



## EU and Japan sign Economic Partnership Agreement

Tokyo, 17 July 2018

**At the EU-Japan summit in Tokyo, Presidents Jean-Claude Juncker and Donald Tusk, and Japanese Prime Minister Shinzo Abe, signed today the EU-Japan Economic Partnership Agreement (EPA).**

The trade agreement is the biggest ever negotiated by the EU and will create an open trade zone covering over 600 million people.

President of the European Commission Jean-Claude **Juncker** said: *"The document we signed today is much more than a trade agreement. It is of course a tool that will create opportunities for our companies, our workers and our citizens and that will boost the European and Japanese economies. But it is also a statement. For its content, its scope and also its timing. It is a statement by two likeminded partners that together represent nearly a third of the world's GDP and reiterate their commitment to uphold the highest standards in areas such as labour, safety, environmental or consumer protection. And what we're saying is that we believe in open, fair and rules-based trade. What we are saying is that a trade agreement is not a zero sum game, but a win-win for the involved parties. This agreement will bring tangible benefits to both sides and at the same time safeguard each other's sensitivities."*

Cecilia **Malmström**, Commissioner for Trade, said: *"Together with Japan, we are sending a strong signal to the world that two of its biggest economies still believe in open trade, opposing both unilateralism and protectionism. The economic benefits of this agreement are clear. By removing billions of euros of duties, simplifying customs procedures and tackling behind-the-border barriers to trade, it will offer opportunities for companies on both sides to boost their exports and expand their business. The European agriculture sector in particular has something to celebrate, with access to the enormous Japanese market and protection for over 200 distinctive food and drinks like Champagne and Parma ham. I now call on the European Parliament to approve this agreement quickly so that firms, citizens and farmers can reap the benefits as soon as possible."*

The agreement will remove the vast majority of the €1 billion of duties paid annually by EU companies exporting to Japan, and has led to the removal of a number of long-standing regulatory barriers, for example on cars. It will also open up the Japanese market of 127 million consumers to key EU agricultural exports and will increase EU export opportunities in a range of other sectors.

The Economic Partnership Agreement will also in addition strengthen cooperation between Europe and Japan in a range of areas, reaffirm their shared commitment to sustainable development, and include for the first time a specific commitment to the Paris climate agreement.

### The key parts of the agreement

With regards to **agricultural exports** from the EU, the agreement will, in particular:

- scrap Japanese duties on many **cheeses** such as Gouda and Cheddar (which currently are at 29.8%) as well as on wine exports (currently at 15% on average);
- allow the EU to increase its **beef** exports to Japan substantially, while on **pork** there will be duty-free trade in processed meat and almost duty-free trade for fresh meat;
- ensure the protection in Japan of more than 200 high-quality European agricultural products, so called **Geographical Indications (GIs)**, and the protection of a selection of Japanese GIs in the EU.

The agreement also opens up **services markets**, in particular financial services, e-commerce, telecommunications and transport. It furthermore:

- guarantees EU companies access to the large **procurement** markets of 48 large Japanese cities, and removes obstacles to procurement in the economically important railway sector at national level;
- addresses specific sensitivities in the EU, for instance in the **automotive** sector, with transition periods of up to 7 years before customs duties are eliminated.

The agreement also includes a comprehensive chapter on trade and sustainable development; sets very high standards of labour, safety, environmental and consumer protection; strengthens EU and Japan's commitments on sustainable development and climate change and fully safeguards public services.

Concerning data protection, the EU and Japan concluded the negotiations on reciprocal adequacy on 16 July, which will complement the Economic Partnership Agreement. They agreed to recognise each other's data protection systems as 'equivalent', which will allow data to flow safely between the EU and Japan, creating the world's largest area of safe data flows.

This week, the Commission moreover published [EU-Japan trade in your town](#), an interactive map showing towns and cities around Europe that export to Japan. For example, Cork in Ireland ships pharmaceuticals, dairy products and chemicals, while the town of Páty in Hungary sends pork, self-checkout terminals and manicure products. The tool includes infographics for each EU country, detailing the number of exporting companies, the number of jobs supported by exports to Japan, a list of products exported from each Member State, and other import/export statistics.

### **Next steps**

The agreement is now awaiting ratification by the European Parliament and the Japanese Diet following which it could enter into force in 2019.

At the same time, negotiations with Japan continue on investment protection standards and investment protection dispute resolution. The firm commitment on both sides is to reach convergence in the investment protection negotiations as soon as possible, in light of their shared commitment to a stable and secure investment environment in Europe and Japan.

### **For More Information**

[EU-Japan EPA page](#) including factsheets, legal text, exporters' stories

[EU-Japan trade in your town](#)– exporting towns and cities around Europe

IP/18/4526

Press contacts:

[Enrico BRIVIO](#) (+32 2 295 61 72)

[Kinga MALINOWSKA](#) (+32 2 295 13 83)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)