Trade Sustainability Impact Assessment of the Comprehensive Trade and Investment Agreement between the European Union and Japan

Final Inception Report

Prepared by LSE Enterprise Ltd
March – 2015

The views expressed in the report are those of the consultant, and do not present an official view of the European Commission.
Trade Sustainability Impact Assessment of the Comprehensive Trade and Investment Agreement between the European Union and Japan

Final Inception Report
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>7</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>8</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>10</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>10</td>
</tr>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>11</td>
</tr>
<tr>
<td>1 INTRODUCTION AND CONTEXT</td>
<td>12</td>
</tr>
<tr>
<td>1.2 EU-Japan negotiations in a broader context</td>
<td>13</td>
</tr>
<tr>
<td>1.3 Overview of services in the Steering Committee</td>
<td>14</td>
</tr>
<tr>
<td>2 METHODOLOGY AND CONCEPTUAL FRAMEWORK: ECONOMIC ANALYSIS</td>
<td>16</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>16</td>
</tr>
<tr>
<td>2.2 Structure of the analysis</td>
<td>17</td>
</tr>
<tr>
<td>2.4 Analysis &amp; policy recommendations</td>
<td>18</td>
</tr>
<tr>
<td>3 METHODOLOGY AND CONCEPTUAL FRAMEWORK: SOCIAL AND HUMAN RIGHTS ANALYSIS</td>
<td>19</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>19</td>
</tr>
<tr>
<td>3.2 Baseline</td>
<td>19</td>
</tr>
<tr>
<td>3.3 Quantitative analysis</td>
<td>20</td>
</tr>
<tr>
<td>3.4 Qualitative analysis</td>
<td>21</td>
</tr>
<tr>
<td>3.5 Case studies</td>
<td>23</td>
</tr>
<tr>
<td>3.6 Policy recommendations</td>
<td>25</td>
</tr>
<tr>
<td>4 METHODOLOGY AND CONCEPTUAL FRAMEWORK: ENVIRONMENTAL ANALYSIS</td>
<td>26</td>
</tr>
<tr>
<td>4.1 Introduction</td>
<td>26</td>
</tr>
<tr>
<td>4.2 Baseline</td>
<td>27</td>
</tr>
<tr>
<td>4.3 Quantitative analysis</td>
<td>28</td>
</tr>
<tr>
<td>4.4 Qualitative analysis</td>
<td>29</td>
</tr>
<tr>
<td>4.5 Case studies</td>
<td>30</td>
</tr>
<tr>
<td>4.6 Policy recommendations</td>
<td>32</td>
</tr>
<tr>
<td>5 METHODOLOGY AND CONCEPTUAL FRAMEWORK: SECTORAL ANALYSIS</td>
<td>33</td>
</tr>
<tr>
<td>5.1 Introduction</td>
<td>33</td>
</tr>
<tr>
<td>5.2 Screening analysis of the sectoral selection criteria</td>
<td>34</td>
</tr>
<tr>
<td>5.3 Baseline</td>
<td>42</td>
</tr>
<tr>
<td>5.4 Analysis &amp; policy recommendations</td>
<td>42</td>
</tr>
<tr>
<td>6 CONSULTATION PLAN</td>
<td>43</td>
</tr>
<tr>
<td>6.1 Introduction</td>
<td>43</td>
</tr>
<tr>
<td>6.2 Consultation activities</td>
<td>46</td>
</tr>
<tr>
<td>6.3 Analysis</td>
<td>60</td>
</tr>
<tr>
<td>7 WORK PLAN AND DELIVERABLES</td>
<td>63</td>
</tr>
<tr>
<td>7.1 Work plan</td>
<td>63</td>
</tr>
<tr>
<td>7.2 Deliverables</td>
<td>67</td>
</tr>
<tr>
<td>ANNEXES</td>
<td>68</td>
</tr>
<tr>
<td>ANNEX 1. SECTOR SELECTION BACKGROUND</td>
<td>68</td>
</tr>
<tr>
<td>ANNEX 2. BREAKDOWN OF THE SECTORAL AGGREGATION</td>
<td>70</td>
</tr>
<tr>
<td>ANNEX 3. GENERAL LIST OF IDENTIFIED STAKEHOLDERS</td>
<td>72</td>
</tr>
<tr>
<td>ANNEX 4. LIST OF IDENTIFIED STAKEHOLDERS IN THE SPECIFIC SELECTED SECTORS</td>
<td>79</td>
</tr>
<tr>
<td>ANNEX 5. LIST OF SELECTED SME</td>
<td>86</td>
</tr>
</tbody>
</table>
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVEs</td>
<td>Ad-valorem Equivalents</td>
</tr>
<tr>
<td>CARMA</td>
<td>Carbon Monitoring for Action</td>
</tr>
<tr>
<td>CGE</td>
<td>Computable General Equilibrium</td>
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<tr>
<td>CJK</td>
<td>China-Japan-Korea FTA</td>
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<td>CLS</td>
<td>Core Labour Standards</td>
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<td>DWA</td>
<td>Decent Work Agenda</td>
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<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EEA</td>
<td>European Environment Agency</td>
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<tr>
<td>EGS</td>
<td>Environmental Goods and Services</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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<tr>
<td>FTAAP</td>
<td>Free Trade Area of Asia-Pacific</td>
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<tr>
<td>GGI</td>
<td>Green Goods Initiative</td>
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<tr>
<td>GHG</td>
<td>Greenhouse gas</td>
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<tr>
<td>GIs</td>
<td>Geographical Indications</td>
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<td>IEA</td>
<td>International Energy Agency</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>LMDI</td>
<td>Log Mean Divisia Index</td>
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<tr>
<td>LSE</td>
<td>London School of Economics and Political Science</td>
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<tr>
<td>MEAs</td>
<td>Multilateral environmental agreements</td>
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<tr>
<td>NTMs</td>
<td>Non-tariff measures</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>PEI</td>
<td>Environmental Performance Index</td>
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<tr>
<td>PTA</td>
<td>Preferential Trade Agreement</td>
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<tr>
<td>RCA</td>
<td>Revealed Comparative Advantage</td>
</tr>
<tr>
<td>RCEP</td>
<td>Regional Comprehensive Economic Partnership</td>
</tr>
<tr>
<td>RoO</td>
<td>Rule of Origin</td>
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<tr>
<td>SITC</td>
<td>Standard International Trade Classification</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>STRI</td>
<td>World Bank Services Trade Restrictiveness Index</td>
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<tr>
<td>TiSA</td>
<td>Trade in Services Agreement</td>
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<tr>
<td>TPP</td>
<td>Trans Pacific Partnership</td>
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<tr>
<td>TRIPS</td>
<td>Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UN COMTRADE</td>
<td>UN International Trade Statistics Database</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organisation</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
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<td>WIOD</td>
<td>World Input-Output Database</td>
</tr>
<tr>
<td>WITS</td>
<td>World Integrated Trade Solution</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1 Indicators and data sources ................................................................. 20
Table 2 Measurement of trade intensity of most important sectors, trade in goods ...... 34
Table 3 Measurement of trade intensity of most important sectors, trade in services ... 35
Table 4 EU’s and Japan’s most competitive sectors in manufacturing ....................... 36
Table 5 EU’s and Japan’s most competitive sectors in services ................................ 37
Table 6 Degree of potential NTM reduction in Japan and resulting EU export increases . 38
Table 7 Overview of important sectors mentioned .................................................. 39
Table 8 Overall result of the sectoral selection ....................................................... 40
Table 9 Summary of weekly stats report ............................................................... 48
Table 10 Questionnaires ......................................................................................... 55
Table 11 Summary: use of existing tools ............................................................... 63
Table 12 Detailed work plan .................................................................................. 66
Table 13 Timing of deliverables ............................................................................. 67

LIST OF FIGURES

Figure 1 Milestones ......................................................................................... 45
Figure 2 Website screen shot full ....................................................................... 49
Figure 3 LSE email account .............................................................................. 50
Figure 4 Twitter screen shot .............................................................................. 51
Figure 5 Facebook screen shot .......................................................................... 52
Figure 6 Newsletter ......................................................................................... 54
Figure 7 Map of available tools ....................................................................... 61
EXECUTIVE SUMMARY

The Trade Sustainability and Impact Assessment (Trade SIA) is conducted in support of negotiations of a comprehensive trade and investment agreement between the European Union and Japan. It should be completed before and no later than at the final phase of the negotiations since the results feed into the negotiations and the decision making process.

The Trade SIA provides an assessment of the potential economic, social and environmental effects resulting from trade and trade-related provisions of the agreement in the EU and Japan as well as third countries, including developing countries, and Turkey which is in a customs union with the EU. This inception report reviews the process and the methodology envisaged for the project.

The final report will also include recommendations to maximise the benefits of the agreement while ensuring the competitiveness of enterprises and preventing or minimising potential negative impacts.

The Trade SIA team complements the quantitative and qualitative analysis with input from stakeholders. The objective of the consultation process is not only to ensure greater understanding and awareness among stakeholders of the Trade SIA methodology but also to increase transparency and accountability.
1 INTRODUCTION AND CONTEXT

1.1 Context of the free trade agreement between the EU and Japan

The EU-Japan FTA constitutes a key aspect of EU trade policy. Following the Global Europe strategy of 2006 as confirmed with the Trade, Growth and World Affairs of 2010, the EU is pursuing closer trade and investment cooperation with its strategic partners including Japan. The EU is the third largest trading partner of Japan, while Japan is the 7th largest trading partner of the EU. EU exporters and investors need to retain and enhance access to major trading partners if they are to compete and the EU economy is to benefit from the growth generated from international trade and investment. In time EU-Japan trade has been brought into broad balance thanks to a maturing of trade and investment relations as well as strong EU export performance in sectors such as services and there is every prospect of mutual gains from a well-designed trade and investment agreement.

In the case of Japan regulatory and other behind the border divergences between rules, restrictions on competition and market access have long been more important than tariffs or other border measures. The Trade Sustainability Impact Assessment (Trade SIA) will therefore have to pay particular attention to the scope and effectiveness of measures intended to address such restrictions in the current negotiations between the EU and Japan. This is particularly the case given that EU internal measures have tended to ensure the more effective elimination of behind the border measures than has been the case in Japan.¹ The effects of an EU-Japan FTA will depend in no small part on the effective removal of such non-tariff measures (NTMs) to international competition. The existence of NTMs affecting trade or limited competition is important in a number of key sectors, such as financial services, distribution, railway equipment as well as other key EU exporting sectors such as automobiles, machinery and pharmaceuticals. Horizontal rules, such as intellectual property protection, government procurement, competition and investment protection are important in this context. Such issues are also relevant to food exporters together with Japan's implementation of a system for agricultural and foodstuff geographical indications (GIs).

At the same time both the EU and Japan are seeking to reduce the environmental impact of economic growth and promote environmentally sustainable forms of production. Improved environmental performance should come from market-led trends towards the use of lower carbon intensive or polluting technologies as well as regulatory measures. The SIA will have to assess the effectiveness of these aspects.

Whilst increased trade can result in increased use of resources it can also lead to a reduction in environmental impact when trade and investment enhances the use of technologies and processes that use fewer resources and produce less carbon. The SIA will therefore need to assess the net effect of an FTA on the environment in the medium to long term.

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With regard to social, labour and human rights Japan, as a developed market economy generally represents less of a concern than has been the case with trade negotiations with some of the EU’s developing country trade partners. It will nevertheless be important to assess compliance with core ILO conventions and Dignity of Work provisions throughout the Japanese economy, in other words also in the small and medium sized suppliers to the major producers.

1.2 EU-Japan negotiations in a broader context

In the absence of the completion of a comprehensive round of the multilateral trade and investment negotiations sought by the EU since the beginning of the 2000s, current international trade and investment is being shaped by a network of comprehensive free trade agreements (FTAs). Both the EU and Japan are actively involved in a range of FTAs, including the so-called mega regional agreements.

Japan is participating in the negotiations of the Trans Pacific Partnership (TPP), which effectively means the negotiation of a comprehensive trade and investment agreement with the US and other important countries. In the past years, Japan concluded bilateral negotiations with the prospective TPP counterparts (Australia, Mexico, Chile, Brunei, Singapore, Vietnam, Peru) and is about to conclude with the remaining TPP counterparts (Canada, Colombia); Japan has already concluded FTAs with the ASEAN countries, Switzerland and India, and is also engaged in negotiations with Turkey, Mongolia and a three-party FTA with China and Korea (the CJK agreement). It is also negotiating two larger regional trade agreements: the regional Comprehensive Economic Partnership (RCEP) amongst 10 ASEAN countries, China, Korea, India, Australia and New Zealand as well as the Free Trade Area of Asia-Pacific (FTAAP) under the auspices of APEC.

The EU is equally negotiating with the US, China (investment agreement), a number of ASEAN members, India, and has recently completed comprehensive agreements with South Korea, Singapore and Canada. Moreover, Japan and the EU are both parties of the plurilateral negotiations in the Trade in Services Agreement (TISA) as well as a number of on-going WTO plurilaterals including Information Technology Agreement (ITA), Green Goods Initiative (GGI) and Government Procurement Agreement (GPA).

These trade negotiations that the EU and Japan are engaged in – independently from each other, or jointly in plurilaterals – can have various effects on the EU-Japan negotiations. Potential overlaps (e.g. services negotiations in both TISA and EU-Japan FTA), cross-effects (e.g. accumulative effects, conflicting commitments) or trade diversion cannot be excluded. For example, EU exporters and investors will expect Japan’s offers to the EU to at least match those offered or likely to be offered to third parties. It will also be important to assess whether other agreements exert downward pressure on regulatory standards, particularly in the fields of environmental or labour standards. Trade diversion in a classical sense is less likely to constitute a major problem as a result of the EU-Japan negotiations. Tariffs on EU-Japanese trade are relatively low, at least in most manufactures. With relatively high tariffs for agricultural products in both Japan and the EU there could, however, be some trade diversion affecting exporters of agricultural and food products. The SIA study will need to assess the econometric estimates of trade diversion affecting developing country exporters of agriculture and food in particular.
In other policy areas the EU-Japan FTA could well have benefits for third countries. Measures that enhance transparency or regulatory simplification, harmonization or best practice are likely to have benefits for third countries that supply both the EU and/or Japanese markets. The scope of these positive externalities for third countries will depend on the degree to which the approach to standards and regulatory practice in the EU-Japan agreement is equivalent to international standards or those in other mega regional agreements.

The conclusion of mega regional agreements will also shape international trade and investment governance in a wide range of policy areas, from rules of origin to investment and government procurement. It will therefore be important to assess the degree to which the approach to negotiations of the EU-Japan agreement is compatible with other mega regional agreements, as this will have a bearing on the course of international trade rules. The EU retains the aim of promoting multilateralism in trade and the compatibility between the various mega regional/bilateral agreements have an important bearing on this aim.

### 1.3 Overview of services in the Steering Committee

The European Commission has appointed a Steering Committee to ensure the smooth implementation of the study activities. The inception report and future reports are presented to a Steering Committee for feedback on content, quality and accuracy. The following services have been invited to participate in the Steering Committee at the time of the launch of the SIA process:

- Secretariat-General (SG)
- Legal Service (SJ)
- Agriculture and Rural Development (AGRI)
- Budget (BUDG)
- Climate Action (CLIMA)
- Competition (COMP)
- EuropeAid Development and Cooperation (DEVCO)
- Economic and Financial Affairs (ECFIN)
- Employment, Social Affairs and Inclusion (EMPL)
- Energy (ENER)
- Enterprise and Industry (ENTR)
- Environment (ENV)
- Eurostat (ESTAT)
- Home Affairs (HOME)
- Justice (JUST)
- Maritime Affairs and Fisheries (MARE)
- Internal Market and Services (MARKT)
- Mobility and Transport (MOVE)
- Health and Consumers (SANCO)
- Taxation and Customs Union (TAXUD)
- European External Action Service (EEAS)
2 METHODOLOGY AND CONCEPTUAL FRAMEWORK: ECONOMIC ANALYSIS

2.1 Introduction

As set out in the terms of reference of the Trade SIA, the project should not re-do the economic analysis from 2011, which is based on GTAP8, a computable general equilibrium model (CGE), a well-acknowledged multi-region and multi-sector framework that is frequently used for international trade policy analysis by academia and policymakers in the EU and globally. The Trade SIA will use the results and definitions of the 2011 Impact Assessment for analysis and wider assessment of the economic impact from the EU-Japan FTA.

As previously described, the EU-Japan FTA is being negotiated in parallel with a number of other agreements. This analysis will primarily take into account the following negotiations:

- The Trans-Pacific Partnership includes both Japan and the US and would cover approximately 60% of world trade by volume; Japan is also negotiating a bilateral FTA with Turkey, which is in a customs union and where both Japanese and EU firms have located their manufacturing.

- Amongst the current trade negotiations of the EU, the most important negotiations would be TTIP. Moreover, some EU FTA negotiations have also been finalised (i.e. EU FTA with Singapore and Canada), but not yet entered into force.

- At the plurilateral level, the revision of the WTO Government Procurement Agreement has increased coverage of purchasing entities. Other major negotiations are also concurrently on-going and involve both the EU and Japan: the Trade in Services Agreement (TISA), the Green Goods Initiative (GGI) and the Information Technology Agreement (ITA) are plurilateral agreements that also include other major economies.

To assess the potential impact of these agreements on the EU-Japan FTA, it may be necessary to make assumptions on the following aspects:

- Assumptions around the coverage of tariff liberalisation, services, government procurement, and rules of origin applied in agreements mentioned above.

- Treatment of NTMs in various trade agreements, including a move towards an approach based on equivalence, which is also the US preference in its trade agreements. Similarly, sustainable development provisions that are included in, for example, US FTAs but in a somewhat different fashion to the EU approach.

- The institutional features of key trade agreements (primarily the TPP) may have to be compared and analysed – for example with regard to what form of dispute settlement would be used, or whether there will be any conditionality on non-trade clauses.

- The sequencing of the various agreements, and some likely precedents from each of the other agreements based on what is known of previous policies of the major
parties; or whether any of the commitments are made under the basis of most-favoured nation (MFN).

2.2 Structure of the analysis

- The relative importance of Japan as a trading partner in comparison to other trading partners by using available trade statistics, domestic production and market data will be analysed. The analysis will be made on the basis of value-added and possible change on competitiveness or productivity.

- Possible trade diversion from agreements listed above will be estimated through market comparisons, cross-market consistent simulations and projections where they are available.

- The regulatory chapters of the EU-Japan FTA will be analysed by making reasonable assumptions based on known positions in EU-Japan FTA negotiations and in prior agreements concluded by the EU (including EU-Korea FTA, CETA and EU-Singapore FTA) and Japan (including Japan-Switzerland FTA).

- Similarly, based on known positions and prior FTAs of the negotiation parties, an overview of potential cross-effects (including conflicting commitments) in TPP, TTIP and the Japan-Turkey FTA on e.g. regulatory coherence including technical barriers to trade, GIs and all form of IPs negotiated in FTAs, and government procurement will be included as horizontal, cross-sectoral issues.

- A specific focus of the regulatory analysis concerns investments, where the differences in commitments and structure will be analysed in similar manner on the basis of known positions and prior FTAs and BITs. The analysis will also look to the provisions on investor-state dispute settlement, and also examine publicly known cases of ISDS disputes involving EU or Japanese governments and investors.

- A particular focus will be laid on the effects on sectors dominated by investment-driven trade by either party, where production is localised rather than exported cross-border. Another focus will be the question of whether any incentives and policies for import substitution might offset potential trade impact identified in the 2011 Impact Assessment.

- An analysis of the significance of the informal economy, and (if relevant) a differentiation of the impacts in the formal economy from those occurring in the informal economy will be included.

- An estimate of any potential fiscal revenue forgone in taxation from the FTA. To the extent possible, the economic analysis will also take into account impacts on consumers and on vulnerable groups.
2.3 Baseline

The baseline of this analysis is the 2011 Impact Assessment unless any new developments since its completion should have a bearing on its conclusions. Examples of this are major economic policy shifts that might occur in the context of ‘Abenomics’ (with monetary easing, increased stimulus spending and structural reforms).

2.4 Analysis & policy recommendations

The issues and areas identified in the analysis will be the source of a set of policy recommendations for the negotiations and, possibly, of flanking measures. The policy recommendation will also integrate the analyses in other work packages and also evaluate relevant recommendations put forward by the extensive stakeholder consultations for the Trade SIA.
3 METHODOLOGY AND CONCEPTUAL FRAMEWORK: SOCIAL AND HUMAN RIGHTS ANALYSIS

3.1 Introduction

The 2011 Impact Assessment is based on CGE modelling that makes certain assumptions on the labour markets, such as full employment and full mobility of labour. Such assumptions limit the analysis on social implications from trade agreements. Therefore, Trade SIA will seek to complement the analysis by using both qualitative analysis and case studies to focus specifically on important social issues that the purely quantitative analysis via CGE modelling cannot optimally provide.

The work package on social and human rights analysis will comprise three key elements. Firstly, a quantitative assessment that will provide analysis of employment related factors. This analysis builds on the 2011 Impact Assessment and the detailed sectoral work of the study but goes beyond a mere examination of individual sectors and also includes cross-sectoral and intra-sectoral impact. Recent economic conditions in Europe and Japan have also changed some key assumptions since the data were collected for the underlying GTAP model. The analysis will also be used to provide the main insight into the broader subject of decent work, in accordance with the ToR.

Secondly, a qualitative analysis in specific, prioritized areas will be conducted. This qualitative analysis will build on the quantitative assessment described above and further complement the study of employment, inequality and poverty. Furthermore, this qualitative part will be used to analyse the issues of social dialogue and core labour standards, which also have to be addressed according to the ToR. This part will also look at any human rights implications from the FTA.

Thirdly, case studies that are tailor-made for specific issues of importance will complement the other two parts of the analysis. Considering the relatively low participation of women in the work force in Japan due to various factors – and given that the Government of Japan has identified this issue as a key driver for economic reforms (often referred to as ‘womenomics’ in the debate) – consultants propose this issue as a topic for a case study. Considering the importance of services sectors in this FTA, we will also examine any potential impact from social policy limitations on mode 4 supply of services via presence of natural persons, as well as looking at possible implications arising for the provision of public services, notably health and education.

The overall focus of this social pillar section will lie on the analysis of the issues of employment, inequality and poverty, which will largely rely on a quantitative analysis of key indicators. In addition, another focus will be laid on heavy integration of stakeholder consultation throughout the entire analysis. This extensive stakeholder consultation will also be used as a data source for both the quantitative and qualitative analysis.

3.2 Baseline

The baseline will make use of developments in the past five years on labour related variables, focusing primarily on the factors identified in the quantitative analysis. The assumptions of the 2011 Impact Assessment are assessed based on these developments. The most important indicators are:
Table 1 Indicators and data sources

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Indicators &amp; data source in addition to the 2011 Impact Assessment</th>
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<tbody>
<tr>
<td>Employment</td>
<td>Total aggregate and sectoral employment and workforce participation rates (OECD national data)</td>
</tr>
<tr>
<td>Wages</td>
<td>Real wages in aggregate and by sector (OECD data)</td>
</tr>
<tr>
<td>Gender</td>
<td>Workforce participation rates and gender wage gap (OECD and ILO data)</td>
</tr>
<tr>
<td>Low skilled/high skilled</td>
<td>Impact on employment and wages by level of skill (OECD and ILO data)</td>
</tr>
<tr>
<td>Household income</td>
<td>OECD data</td>
</tr>
<tr>
<td>Prices</td>
<td>OECD data</td>
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<tr>
<td>Inequality and poverty</td>
<td>Gini coefficients</td>
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The baseline also examines the current compliance by each partner with Core Labour Standards (CLS) and the Decent Work Agenda (DWA) of ILO, which assessment is based on an analysis of labour force participation data in the EU and Japan and review of documentation from ILO and labour organisations. Further clarification may be sought also from ILO, ITUC, EU and Japanese officials.

As a part of this baseline, the human rights records of Japan and individual EU member states may be assessed based on previous Trade SIAs and against the benchmark of the Charter of Fundamental Rights of the European Union. The focus will be on ratification of treaties concerning human rights, and the implementation of these treaties.

3.3 Quantitative analysis of impacts of the agreement on decent work issues

This analysis assesses the links between international trade and employment. For this initial analysis, data from international bodies, including the OECD, World Bank and IMF, together with a range of academic literature on the links between trade and employment is used. Particular attention is paid to the effects of trade openness on employment and wages in different sectors – noting the markedly different experience as between manufacturing and services – and by gender. In addition, consideration will be given to the relative importance of the employment effects of trade as compared with those resulting from technological change. Any notable impact on consumers and on vulnerable groups will be identified and catalogued.

As pointed out above in table 1, several specific economic indicators are used for measuring the impact of the agreement on the larger themes of employment, inequality

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and poverty. The impact on the indicators in the baseline is drawn from the following sources:

- The research and quantitative assessments to be undertaken, as part of the Trade SIA, on the aggregate economic impact of the prospective agreement. This covers basic quantitative analysis, drawn from the CGE modelling, of variables such as employment, wages and household income.

- The sectoral analysis in Work Package 4 of the Trade SIA. The analysis will include a specific assessment of the impacts in each of the sectors analysed in the Trade SIA, taking into account the effects of sectoral restructuring. It will also include consideration of inter-sectoral linkages and intra-sectoral effects.

- Possible specific and quantitative analysis available in economic literature or provided by stakeholders.

### 3.4 Qualitative analysis of the issues of core labour standards, social dialogue issues, and the impact on human rights

The second part of the analysis relies on a qualitative methodology. Using the quantitative data of the first section as a basis and making constant reference to it, this section qualitatively complements the analysis of the decent work impacts. In order to do so, the quantitative sources mentioned in section 3.3 will be complemented by an assessment of the likely/possible compliance with provisions in the prospective agreement having a major impact on the employment effects of the agreement, such as those dealing with non-tariff barriers. The principal sources will be the experience with existing FTAs of each partner, discussions with negotiators and stakeholders.

Furthermore, the qualitative analysis expands on other social dialogue issues, core labour standards and the impact on human rights issues, while using the feedback obtained from the stakeholder consultation.

**Analysing the links between international trade, investment and core labour standards**

This analysis illustrates the interaction between the prospective agreement and the effective implementation of ILO Core Labour Standards (CLS) and the promotion of the ILO Decent Work Agenda (DWA) in each of the trade partners. As a first step of the analysis, this section briefly assesses the links between international trade, investment and core labour standards. The sources used for this analysis may include official ILO documents, academic literature, international trade union analysis and UNCTAD FDI data. An additional source of data will be consultations of the ILO, the International Trade Union Confederation, and relevant academics and experts. The research will also draw inter alia on OECD reports of 1996 and 2000, ILO analysis and works by Stiglitz, Palley, Rodrik and, most recently, Baccini and Koenig Archibugi.

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3 E.g. ILO Declaration on Fundamental Principles and Rights at Work (ILO 1998); OECD reports of 1996 and 2000 and subsequent follow up;
A particular focus of the analysis may be on the links between compliance with core labour standards and export performance, flows of foreign direct investment and economic growth, and on concerns about a possible race-to-the-bottom.

**Assessing the treatment of CLS and DWA in existing FTAs and possible provisions in the EU-Japan FTA**

This assessment is based on texts of recent FTAs concluded, or under negotiation, by the EU and Japan, and related analysis. The focus draws on a comparative analysis of FTAs. The analysis will include an examination of ways in which the two partners’ FTAs have dealt with concerns about labour standards. For the EU, the analysis will include an examination of the texts of recent agreements, including EU-CARIFORUM, EU-Korea, EU-Colombia-Peru and EU-Canada. Discussions will also be held with negotiators given that how the differences of emphasis between EU-Korea and EU-Canada play out will depend essentially on how the two agreements are implemented and followed through. For Japan, the analysis will be based principally on an examination of the texts of the Japan-Vietnam, Japan-Switzerland and Japan-Chile FTAs.

To the extent this is feasible, it will also assess the impact from the possible provisions in the EU-Japan FTA and assess the possible eventual compliance with agreed provisions in the prospective agreement by each partner. This work may include consultation with EU and Japanese officials, relevant bodies of the OECD, and EU and Japanese organized labour stakeholders. In addition, an early involvement of the European Economic and Social Committee is envisaged. The analysis will be focused on possible recent precedents and the links to broad economic and social goals of each of the partners. A particular question to be discussed with negotiators is whether EU-Japan would go beyond EU-Korea in its degree of ambition by adopting features of the EU-Canada agreement.


**Analysis of the potential impact of the prospective agreement on human rights issues**

The analysis considers how possible provisions in the agreement might impact on human rights and on the ability of the partners to comply with their human rights obligations. The analysis draws on possible recent precedents and the links to the broad economic and social goals of each of the partners. To begin, by examining the ways in which the two partners’ FTAs may have dealt with human rights and trade related issues, the analysis will first assess which human rights are most likely to be affected by the trade agreement. This assessment will be based on texts of recent FTAs concluded, or under

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4 E.g. OECD Business and Industry Advisory Committee (BIAC), OECD Trade Union Advisory Committee (TUAC)
negotiation, by the EU and Japan, against the benchmark of the Charter of Fundamental Rights of the European Union and applicable UN Conventions. In assessing the likely/possible human rights impact (as well as compliance of any provisions agreed in the prospective agreement), discussions with negotiators and civil society stakeholders, and benchmarks such as ‘Human Rights Indicators: A Guide to Measurement and Implementation’ (OCHCR, 2012) will be important sources together with the quantitative and qualitative analysis in this section.

3.5 Case studies

Implications from mode 4 supply of services

Given the increasing weight given to benefits arising from services sectors in many FTAs, this case study will look at mode 4 supply of services via presence of natural persons (intra-corporate transferees, contractual service suppliers and independent professionals) that is also essential for investments and other modes of delivery. An emphasis of the analysis will be laid on business demand for mobility of professionals, the administrative barriers that potentially hamper such mobility (immigration laws, recognition of qualification), and the benefits that might derive from FTA commitments. Given the reality of transferees, it may also be necessary to consider FTA provisions and rights for accompanying spouses and family.

The analysis will also briefly consider any possible interactions between such liberalisation of services under the FTA and social policies applied against foreign natural persons. It may also look at healthcare and other social services for the transferee or services provider. As sources for this overall case study, EU and Japanese officials, civil society and business organisations will be consulted.

Key Elements of Methodology

1. A survey of stakeholder concerns about impediments to the mobility of professionals between the EU and Japan.

2. An examination of the barriers, in both the EU and Japan, to the movement of professionals arising from immigration laws, labour market regulation, lack of recognition of qualifications and other regulatory impediments.

3. An examination of commitments made by the EU and Japan in recent FTAs in respect of (a) mode 4 undertakings and (b) the mutual recognition of professional qualifications. Particular attention will be paid to the recently concluded EU-Canada FTA and Japan-Switzerland FTA.

4. An examination of the potential economic and social benefits that might result from (a) liberalisation commitments under the FTA in respect of Mode 4 delivery of services, affecting intra-corporate transferees, contractual service suppliers and independent professionals, as well as accompanying spouses and family; (b) enhanced cooperation in the mutual recognition of professional qualifications. Source material will include analysis by the WTO, World Bank and OECD of potential gains from mode 4 liberalisation.

5. Consideration will also be given to implications for the process of intra-EU “mutual evaluation” of the evolution of EU legislation, given that the relevant Directive (2013/55/EU) is in transposition until January 2016.
Workforce participation and wage gap by gender

This analysis assesses the potential effects of an FTA agreement in both the EU and Japan on the gender equality indicator of participation in the workforce and wage gap. This case study will build on the quantitative analysis of the labour market outlined above, going beyond the assessment of the potential impact of increased female participation in the workforce. The analysis will look at both the EU and Japan, and further increasing female participation (so-called 'Womenomics') is also central to the current economic reforms pursued by the Japanese government. As sources of this assessment, data from international bodies (including the ILO, World Bank, IMF and OECD), together with a range of academic literature will be consulted.

Key Elements of Methodology

1. Analysis of the gender gap in wages (and employment) in the EU and Japan, based on national and OECD data.

2. Analysis of the scope for greater compliance by the EU and Japan with ILO provisions dealing with non-discrimination and impact on sectoral employment from the FTA.

3. Examination of potential economic gains in the EU and Japan from reduced gender gaps in wages and in the workforce consequent on tighter compliance, via the FTA, with ILO Conventions, based inter alia on analysis from the ILO, IMF, OECD and World Bank as well as the quantitative analysis within the chapter, as described above.

Sources will include:

3.6 Policy recommendations

The issues and areas identified in the analysis will be the source of a set of policy recommendations for the negotiations and, possibly, of flanking measures. The policy recommendation will also integrate the analyses in other work packages and also evaluate relevant recommendations put forward by the extensive stakeholder consultations for the Trade SIA.
4 METHODOLOGY AND CONCEPTUAL FRAMEWORK: ENVIRONMENTAL ANALYSIS

4.1 Introduction

The environmental analysis builds on both quantitative and qualitative elements. The quantitative analysis is based, in part, on the CGE modelling used for the initial impact assessment produced by DG Trade. The analysis uses the data provided in the model and expands on it. In addition, the methodology for the quantitative analysis is based on the construction of statistics using data from different sources. The analysis also builds on forecasts in the 2011 Impact Assessment as a source.

The qualitative analysis will lay a focus on regulatory effects of the EU-Japan FTA. It will focus on the ability of the EU and Japan to maintain and amend regulatory provisions that relate to the protection of the environment. The key relevant environmental regulations will be analysed in both the EU and Japan and potential risk factors resulting from the FTA will be identified. Also the interaction and compliance with relevant multilateral environmental agreements (MEAs) and the impact from the FTA on these agreements will be analysed. Two detailed case studies on the liberalisation of trade in fisheries and trade in timber will be included. The qualitative analysis will also briefly mention different assumptions on specific issues that the impact assessment by DG Trade has made in its environmental section and critically evaluate them.

In addition to the methodology and sources outlined below, the analysis will incorporate the results of the stakeholder consultation and the data obtained from this consultation will be an important source for the overall analysis in this section.

Focus of the analysis

The overall analysis will lay a focus on the following environmental topics: climate change (GHG emissions); energy use; resource use and efficiency; ecosystems and biodiversity.

The topics of climate change (GHG emissions), energy use as well as resource use and efficiency will be analysed more in the quantitative analysis section, while the topics of ecosystems and biodiversity will be studied in the qualitative analysis section.

The analysis does not lay a focus on the issue of air pollution and this choice has to be briefly justified. Air pollution is not considered to be the best choice of an indicator for the overall analysis since Japan’s air pollution levels are affected by China. Due to this external factor, it is difficult to draw results from estimates of Japan’s air pollution levels on the exact impact resulting strictly from the EU-Japan FTA alone. Air pollution will therefore not be used as an indicator for this environmental analysis.

A number of other environmental topics will be considered in the qualitative section of the analysis. These topics include land use, waste and waste management, water and soil quality, and trade in endangered species of wild fauna and flora. The individual risk factors for each of these issues will be analyzed. This analysis will draw information from existing studies and observed trends.
Structure of the analysis

The structure of the environmental analysis is divided into three parts:

- The description of a baseline: the first step of the analysis provides a baseline of the different areas of analysis with its different indicators.

- The quantitative analysis: in a second step, the quantitative analysis follows based on the CGE model, construction of statistics from different sources, and GTAP forecasts. This quantitative analysis will be complemented, where relevant, with a supporting qualitative analysis.

- The qualitative analysis: in a third step, the qualitative analysis of different issues is to focus on the impacts on regulatory issues. This qualitative analysis will include two specific case studies on the impacts on trade in fisheries and trade in timber.

The following sections present the qualitative and quantitative methodological elements that are used for each of the steps of the overall environmental analysis.

4.2 Baseline

The baseline provides an outline of the current state of play of the different environmental topics mentioned above in the EU and Japan. Concerning climate change, the current emission levels of CO₂ and of the most important types of GHG in the EU, Japan and their most important trading partners will be outlined per sector (energy industries, industry, transport, residential, agriculture etc.). These emission levels will be measured in million tonnes of CO₂ and other GHG emissions. The outline on energy use will rely on a description of the most energy-intensive sectors in the EU and Japan. The description will rely on data from, among others, the International Energy Agency (IEA), the European Environment Agency (EEA) and the Carbon Monitoring for Action (CARMA). It will also rely on a review of the academic literature. An outline of the current resource use and efficiency, as well as the current imports from developing countries, will rely on relevant statistics on resource use and their origin. Statistics on the current trade in environmental goods and services will also be included.

We will benchmark Japan’s environmental performance against other countries using the Environmental Performance Index (PEI)⁵ as well as an analysis of trends in specific environmental outcomes over time. The index allows us to assess Japan’s position in terms of water resources, fisheries, biodiversity, forest, climate and energy. We will also draw information from the OECD (2010) Environmental Performance Review of Japan.⁶

An overview of the current environmental regulations in Japan and the EU, as well as their obligations in relevant MEAs, will be provided. The performance of the environmental provisions in Japan and the EU’s current regulations will be analysed. A review of the existing regulations and agreements, and of academic literature, will be the basis for this overview. Also their existing level of liberalisation of trade in fisheries and

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⁵ The index is provided by Yale Centre for Environmental Law & Policy (YCELP) and the Centre for International Earth Science Information Network (CIESIN) at Columbia University.

trade in timber and the state of play of related environmental topics will be outlined. This outline will rely on statistical information and a review of academic literature.

This analysis will also take into account the fact that the regulatory environment relating to climate change and greenhouse gas emission is currently evolving in the run-up to COP 21 in Paris. The analysis will take into account any relevant changes in domestic legislation tabled by both Japan and the EU in this context.

4.3 Quantitative analysis

A first set of areas are subject to quantitative analysis through the use of different methodologies and data from various models. This quantitative analysis is, however, supported by qualitative analysis in the different areas where it is relevant. A second set of issues is studied through qualitative analysis. The qualitative methodology also includes the two in-depth case studies, examining the effects of liberalisation of timber and fisheries trade in the EU and Japan.

**CO₂ and most important types of GHG emissions**

As a first part of the quantitative analysis, the impact of trade liberalisation on the most important types of GHG emissions in the EU, Japan and the rest of the world will be analysed. The change in global CO₂ emissions will be measured in million tonnes of CO₂ emissions. The analysis will include decomposition into scale, structural and technique (sector energy intensities, fuel mix and carbon factors) effects. A Log Mean Divisia Index (LMDI) based on input-output tables will be used for separating these different effects.

**Analysis of the most energy-intensive sectors and of the power generating sectors**

An analysis of the most energy-intensive sectors, including transport, and primary energy producing sectors will follow. This analysis will rely on the construction of statistics using data from the IEA that describe the performance of the most energy intensive sectors affected by the EU-Japan FTA in Japan. The analysis will also include a comparison with European counterparts. In addition, the efficiency and performance of the power generating sector in the EU and Japan will be analysed using data from CARMA and from other sources. The statistical analysis will be complemented by a qualitative analysis based on a review of the academic literature on the energy performance of the EU and Japan.

The study takes into consideration the rapidly changing situation in this area, especially with regard to a potential restart of nuclear reactors by Japan. The analysis will therefore include an assessment of different scenarios of the power generating sector in Japan. Instead of considering one unique setting, based on existing studies, we will provide a range of possible predicted outcomes and will include a scenario of a potential restart of nuclear reactors.

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The impact of trade liberalisation of environmental goods and services

Also the impact of trade liberalisation of environmental goods and services will be analysed. This analysis will be based on a gathering of relevant statistics on environmental goods and services in Japan and on a comparison with European counterparts. We will look at the composition of the environmental good and services sector using data from UNIDO and COMTRADE to analyse potential complementarities between Japan and the EU.

The effects on resource use and efficiency

The effects on resource use and efficiency, as well as implications for imports from developing countries, will be analysed using relevant statistics on resource use and their origin. An analysis of the impact on developing countries based on GTAP forecasts of changes in resource inputs will be included. Again, this statistical analysis will be complemented by qualitative analysis. Using a review of the academic literature, an overview will be provided of resource-related issues in developing countries. This overview will focus on those developing countries that are the most relevant trade partners with the EU and Japan concerning these resources.

The quantitative analysis on these different levels will also be complemented by the information received from the ongoing stakeholder consultation.

4.4 Qualitative analysis

The first part of the qualitative analysis studies regulatory issues in the EU and Japan. Taking into account the performance in environmental aspects of existing regulations in Japan and the EU, potential risk factors will be analysed. The team will assess the impact of the EU-Japan FTA on the ability of the EU and Japan to maintain existing regulatory provisions or to amend them. In addition, the analysis factors in the interaction with the most important MEAs. The basis for this analysis will be a review of existing surveys of Japan regulations and an analysis of existing measures of regulatory stringency (for example from Eliste and Fredriksson (2002)\(^8\), and Homma and Akimoto (2013))\(^9\). The analysis will also build on a review of academic literature on potential risk factors relating both to national regulations and to the interaction with relevant MEAs.

The qualitative analysis will also critically assess different assumptions made by the authors of the original impact assessment report. In the impact assessment report, it was assumed that a potential increase in waste and need in resources (including raw and critical materials) resulting from an EU-Japan FTA could be mitigated to a certain extent by an increase of trade in environmental goods and services and an increase of cooperation on these issues. The analysis will assess the likelihood of such mitigation. It will also take into account the plurilateral agreement of environmental goods and services (EGS). Another assumption is that the economic valuation of biodiversity and ecosystems services could be increased by the increased cooperation resulting from the


FTA agreement. This assumption will also be analysed critically taking into account the negotiation process of the EU-Japan FTA. In addition, it will be analysed to what extent the EU-Japan Science Cooperation Agreement can have a beneficial impact.

Again, the feedback received from the on-going stakeholder consultation will also be included as an important source of information for the qualitative analysis.

4.5 Case studies

In addition to these general elements, the qualitative analysis will examine in detail two specific case studies: the liberalisation of fisheries trade and the liberalisation of timber trade. The following section will outline in more detail an introduction to the background of these topics and present the methodology for these case studies.

As the Commission’s Impact Assessment preceding the opening of negotiations between the EU and Japan comments, ‘Every scenario under the FTA policy option increases trade’.¹⁰ These case studies consider the impact on timber and timber products and fish. The Commission’s Handbook for Trade SIAs highlights potential themes for these sectors, including an increase in the sustainability of timber products, particularly from tropical sources, in trade.¹¹

**Background of EU-Japan timber trade**

The EU and Japan are both major net importers of timber and timber products (though the EU is also a major producer). Trade between the two is small, yet any increase in economic growth in either party due to the FTA may increase its total consumption of timber and timber products, with possible increases in imports as a result – China is an important supplier of both parties.

One potential specific impact is an increase in imports of wood fuel (probably as pellets) as an outcome of any rise in the use of biomass for renewable electricity production; again, the likely suppliers – the US, Canada and Russia – are the same for both parties. Apart from the direct impacts on trade, the analysis will study the effects from reduction of NTMs in wood products and increased trade in construction services. Another potential impact could be on the trade in illegal timber. The likelihood of such impacts will be assessed, taking into account e.g. the possibility of the inclusion of a sustainability chapter (similar to the EU-Korea FTA), or other measures within the EU-Japan FTA.

**Background of EU-Japan fisheries trade**

In regards to trade in fish and fish products, both parties are major net importers (driven in Japan by its exceptionally high consumption level), and trade between them is small. The analysis will be assessed taking into account the societal and cultural importance of fisheries in both societies, the structure of fisheries trade between the EU and Japan, existing internationally agreed measures or other measures in place relevant

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to the FTA, in order to determine whether there may be any aspects where significant impact from the FTA may be expected.

**Methodology of both case studies**

For both timber and fish, the case studies will review:

- The potential for increases in imports from third countries as a result of the FTA, and the extent to which these products may be illegal and/or unsustainable.
- Existing policy frameworks to promote legality and sustainability in both the EU and Japan.

Sources of information will include (though not be limited to):

- FAO and ITTO data on sources of timber imports to Japan and the EU.
- Chatham House estimates of imports of illegal timber into Japan and the EU (‘Indicators of Illegal Logging’ series, studies conducted in 2010, updates about to be published).
- FAO data on sources of fish imports to Japan and the EU.
- FAO and University of British Columbia estimates of imports of illegal fish into Japan and the EU.
- Review of sustainability chapters in the EU’s ‘new generation’ FTAs (to be considered for potential parallels).
- Review of options for action on illegal logging considered during Japan’s chairmanship of the G8 (web documents, author’s own papers), and actions undertaken since (Chatham House study).
- Review of action following the 2012 Japan-EU joint statement on IUU fishing (web documents).
- Feedback received from stakeholder consultation on both fisheries and timber issues.
4.6 Policy recommendations

The issues and areas identified in the analysis will be the source of a set of policy recommendations for the negotiations and, possibly, of flanking measures. The policy recommendation will also integrate the analyses in other work packages and also evaluate relevant recommendations put forward by the extensive stakeholder consultations for the Trade SIA.
5 METHODOLOGY AND CONCEPTUAL FRAMEWORK: SECTORAL ANALYSIS

5.1 Introduction

As pointed out in the ToR provided by the European Commission, the sectors analysed in this Trade SIA have to be defined at the submission of the draft interim report at the latest. In addition, the handbook of Trade SIAs states that initial screening exercises have to be conducted.

The sectoral analysis provides a more detailed in-depth focus necessary to analyse the economic, environmental and social impacts of an agreement in detail, and the impact on competitiveness in order to develop policy recommendations and flanking measures.

The analysis follows the sectoral disaggregation used in the 2011 Impact Assessment to the furthest extent feasible. Furthermore, the ToR states that overall seven to eight sectors should be chosen for the Trade SIA, while the three sectors, the financial services, business services and motor vehicles sectors already specified in the 2011 Impact Assessment, must be included. The following section outlines the different criteria, as well as the preliminary results of the screening exercises using these criteria, for the selection of the remaining four to five sectors.

The selected sectors will be used for an in-depth assessment that will assess the economic, environmental and social effects of the agreement. Furthermore, the team will examine cross-sectoral effects. The selection of the criteria for the definition of the sectors should be tailor-made according to the specific characteristics of the trade negotiations. For example, the negotiation history and accounts from stakeholders have illustrated the importance of NTMs in the context of EU-Japan trade negotiations.

The following five criteria are used for the final selection of the different sectors:

- The importance of the sectors in bilateral trade flows between the EU and Japan.
- The competitiveness of the sector for both the EU and Japan.
- The most important NTMs in Japan based on previous studies of NTMs.
- The importance of the sectors for both the EU and Japan according to the negotiation history conducted so far, as well as during the process preceding the negotiations.
- The feedback from the stakeholder consultation during the screening phase to identify the most important sectors to be included in the analysis.

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12 Agricultural primary products, forestry, fisheries (Agriculture, forestry, fisheries); Other primary sectors; Food, feed and tobacco (Processed foods); Chemicals; Electrical machinery; Motor vehicles; Other transport equipment; Other machinery; Metals and metal products; Wood and paper products; Other manufactures; Water transport; Air transport; Finance; Insurance; Business services; Communications; Construction; Personal services; Other services. A detailed breakdown of this sectoral aggregation into the more detailed GTAP classification can be found in the annex.
consultation will guarantee necessary stakeholder feedback into the analysis already at this stage and to involve them in the choice of sectors selected.

5.2 Screening analysis of the sectoral selection criteria

5.2.1 Overview of economic variables indicating the general importance of each sector for the economies of the EU and Japan

The first criterion concerns the overall importance of each sector for the EU and Japan, measured through different economic variables. Table 2 to Table 5 provide an overview of the relative importance of each sector according to the variables of trade intensity (share of EU imports and exports with Japan and share of EU imports from Japan) and sectoral competitiveness measured according to the revealed comparative advantage of each sector, for goods and services respectively.

Table 2 Measurement of trade intensity of most important sectors, trade in goods of the EU with Japan, 2013 (sectoral classification: SITC rev.3)\(^\text{13}\)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>EU exports to Japan (% of total trade in goods)(^\text{14})</th>
<th>EU imports from Japan (% of total trade in goods)(^\text{15})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>24.9</td>
<td>10.5</td>
</tr>
<tr>
<td>of which pharmaceuticals</td>
<td>13.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>19</td>
<td>22.6</td>
</tr>
<tr>
<td>of which automotive products</td>
<td>14.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Non-electrical machinery</td>
<td>7.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Clothing</td>
<td>2.7</td>
<td>0.2</td>
</tr>
<tr>
<td>Other manufactures</td>
<td>13.6</td>
<td>12.4</td>
</tr>
<tr>
<td>Scientific and controlling instruments</td>
<td>5.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Food</td>
<td>9.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Fuels and mining products</td>
<td>2.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Office and telecommunication equipment</td>
<td>3.2</td>
<td>15.6</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>4.1</td>
<td>8.8</td>
</tr>
</tbody>
</table>


Table 3 Measurement of trade intensity of most important sectors of EU services trade with Japan, 2013 (sectoral classification: EBOPS)\textsuperscript{16}

<table>
<thead>
<tr>
<th>Sectors</th>
<th>EU exports to Japan (% of total services trade)\textsuperscript{17}</th>
<th>EU imports from Japan (% of total services trade)\textsuperscript{18}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>20.1%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Travel</td>
<td>11.3%</td>
<td>6%</td>
</tr>
<tr>
<td>Financial services</td>
<td>11.1%</td>
<td>7%</td>
</tr>
<tr>
<td>Computer and information services</td>
<td>10.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Royalties and license fees</td>
<td>10%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Other business services\textsuperscript{19}</td>
<td>31.8%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Communication services</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Construction services</td>
<td>0.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Insurance services</td>
<td>2.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Personal, cultural and recreational services</td>
<td>1.36%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Government services n.i.e.</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

\textsuperscript{16} See: Eurostat News Release, STAT/14/73, 6 May 2014
\textsuperscript{19} Other business services comprise merchanting and other trade-related services, operational leasing services and miscellaneous business, professional and technical services (See: Eurostat News Release, STAT/14/73, 6 May 2014).
Table 4 EU’s and Japan’s most competitive sectors in manufacturing in 2010, measured in RCA (sectoral classification: HS)

<table>
<thead>
<tr>
<th>Sector</th>
<th>EU’s competitiveness (RCA)</th>
<th>Japan’s competitiveness (RCA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages</td>
<td>1.71</td>
<td>0.06</td>
</tr>
<tr>
<td>Tobacco</td>
<td>1.67</td>
<td>0.07</td>
</tr>
<tr>
<td>Printing</td>
<td>1.88</td>
<td>0.18</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>1.28</td>
<td>2.16</td>
</tr>
<tr>
<td>Machinery</td>
<td>1.16</td>
<td>1.94</td>
</tr>
<tr>
<td>Other transport</td>
<td>1.21</td>
<td>1.32</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>1.65</td>
<td>0.16</td>
</tr>
<tr>
<td>Chemicals</td>
<td>1.16</td>
<td>0.95</td>
</tr>
<tr>
<td>Paper</td>
<td>1.35</td>
<td>0.29</td>
</tr>
<tr>
<td>Wood &amp; wood products</td>
<td>1.16</td>
<td>0.02</td>
</tr>
<tr>
<td>Rubber &amp; plastics</td>
<td>1.19</td>
<td>1.08</td>
</tr>
<tr>
<td>Non-metallic mineral products</td>
<td>1.15</td>
<td>1.01</td>
</tr>
<tr>
<td>Metal products</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Furniture</td>
<td>1.13</td>
<td>0.15</td>
</tr>
<tr>
<td>Basic metals</td>
<td>0.86</td>
<td>1.16</td>
</tr>
<tr>
<td>Computers, electronic &amp; optical</td>
<td>0.57</td>
<td>1.06</td>
</tr>
<tr>
<td>Electrical equipment</td>
<td>0.97</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Table 5 EU’s and Japan’s most competitive sectors in services in 2010, measured in RCA (sectoral classification: EBOPS)\(^\text{21}\)

<table>
<thead>
<tr>
<th>Sector</th>
<th>EU’s competitiveness (RCA)</th>
<th>Japan’s competitiveness (RCA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal, cultural and</td>
<td>1.63</td>
<td>0.14</td>
</tr>
<tr>
<td>recreational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>0.93</td>
<td>2.92</td>
</tr>
<tr>
<td>Communication</td>
<td>1.12</td>
<td>0.19</td>
</tr>
<tr>
<td>Computer and information</td>
<td>1.16</td>
<td>0.12</td>
</tr>
<tr>
<td>Finance</td>
<td>1.12</td>
<td>0.35</td>
</tr>
<tr>
<td>Insurance</td>
<td>1.13</td>
<td>0.42</td>
</tr>
<tr>
<td>Other business services(^\text{22})</td>
<td>1.1</td>
<td>1.17</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.04</td>
<td>1.34</td>
</tr>
<tr>
<td>Travel</td>
<td>0.89</td>
<td>0.41</td>
</tr>
</tbody>
</table>

5.2.2 A sectoral description of the most important NTMs in Japan

As stated above, the selection of the criteria for the definition of the sectors for the analysis should be tailor-made according to the specific characteristics of the trade negotiation. As pointed out in different accounts of the negotiations and of stakeholders, NTMs are a crucial aspect of EU-Japan FTA negotiations. The study by Copenhagen Economics conducted in 2009 will be the basis for the analysis.

The sectors with the largest potential increase of EU exports as a result of NTM reduction are the motor vehicle sector, the pharmaceutical and the transport equipment sectors. Concerning the services sectors, there is also a potential to reduce barriers, especially in the finance and telecommunication sectors. However, cross-border trade in these sectors is limited and thus gains in absolute terms from reducing NTMs are estimated to be relatively low (Copenhagen Economics, 2009).


\(^{22}\) Other business services include merchanting and other trade-related services, operational leasing services and miscellaneous business, professional, and technical services.
Table 6 Degree of potential NTM reduction in Japan and resulting EU export increase for key sectors (sectoral aggregation by CE based on GTAP)\textsuperscript{23}

<table>
<thead>
<tr>
<th>Sector</th>
<th>Cost of existing NTMs as barriers to trade (AVE, %)</th>
<th>Potential reduction of NTMs (% points)</th>
<th>Export increase for the EU (billion euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicles</td>
<td>10</td>
<td>7</td>
<td>4.7</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>22</td>
<td>20</td>
<td>3.4</td>
</tr>
<tr>
<td>Medical devices</td>
<td>30</td>
<td>12</td>
<td>1.1</td>
</tr>
<tr>
<td>Food, feed and tobacco (Processed foods)</td>
<td>25</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Transport equipment (railway equipment and aircraft)</td>
<td>45</td>
<td>40</td>
<td>2.6 (aircraft: 2; railway equipment: 0.6)</td>
</tr>
<tr>
<td>Finance</td>
<td>15.8</td>
<td>8.7</td>
<td>Not available (total EU exports to Japan: 2.2)</td>
</tr>
<tr>
<td>Insurance</td>
<td>6.5</td>
<td>1.2</td>
<td>Not available</td>
</tr>
<tr>
<td>Business and ICT</td>
<td>2.5</td>
<td>2.5</td>
<td>Not available</td>
</tr>
<tr>
<td>Communications</td>
<td>24.7</td>
<td>19.2</td>
<td>Not available (total EU exports to Japan: 0.3)</td>
</tr>
<tr>
<td>Construction</td>
<td>2.5</td>
<td>1.9</td>
<td>Not available</td>
</tr>
<tr>
<td>Personal, cultural, other services</td>
<td>6.5</td>
<td>3.7</td>
<td>Not available</td>
</tr>
</tbody>
</table>

5.2.3 The importance of the sectors for both the EU and Japan according to the history of the negotiations as well as the process preceding the negotiations

The fourth criterion for the sector selection is a qualitative assessment of the most important sectors according to the negotiation history to date, including the scoping exercise preceding the negotiations. This qualitative assessment relies on desk research focusing on policy reports, documents, publicly available reports of negotiation meetings and media coverage of official representatives from the EU and Japan. More detailed information on the individual sources can be found in Annex 1.

\textsuperscript{23} See: Copenhagen Economics, 2009.
Table 7 Overview of important sectors mentioned in the process of the negotiations and preceding the negotiations

<table>
<thead>
<tr>
<th>Sectors</th>
<th>EU-Japan scoping exercise</th>
<th>Illustrative NTM roadmap</th>
<th>IA report</th>
<th>Other sources/feedback from EP and EC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Chemicals</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Electronic equipment and telecommunications terminal equipment</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Processed food</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Organic food</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical devices</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textiles and clothing</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction materials</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railway</td>
<td>+</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business services sector</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Postal services</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cosmetics</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial services</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication services</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution services</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical equipment (e.g. LED)</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Wood products (e.g. cross laminated timber)</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Intellectual property</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
</tbody>
</table>

5.2.4 Stakeholder consultation

The fifth criterion for the selection of the sectors is a stakeholder consultation during the screening phase. This criterion guarantees early involvement of stakeholders and early direct input from stakeholders into the analysis. Stakeholders were directly contacted on the basis of the database of stakeholders of the consultant team and the list of stakeholders contacted for the IA report, as well as contacts suggested by the Delegation of the EU in Japan. Furthermore, stakeholders were able to directly comment on the sectoral selection through the website provided by the consultant. The results of the stakeholder consultation will be published at the earliest in March 2015 (see timeline in Consultation Plan).

5.2.5 Prioritisation based on a combined assessment of the criteria

As stated above, the financial services, business services and motor vehicles sectors were already preselected by the ToR, while four to five other sectors have to be selected. This section provides an overall assessment of the different criteria of the sectoral selection and proposes five additional sectors for the Trade SIA analysis. The results of this selection analysis are summarized in Table 8.

Table 8 Overall result of the sectoral selection (classification according to terms of reference, see Annex 2)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Trade intensity</th>
<th>Competitiveness</th>
<th>NTMs</th>
<th>Negotiations and preceding process</th>
<th>Overall result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals (e.g. pharmaceuticals including quasi-drugs and cosmetics)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>Other transport equipment (non-automotive, such as railway, ships and aircraft)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>Other manufactures</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Food, feed and tobacco</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td>Other machinery (e.g. medical devices and other)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
<td>+++</td>
</tr>
</tbody>
</table>
As pointed out in Table 8, the following sectors are very relevant according to the selection criteria: chemicals, pharmaceuticals, transport equipment including railway, automotive products and food, feed and tobacco and medical devices. Accordingly, in addition to the three sectors preselected by the ToR, this report identifies these sectors for the analysis of the TSIA study:

- Chemicals (e.g. pharmaceuticals including quasi-drugs and cosmetics).
- Other transport equipment (non-automotive, such as railway, ships and aircraft with a focus on the latter).
- Food, feed and tobacco including meat and meat products (e.g. pigmeat, beef), dairy products (e.g. cheese) and beverages (e.g. wine). The analysis of this sector will also provide a major part of the overall assessment of GIs in this study. As most EU GIs which the EU seeks to protect in Japan are related to wines and cheeses, GIs are an especially important issue for the analysis of this sector. In a first step, the analysis of GIs will focus on an assessment of the relevant law, with a focus on potential differences and incompatibilities on GIs as drafted in prior EU FTAs. In a second step, the study will analyze to what extent these differences will have an economic impact.
- Other machinery (e.g. medical devices and other subsectors).

An additional sector will be selected at a later stage taking into account the feedback of an extensive stakeholder consultation on the preferred final sector. The consultant will
conduct an extensive stakeholder consultation of a broad number of stakeholders on which additional sector they would like to have analyzed. While taking into account the feedback from the EC, the consultant will select the additional sector on the basis of the findings of this consultation.

5.3 Baseline

This baseline analysis provides the foundation for the analysis of the impacts on each sector on different levels. Accordingly, an economic, social and environmental baseline in each sector will be established. This baseline description will focus on different economic, social and environmental indicators with a structural description of the market as well as information on SMEs; the overall output and value-added created by the sector; a description of trade and investment patterns and the sector's integration into the value chain. In addition, the economic analysis will also include a baseline analysis of the relative competitiveness of each sector. The overall sources for the baseline of the sectoral analysis will include both quantitative and qualitative elements, such as Eurostat (e.g. structural business statistics), WIOD (value-added), EU KLEMS (productivity, hours worked, employment), COMTRADE, Euromonitor passport database (retail data) and various academic research and sector reports.

5.4 Analysis & policy recommendations

The analysis of the impact will look at the market access issues for each sector and how services barriers and NTMs may be liberalised. By doing so, the analysis will focus on an economic, social and environmental sustainability impact assessment of each sector, including, where feasible, a focus on competitiveness. The analysis will consider elements such as the importance of public procurement, including by companies with exclusive rights, in the overall market size. This analysis will draw heavily from the expertise of the consultants, EU and Japanese officials and stakeholders, while other sources may include NTM Trains, Market Access Database, I-TRIPS (WTO), World Bank Services Trade Restrictiveness Index (STRI), OECD STRI, TRAINS tariff database, WTO IDB tariffs database, and Global trade alert. In addition, the analysis will be based on the extensive stakeholder consultation as an important source of information. Whenever it is relevant, regional and value-chain aspects will be considered, especially given the strong presence of Japanese firms in the region.

The issues and areas identified will be the source of a set of policy recommendations for the negotiations and, possibly, of flanking measures. The policy recommendation will integrate and weight the analysis conducted in other work packages and also analyse relevant recommendations put forward by the extensive stakeholder consultations for the Trade SIA.
6 CONSULTATION PLAN

6.1 Introduction

This section of the inception report provides an overview of the stakeholder consultation plan and associated activities. It presents the overall strategy behind the consultation, specific tasks undertaken by the team and the work plan for their completion.

As a background to the consultation plan, we use tested stakeholder consultation tools which we are supplementing with more targeted use of social media channels, digital resources and face-to-face meetings to, on one hand, collect inputs for the impact assessment, and on the other hand, strengthen the sharing of information. These efforts are part of the strategy of the team to make the stakeholder consultation more closely interlinked with each of the other work packages. The methodology put forward for the economic, social (including human rights), environmental and sectoral analysis clearly highlights this strengthened relationship by observing where input from stakeholders feeds into each stage. In practical terms, this means that the team has made a list of the input needed for the work on economic, environmental, social, human rights and sectoral impacts and has included questions in its surveys (SME and work package-oriented), interviews and discussions to address each issue.

The aim of the communication plan is to outline what tools are most appropriate to achieve this as well to provide an overview of the relevant stakeholders to be contacted, including SMEs, for each of the work packages and especially across the pre-selected sectors. A specific objective of the communication plan is to balance between web consultations and other activities such as direct interactions with stakeholders via interviews, meetings, hearings or open events.

Finally, the consultation plan for the Trade SIA has taken into consideration the consultation on the Stakeholder Consultation Guidelines 2014 as reflected in the Public Consultation Document, focusing on asking “the right questions at the right time” as well as reaching “those directly affected who cannot always be addressed in their native languages.”

Implementing such an approach as part of the EU-Japan FTA Trade SIA can serve as an example for further studies and the team will draw lessons that could further feed into the update of the Handbook for Trade SIA expected in 2015.

The consultation plan will explain in detail how we approach the two interrelated components:

1. Quantitative and qualitative input to the TSIA of multiple stakeholders across sectors in both the EU, Japan and third countries;

2. Dissemination of information and raising awareness about the EU-Japan FTA.

The main objective of the consultation activities is to contribute to the Commission’s dialogue with stakeholders and trading partners. The specific objectives of the

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stakeholder input to Trade SIA is to provide maximum contribution to the assessment of each of the other work packages and to aid in formulation in recommendations and flanking measures. These objectives are achieved by sequencing of the consultation and reaching out to various stakeholders. In terms of the sequencing, which would be reviewed later on, the team has divided the consultation in three parts: 1) stakeholder sector selection; 2) social (including human rights) and employment impacts; and 3) economic and sectoral impacts. The main rationale to subdivide the process is to provide an opportunity for stakeholders to select one of the sectors to be reviewed as well as provide sufficient time for comments on all aspects of the negotiations.

The strategy of the team to consultation is encompassed in six principles, described below. Firstly, the concept of integrated consultation activities echoes our commitment to making stakeholder input one of main sources for sector selection, for the identification of problematic issues and for formulation of recommendations. In this inception report, the principle is visible in the methodology for the social (including human rights), environmental and sectoral work packages. For example, the fifth criterion for the selection of the sectors is a stakeholder consultation. Stakeholders can choose between multiple channels to express their suggestions for sectors to be studied in-depth and based on the final count (quantitative element) and comments (qualitative element), the results are combined with the other criteria as highlighted in Table 8 in the previous chapter. Another example can be seen in the completion of the tasks for the social and human rights impact analysis. For each specific task the team illustrates which organisations will be approached and which tools will be used.

Secondly, the strategy of the team is driven by the timely engagement of key stakeholders. This involves engagement of stakeholders throughout the entire duration of the project, starting after the kick-off meeting and information on the project remaining available online even after the duration of the project. The website created for the Trade SIA (see Figure 2 below) is instrumental in providing up-to-date information with regards to upcoming events and deadlines. The website has a section dedicated to informing the public of the timeline of the negotiations. Below is an illustration of the stages of Trade SIA reporting. Most importantly, stakeholders are made aware of approaching deadlines for contributions.

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26 Updated from five principles outlined in the proposal submitted by the team to reflect the revised methodology.
Third, the team is making sure that its approach is inclusive. For the purposes of the project a stakeholder is ‘a person with an interest or concern in something’²⁷. This wide definition allows us to include everyone who has an interest in the EU-Japan FTA. As a result, when we consult stakeholders we are making sure that all groups of society are approached and have the opportunity to voice their concerns with regard to the impact of the EU-Japan FTA. In order to achieve this, the team adheres to procedures and practices to ensure transparency. Annex 3 provides a first list of stakeholders who were contacted and this list will be constantly amended and expanded. One of the strategies used is ‘word-of-mouth’ and the snowball effect of sending the newsletter to a number of people who then forward on to their contacts. Additional stakeholders have been suggested by the Delegation of the European Union to Japan which cover government ministries, business federations and environmental organisations. Information on contacts will also be requested from the EU-Japan Centre for Industrial Cooperation.

In addition to the first three principles, the team aims to achieve smooth accessibility and complementarity among the Trade SIA resources. The website created for the project is a ‘one-stop shop’ for all Trade SIA information. A monthly newsletter informs of any upcoming events that could otherwise be missed and directs to further information on the website. The benefit of having set up an email account for the project is linked to external consistency. The LSE email account is constantly monitored and any email requests are acknowledged within the same day and responded to within 72 hours unless additional information is required for fulfilling the request.

Linked to the aim to reach out to as many stakeholders as possible, the team has undertaken targeted consultations that would be complemented by telephone and face-to-face interaction. The team is to engage in meetings with individual firms and sector level associations and bodies. For the in-depth sectoral analysis, we will consult all

large European firms with business presence on the Japanese market, as well as a sample of SMEs. With regard to the SME test, where appropriate the team will contact SME representative organisations in the EU member states for a telephone conversation to ensure that their feedback is taken into consideration in due time, as well as organisations which represent SMEs in Japan such as Keidanren (Japan Business Federation). This in-depth consultation component will also include a wider number of direct interactions with stakeholders via interviews, meetings, hearings or open events with national regulatory bodies, academic and policy researchers, and other influential stakeholder representatives.

Lastly, the consultant relies on networks of contacts across academia, governmental and non-governmental organisations, policy-makers and private companies. These contacts will ease the access of the team to external input.

In summary, the consultant aims to build on previous experience in the implementation of Trade SIAs and recognises that if an effective stakeholder consultation is implemented, the rewards for the overall assessment will be significant. After defining the six guiding principles, below we provide a look into the specific activities which are planned or already underway.

6.2 Consultation activities

As stated earlier, the overall goal of website and the social media communication channels is to raise awareness of the Commission’s initiative to produce Trade SIA among the stakeholders and to provide a predominant ‘go-to’ digital resource for the EU-Japan FTA. The specific objectives of the digital tools are as follows:

- Description of what the Trade SIA entails and the relations between EU and Japan in the process of the trade negotiations – in both technical terms but also in language aimed at non-specialists;

- Dissemination of results from stakeholder consultations through questionnaires and interviews through the resources to be downloaded;

- Serve as a contribution to the Commission’s dialogue with stakeholders and trading partners;

- Encourage backlinks from other websites through relevant content and track the number of clicks;

- Information on publications, upcoming and past events, including registration pages and recordings of past events (e.g. audio and film recordings, PowerPoint presentations, social media records, Storify28, or transcripts where appropriate);

- Clear contact details and expectations for tailor-made advice e.g. to SMEs;

- Engaging stories and examples of the impact from the EU-Japan FTA – including interviews with key players who can communicate the approach taken by the European Union;

28 http://storify.com/
• User-friendly list of links to other relevant web resources for policy makers and practitioners e.g. toolkits/guides, learning materials, searchable databases and other helpful links. Links will be checked on a monthly basis for accuracy;

• Links to social media channels – particularly Twitter account;

• Easy-to-use and prominent registration area to participate in the stakeholder consultation and to give feedback.

All relevant content is available in English and follows EC rules on the provision of information\textsuperscript{29} to ensure quality, accuracy, accessibility and usability of the content.

The main channels reviewed in detail below include: website, social media, newsletter, questionnaires, interviews as well as other stakeholder meetings. In developing the different tools, the team is making sure to reflect the lessons learned from previous stakeholders’ assessment vis-à-vis accessibility of resources and especially the questionnaire, availability of responses and deadlines.

\textit{Website}

During the inception phase the team developed a dedicated website for the Trade Sustainability Impact Assessment, which is becoming an essential part of the consultation process. The link to this website is:

\texttt{http://www.tsia-eujapantrade.com/}

The website provides links to past publications, past and future events, useful links and resources. It also makes a bridge to other communication channels such as EU-Japan FTA Trade SIA Twitter feed and Facebook website. The screen shot below illustrates the layout and information that the website contains. The website is available in English and there will be occasional information in Japanese where applicable.

Further to DG Trade requirements, the website has been designed to:

• Aid the consultation of diverse groups of stakeholders;

• Include a specific feedback mechanism allowing direct stakeholder input;

• Include a discussion forum to stimulate involvement;

• Facilitate access to on-going work (issue papers, draft and final reports, etc.);

• Include a counter with the number of hits;

• Include links to the web pages of the main stakeholders;

• Allow to see the inputs received from stakeholders;

• Indicate the clear timeline of activities and deadlines;

\textsuperscript{29} Information Provider’s Guide, Interinstitutional Style Guide
Stay online for at least two years after approval of final report.

With regard to monitoring the current traffic of the website, the team receives a weekly report (example Table 9 below) which shows how many times the website has been visited. For the week of 24 to 30 November 2014 when the first newsletter was sent out (Thur), the website has been visited 78 times for the first time and 40 in a single day (Fri). These statistics serve as a benchmark for the communication activities which currently are still at a low level. We outline further strategies to increase the traffic in our next steps.

Table 9 Summary of weekly stats report


<table>
<thead>
<tr>
<th></th>
<th>Mon</th>
<th>Tues</th>
<th>Wed</th>
<th>Thur</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
<th>Total</th>
<th>Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page loads</td>
<td>5</td>
<td>87</td>
<td>26</td>
<td>90</td>
<td>116</td>
<td>2</td>
<td>0</td>
<td>326</td>
<td>47</td>
</tr>
<tr>
<td>Unique Visits</td>
<td>3</td>
<td>25</td>
<td>6</td>
<td>24</td>
<td>46</td>
<td>2</td>
<td>0</td>
<td>106</td>
<td>15</td>
</tr>
<tr>
<td>First Time Visits</td>
<td>1</td>
<td>19</td>
<td>4</td>
<td>14</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>78</td>
<td>15</td>
</tr>
<tr>
<td>Returning Visits</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>28</td>
<td>4</td>
</tr>
</tbody>
</table>

In the next phase of the project, immediate and medium-term tasks for the website include:

- **Promote website and increase visibility** by linking it to the websites of:
  - LSE Enterprise:
    http://www.lse.ac.uk/businessAndConsultancy/LSEConsulting/currentProjects/tsia.aspx
  - Directorate-General for Trade:
  - Delegation of the EU to Japan: in progress
  - Mission of Japan to the EU: to be contacted
  - Other European institutions: to be contacted
  - Business representative organisations in Japan: to be contacted

- **Post regular updates** on website related to the publication of the inception report and further outputs as well as regular updates of news and events. The website will be updated once a week on average; although this will largely depend on external events.

- **Detailed description** of the approach followed by the team.
• Link to questionnaire and SME Test, which would be hosted on an external platform.

• Provide opportunity to download full surveys and share responses. Integrating feedback from DG Trade on instruments and tools used.

• Highlight and update the deadlines of the project and deadlines for stakeholders to provide input.

Figure 2 Website screen shot full
**Social media and feedback**

We have set up and continue to develop a range of targeted social media channels to maximize the input of stakeholders. As well as working with the existing social media networks of the LSE, we build on the extensive international social media presence of the School, as well as the presence of the leading researchers. We ‘follow’, link and interact with other external social media networks to help reach new members and promote our work.

Our focus is on Twitter as this is most relevant for our target audiences. A calendar of forthcoming social media content will be updated to ensure regular fresh new material, at least two new items per week. We will set up a Twitter account including setting up a hashtag for the EU-Japan FTA. We will work closely with @Trade_EU\(^{30}\) to encourage mutual retweets and collaboration. Our Social media reach and activity will be tracked using free platforms such as Social Mention\(^{31}\), Klout\(^{32}\), Google Analytics\(^{33}\), and CoTweet\(^{34}\).

The other instruments include: a dedicated email address and a Facebook account.

**Dedicated email address**

Lsee.Tsia-Japan  Lsee.Tsia-Japan@lse.ac.uk

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\(^{30}\) [https://twitter.com/Trade_EU](https://twitter.com/Trade_EU)

\(^{31}\) [http://socialmention.com/](http://socialmention.com/)

\(^{32}\) [http://klout.com/home](http://klout.com/home)

\(^{33}\) [http://www.google.co.uk/analytics/](http://www.google.co.uk/analytics/)

\(^{34}\) [http://cotweet.com/](http://cotweet.com/)
Twitter

https://twitter.com/TSIA_Japan

@TSIA_Japan

Figure 4 Twitter screen shot
Facebook

Name: TSIA EU-Japan FTA

Facebook Web Address: www.facebook.com/tsia.eujapan

Figure 5 Facebook screen shot

Newsletter

The first issue of the newsletter was disseminated on Thursday 27 November 2014, 14:30 to 14:32 to 250 stakeholder contacts collated from a number of resources outlined in the following sub-section.

The aim of the first issue was to announce the launch of the negotiations and present all channels for communication with the team. It introduced the project, its website, and other social media details. It also gave options to unsubscribe or suggest somebody for the newsletter to be sent on. After the first dissemination, the team received only one unsubscribe request. The bounce backs were reviewed and any information on annual
leave, new contacts has been reflected into the database with stakeholders in order to keep it up to date. As mentioned earlier, the newsletter will be the main tool to send information about upcoming deadlines as well as to stimulate engagement and increase in response rates to the questionnaires.
EU-JAPAN FTA: TRADE SIA

LSE Enterprise's monthly newsletter

ISSUE 1 27.11.2014

Launch of the Trade SIA Study

We are writing to inform you of the launch of the stakeholder consultation process conducted as part of the Trade Sustainability Impact Assessment (Trade SIA) of the EU-Japan Free Trade Agreement (FTA). The study is carried out in support of the ongoing negotiations of a comprehensive trade and investment agreement between the European Union and Japan. It provides an assessment of the potential economic, social (including human rights) and environmental effects resulting from trade and trade-related provisions of the agreement in the EU and Japan as well as third countries, including developing countries, and Turkey which is in a customs union with the EU.

The Trade SIA team complements the quantitative and qualitative analyses with input from stakeholders. The objective of the consultation process is not only to ensure greater understanding and awareness among stakeholders of the Trade SIA methodology but also to increase transparency and accountability. We highlight the ways to stay informed and provide input to the EU-Japan Trade SIA as well outline milestones and deliverables. We are grateful for any comments and feedback and looking forward to hearing from you.

With kindest regards,
The LSEE Team

EU-Japan Trade SIA Website

LSEE launched the EU-Japan FTA: Trade SIA website. The goal of the website and other communication channels is to raise awareness of the Commission’s initiative to produce Trade SIA among the stakeholders and to provide predominant “go-to” digital resource. The aim of the website is to serve as a contribution to the EC’s dialogue with stakeholders; provide a description of what the study entails as well as dissemination of results from the study. Visit website

Milestones

LSEE has set up a number of communication channels to provide information on publications, upcoming and past events, including registration pages; and contact details for tailor-made advice and links to social media channels. Upcoming milestones in 2015 include: Draft inception report; January; Steering Committee & COP Society Dialogue; February; Final Inception report; February and Draft interim technical report; April. Visit website

Do you think someone should have a copy of this newsletter? Please forward this on or let us know.

LSE Enterprise Ltd

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Twitter: @LSEE_Japan
Facebook: https://www.facebook.com/lse帮助企业
To unsubscribe, please email us with the subject "UNSUBSCRIBE".

The Study is commissioned by DG Trade of the European Commission.

Figure 6 Newsletter
**Questionnaires**

Questionnaires or surveys are methods that would allow the research team to reach a larger target group of respondents during the stakeholder consultation. Different types of questionnaires are designed according to the sequence described earlier and stakeholders will be asked questions on issues and processes combining open and close (pre-coded) ended questions. All questionnaires will closely follow the Guidelines produced by DG Trade on the conduct of Trade SIA.

For the EU-Japan Trade SIA the team has decided to split the questionnaire to all stakeholders in three parts:

1) **Brief questionnaire to feed into the selection of one sector** – this is a short questionnaire asking only details about the respondent organisation, sector which they advise to be selected and reasoning for the selection. This will be sent out in January and it will directly inform the sector selection chapter and further analysis. The sectoral selection will also ask whether an organisation is an SME in order to reflect this in the analysis.

2) **Questionnaire to support social (including human rights) and environmental impact analysis** – this is a detailed questionnaire covering different aspects of EU-Japan trade and the possible impacts. The questions part of this survey also feed into the qualitative and quantitative analysis and issues to be covered in the case studies of the social and human rights pillar. In terms of timeline, this questionnaire will be launched after the approval of the inception report and the Civil Society Dialogue in February 2015.

3) **Questionnaire to feed into the economic and sectoral analysis with a particular focus of the sectors already selected** – this will be the final part of the survey consultation and it will follow the other two. It will address the selected sectors and impacts particularly relevant to them. In terms of timeline, this questionnaire will be also launched after the final selection of sectors including the sector recommended by stakeholders.

Such structure would ensure timely consultation, sufficient time for the responses to parts 2 and 3 and feedback to all components of the analysis.

**Table 10 Questionnaires**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector selection questionnaire</td>
<td>2nd week of January</td>
</tr>
<tr>
<td>Social, human rights and environmental impact questionnaires</td>
<td>1st week of April</td>
</tr>
<tr>
<td>Economic and sectoral impact questionnaire</td>
<td>April 2015</td>
</tr>
</tbody>
</table>

LSE Enterprise and its research team are experienced in designing questionnaires and running small and large-scale surveys. Due to the fact that the team wants to draw as much as possible on the information from questionnaires, their preparation is essential
for the rest of the project. The team will implement four tasks to ensure the quality, effectiveness and robustness of the findings.

1. **Questionnaire/survey**\(^{35}\) **sampling**: setting up a database of possible respondents based on the stakeholder consultation list; in the case of the SME survey, a separate sample will be formed.

2. **Survey design**: drafting questions and indicators.

3. **Fine-tuning**: testing and calibrating the survey based on feedback.


**Sampling**

Sampling is based on the database the team is setting up with potential respondents. For the purpose of the study, the quality of responses has higher weight than the quantity and this number will provide substantial insight.

**Annex 3** contains the stakeholders contacted during the inception phase. It contains organisations which include:

- Participants in the Impact Assessment (where contact details were available);
- Contacts provided by the Delegation of the EU to Japan (where contact details were available);
- Contacts from previous Trade SIAs where applicable and especially vis-à-vis social (including human rights) and environmental organisations;
- LSE学术 contacts;
- LSE Enterprise contacts.

**Annex 4** provides a list of stakeholders for specific relevant sectors.

**Annex 5** provides a first preliminary list of SMEs to be contacted in the stakeholder consultation. This list is based on a report by the EU-Japan Centre for Industrial Cooperation mapping European SMEs that are present in Japan with a branch office.\(^{36}\) This list is a starting point for the SME consultation and will be constantly updated.

The lists outlined in annexes 3 to 5 are illustrative and not exhaustive – additional stakeholders not on the list can be consulted. The lists will be constantly expanded and updated. However, the lists also do not automatically imply that each single stakeholder on them will be consulted.

Additional information on stakeholders will be collected through interacting with DG Trade, the Delegation of the EU to Japan and the Mission of Japan to the EU as well as

\(^{35}\) For the purposes of the project questionnaire and survey will be used interchangeably.

the network of contacts of the team earlier mentioned. The team will report on the responses received by group as well as by sector, as indicated in chapter 5. The reporting will include a sub-section on the quality of responses as well as any quantitative information submitted by the stakeholders.

The stakeholder mapping is currently on-going and the team is using the snowball effect to identify relevant stakeholders including across sectors and for the SME test.

**Survey design**

This task involves the drafting of the questions and the associated indicators to link the information to the different work packages. In addition, we need to ask a number of questions on the organisation (e.g. name, location of main business activity (population size of HQ location) and in the case of SMEs, also size of the company (employees and turnover) and sectors covered). During this task, the team will build on the existing questions provided in the Impact Assessment, other Trade SIAs as well as new questions based on the economic, social (and human rights), environmental and sectoral issues. The team will explore the possibility to use the following question formulations:

- Open-ended: Designed to prompt the respondent to provide us with more than just one or two word responses.
- Closed-ended: Specific questions that prompt yes or no answers would not be of assistance in the delivery of this survey since they do not give insight in the thinking behind the response, unless they are complemented with follow up open-ended questions.
- Multiple choice: Allow the respondent to select one answer from a few possible choices.
- Likert scale: Each respondent is asked to rate items on a response scale.

The development of a suitable survey is essential to ensure that the incoming data and the subsequent results are of relevance to the questions being investigated. To make certain that each question is applicable, the research team will develop and refine the survey before its distribution using the following guidelines:

1. The necessity of the question: Is the question related to the purpose(s) of the Trade SIA study?
2. The clarity of the question: Is the question precise, clear and unlikely to lead to misinterpretation?
3. Is the question unbiased and does not impose the team’s views on to the respondent?
4. The complexity of the question: Is the question easy to understand?

For the consultation of Japanese stakeholders and European companies in Japan, where applicable the team will provide the survey in Japanese language as well.
Quality control and calibration

The team will run a quality control check to discuss the final questionnaires and resolve outstanding format and substance issues. This check will entail sending out a pilot round of the questionnaire to the team members and the final questionnaire will be discussed with DG Trade. Following this the team will calibrate the survey on the basis of the discussion and finalise it. Other issues to be considered include the technical set-up of the questionnaire online, formatting the raw data and promoting the survey.

Technical set-up of an online survey

In administering the survey the team will use the LSE IT Team recommended software: LSE Qualtrics\(^{37}\). Qualtrics is an online survey application for academic institutions. It is flexible and easy to set up and can be easily up-scaled.

In comparison to other widely-used survey tools such as SurveyMonkey, Qualtrics has three distinct advantages:

- Approved by academic institutions worldwide but also becoming the preferred tool for private companies especially in the U.S., currently being used by 50% of the Fortune 100.
- Gives flexibility to design a holistic survey experience, which combines multiple-choice questions with interactive prompts, including video.
- Provides more than hundred question formulations and scripting new types of questions without programming skills required.

Promoting the survey

The team has experience with data collection through questionnaires and is aware of the expected response rates for such types of questionnaires (between 10% and 15% is the response rate for wide scale questionnaires). High non-response rate reduces the effective sample size and can introduce bias. The team is also aware of the times and dates most appropriate to send out a survey:

- By defining when it is the best time to send a survey – one possible suggestion is to distribute the survey between Tuesday and Thursday between 8 and 9 am taking into account activities such as early morning calls and external meetings as well as peak work days such as Monday.
- By defining which are the best dates to send a survey – make sure that the survey is not sent out on a national holiday in Japan, for example.

The team will deploy a strategy to improve number of responses based on the following seven key principles:

\(^{37}\) Qualtrics. See: https://lse.qualtrics.com/ControlPanel/
• Ensuring sufficiently **long response periods** (at least 12 weeks; longer over holiday periods).

• **Explaining the importance of the survey.**

• Ensuring the **design** of **user-friendly electronic** and postal questionnaires: use graphics and Internet features strategically.

• **Limiting the number of questions**: restrict the number of questions to the most needed ones.

• **Personalising the salutation** in a cover letter: restrict the generic salutation to few cases.

• **Keeping invitations short**: provide clear instructions regarding the purpose of your study, survey’s benefits, length of survey, and privacy statement.

• **Avoiding busy periods** such as holidays and summer breaks: make sure that external reasons for non-response are removed.

• **Sending out pre-notifications**: send a letter before the questionnaire is administered to prepare the respondents and explain in advance its purpose.

• **Making follow-up contacts** with participants: send follow-up email reminders with the survey link included and follow-up notes. The team will send maximum two reminder emails and will ensure to filter out email addresses of people who do not wish to be re-contacted.

• **Giving stakeholders** the possibility to print the questionnaire directly from the webpage.

• **Giving them the option to save** their interim input, so that everything doesn’t get directly deleted when they leave the webpage once.

**Formatting of raw data and data cleaning**

Before the core team starts work on the analysis, the experts will format the raw data and will also perform the cleaning of data. At this stage we do not preview too limiting exclusion criteria but this could be based on whether the respondents are relevant (e.g. in the case of the SME Survey, the organisation is a large company) or respondents have responded to more than 10% of the questions. This will be reviewed once the team observes the responses received.
6.3 Analysis

As a method of analysis we propose undertaking a thorough thematic analysis on the survey data to capture the problematic areas identified. If the amount of responses is significant, the team will make use of academic software for text-mining – e.g. Alceste or NVivo. NVivo, for example, is a platform for analysing all forms of unstructured data. NVivo is particularly helpful in collecting, organising and analysing content from interviews, focus group discussions, surveys, audio, social media, videos and webpages. In our case it would be particularly useful since it allows quick interchange information with other applications like Microsoft Word and Excel, IBM SPSS Statistics, Qualtrics, EndNote and Evernote.

**In-depth consultation with stakeholders**

**Interviews**

The methodology for conducting the interviews will be selected depending on the stakeholders to be approached and the information gaps that would need to be filled after administering the questionnaires and collecting general feedback. Overall interviews will be carried out in person including in Japan, whenever possible, or via phone interviews. The key mode will be semi-structured interviews which would allow on one hand, to compare the responses across the participants, and on the other hand, the flexibility to pursue a free-flow discussion where valuable information for the study is collected.

**Focus groups**

Focus groups are group interviews that build on the communication between participants giving crucial importance to the interaction between interviewees and will help the team in the identification of key sustainability issues. As opposed to the interviewers asking specific questions to the respondents, participants of focus groups are encouraged to mutually engage by asking questions, exchanging anecdotes and commenting on each other's experiences and points of view. This method is particularly useful to gain better understanding of the "average" knowledge on specific issues. The team will explore the possibility to bring together focus groups for this project.

In summary, the stakeholder consultation will make use of multiple complementary tools that are directly linked with the aims and objectives of each pillar:
SME Test tool

The SME panel questionnaire will be designed by the consortium and will adhere to Commission’s guidelines on developing and conducting an 'SME Test'. As the Commission points out IAs can highlight positive and negative consequences for SMEs and in this way assist in reaching a decision vis-à-vis the negotiation agenda and mitigating measures.

The SME Test will follow the steps as presented in the annexes to the guidelines:

- Consultation process with SMEs and organisations that represent the interests of SMEs, for example EICs, European business representative organisations, National and regional business representative organisations. The consultations involve on-line consultations and feedback mechanism on the website for the Trade SIA, round table discussions with stakeholders, and test panels of entrepreneurs to check new initiatives in flexible and quick manner. The consortium will approach the Enterprise Europe Network and the Network of SME Envoys as the means to reach out to this group of stakeholders across the EU as well as European SMEs with business activities in Japan.

- Assessment of businesses likely to be affected in the different sectors identified. The contractor will make a preliminary assessment of whether SME’s will be affected by the EU-Japan FTA. Once again the first instrument will be to approach SME representatives and assess the number and size of SMEs, employment by SMEs, participation of SMEs in different sectors and links with large enterprises through subsidiary or subcontracting relationships.

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• Measurement of the impact on SMEs (cost/benefit analysis) involves the assessment of the extent of the effect of the EU-Japan FTA on SMEs. There is a number of SMEs to be approached and the contractor will decide on the most suitable ones together with the Commission.

• Use of mitigating measures if necessary. Potential mitigating measures include proposals for direct support to SMEs, specific information and awareness raising, development of help desks such as the export help desk. Additional measures in case of very negative cost/benefit analysis include complete or partial exemptions for SMEs, as well as reduced fees for smaller businesses.

The Contractor will collaborate closely with the Commission in order to conduct the SME Test in a time and cost effective way.
7 WORK PLAN AND DELIVERABLES

7.1 Work plan

The overall work plan is structured according to three major phases of the drafting process: firstly, the inception phase including the drafting of an inception report plus the presentation to civil society in Brussels after 4 months. Secondly, the implementation phase which includes the delivery of the interim technical report after 8 months and thirdly, the completion phase. In the final phase, the team will give a presentation to civil society in Brussels after 12 months and further to the feedback, finalise the report after 15 months.

Concerning the specific organisation of the work plan, the work of the team is divided into 5 work packages: economic analysis, social (and human rights) analysis, environmental analysis, sectoral analysis, and communication. The work plan is organized so as to streamline the overall process, to maximise synergy effects between the tasks of the individual specialised parts of the team, and to facilitate constant monitoring of the progress.

Table 11 Summary: use of existing tools

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception phase</td>
<td>Prepare consultation plan, dedicated Trade SIA website, all social media, have a preliminary list of stakeholders to be expanded and updated, initial contacts with key sector level bodies and identifying future interviewees, development of a questionnaire for stakeholder consultations</td>
</tr>
<tr>
<td>Implementation phase</td>
<td>Conduct relevant interviews and distribute the questionnaires; facilitating consultations and dialogue with external experts from civil society as well as sectoral stakeholders</td>
</tr>
<tr>
<td>Completion phase</td>
<td>Conduct interviews with stakeholders at the firm level; additional contacts with stakeholders in the EU &amp; Japan</td>
</tr>
</tbody>
</table>

Inception phase

The dedicated website for the SIA, including a direct feedback mechanism was set up as soon as possible after the inception meeting. Given the extensive knowledge, expertise and manpower concerning website development of LSE Enterprise, it was possible to set up the website very quickly. During the inception phase researchers responsible for each of the work packages conducted literature surveys and refined the methodology, the conceptual framework of the sustainability assessment analysis. They started conducting a screening exercise for the key sustainability issues and providing an overview of the sectoral analysis and the identification of indicators. Junior experts focused on more administrative issues such as the drafting of the expected content of the following reports, as well as the development of a questionnaire for the stakeholder consultation.
**Implementation phase**

During the implementation phase the project leader and senior experts will make substantial use of their networks inside and outside academia and civil society in order to maximize the information obtained from communication activities. Both senior and junior experts will conduct relevant interviews with sectoral bodies. Any additional quantitative work will be conducted during this phase in order to provide inputs into the sector, environmental and social assessments. Using the information obtained from the communication activities and the literature reviews, they will also provide first drafts of the findings relating to each of the work packages. Junior experts will focus on facilitating the process of this drafting by assisting the senior experts and will focus on more administrative tasks, such as facilitating consultations and dialogue with external experts from civil society as well as sectoral stakeholders.

**Interim technical report**

The interim technical report to be delivered during the implementation phase will provide an update on the tasks accomplished and the main results achieved. It will build on the inception report and give a summary of how the methodology outlined in the previous deliverable has been implemented. The sections of the report will address the work in progress and preliminary findings on the economic, social and human rights, environmental, and sectoral pillars. It will include the final selection of sectors based on the criteria outlined in the inception report, among which the feedback from stakeholders. It will also provide a work plan of steps to be accomplished in the completion phase.

The interim technical report will also give an overview of the ongoing and finalised consultation activities. This includes:

- An update on the implementation of the stakeholder consultation plan presented in the inception report.
- Preliminary results from consultations with civil society, social and environmental organisations, businesses and industry both in the EU and Japan. In the interim technical report, we will give an update on the responses received until then. In the final report, the questionnaire responses will be integrated in the social, environmental and sector pillars.
- Feedback received from various stakeholders through channels created: website, email, Twitter and Facebook.
- Overview of upcoming activities.

The interim technical report will also include a short executive summary and will be maximum 200 pages long, excluding annexes.

**Completion phase**

Senior experts and the project leader will focus especially on the description of the methodology, the outcomes and results, as well as the policy recommendations. Furthermore, both senior and junior experts will conduct interviews with stakeholders at
the firm level. The junior researchers will focus especially on the outline of contacts with stakeholders in the EU and Japan, as well as on details concerning minutes of public meetings. Furthermore, the team will focus on the drafting of the final report. An emphasis will be put on the work package of policy recommendations during this final period.

Final report

The final report will include the outcomes and results of the assessment across all work packages, based on the methodology put forward. It will provide a clear description of steps undertaken and recommendations put forward for possible flanking measures (where needed) and policy recommendations.

The report will include the final results obtained from the questionnaires and a detailed description of the implementation of the stakeholder consultation plan. This will include a list of contacts in the EU, Japan and third countries; overview of events and presentations attended; list of face-to-face meetings, telephone interviews and focus groups with stakeholders as well as the comprehensive overview of comments collected from the various communication channels used by the team.

Briefing document

The briefing document to be submitted together with the final report will include:

- The aims and objectives of the Trade SIA in support of the EU-Japan negotiations;
- The methodology adopted to study the selected measures;
- The scenarios considered and associated assumptions and hypothesis;
- The final overview of potential impacts identified for the social (including human rights) and environmental pillars based on both the additional quantitative and qualitative exercises;
- The full results on the economic and sectoral impact assessments;
- The policy recommendations and flanking measures suggested;
- The results of the implementation of the stakeholder consultation plan;
- The suggestions for future study and activities;

A general overview of the overall structure of the work plan is illustrated in the following table.

Legend:

<table>
<thead>
<tr>
<th>On-going task</th>
<th>Meetings</th>
<th>Report Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>R</td>
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</table>

65
<table>
<thead>
<tr>
<th><strong>Table 12 Detailed work plan</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Inception Phase</strong></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep</td>
<td>Oct</td>
</tr>
<tr>
<td>Kick off meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised conceptual framework</td>
<td></td>
<td>M</td>
</tr>
<tr>
<td>Preliminary methodological developments</td>
<td></td>
<td></td>
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<tr>
<td>Consultation plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary literature survey</td>
<td></td>
<td></td>
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<tr>
<td>Preliminary screening exercise for key sustainability issues</td>
<td></td>
<td></td>
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<tr>
<td>Preliminary overview of overall and sectoral analysis</td>
<td></td>
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<tr>
<td>Draft inception report</td>
<td></td>
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<tr>
<td>Commission meeting</td>
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<tr>
<td>Steering Committee meeting</td>
<td></td>
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<tr>
<td>Presentation to Civil Society</td>
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<tr>
<td>Final inception report</td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Implementation Phase</strong></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep</td>
<td>Oct</td>
</tr>
<tr>
<td>Preliminary outcomes on the overall and sectoral analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of economic analysis</td>
<td></td>
<td></td>
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<tr>
<td>Implementation of social analysis</td>
<td></td>
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<tr>
<td>Implementation of environmental analysis</td>
<td></td>
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</tr>
<tr>
<td>Implementation of sectoral analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft interim technical report</td>
<td></td>
<td></td>
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<tr>
<td>Final interim technical report</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Completion Phase</strong></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep</td>
<td>Oct</td>
</tr>
<tr>
<td>Outcomes and results of the assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flanking measures &amp; recommendations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft final report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission meeting &amp; comments</td>
<td></td>
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<tr>
<td>Steering Committee meeting</td>
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<tr>
<td>Presentation to Civil Society</td>
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<tr>
<td>Final report</td>
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<tr>
<td>Briefing document</td>
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</tbody>
</table>

**Note:** M = Milestone, R = Review
### 7.2 Deliverables

#### Table 13 Timing of deliverables

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Draft inception report</td>
<td>05 January 2015</td>
</tr>
<tr>
<td>EC Comments</td>
<td>16 January 2015</td>
</tr>
<tr>
<td>LSE publishes report</td>
<td>22 January 2015</td>
</tr>
<tr>
<td>Steering Committee &amp; Civil Society Dialogue</td>
<td>05 February 2015</td>
</tr>
<tr>
<td>Deadline for comments</td>
<td>16 February 2015</td>
</tr>
<tr>
<td>2. Final inception report</td>
<td>30 March 2015</td>
</tr>
<tr>
<td>EC Comments</td>
<td>8 June 2015</td>
</tr>
<tr>
<td>LSE publishes report</td>
<td>12 June 2015</td>
</tr>
<tr>
<td>Deadline for comments</td>
<td>29 June 2015</td>
</tr>
<tr>
<td>5. Draft final report</td>
<td>28 September 2015</td>
</tr>
<tr>
<td>EC Comments</td>
<td>9 October 2015</td>
</tr>
<tr>
<td>LSE publishes report</td>
<td>16 October 2015</td>
</tr>
<tr>
<td>Steering Committee &amp; Civil Society Dialogue</td>
<td>26 October 2015</td>
</tr>
<tr>
<td>6. Final report</td>
<td>December 2015</td>
</tr>
<tr>
<td>7. Briefing document</td>
<td>December 2015</td>
</tr>
</tbody>
</table>
ANNEXES

ANNEX 1. SECTOR SELECTION BACKGROUND

This annex presents more detailed information on the sources for the criteria concerning the negotiation history and the process preceding it.

*Important issues according to the EU-Japan scoping exercise*

Illustrative issues of interests raised by each side, NTMs:

- **Issues of Japan’s interests:**
  - Automobile
  - Chemicals (e.g. application of REACH and Rohs)
  - Labelling for food products
  - Organic foods
  - Food safety (e.g. de-regulation on food and feed consigned from Japan)

- **Issues of EU’s interests:**
  - Automotive
  - Chemicals
  - Electronic equipment and telecommunications terminal equipment
  - Food safety
  - Organic food
  - Processed food
  - Alcoholic beverages
  - Medical devices
  - Pharmaceuticals
  - Labelling on textiles and other products
  - Construction materials
  - Cosmetics

**Government procurement/public procurement**

- **Issues of Japan’s interests:**
  - Railway

- **Issues of EU’s interests:**
  - Railway

**Trade in services and investment**

- **Issues of EU’s interest:**
  - Financial services
  - Financial services with relation to Japan Post/insurance
  - Postal/courier services
  - Legal services
  - Telecom services
  - Transport
  - Distribution services
Roadmap on railways and urban transport

Roadmap on EU illustrative list of NTMs:

- Automotive
- Chemicals
- Electronic equipment and telecommunications terminal equipment (RTTE)
- Food safety
- Organic food
- Processed food
- Alcoholic beverages
- Medical devices
- Pharmaceuticals
- Textiles and clothing
- Construction materials

Important sectors according to the illustrative NTM roadmap:

- Automotive
- Chemicals
- Electronic equipment and telecommunications terminal equipment
- Food safety
- Organic food
- Processed foods
- Alcoholic beverages
- Medical devices
- Pharmaceuticals
- Textiles and clothing
- Construction materials

Roadmap on railways and urban transport, railway sector

Important sectors according to the IA report

- Food, feed and tobacco (Processed Food)
- Chemicals
- Motor Vehicles
- Electric Machinery Industries
- Business Service Sector
ANNEX 2. BREAKDOWN OF THE SECTORAL AGGREGATION USED FOR THE STUDY INTO THE MORE DETAILED GTAP CLASSIFICATION

The analysis follows the sectoral disaggregation used in the 2011 Impact Assessment to the furthest extent feasible. This sectoral disaggregation includes the following sectors: Agricultural primary products, fisheries, forestry (agriculture, forestry, fisheries); Other primary sectors; Food, feed and tobacco (Processed Food); Chemicals; Electrical machinery; Motor vehicles; Other transport equipment; Other machinery; Metals and metal products; Wood and paper products; Other manufactures; Water transport; Air transport; Finance; Insurance; Business services; Communications; Construction; Personal services; Other services.

The detailed breakdown of this sectoral aggregation into the GTAP classification is as follows:

<table>
<thead>
<tr>
<th>GTAP classification</th>
<th>Sector name</th>
<th>2011 Impact Assessment Aggregation</th>
</tr>
</thead>
<tbody>
<tr>
<td>pdr</td>
<td>Paddy rice</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>wht</td>
<td>Wheat</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>gro</td>
<td>Cereal grains nec</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>v_f</td>
<td>Vegetables, fruit, nuts</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>osd</td>
<td>Oil seeds</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>c_b</td>
<td>Sugar cane, sugar beet</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>pfb</td>
<td>Plant-based fibers</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>ocr</td>
<td>Crops nec</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>ctl</td>
<td>Cattle, sheep, goats, horses</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>oap</td>
<td>Animal products nec</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>rnk</td>
<td>Raw milk</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>wol</td>
<td>Wool, silk-worm cocoons</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>frs</td>
<td>Forestry</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>fsh</td>
<td>Fishing</td>
<td>&amp; AFF</td>
</tr>
<tr>
<td>coa</td>
<td>Coal</td>
<td>&amp; OPS</td>
</tr>
<tr>
<td>oil</td>
<td>Oil</td>
<td>&amp; OPS</td>
</tr>
<tr>
<td>gas</td>
<td>Gas</td>
<td>&amp; OPS</td>
</tr>
<tr>
<td>omn</td>
<td>Minerals nec</td>
<td>&amp; OPS</td>
</tr>
<tr>
<td>cmt</td>
<td>Meat: cattle, sheep, goats, horse</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>omt</td>
<td>Meat products nec</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>vol</td>
<td>Vegetable oils and fats</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>mil</td>
<td>Dairy products</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>pcr</td>
<td>Processed rice</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>sgr</td>
<td>Sugar</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>ofd</td>
<td>Food products nec</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>b_t</td>
<td>Beverages and tobacco products</td>
<td>&amp; PRF</td>
</tr>
<tr>
<td>tex</td>
<td>Textiles</td>
<td>&amp; OMG</td>
</tr>
<tr>
<td>wap</td>
<td>Wearing apparel</td>
<td>&amp; OMG</td>
</tr>
<tr>
<td>lea</td>
<td>Leather products</td>
<td>&amp; OMG</td>
</tr>
<tr>
<td>lum</td>
<td>Wood products</td>
<td>&amp; WPP</td>
</tr>
<tr>
<td>ppp</td>
<td>Paper products, publishing</td>
<td>&amp; WPP</td>
</tr>
<tr>
<td>p_c</td>
<td>Petroleum, coal products</td>
<td>&amp; OMG</td>
</tr>
<tr>
<td>crp</td>
<td>Chemical, rubber, plastic prods</td>
<td>&amp; CHM</td>
</tr>
<tr>
<td>nmm</td>
<td>Mineral products nec</td>
<td>&amp; OMG</td>
</tr>
</tbody>
</table>
i_s  Ferrous metals & MTL
nfm  Metals nec & MTL
fmp  Metal products & MTL
mvh  Motor vehicles and parts & MVH
otn  Transport equipment nec & OTN
ele  Electronic equipment & ELM
ome  Machinery and equipment nec & OMC
omf  Manufactures nec & OMG
ely  Electricity & OSV
gdt  Gas manufacture, distribution & OSV
wtr  Water & OSV
cns  Construction & CNS
trd  Trade & OSV
otp  Transport nec & OSV
wtp  Sea transport & WTP
atp  Air transport & ATP
cmn  Communication & CMN
ofi  Financial services nec & FIN
isr  Insurance & INS
obs  Business services nec & BUS
ros  Recreation and other services & ROS
osg  PubAdmin/Defence/Health/Educat & OSV
dwe  Dwellings & OSV
ANNEX 3. GENERAL LIST OF IDENTIFIED STAKEHOLDERS

A Seed Japan
Academy of European Law (ERA)
ACEA Tokyo Office
Acetyls Sector group
Active Pharmaceutical Ingredients Committee
AEFJ
AeroSpace and Defence Industries Association of Europe
Agriculture and Horticulture Development Board (AHDB)
Airports Council International Europe
Association de producteurs de cinéma et de télévision (EUROCINEMA)
Association for Aid and Relief, Japan
Association of European Airlines
Association of European Chambers of Commerce and Industry (EUROCHAMBRES)
Association of European Heating Industry
Association of European manufacturers of sporting ammunition
Association of Poultry Processors and Poultry Trade in the EU countries (A.V.E.C.)
Austrian Federal Chamber of Labour (AK)
Austrian Federal Economic Chamber (WKO)
Bank of Tokyo Mitsubishi UFJ, Netherlands branch
Bank of Tokyo Mitsubishi UFJ, Poland branch
BASF SE
BAYER
Belgian-Luxembourg Chamber of Commerce in Japan
Bio Japan Cluster and SME Mission
Bio-based Industries Consortium
British Council
British Telecommunications Group plc
Business and Industry Advisory Committee (BIAC)(OECD)
BusinessEurope
CELCAA
CEN-CENELEC
Central Europe Energy Partners
CEPS
CER
Chanel Japan
CLITRAVI
Comité des Constructeurs Français d’Automobiles (CCFA)
Comité Européen des Entreprises Vins
Comité Européen des Fabricants de Sucre
Committee for European Construction Equipment
Confédération Française Démocratique du Travail (CFDT)
Confederation of British Industry (CBI)
Confederation of European Community Cigarette Manufacturers
Confederation of European Paper Industries
Confederation of Finnish Industries (EK)
Confederation of National Hotel and Restaurant Associations (HOTREC)
Confederation of the food and drink industries of the EU (CIAA)
Conservation International (CI)
Cooperativas Agro-Alimentarias
COPA-COGECA
Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET)
Danish Agriculture and Food Council
Debailleul products sa
Department for Business, Innovation & Skills
Deutsche Industrie- und Handelskammer in Japan
Deutsche Post DHL
Deutsche Telekom AG
DIGITALEUROPE
Direct Selling Europe AISBL
East Japan Railway Company (JR East)
EBay
Ecommerce Europe
Electrical and Electronic Portuguese Enterprises Association (ANIMEE)
EU Business in Japan
EU Executive training programme, London
EU-Japan Business Roundtable
EU-Japan Centre for Industrial Cooperation
EURISY
EuroCiett
EuroCommerce
Eurometal
Eurometaux
Europe Japan Business Centre
European Aerosol Association
European Aggregates Association
European Agricultural Machinery (CEMA)
European Aluminium Association
European Apparel and Textile Coniferation EURATEX
European Association for Bioindustries
European Association of Automobile suppliers (CLEPA)
European Association of Chemical Distributors
European Association of Dairy Trade (Eucolait)
European Association of Fashion retailers
European Association of Internet Services Providers (ISPA)
European Association of Metals (Eurometaux)
European Association of Mining Industries
European Association of Mutual Guarantee Societies
European Association of Pharmaceutical Full-time wholesalers (GIRP)
European Association of Sugar Traders (ASSUC)
European Association of the Machine Tool Industries;
European Automobile Manufacturers' Association
European Banking Federation (EBF)
European Biodiesel Board
European Bioplastics e.V.
European Branded Clothing Alliance
European Brands Association
European Broadcasting Union - Union Européenne de Radio-Télévision AISBL
European Builders Confederation
European Business Council in Japan
European Business Services Round Table
European Cement Association (CEMBUREAU)
European Ceramic Industry Association (Cerame - Unie)
European Chemical Industry Council (CEFIC)
European Cocoa Association
European Committee for Electrotechnical Standardization
European Committee for Standardization
European Committee of Domestic Equipment Manufacturers (CECED)
European Committee of Environmental Technology Suppliers Association
European Competitive Telecommunications Association
European Concrete Paving Association
European Confederation of Iron and Steel Industries
European Confederation of Junior Enterprises;
European Construction Industry Federation
European Consumer Organisation (BEUC)
European Control Manufacturers Association
European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry (COCIR)
European Coordination of Independent Producers (CEPI)
European Council for Motor Trades and Repairs (CECRA)
European Crop Protection Association
European Cultural and Creative Trades and Repairs (CECRA)
European Consumer Protection Association
European Cultural and Creative Industries Alliance (ECCIA)
European Cultural and Creative Industries Alliance (ECCIA)
European Dairy Association aisbl
European Diisocyanate and Polyol Producers Association
European DIY Retail Association
European Electronic Component Manufacturers Association
European Express Association (EEA)
European Family Businesses
European Federation for Construction Chemicals
European Federation for Farm and Village Tourism EuroGites
European Federation of Biotechnology Section of Applied Biocatalysis
European Federation of Cleaning Industries
European Federation of Engineering Consultancy Associations
European Federation of Foundation Contractors
European Federation of National Associations of Water and Waste Water Services
European Federation of Origin Wines
European Federation of Pharmaceutical Industries and Associations (EFPIA)
European Federation of Public Service Unions (EPSU)
European Federation of the Footwear Industry
European Federation of woodworking industries
European Franchise Federation
European Furniture Manufacturers Federation
European Generic Medicines Association (EGA)
European Industrial Gases Association
European Industrial Minerals Association
European Man-made Fibres Association (CIRFS)
European Medical Technology Industry Association (Eucomed)
European Newspaper Publishers' Association (ENPA)
European Organisation for Security
European Organisation of the Sawmill Industry (EOS)
European Organisation of Tomato Industries (OEIT)
European Power Tool Association
European Producers Union of Renewable Ethanol
European Property Federation
European Public and Real Estate Association (EPRA)
European Public Telecommunication Network Operators' Association (ETNO)
European Retail Round Table
European Robotics Association (EUnited Robotics)
European Round Table of Industrialists
European Satellite Operator's Association
European Services Forum
European Services Strategy Unit
European Small Business Alliance
European Strategic Partnerships Observatory
European Telecommunications Network Operators' Association (ETNO)
European Telecommunications Standards Institute (ETSI)
European Textile Collectivities Association
European Trade Union Confederation (ETUC)
European Travel Agents' and Tour Operators' Associations
European Travel Commission
European Union of Wholesale with Eggs, Egg Products, Poultry and Game
Europespace - Trade association of the European space industry
Family Business Network International
Fédération de l'Industrie Européenne de la Construction (FIEC)
Fédération Internationale du Recyclage
Federation of European Rice Millers
Federation of German Industries (BDI)
Federation of the European Sporting Goods Industry
Female Europeans of Medium and Small Enterprises (FEM)
Fertilizers Europe
Finnish Chamber of Commerce in Japan
FoodDrinkEurope;
FoodServiceEurope
Foreign Trade Association
Foundation for International Development/Relief (FIDR)
Freshfel Europe - the forum for the European fresh fruits and vegetables chain
Freshfields Bruckhaus Deringer
Friends of the Earth Europe
Friends of the Earth Japan (FoEJ)
Gelatine Manufacturers of Europe (GME)
General Insurance Association of Japan (GIAJ)
German Trade Union Confederation (DGB)
Glass Alliance Europe
Global Business and Management Consulting
Global Environmental Forum
Global Mangrove Database and Information System (GLOMIS)
Global Village
Government of Japan
Green Earth Center
Greenpeace Japan
Grindex
ICMP
IFIEC Europe
IFPI
IMA Europe - Industrial Minerals Association
Independent Retail Europe
Industrial Ethanol Association
Infineon Technologies AG
Inmarsat
Institute for Global Environmental Strategies (IGES) Japan
Insurance Europe
International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk
International Federation of Reproduction Rights
International Society for Mangrove Ecosystems (ISME)
International Trade Union Confederation (ITUC)
International Trademark Association
ISAGRO ITALIA SRL and Sumitomo Chemical Agro Europe S.A.S. 84. Alstom
Italian Chamber of Commerce in Japan
Itochu Hungary Kft.
Japan Automobile Manufacturers Association (JAMA)
Japan Business Council in Europe
Japan Business Federation (Keidanren)
Japan Chemical Industry Association (JCIA)
Japan Electonics and Information Technology Industries Association (JEITA)
Japan Emergency NGO (JEN)
Japan External Trade Organization (JETRO), Japan and UK
Japan Machinery Center for Trade and Investment
Japan Medical Imaging and Radiological Systems Industries Association (JIRA)
Japan Offspring Fund
Japan Pharmaceutical Manufacturers Association (JPMA)
Japan Textile Federation (JTF)
Japan Tropical Forest Action Network (JATAN)
Japanese Chamber of Commerce and Industry in Italy
Japanese Chamber of Commerce and Industry in the Czech Republic
Japanese Chamber of Commerce and Industry in the Netherlands
Japanese Chamber of Commerce and Industry in the UK
Japanese Commerce and Industry Enterprise Committee
Japanese Ministry of Economy Trade and Industry (METI), incl. SME Agency
Japanese Ministry of Foreign Affairs (MoFA)
Japanese Trade Union Confederation (JTUC-RENGO)
Kokkyo naki Kodomotachi (KnK Japan)
Lighting Europe
MARCOPAZ
Marposs
Marubeni Corporation
Merial Japan Ltd
MII/IAPP
Ministry of Economic Affairs, Agriculture and Innovation, Netherlands
Moura Fabrica Solar, lda
MPAJP
Nanofutures
NanoMEGAS
Netherlands Chamber of Commerce in Japan
Norwegian Chamber of Commerce in Japan
Novo Nordisk A/S
Orange
ORGALIME
Organization for Small & Medium Enterprises and Regional Innovation, JAPAN
Philip Morris International Inc.
Pianoforti Co., Ltd.
Plastics Recyclers Europe
PostEurop
Primary Food Processors
PROFEL - European Association of Fruit and Vegetable Processors
Rainforest Foundation Japan (RFJ)
Representing the European Petroleum Industry
Research Institute for Innovative Technology for the Earth
Showa Aluminium Czech
SIEMENS AG
Sojitz Europe Plc
spiritsEUROPE
Sumitomo Corporation Europe Ltd
Suzuki Corporation, Hungary
Suzuki Motor Corporation
Swedish Chamber of Commerce in Japan
TAKENAKA Europe GmbH
Tanners' Council of Japan (TCJ)
Telefónica
Telenor Group
The Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE)
The European Rail Industry (UNIFE)
The European region of the International Co-operative Alliance;
The Institute for Himalayan Conservation, Japan (IHC)
The International Federation of Inspection Agencies
Tokyo Chamber of Commerce and Industry
Toyota Motor Italia
Trade Union Advisory Committee (of the OECD) (TUAC)
Trade Union Congress (of the UK) (TUC)
UEAPME aisbl European Association of Craft, Small and Medium-Sized Enterprises
UK Leather Federation
UNIFE
Union Européenne des Promoteurs-Constructeurs
Union Européenne du Commerce du Bétail et des Métiers de la Viande
Unite the Union
Universal Music Group
Vaisala
Verband der Chemischen Industrie e.V.
VZBV: Federation of German Consumer Organisations - Verbraucherzentrale
Bundesverband
World Spirits Alliance
World Wildlife Fund (WWF) Japan
Yanmar Italy S.p.A.
YKK ITALIA S.P.A.
Zentralverband Elektrotechnik- und Elektronikindustrie e.V.
ANNEX 4. LIST OF IDENTIFIED STAKEHOLDERS IN THE SPECIFIC SELECTED SECTORS

Financial services (insurers, banks, intermediaries)

ABN Amro
AGEAS
Allianz Global Investors Japan
Amundi Japan
Aozora Bank
AXA Life
Bank of Japan
Bank of Tokyo Mitsubishi UFJ
Barclays Bank
BNP Paribas Investment Partners Japan
BNP Paribas Securities
Bureau International des Producteurs d’Assurances & de Réassurances (BIPAR)
Cardif, BNP Paribas
Commerzbank
Credit Agricole Life
Credit Agricole Corporate & Investment Bank
Deloitte Touche Tohmatsu
Deutsche Bank
Deutsche Securities
Eastspring Investments
European Association of Cooperative Banks (EACB)
European Association of Mutual Guarantee Societies
European Banking Federation (EBF)
European Savings Banks Group (ESBG)
General Insurance Association of Japan (GIAJ)
Henderson Global Investors (Japan)
HSBC/HSBC Global Asset Management
ING Group/ING Mutual Funds Management
Intesa Sanpaolo
Japan Post Bank
Japanese Bankers Association
Japanese Institute of Certified Public Accountants
JP Morgan Chase
Manulife Life
Mizuho Financial Group
Pictet Asset Management
PricewaterhouseCoopers
Prudential Plc.
RBS
Resona Holdings
Robeco Institutional Asset Management
Schroeder Investment Management (Japan
SEB
Shinsei Bank
Shinhan Bank
Standard Chartered Bank
Sumitomo Mitsui Banking Coorporation
Swiss Re
TheCityUK
Zurich Financial Services
Business & professional services

Architects’ Council of Europe (ACE)
Association of European Chambers of Commerce and Industry (EUROCHAMBRES)
Austrian Federal Chamber of Labour (AK)
Austrian Federal Economic Chamber (WKO)
BDO
Belgian-Luxembourg Chamber of Commerce in Japan
German Federation of Liberal Professions (BFB)
Business and Industry Advisory Committee (BIAC)
BusinessEurope
Conseil des barreaux de la Communauté Européenne (CCBE)
CEN-CENELEC
Confederation of British Industry (CBI)
Confederation of Finnish Industries (EK)
Conférence des Notariats de l'Union Européenne
Department for Business, Innovation & Skills (UK)
Deutscher Industrie- und Handelskammer in Japan
Ernst & Young
EU Business in Japan
EU-Japan Business Roundtable
EU-Japan Centre for Industrial Cooperation
EuroCommerce
European Accounting Association
Europe Japan Business Centre
European Broadcasting Union (EBU)
European Business Council in Japan
European Business Services Round Table
European Confederation of Junior Enterprises;
European Consumer Organisation (BEUC)
European Family Businesses
European Small Business Alliance
European Services Forum
Family Business Network International
Fédération des Experts Comptables Européens (FEE)
Federation of German Industries (BDI)
Female Europeans of Medium and Small Enterprises (FEM)
Finnish Chamber of Commerce in Japan
IBM Europe
Italian Chamber of Commerce in Japan
Japan Business Council in Europe
Japan Business Federation (Keidanren)
Japan Foreign Trade Council, Inc.
Japanese Chamber of Commerce and Industry in Italy
Japanese Chamber of Commerce and Industry in the Czech Republic
Japanese Chamber of Commerce and Industry in the UK
KPMG
Microsoft
Mouvement des Entreprises de France (Medef)
Netherlands Chamber of Commerce in Japan
Oracle
Organization for Small & Medium Enterprises and Regional Innovation, JAPAN
Swedish Chamber of Commerce in Japan
Tata Consultancy Services
The European region of the International Co-operative Alliance
The Law Society of England and Wales
ThomsonReuters
Tokyo Chamber of Commerce and Industry
Tokyo Trade Center
VZBV: Federation of German Consumer Organisations - Verbraucherzentrale Bundesverband
Car industry

ACEA
Alliance of Automobile Manufacturers (AAM) - United States
Audi Japan
BMW Japan
BUSINESSEUROPE
Comité des Constructeurs Français d'Automobiles (CCFA)
DAF Trucks NV
Daimler AG
European Association of Automobile suppliers (CLEPA)
European Automobile Manufacturers Association (Tokyo Office)
European Council for Automotive R&D (EUCAR)
European Council for Motor Trades and Repairs (CECRA)
European Road Safety Federation (ERF)
European Tyre & Rubber Manufacturers' Association (ETRMA)
Fédération Internationale de l'Automobile (FIA)
Fiat Group Automobiles Japan
Ford of Europe
Honda Motor Corporation
Hyundai Motor Europe
Intelligent Transport Systems - Europe (ERTICO)
Iveco S.p.A.
Jaguar Land Rover Japan
Japan Auto Accessories Manufacturers' Association
Japan Auto Parts Industries Association
Japan Automobile Federation (JAF)
Japan Automobile Importers Association (JAIA)
Japan Automobile Manufacturers Association Inc (JAMA)
Japan Used Motor Vehicle Exporters Association (JUMVEA)
Mazda Motor Corporation
Mercedes-Benz Japan
Mitsubishi Motors Corporation
Nissan Motor Company
Opel Group
Peugeot Citroen Japan
Porsche Japan
Renault SA
Scania Japan
Subaru
Suzuki Motor Corporation
Toyota Motor Europe
UD Trucks
Volkswagen Group Japan
Volvo Car Japan
Yamaha Motor Company

Medical devices

Abbott Japan
B.Braun Aesculap Japan
Baxter
Biotronik Japan
COCIR - The European Committee of the Radiological, Electromedical & Healthcare IT Industry
Coloplast
Dentsply IH
Dornier MedTech Japan
Draeger Medical Japan
Edaptechnomed
Elekta
EuropaBio - European Association for Bioindustries
European Confederation of Medical Devices Associations (EUCOMED)
European Diagnostic Manufacturers Association (EDMA)
European Disposables & Nonwovens Association (EDANA)
European Health Industry Business Communications Council (EHIBCC)
European Medical Device Technology (EMDT)
Health First Europe
Hollister
Intuitive Surgical
JIMRO
Japan Lifeline
Japan MDC
Japan Association of Medical Devices Industries (JAMDI)
Japan Federation of Medical Devices Association (JFMDA)
Japan Medical Association
Japan Medical Devices Manufacturers Association (JMDMA)
Japanese Society of Medical Instrumentation
Johnson & Johnson
Laerdal Medical Japan
Lima Japan
Maquet Japan
Medis medical imaging systems
Molnlycke Health Care
MedTech Europe
Nippon Becton Dickinson
Nippon BXI
Nobel Biocare Japan
Otto Bock Japan
Ortho-Clinical Diagnostics
Philips Electronics Japan
Radiometer
Roche Diagnostics
Siemens Japan
Smith & Nephew Wound Management
Sorin Group Japan
SML (Sceti Medical Labo)
Sysmex bioMerieux
Teijin Pharma
TKB
VitalAire Japan

Cosmetics

ASEAN Cosmetics Association
Bluebell Japan
Chanel
Clarins
COLIPA
Cosmetic, Toiletry & Perfumery Association (CTPA) (UK)
Cosmetics Europe - The Personal Care Association. Cosmetics Europe
Cosmetic Importers Association of Japan (CIAJ)
ELGC
European Federation for Cosmetic Ingredients
Federation of Japanese Cosmetic Ingredients Associations
Japan Cosmetics Industry Association
Japan Cosmetic Suppliers Association
Johnson & Johnson Family of Companies
LVMH Cosmetics
Nihon L'Oreal

**Pharma, quasi drugs**

Abbott Japan
Actelion Pharmaceuticals Japan
Active Pharmaceutical Ingredients Committee
AstraZeneca
Association of the British Pharmaceutical Industry (ABPI)
Baxter
Bayer Yakuhin
Bio-based Industries Consortium
Bio Japan Cluster and SME Mission
Bracco-Eisai
Chugai Pharmaceutical
CSL Behring
European Federation of Pharmaceutical Industries and Associations (EFPIA)
European Generic Medicines Association (EGA)
Ferring Pharmaceuticals
Japan Self-Medication Industry
Japan Pharmaceutical Association
Japan Pharmaceutical Manufacturers Association (JPMA)
Galderma
GE Healthcare Japan
GlaxoSmithKline
Guerbet Japan
Janssen Pharmaceutical
LEO Pharma
Lundbeck Japan
Merck Serono
Merial Japan Ltd
Nihon Servier
Nippon Boehringer Ingelheim
Novartis Pharma
Novo Nordisk Pharma Ltd.
Pharmaceutical Society of Japan (PSJ)
Roche
Sanofi
Shire Japan
UCB Japan

**Chemicals**

Acetyls Sector group
BASF SE
European Aerosol Association
European Association of Chemical Distributors
European Diisocyanate and Polyol Producers Association
European Federation of Biotechnology Section of Applied Biocatalysis
European Industrial Gases Association
European Producers Union of Renewable Ethanol
Industrial Ethanol Association
Japan Chemical Industry Association (JCIA)
Japan Petrochemical Industry Association
European Petroleum Industry
Verband der Chemischen Industrie e.V.
Aviation equipment

AgustaWestland Japan
Airbus Japan
Arianespace
Airbus Helicopters Japan
AeroSpace and Defence Industries Association of Europe
Airports Council International Europe
Association of European Airlines
BAE Systems
Dassault Aviation
European Aeronautic Defence and Space Company N.V.
European Aviation Clusters Partnership
European Association of the Machine Tool Industries;
European Automobile Manufacturers’ Association
European Biodiesel Board
European Business Aviation Association (EBAA)
European Committee of Domestic Equipment Manufacturers (CECED)
European Regions Airline Association (ERA)
Eurospace - Trade association of the European space industry
International Society of Transport Aircraft Trading
Japan UAV Association (JUAV)
Japanese Aerospace Industry
Kawasaki Heavy Industries, Limited (KHI)
Society of Japanese Aerospace Companies
Rolls-Royce Japan
Thales Japan

Agriculture

Beltrade
Bresse Bleu Japon
CELCAA
CLITRAVI
Comité Européen des Entreprises Vins
Comite European des Fabricants de Sucre
Confederation of National Hotel and Restaurant Associations (HOTREC)
Confederation of the food and drink industries of the EU (CIAA)
Cooperativas Agro-Alimentarias
COPA-COGECA
CSM Japan
Danisco Japan
Danone Japan
Danish Agriculture and Food Council
DSM Nutrition Japan
Euromilk
European Agricultural Machinery (CEMA)
European Association for Bioindustries
European Association of Dairy Trade (Eurolait)
European Association of Sugar Traders (ASSUC)
European Cocoa Association
European Coordination of Independent Producers (CEPI)
European Crop Protection Association
European Dairy Association aisbl
European Organisation of Tomato Industries (OEIT)
European Union of Wholesale with Eggs, Egg Products, Poultry and Game
Federation of European Rice Millers
Fertilizers Europe
FoodDrinkEurope;
FoodServiceEurope
Freshfel Europe - the forum for the European fresh fruits and vegetables chain
Gelatine Manufacturers of Europe (GME)
Hiestand Japan
IKEA Japan
Japan Europe Trading
Japan Food Machinery Manufacturer's Association
Japan Organic & Natural Foods Association
Japan Sake Brewers Association
Japan Frozen Food Association
MIE PROJECT
Nestle Japan
Norwegian Seafood Export Council
Perfetti Van Melle Japan Services
Pick
PinguinLutosa Japan
Puratos Japan
Primary Food Processors
PROFEL - European Association of Fruit and Vegetable Processors
Roquette Japan
SKW East Asia
spiritsEUROPE
Union Européenne du Commerce du Bétail et des Métiers de la Viande
World Spirits Alliance
TÜV Rheinland Japan
Valrhona Japon
Diageo Japan
Heineken Kirin
MHD Moët Hennessy Diageo
Pernod Ricard Japan

**Railway stock**

Deutsche Bahn
The European Rail Industry (UNIFE)
JARI Japan Association of Rolling Stock Industries
Japan Overseas Rolling Stock Association (Jorsa)
Japanese Railway Society (JRS)
JR East
JR West
JR Central
Alstom Transport
Thales
Bombardier
Goldschmidt-Thermit Japan
Hoffmann Carbon Japan
Ingerosec
Knorr-Bremse Rail Systems Japan
Nihon Getzner
SNCF
Solton
Thales Japan
TÜV Rheinland Japan
TÜV SÜD Japan
ANNEX 5. LIST OF SELECTED SMES TO BE CONSULTED IN THE
STAKEHOLDER CONSULTATION

A2Mac1
Alpha M.O.S.
Artek oy ab
Best Before Records Ltd.
BMS & Green Tech Solutions
Chantecler SPA
COMPUCON S.A.
Corvil Ltd
Cosylab d. d.
Digital Surf
Epsilon Composite
flexis AG
Forever Entertainment S.A.
Formia International Srl
FTZ Informatique Industrielle
Galler Chocolatiers SA
Hostess
IAR Systems Group
IntoPIX s.a.
Luxcontrol
Mottra SIA
Nanocyl SA
NEWTREE
Nika d.o.o.
Notting Hill Music Group
NV Glacio SA
Optis SAS
Organic Spintronics srl
PEC
PGH S.p.A
PreSwede AB
Real Sound Lab SIA
RocTool
Senideco
Senseg Oy
SHF Communication Technologies AG
SIA Vika Wood
Stenders SIA
Vior Spa
West One Music Group
Zabbix SIA
Zoner Photo Studio
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