

EU and Japan finalize Economic Partnership Agreement

On December 8, 2017, the EU and Japan announced the successful conclusion of the negotiations regarding the Economic Partnership Agreement (EPA). The EPA is to date the biggest bilateral trade agreement negotiated by the EU. The finalizing of the legal text is an important step forward to putting the agreement in place.

Elimination of customs duties

Upon entry into force, tariffs on more than 90% of the exports from the EU to Japan will be eliminated. After full implementation, customs duties on 97% of the imported goods from the EU will be eliminated. In total, the elimination and reduction of tariffs will save EU exporters approximately EUR 1 billion in customs duties each year.

The goods for which the customs duties have been eliminated or reduced include major export products such as pork, beef, wine and cheeses. In addition to the scrapping of customs duties, the EPA also ensures protection on the Japanese market of more than 200 Geographical Indications (GIs).

Non-tariff barriers

For many EU companies, the non-tariff measures involved with exporting to Japan constitute a concern. With the EPA, gaining access to the highly regulated Japanese market has been simplified. The EU and Japan have committed to aligning themselves to the same or similar international standards on product safety and quality regarding products such as motor vehicles, medical devices, pharmaceuticals and cosmetics. This will significantly ease the burden of the non-tariff barriers and pave the way for even greater cooperation between the EU and Japan.

The EPA also addresses the sanitary and phytosanitary measures for products exported to Japan. The EU and Japan have agreed to simplify processes so that exporters do not have to deal with unnecessarily complex approval and clearance processes, without forcing any of the parties to lower their safety standards.

What's next?

The conclusion of these negotiations are an important milestone, but not the final stage of the process. The EU and Japan will now start the legal verification of the text, known as 'legal scrubbing'. After the legal scrubbing, the text will be translated into the 23 official languages of the EU, as well as into Japanese. The Commission will then submit the agreement for the approval of the European Parliament and EU Member States, aiming for its entry into force in early 2019.

Questions?

We have specialists dedicated to international Trade & Customs, ensuring that we are well placed to help understand local and global operating requirements and answer any questions you may have in this respect.

Meijburg & Co Contact Information

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<http://www.meijburg.com/page/trade-customs>

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