













Procedure file

Basic information		
NLE - Non-legislative enactments Decision	2018/0091M(NLE)	Procedure completed
EU/Japan Economic Partnership Agreement		
Accompanying procedure 2018/0091(NLE)		
Subject 6.20.03 Bilateral economic and trade agreements and relations		
Geographical area Japan		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 SILVA PEREIRA Pedro	16/05/2018
		Shadow rapporteur	
		 HANSEN Christophe	
		 KAMALL Syed	
		 HIRSCH Nadja	
		 BUCHNER Klaus	
		 BEGHIN Tiziana	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Environment, Public Health and Food Safety	 MÉLIN Joëlle	29/05/2018
 Transport and Tourism	The committee decided not to give an opinion.		
Council of the European Union			
European Commission	Commission DG Trade	Commissioner MALMSTRÖM Cecilia	

Key events			
05/07/2018	Committee referral announced in		

	Parliament		
13/09/2018	Committee referral announced in Parliament		
05/11/2018	Vote in committee		
09/11/2018	Committee report tabled for plenary	A8-0367/2018	Summary
11/12/2018	Debate in Parliament		
12/12/2018	Results of vote in Parliament		
12/12/2018	Decision by Parliament	T8-0505/2018	Summary
12/12/2018	End of procedure in Parliament		

Technical information

Procedure reference	2018/0091M(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Motion for a resolution under consent procedure
Legislative instrument	Decision
Legal basis	Rules of Procedure EP 105-p2
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/13727

Documentation gateway

Committee draft report	PE627.606	06/09/2018	EP	
Amendments tabled in committee	PE628.544	03/10/2018	EP	
Committee report tabled for plenary, single reading	A8-0367/2018	09/11/2018	EP	Summary
Text adopted by Parliament, single reading	T8-0505/2018	12/12/2018	EP	Summary
Commission response to text adopted in plenary	SP(2019)355	12/06/2019	EC	

EU/Japan Economic Partnership Agreement

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.

EU/Japan Economic Partnership Agreement

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.