



Joint Activity Report of the SME Contact Points

to the 6th meeting of the EU-Japan EPA Joint Committee

Small and medium-sized enterprises (SMEs) are referred to in Chapter 20, Articles 20.1 to 20.4 of the EU-Japan EPA (the EPA). In the EPA, the European Union and Japan recognise the importance of the provisions of the SME Chapter as well as other provisions in the EPA that seek to enhance cooperation on matters of relevance to SMEs. In this context in Article 20.3 of the EPA, each side designated an "SME Contact Point" for the implementation of the SME Chapter so that the benefit of the EPA will be maximised for SMEs.

The Contact Points met on 20 September 2024 in the fourth edition of the Contact Points Meeting under the EPA (via videoconference) and on 11 November 2024 in a separate meeting (in Brussels). Both sides reported about their latest initiatives to implement the information sharing provisions under the EPA (Article 20.2) and other activities to increase the uptake by SMEs on both sides of the EPA.

1. Background

In the past years, SMEs suffered from adverse business environment amplified by combined effects derived from multifaceted crises such as the COVID-19 pandemic, intensified geopolitical tensions, severe inflationary pressures, and supply chain disruptions. Whilst by now it shows some recovery from the impact of the pandemic, SMEs have continued facing challenges regarding supply chain problems accentuated by energy crisis and related price hikes in materials and in transport as well as by labour shortage, in particular skilled workers. Furthermore, with growing awareness of the cross-border nature and vulnerability of supply chains, today's SME business is no longer immune from issues of economic security, cybersecurity, climate change, sustainability and due diligence compliance associated with, for example, clean and green transition.

Both the EU and Japan emphasised the importance of additional support with special care for SMEs assisting them to overcome the challenges, ensure an enabling business environment and take advantage of trade opportunities in the respective markets.

Despite these challenging circumstances, the trade flows between the EU and Japan have had an upward trend between 2020 and 2022. This is also reflected by an increase of European exporting and importing SMEs to/from Japan.

2. EU Side activities

The EU continued its efforts to provide SMEs with information on how to benefit from the opportunities generated by the EPA. To that effect, the EU developed further the main EU trade portal, 'Access2Markets' ('A2M'), by launching new features or upgrading the existing ones, such as:

- Launch of the 'My TRADE Assistant for Services and Investment' tool, allowing SMEs to learn about key market access requirements when exporting services to several countries outside the EU, including to Japan. The feature covers more than 100 service sectors and will continue to expand. The 'My TRADE Assistant for Services and Investment' tool was last updated in June 2024 by adding additional service sectors and also making it available for additional EU trading partner countries.
- Further upgrade of the 'My TRADE Assistant for Rules of Origin' ('ROSA') in July 2024: ROSA guides businesses through the rules of origin applicable to their product in a particular Trade Agreement, with simple questions to perform a self-assessment to determine whether their product complies with those rules and can therefore qualify for preferential tariff treatment. Clear explanations, examples and links to the relevant legal texts are available throughout the tool. Since July 2023 the EPA is available in ROSA in all EU languages.
- The 'Access2Conformity' tool was added to 'Access2Markets' in November 2023 allowing exporting SMEs to verify if their exported products could be tested and certified in the EU instead of (re)doing these procedures in the export destination, for example in Japan. This tool covers a broad range of EU industrial exports to only a few countries for the moment, Japan included.

In addition to the above upgrades of the Access2Markets portal, the EU continued to deliver free trainings on how to use the A2M portal. Over the last three years, the EU has trained more than 12.000 SMEs and multipliers (such as trade promotion organisations, chambers of commerce, SME associations, etc). The trainings are not specifically focused on a particular market or industry, but are dedicated to show the full potential of the A2M platform. They include live demonstrations of each of the tools (ROSA, Services, Procurement etc).

In addition to the A2M upgrades, the EU has increased the rhythm of outreach events with Member States through participation in a series of Market Access Days ('MADs'). The Commission co-organises MADs together with Member States as an opportunity to show the joint engagement on implementation and enforcement of trade agreements. At the MADs meetings are organised with representatives of the Ministries of Trade and Economy of Member States, business organisations and companies, including SMEs, which are trading internationally. The aim of MADs is to show EU businesses, particularly small and medium ones, how they can take full advantage of the trade deals that the EU has negotiated with its trading partners. Since 2018, MADs were co-organised with Denmark, Spain, Portugal, The Netherlands, Hungary, Latvia, France, Sweden, Croatia, Czech Republic, Italy, Finland, Estonia, Spain and Greece. The MADs organised in 2024 were in Austria, France, Germany, Belgium, The Netherlands and Hungary. More MADs are planned in the future as they proved effective in engaging with the business community and in making the EU trade agreements known to the business community.

Finally, the EU's SME Relief Package recommends various policy measures such as facilitating SMEs' digital transition and reducing their administrative costs. It was noted that the same spirit was echoed in the Draghi Report as well as in 'mission letters' addressed by the President of the European Commission to each newly nominated Commissioner.

3. Japan Side activities

Japan also continued its efforts to assist SMEs' utilisation of the EPA including through provision of up-to-date information and references, useful toolbox and consultation services. JETRO's survey mentioned above illustrates that Japanese SMEs place reliance particularly on governmental and other public sources on EPAs. After presentation of the previous Joint Activity Report, the Japanese institutions continued extending their support through various channels as follows:

- For years, the Ministry of Foreign Affairs (MOFA) has established a contact point for Japanese business support at every overseas diplomatic mission. Japanese companies can receive briefings on local business conditions including observations on political and economic situations, as well as advice on or support for their activities, including communications with local authorities and companies. In the fiscal year of 2023, the overseas diplomatic missions in Europe dealt with about 10,000 cases of which 413 were SMEs-specific cases.
- The Ministry of Agriculture, Forestry and Fisheries (MAFF) has continued running a website 'Quick understanding of EPA use', where information necessary for utilisation of the EPA in the export of agricultural, forestry, fisheries and food products is organised in a succinct manner. The website also provides an easy-to-understand tariff rates table, 'Quick reference to utilize EPA'. The MAFF in cooperation with JETRO also facilitates online business meetings with foreign companies as well as provides consultation services specialised in agricultural sectors.

https://www.maff.go.jp/j/kokusai/renkei/fta_kanren/epa_n.html

The Small and Medium Enterprise Agency (SMEA) of the Ministry of Economy, Trade and Industry (METI) identifies and analyses challenges that Japanese SMEs face and offers policy measures. During the Forth Contact Points Meeting held in September, the SMEA shared their activities such as the organisation of events addressing business succession problem in Japan stemming from rapid aging of managers' cohort and policy measures assisting SMEs' attempt for internationalisation of their business.

- The Organization for Small & Medium Enterprises and Regional Innovation (SMRJ), an independent administrative agency dedicated to support SMEs' activities, provides 'hands-on-support' by experienced business experts for the SMEs doing overseas business. In support of the promotion of the EU-Japan EPA, the SMRJ created 'A guidebook for developing sales channels in the EU', which includes information regarding the trends of the EU market, its basic regulations and accessibility as well as useful tools.

<https://www.smrj.go.jp/sme/overseas/consulting/advice/index.html>

<https://biznavi.smrj.go.jp/tag/euguidebook/>

- JETRO's 'Japan Innovation Bridge' (J-Bridge) is a business platform aiming at promoting cross-border open innovation between Japanese and foreign companies, including start-ups, through technical cooperation, joint research and development, M&A and capital alliances and other means. As of July 2024, about 1,650 Japanese companies have been registered as J-bridge member.

<https://www.jetro.go.jp/en/j-bridge/>

- In 2023, Japan's ministries and agencies organised 52 seminars and workshops regarding explanation of FTAs/EPAs and in total 8,408 people participated in these events.

4. Activities of the EU-Japan Centre for Industrial Cooperation to help SMEs uptake the EPA.

The EU-Japan Centre for Industrial Cooperation ('the Centre') provides a coherent 'package' integrating various tools, support, and services to help SMEs. It aims at improving EU and Japanese companies' competitiveness and cooperation by facilitating exchanges of experience and know-how between EU and Japanese businesses.

The following table lists in a non-exhaustive way the activities implemented by the EU-Japan Centre for Industrial Cooperation contributing to help SMEs benefiting from the EPA.

Activity	Objective	What was achieved in the fiscal year of 2023
EPA Helpdesk	Answers enquiries from EU companies and provides support in navigating the EPA. https://www.eu-japan.eu/epa-helpdesk	163 enquiries about Japan's market (including 21 on the EPA)
Japan Tax and Public Procurement (JTPP) Helpdesk	Provides support for European SMEs in their commercial endeavours in Japan and provides a range of free services in the areas of public procurement and tax issues to lessen the hurdles that might impede business activities. https://www.eu-japan.eu/japan-tax-public-procurement-helpdesk	1 public procurement market quick scan 7 training sessions organised with 128 participants in total. 36 inquiries processed.
Regional & Cluster Cooperation Helpdesk (EJR2C)	Mobilise European regions and clusters, Japanese Prefectures and clusters through EPA, and the EU-Japan Partnership on Sustainable Connectivity. https://www.eu-japan.eu/ejrc	4 webinars organised. The online "EU-Japan Regional Cooperation Annual Conference & Matchmaking" event was held on 16 and 17 January 2024 with 44 participants. "Trends of EU-Japan Regional Cooperation" was the theme of the event.
EEN (Enterprise Europe Network)	Helps EU businesses innovate and grow on an international scale. It is the world's largest support network for SMEs with international ambitions. The EU-Japan Centre for Industrial Cooperation is EEN representative in Japan. https://www.eu-japan.eu/een	Co-organised 29 B2B events 363 Japanese companies attended EEN B2B events. Promoted 8 Japanese profiles in the EU and promoted 53 EU profiles in Japan.

		1,223 meetings facilitated for EU and Japanese companies.
Market opportunities and intelligence in Japan: “EU Business in Japan” pages	<p>Provide practical information for EU businesses in need of clear guidelines to trade with or invest in Japan or cooperate with Japanese partners, including on EPA—. Also offers information, reports and webinars on a wide range of Japan-specific industry topics.</p> <p>Over 400 reports and webinars released so far spanning from cultural aspects to industrial sectors and related regulation. EPA factsheets and practical guides available by product and topic.</p> <p>Access to information is reserved to registered members.</p> <p>http://www.eubusinessinjapan.eu/</p>	<p>2,233 registered members</p> <p>17 Market intelligence reports</p> <p>835 participants</p> <p>25 webinars & podcasts.</p>
Market access workshops	<p>Help EU companies to access the Japanese market and help address topics related to export & import procedures as well as cross-cultural practices, co-organised with EEN local partners.</p> <p>https://www.eu-japan.eu/market-access-workshops</p>	<p>10 workshops with 402 participants</p>
Promote your products / services in Japan (organic food / green / digital)	<p>EU2JP Food, EU2JP Green, EU2JP Digital are three online platforms in Japanese, promoting EU SMEs and their activities. Following the success of EU2JP Food, EU2JP Green and EU2JP Digital were launched in early 2024.</p> <p>https://www.eu-japan.eu/eu2jp https://www.eu-japan.eu/eu2jp-food https://www.eu-japan.eu/eu2jp-green https://www.eu-japan.eu/eu2jp-digital</p>	<p>Approximately 13,000 pages views</p> <p>40+ new companies</p>