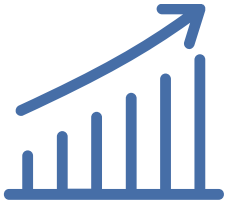




The EU - Japan Economic Partnership Agreement

Impact on trade for European customers

Countries around the world recognize the benefits of trade agreements



Increased production



Economies of scale



Benefits to consumers



Dynamic business climate



Employment

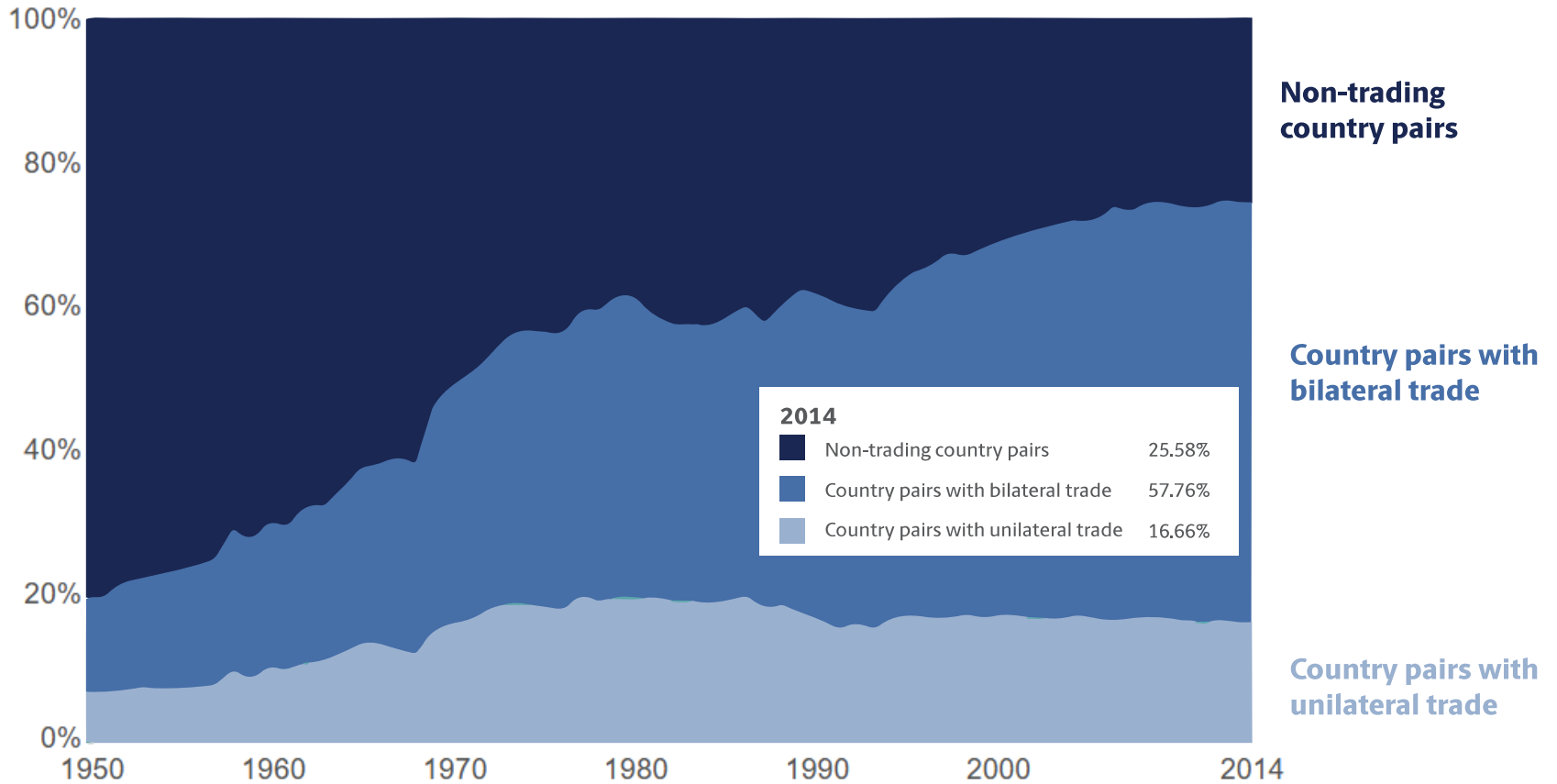


Technology transfer



Foreign exchange gains

Number of country pairs with bilateral agreements has been increasing overtime to nearly 58% in 2014



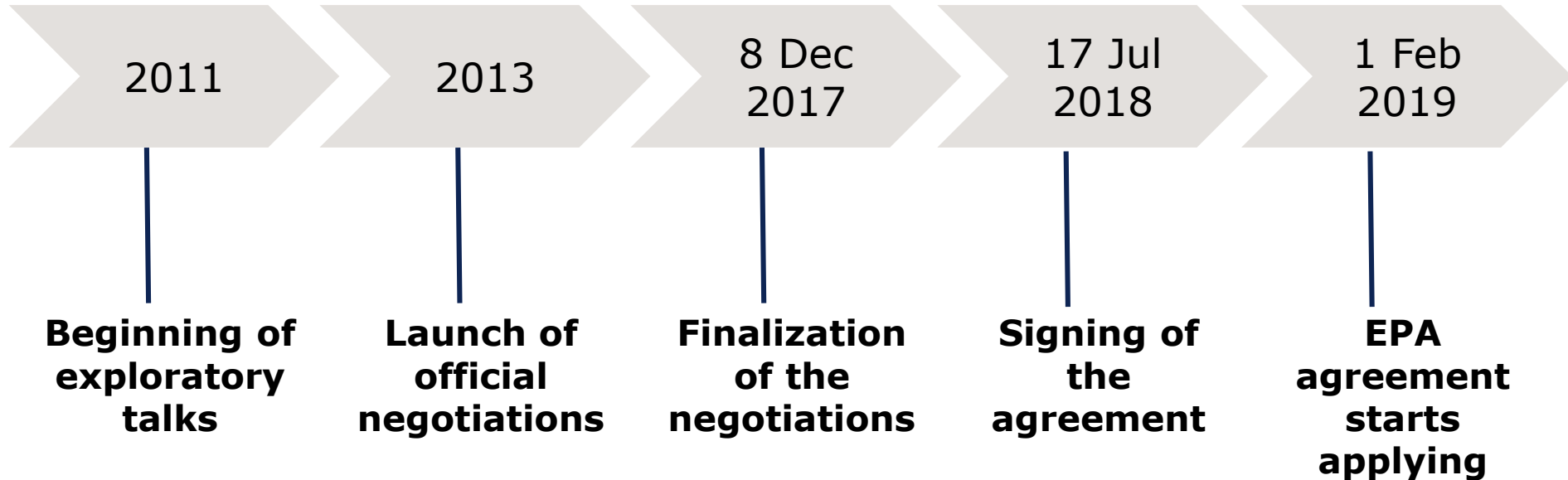
Source: Fouquin and Hugot (CEPII 2016)

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Share of bilateral and unilateral trade partnerships around the world

Source: www.ourworldindata.org

In July 2018 the EU and Japan signed an Economic Partnership Agreement in order to remove trade barriers

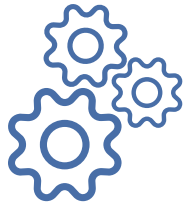


- EPA is projected to eliminate **€1 billion** worth of tariffs paid annually by companies exporting goods to Japan, with an increase in GDP of **€33 billion** by 2035
- EPA sends a powerful signal that two of the world's largest economies explicitly reject trade protectionism

Source: www.ec.europa.eu

The EU – Japan EPA will be the world’s largest open economic area, making up 40% of global trade value

- Japan’s elimination of customs duties is expected to benefit EU exports in:



Electrical machinery



Pharmaceuticals



Motor vehicles



Cosmetics



Chemicals



Textiles

- The EU Commission predicts 180-percent growth in the agricultural sector (cheese, wine and pork)
- The agreement aims to open services markets, in particular for financial services, e-commerce, telecommunications and transport

For the EU the agreement is predicting:

- **Over 50% increase (or € 1bn) in export of processed food**
- **7% increase (or €1.6bn) of export of chemicals**
- **220% increase (or €5.2bn) of export of textiles, apparel and leather**

The EU exported €58.1 billion (\$68.3 billion) in goods to Japan in 2016, when Japan exported €66.4 billion (\$78 billion) to the EU
EU services exports to Japan reached €28 billion (\$32.9 billion) in 2015, when Japan exported €15.8 billion (\$18.6 billion) in services to the EU

Source: www.trade.ec.europa.eu

Agricultural goods produced in Europe will benefit greatly from the deal

- Duty-free trade with processed **pork meat** and almost duty-free trade for fresh pork meat exports
- Tariffs on **beef** will be cut from 38.5% to 9% over 15 years for a significant volume of beef products
- 15% tariff on **wine** and other alcoholic drinks will be scrapped from day one. EU wine exports to Japan are already worth around €1 billion and represent the EU's second biggest agricultural export to Japan by value
- Nearly 30% duties on **cheese** will be eliminated and duty-free quota will be established for fresh cheeses such as mozzarella and Feta
- Customs duties (with a transitional period) for **processed agricultural products** such as pasta, chocolates, cocoa powder, candies, confectionary, biscuits, starch derivatives, prepared tomatoes and tomato sauce will be eliminated
- There will also be significant quotas for EU exports (duty-free or with reduced duty) of malt, potato starch, skimmed milk powder, butter and whey

Source: www.trade.ec.europa.eu

Duties on the industrial goods where the EU is competitive will be eliminated

- Fully abolished duties on **chemicals**, plastics, **cosmetics** as well as **textiles** and clothing
- For **leather** and **shoes**, tariffs will go down from 30% to 21% at entry into force, with the rest of the duties being eliminated over 10 years
- Tariffs on EU exports of leather products, such as **handbags**, will go down to zero over 10 years, as will be those on products that are traditionally highly protected by Japan, such as sports shoes and ski boots
- Also – import quotas for fishery goods as well as wood products (with staging) will be eliminated

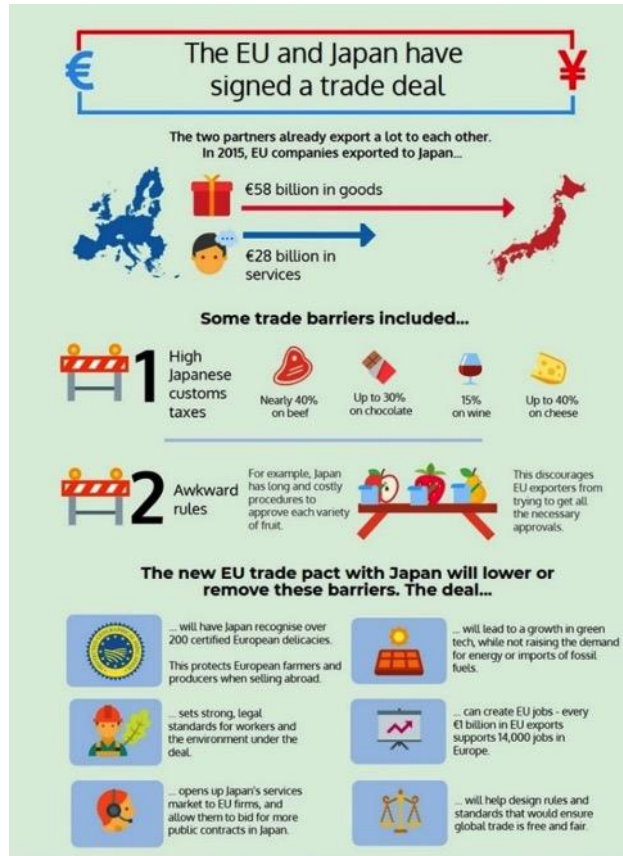
Removal of some non-tariff barriers will allow access to the highly regulated Japanese market

As part of the agreement certain standards were adopted by Japan during the last 5 years:

- **Medical devices:** applying the same standard on quality management systems, which reduces the costs of additional certification (ex: x-ray machines and pacemakers)
- **Textiles labelling:** applying the same textile labelling standards, which saves time and effort spent on relabelling
- **"Quasi drugs", medical devices and cosmetics:** a complicated and duplicative notification system was abolished on 1 January 2016
- **Beer:** from 2018 onwards, European beers can be exported as beers and not as "alcoholic soft drinks", which reduces the complication behind it

Motor vehicles, as part of the agreement entering into force on Feb 1st 2019, will not need additional testing and certification for EU cars entering Japan

A one pager and per country summary in relation to EPA is available on the European Commission website



Download it [here!](#)

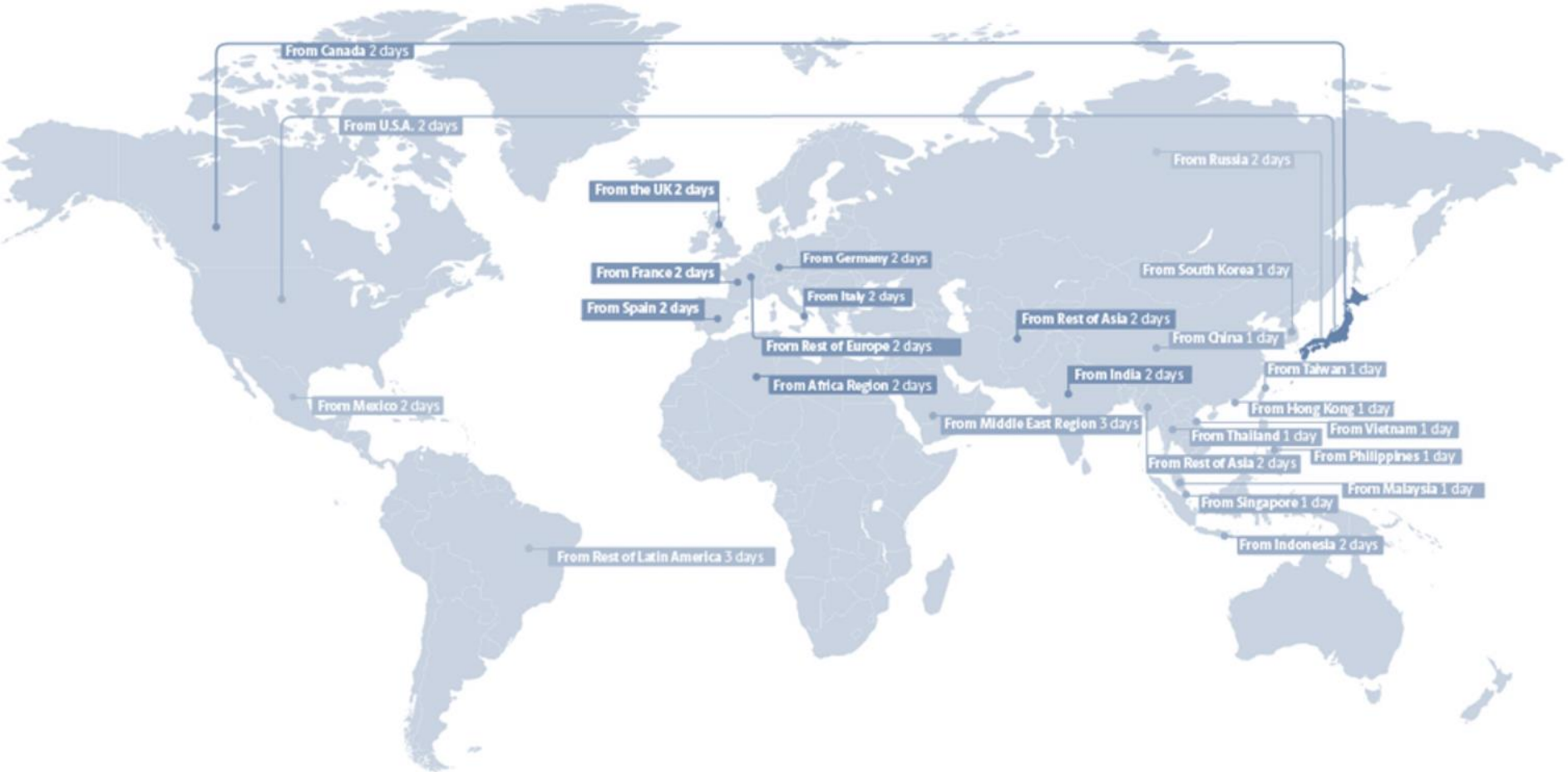


See details for each EU country [here!](#)

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