

## **An Overview of the Implementation of the EU-Japan Economic Partnership Agreement (EPA)**

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*Marco Chirullo, Deputy Head, Far East Unit (B1), DG TRADE, European Commission*

- **A positive first year of EPA implementation – EU27 merchandise trade with Japan increased by 5.8% in 2019 compared to 2018.** 53.5% of eligible EU goods, and 35,4% of eligible Japanese goods benefitted from the EPA preferences.
- **The EPA's Preferential Utilisation Rate (PUR)** for the agricultural products sector has been much higher than the average during Feb-Dec 2019, amounting to 85.2%. The EPA's PUR for NAMA products has been below average during Feb-Dec 2019 (for some processed agricultural products, chemicals or textiles/footwear: customs procedures and longer tariff dismantling period partially explain).
- **EU exports to Japan (first year of EPA implementation) – most significant growth (value):** Machinery and appliances: +620 million EUR (+11%); Transport Equipment: +597 million EUR (+10%); Foodstuffs, beverages, tobacco: +452 million EUR (+25%).
- **EU imports from Japan (first year of implementation) – most significant growth (value):** Transport equipment: +1,545 million EUR (+18%); Product of the chemical or allied industries: +512 million EUR (+15%); Machinery and appliances: +286 million EUR (+2%).
- **COVID has impacted this trend: if EU exports to Japan** grew in Jan-Jul 2019 by 2,389 million EUR (+7.2%), compared to Jan-Jul 2018, in Jan-Jul 2020 EU exports to Japan recorded a 3,545 million EUR decrease (-10%), compared to Jan-Jul 2019 (overall extra-EU exports of goods fell -12.2%).
- **Promotion of the EPA so far** – via publication of explanatory guidelines; launch of an EPA Helpdesk under the EU-Japan Centre for Industrial Cooperation; organisation of seminars and webinars; EPA promotion events in 13 EU Member States since the completion of the EPA negotiations.
- **Moving forward** – ensuring an even smoother EPA implementation, raising awareness and promoting the EPA towards SMEs and to mobilise new potential exporters in view of the increased market opportunities arising with the progressive tariff liberalisation.
- The postponed EU-Japan high-level meetings and specialised committees due to the COVID-19 crisis will take place remotely (by DVC) (end 2020 - first quarter 2021) – **virtual EU-Japan Joint Ministerial Committee (January 2021 – date TBC)** could be an opportunity to further work on the: addition of Japanese and EU GIs to the list of protected names under the EPA; update of technical regulations on cars; and adoption of domestic measures to complete the second stage of the mutual recognition of wine-making additives.

- **The EPA Chapter on *Good regulatory practices and regulatory cooperation*** – a forward-looking tool for the EU and Japan to keep up to speed with future technological developments and corresponding regulatory needs, and a tool for the EU and Japan to preserve a line of alignment when regulating, based on international standards