EU/Japan Economic Partnership Agreement

2018/0091M(NLE) - 12/12/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 474 votes to 156, with 40 abstentions, 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.

Parliament welcomed the **ambitious and comprehensive nature** of the agreement:

- 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;
- EU tariffs on **cars** will be phased out over a seven-year period. The Commission should keep an eye on trends in automobile trade flows over this period in order to predict and address any destabilisation of the European market;
- 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;
- 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. Members stressed that social and environmental criteria should also be taken into account when awarding public procurement contracts;
- around 85 % of **agri-food products** will be allowed to enter Japan duty-free. The agreement protects 205 European geographical indications (GIs), with the possibility of adding further GIs. Members called for the continuation of talks after three years in order to evaluate the options for expanding the list of protected GIs, and expects both parties to pay the utmost attention to sustainable agriculture, including small-scale food production and rural development;
- 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;
- both parties are committed to ensuring high levels of environmental and **labour protection.** Members expect concrete progress within a reasonable timeframe on the part of Japan towards the ratification and effective implementation of the fundamental International Labour Organization (ILO) conventions;
- the agreement includes key innovative elements such as dedicated chapters or provisions on the **Paris Agreement**, on SMEs and on corporate governance. It preserves the sovereign right to regulate and protect public services;
- market access commitments in cross-border services, including e-commerce, maritime transport, postal services, energy and telecommunications, have the potential to give a significant boost to trade in services.

Parliament called on the Commission to:

- enhance cooperation and coordination with Japan on multilateral issues, in close cooperation with other strategic partners, in order to defend and develop further international standards and an open, fair and strong multilateral trading system based on respect for WTO rules and other international norms;
- monitor closely the proper implementation of the agreed removal of the NTMs, as well as the management of tariff-rate quotas for agricultural products, and to report back to Parliament;
- ensure that the EU delegation to Japan is involved in the process of implementing the agreement from start to finish.

Parliament called for transparency on the functioning of the regulatory cooperation committee and for the adequate involvement of all stakeholders, notably trade unions and civil society organisations. Parliament should be kept informed on a regular basis about the decisions taken in the regulatory cooperation committee.

Lastly, Members called for the prompt establishment of the **SME contact points and website** to make sure that relevant information on market access is made available to SMEs.