

4049: Outline of the Agreement between Japan and the European Union for an Economic Partnership

(1) Outline (MOFA HP)

<https://www.mofa.go.jp/files/000013835.pdf>

(2) Elimination of Tariff on Imported Goods

Japan is to either eliminate or reduce tariffs (concessions) in line with the schedule described in Annex 2-A of the Japan-EU EPA. Categories of concession such as tariff elimination, tariff reduction and tariff rate quota, etc. are prescribed in the “Notes for the Schedule of Japan” of Section A of Part 3 of Annex 2-A(Reference).

(Reference: Notes for the Schedule of Japan)

Category	Description	Examples of products
A	Tariff elimination as from the date of entry into force of the EPA	Chemical products, Fiber products, Wine
Bn	Tariff elimination by gradual tariff reduction on a yearly basis in “n+1” phase from the base rate n = 3,5,7,8,9,10,12,13,15,20 (First reduction: Date of entry into force) (Subsequent reduction: April 1 of each year)	Fishery products, Forestry products
R	Tariff reduction under conditions	Beef, Pork
TRQ	Tariff rate quota	Malt, Cocoa powder, Soft cheese
Xb	Excluded from any commitment and remain at the base rate	Sea algae
Xq1	Excluded from any commitment and tariff rate quotas are set out in Japan’s schedule to the WTO Agreement	Leather, Footwear (Note: Tariffs on these products classified under the tariff lines outside of the tariff rate quotas will be eliminated.)
Xq2	Excluded from any commitment and tariff rate quotas are set out by relevant cabinet orders of Japan	Part of Dairy product
X	Excluded from any commitment	Rice

※For Schedule of Japan, refer to Section A of Part 3 of Annex2-A (Japanese)

※For Schedule of the EU, refer to Section A of Part 2 of Annex2-A (English)

- Schedule of Japan (Section A of Part 3 of Annex2-A) (Japanese)
<https://www.mofa.go.jp/mofaj/files/000382059.pdf>
- Schedule of the EU (Section A of Part 2 of Annex2-A) (English)
<https://www.mofa.go.jp/files/000382107.pdf>

(3) Overview of the Elimination or Reduction in Tariffs

Based on the Japan-EU EPA, elimination rate of customs duties on Japan side is approximately 94% by tariff lines. On the other hand, elimination rate of customs duties on the EU side is approximately 99% by tariff lines, according to the EU's published documents.

I. Agriculture, forestry and fisheries

1. Japan's key commitments

- Rice: excluded from elimination/reduction of customs duties.
- Wheat, Dairy products, Sugar, Pork: maintain state trading system for wheat and dairy products; sugar price adjustment system; gate price system for pork. Ensure effective measures such as tariff rate quotas and safeguards.
- Soft cheese: tariff rate quota is allocated, and quota volume is limited to the extent which enables expansion of production in Japan.
- Beef: ensure 15-year tariff reduction period and safeguard.

2. EU's key commitments

- Almost all products including Japan's export priority products, including beef, tea and fishery products, customs duties will be eliminated.
- All customs duties of alcoholic beverages will be eliminated immediately.

II. Industrial products

1. Japan's key commitments

- Chemical products, fiber/fiber products: customs duties will be eliminated immediately.
- Leather, footwear: customs duties will be eliminated in 11 years or 16 years.

2. EU's key commitments

- 100% elimination of customs duties
- Automobiles (current customs duties: 10%) : customs duties will be eliminated in 8 years.
- Car parts: more than 90% of customs duties (exports by value) will be eliminated immediately.
- General machineries, chemical products and electronics: approximately 90% of customs duties (exports by value) will be eliminated.