

## **EU-Japan trade deal marks dawn of a new era**

Commenting on the entry into force today of the EU-Japan Economic Partnership Agreement (EUJEPA), EuroCommerce Director-General Christian Verschueren said:

*“A new era of dialogue, cooperation and trade between the EU and Japan has started today. This agreement covers no less than one-third of the world’s GDP, getting rid of customs barriers and other unnecessary restrictions while safeguarding consumers with high standards.”*

The EU-Japan is the largest trade and economic cooperation agreement ever concluded in terms of market size. It abolishes some 97% of the tariffs on the EU's exports to Japan and substantially liberalises all the others through tariff-rate quotas or cuts in tariffs. The EU's annual exports in goods to Japan are currently worth more than 58 billion euros, with a further 28 billion euros accounted for by services exports. The European Commission estimates that the agreement will save EU exporters around 1 billion euros in customs duties alone every year, quite apart from the economic boost that closer ties with the world's third largest economy will bring.

The agreement will remove duties on many cheeses currently subject to tariffs around 30% and on wines which pay 15% on average. Much processed meat will now be duty-free and tariffs on fresh meat reduced to almost nothing. The agreement also opens the Japanese market for financial services, e-commerce, telecommunications and transport. The EU is removing 99% of its customs duties, helping also to reduce prices of Japanese imports for consumers in Europe. The agreement also removes limitations on establishment, subject to national regulation, as long as this does not discriminate between European or Japanese companies.

In parallel to the agreement, the Commission has issued a data protection adequacy decision. This finds that Japan provides an equivalent level of data protection as in the EU, and allows free flows of personal data between the EU and Japan. This is accompanied by an equivalent decision by Japan, which means that companies will have the right to move data in both directions. EU citizens' complaints over any infringement of their privacy rights in Japan will be managed by the Japanese data protection authority.

Verschueren added:

*“The Japanese economy is among the most digitalised in world. Closer ties with Japan will help the European retail and wholesale sector in their ambitions to bolster their position in the global digital market. This agreement is good news for consumers and a welcome positive contribution to growth in both our markets.”*

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