



# EU-JAPAN CENTRE FOR INDUSTRIAL COOPERATION

## 日欧産業協力センター

### Seminar Report

#### **“EU-Japan EPA: Mission Accomplished”**

**February 28, 2018 Tokyo**

The EU-Japan Centre for Industrial Cooperation co-organized a seminar on the conclusion of the EU-Japan Economic Partnership Agreement (EPA) together with the Delegation of the European Union to Japan and the European Business Council in Japan (EBC) on February 28, 2018 in Tokyo. The seminar attracted approximately 200 audiences.

Mr. Viorel Isticioaia-Budura, Ambassador of the EU to Japan said in his opening remarks that the conclusion of the EPA negotiations between the EU and Japan in December 2017 “demonstrates the powerful political will of Japan and the EU to continue to keep the world economy working on the basis of free, open and fair markets with clear and transparent rules”. He was confident that, once in place, the Agreement would deliver sustainable and inclusive economic growth and spur job creation, while at the same time confirming commitment to the highest level of labor, safety, environmental and consumer protection standards and fully safeguarding public services.

Mr. Yoshio Sato, Chair, Committee on Europe of Keidanren (Chairman of the Board, Sumitomo Life Insurance Company) explained history of Keidanren’s initiative in promoting the EU-Japan EPA. According to Mr. Sato, it dates back to as early as June 2007 that the Keidanren called for the first time the start of joint study for a Japan-EU Economic Partnership Agreement. It was motivated by the start of FTA negotiations between the EU and Republic of Korea one month earlier. Since then Keidanren has been consistent in supporting the EU-Japan EPA, working closely with the EBC. In April 2010, they submitted a joint recommendation on the start of bi-lateral negotiations. Mr. Sato also indicated that a dialogue between the EU and Japanese business associations especially on how to tackle the non-tariff barriers (NTB) on bi-lateral trade contributed to obtain positive reaction from the EU side on EPA negotiations.

Mr. Sato expressed his hope that the EU-Japan EPA would become a basis for further development of bi-lateral relationship, leading to jointly promote new rule making, appropriate for the global activities.

Mr. Yasushi Akahoshi, President of the Japan External Trade Organization (JETRO) said

that the EU-Japan EPA could be a catalysis for further development of bi-lateral trade and investment relationship. He indicated that the agreements on the geographical indication (GI), public procurement and E-Commerce stipulated in the EU-Japan EPA as the three outstanding elements in the history of Japan's EPAs.

As for the future development, Mr. Akahoshi referred to the importance of the regulatory cooperation. In addition, apart from the EPA, he emphasized the need to secure the "level playing field" in international competition.

Mr. Danny Risberg, Chairman of the EBC (Chairman, Philips Electronics Japan) reminded that the EBC, too has been an enthusiastic promoter of the EU-Japan EPA since 2007. He explained their priorities and expected achievements of the agreement as follows.

- Removal or lowering of tariffs on food, drink and other agricultural products as well as the metal and chemical industry..
- Mutual recognition of standards, product certifications and marketing authorisations, and adoption of international standards.
- Removal of barriers that prevent or delay products from reaching the Japanese market - for example, better recognition of test reports and conformity assessments.
- Fair competition and equal treatment of all companies in the Japanese market - for example, in the shipping sector, express delivery and insurance sectors.
- Fair and open tenders for public contracts - for example, in Japan's railway and construction sectors.
- Adequate protection of geographical indications (GI)

Ms. Marjut Hannonen, Minister-Counsellor of the Delegation of the European Union to Japan indicated that major traders like EU and Japan had objectively seen an interest to align to global standards to reduce costs of companies. And, according to Ms. Hannonen, the EU-Japan EPA is a remarkable agreement as it managed to address these issues comprehensively in a manner that she has not seen in other FTAs, i.e. full alignment in global standards in the motor vehicle sector, and commitment to cooperate in developing new standards in this area in international standard setting organizations. Ms. Hannonen stressed the need that the agreement is well implemented and works in practice, leading to increased trade volumes. She is confident that in a few years' time we can celebrate not only the conclusion of the agreement, but also its success in terms of concrete outcomes.

Mr. Silviu Jora, EU Side General Manager of the EU-Japan Centre for Industrial Cooperation introduced the Centre's 30 years of activities and its contribution to the development of the EU-Japan economic relationship with a wide range of projects including business support and human resource development. As for the question of

what's next, he promised to "play their role" in better implementing the EPA in the field of information dissemination, for example, on the benefit of the agreement.

Mr. Peter Kronschnable, Chairman of the EBC Automobile Committee (President & CEO of BMW Group Japan) gave evaluation of the agreement from a viewpoint of European automobile manufacturers. According to Mr. Kronschnable, solving problem of NTB was crucial. In this regard, the pledge by both parties to recognize UN-ECE certification, recognizing equivalency and agreeing regulatory harmonization on UN basis were highly appreciated.

Mr. Bruno Yvon, Chairman of the EBC Liquor Committee (President, MHD Moet Hennessy Diageo K.K.) explained that the agreement would have three positive effects on their products, i.e. (1) G. I. recognized, (2) Discrepancy on additives to converge and (3) Import tariff on wine, for example to be abolished.

At the closing of the seminar, Mr. Tommy Kullberg, Honorary Chairman of the EBC stressed the importance of competition. He reminded that Japan still is a country at the bottom in receiving foreign direct investment (FDI). He expressed his hope that the EPA would contribute to the increase of European FDI in Japan, which would be beneficial also for local industries through sound competition

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