# EU/Japan Economic Partnership Agreement

2018/0091M(NLE) - 09/11/2018 - Committee report tabled for plenary, single reading

The Committee on International Trade adopted a report by Pedro SILVA PEREIRA (S&D, PT) containing a motion for a non-legislative resolution on the draft Council decision on the conclusion of the Agreement between the European Union and Japan for an Economic Partnership (EPA).

Members believe that the agreement is of **major bilateral and global strategic importance** and should help to promote the Union's high standards, particularly in the fields of the environment, food safety, consumer protection and labour rights, at a time when the world order is seriously threatened by protectionism.

The committee notes the high level of tariff liberalisation agreed in the EPA, which, when fully implemented, will allow the **liberalisation of 99% of EU tariff lines and 97% of Japanese tariff lines**, including for industrial products in sectors where the Union is highly competitive, as well as measures to protect the most sensitive products.

The report highlights the main elements of the agreement:

- **Cars:** EU tariffs on cars will be phased out over a seven-year period. Members call on the Commission to keep an eye on trends in automobile trade flows over this period in order to predict and address any destabilisation of the European market.
- **Non-tariff barriers**: Japan has resolved the issue of unnecessary non-tariff measures in a range of sectors, such as vehicles, food additives, sanitary and phytosanitary regulation, food labelling and cosmetics, thereby reducing compliance costs and creating a more predictable regulatory framework.
- **Public procurement:** Japan will take steps to ensure non-discriminatory access for EU suppliers to public procurement contracts in 54 core cities, remove the "operational safety clause", which has in practice prevented EU rail suppliers from accessing the Japanese market, and maximise transparency in tendering for public contracts. The implementation of this point should be carefully monitored in order to ensure that commitments on openness and equal access to public procurement are respected.
- **Agricultural products:** around 85% of agri-food products will be allowed to enter Japan duty-free. The agreement also recognises 205 European protected geographical indications, and the possibility of adding more at a later stage. Members call for further talks after three years to assess the possibilities of extending the list of protected GIs and call for the utmost attention be paid to sustainable agriculture.
- **Foodstuffs:** the agreement promotes best practice in the safety and quality of food and products sold to consumers. Nothing in the agreement prevents the application of the precautionary principle in the EU. Members call on both partners to enhance consumer protection and food safety in the implementation of the agreement.
- **Environment and labour protection**: the report stresses that both sides are firmly committed to ensuring high levels of environmental protection and labour rights and that these high standards should not be regarded as barriers to trade. It also welcomes the commitment of both sides to the effective implementation of the Paris Agreement to combat climate change and to sustainable forest management. Members expect the EU and Japan to take all necessary measures to achieve sustainable development objectives through this agreement. They expect concrete progress within a reasonable timeframe from Japan towards the ratification and effective implementation of the International Labour Organization (ILO) core conventions.
- **Services:** Members believe that market access commitments for cross-border services, including e-commerce, maritime transport, postal services, energy and telecommunications, are likely to give a

significant boost to trade in services. They recall that public policy objectives must be safeguarded, particularly in the field of cybersecurity.

In addition, the report:

- calls on both sides to work actively towards **corporate social responsibility** and the conclusion of the UN Binding Treaty on Business and Human Rights;
- calls for the **Regulatory Cooperation Committee** to operate in a transparent manner and for all stakeholders, including trade unions and civil society organisations, to be able to participate sufficiently;
- stresses the important role of the respective data protection authorities in ensuring an adequate level of **data protection**; in this respect, Members welcome the fact that the EU and Japan have agreed to recognise their respective data protection systems as equivalent;
- asks the Commission to monitor closely the implementation of the agreed removal of non-tariff barriers, as well as the management of tariff-rate quotas for agricultural products, and to report back to Parliament.

Lastly, stressing that 78% of EU companies exporting to Japan are smaller companies, Members welcome the EPA's inclusion of a **separate chapter on SMEs** and call for the rapid establishment of contact points and website for SMEs to ensure that SMEs receive useful information on market access.