

## EU-Japan economic study : non-tariff barriers main obstacle to bilateral trade.

Brussels, 03 February 2010

The Commission just released a new study on "[The Trade barriers to trade and investment between the EU and Japan](#)", carried out by external consultants from Copenhagen Economics A/S.

The study focuses predominantly on regulatory measures in seven key sectors in Japan (pharmaceuticals, medical devices, processed foods, cars, transport equipment, telecoms and financial services).

The study indicates that existing non-tariff barriers to trade between the EU and Japan are the main obstacle to increasing bilateral trade flows.

Highlights of the study:

- While tariff dismantling would be beneficial to both economies, the real gains would be reaped by lowering regulatory differences, which have become the main obstacle in EU-Japan trade relations.
- As the study notes, trade gains for the EU could be even higher if Japan were to open public procurement and transport equipment markets.
- The study estimates that trade flows could increase by €43 billion for the EU and €3 billion for Japan. Two-thirds of the benefits could come from potential reductions in the trade costs of non-tariff regulatory measures, and about a third from tariff dismantling.
- While more than half of the trade benefits go to Japan, two-thirds of the welfare benefits go to the EU (€33 billion for the EU and €18 billion for Japan).

The study uses information on the trade costs of regulatory barriers obtained through a survey of European firms operating in Japan. The study's results support the continued focus on the reduction of regulatory trade barriers, in line with the issues currently discussed between the EU and Japan

Read the [full report](#).