, conduct prior and retrospective evaluation, and exchange information on good regulatory practices.**