



CIVIL SOCIETY DIALOGUE

MEETING ON STATE OF PLAY OF THE EU-JAPAN TRADE NEGOTIATIONS AND UPDATE ON THE TRADE SUSTAINABILITY IMPACT ASSESSMENT

Date: 25/06/2015

Time: 14h30 – 16h30

Location: Centre Albert Borschette, Room AB-5B, Rue Froissart, 1040 Brussels

Lead speakers

Mr Antonio Parenti, Deputy Head of Unit, Far East, Directorate-General for Trade

Mr Timothée Sautter, Co-ordinator of bilateral trade relations with Japan, Directorate-General for Trade

Ms Jana Votoupal, Evaluation Coordinator, Directorate-General for Trade

Ms Alessandra Tucci, Economist, Chief Economist and Trade Analysis Unit, Directorate-General for Trade

Mr Hosuk Lee-Makiyama, LSE Enterprise

Mr Stephen Woolcock, LSE Enterprise

Mr Philipp Lamprecht, LSE Enterprise

Moderator

Mr Didier Bloch, Policy Officer, Information, Communication and Civil Society Unit, Directorate-General for Trade

Presentation on the state of play of the EU-Japan trade negotiations

DG Trade (AP) presented the state of play of the ongoing EU-Japan FTA negotiations. The EU-Japan summit that took place at the end of May 2015 provided a new impetus to the negotiations. He reaffirmed the goal of finalising the negotiations by the end of 2015, while noting that the process could continue until 2016. Inter-sessional and full negotiation rounds have been ongoing and focused on non-tariff measures (NTMs), public procurement, services and geographical indications (GIs), for example. The EU currently awaits Japanese feedback on the 2nd list of NTMs. On public procurement, DG Trade noted that negotiations in this area are complicated and could take more time. There are also discussions on sustainable development and future regulatory cooperation. In addition, a sectoral annex on cars has been discussed. DG Trade stated that there will be additional negotiation rounds up to the G20 meeting in December, where leaders will assess the next steps of the EU-Japan negotiations.

Discussion Highlights

European Economic and Social Committee (EESC) enquired about an update on the sustainable development chapter, in particular about the work on relevant mechanisms concerning the Domestic Advisory Group (DAG) such as the identification of reciprocal organisations in Japan. On ISDS, the EESC asked for a confirmation that the EU-Japan negotiations are based on the CETA model. EESC considered the negotiations should be accelerated and also enquired about proposals of a SME chapter and progress on the services side. They also noted the importance of eHealth issues for the EU-Japan negotiations.

DG Trade (AP) replied that no options in the negotiations on the sustainable development chapter are precluded, whereas one of the challenges is that Japanese civil society is not used to the process. On ISDS, DG Trade stressed that there is currently still an internal examination of the exact model to be used. Speeding up the negotiations is an option, but it also depends on the TPP negotiations. There is no SME chapter at the moment and that this is one of the issues which could also be directly addressed by dissolution of NTMs. There has not been major progress in the services negotiations. Japan Post remains an important issue.

Confederation of Danish industry stressed that TPP will give the USA a head start in the Japanese market and enquired what could be done in order to reduce this negative impact for the EU.

DG Trade (AP) observed that the outcome of the TPP negotiations will take time to be implemented.

Humane Society International/Europe asked about references to Multilateral Environmental Agreements (MEAs) and the issue of whaling.

DG Trade (AP) indicated that some MEAs are covered by the sustainable development chapter and that that whaling is not addressed in the FTA negotiations.

International Federation of Reproduction Rights Organisations (IFFRO) enquired which areas of copyright are included in the agreement and whether the cultural sector and the book sector are specifically addressed.

European Patent Office asked about the state of play of the IP chapter.

On IP, copyright and the specific question of patents, **DG Trade (AP)** indicated that no specific proposal has been given yet as negotiators wait for the outcome of TPP.

Associazione Italiana Consorzi Indicazione Geografiche referred to a new law in Japan on GIs and asked about an update on GIs in the negotiations.

DG Trade (AP) confirmed that the new law in Japan is relevant but insufficient and indicated that the issue of GIs is a point of contention between the EU and Japan.

Bundesverband der Deutschen Industrie (BDI) mentioned the issue of rules of origin and highlighted that in comparison to TTIP negotiations, a more liberal approach should be taken in EU-Japan FTA negotiations. This would also result in an advantage for SMEs. He also asked for an update on the issue of medical devices. BDI stressed the importance of increasing transparency of the negotiations and asked about the resolution mechanism for NTMs.

DG Trade (AP) replied that internal coordination on rules of origin is not completed yet and that this issue will be dealt with in the final phase of the negotiations. On medical devices, he noted that overall progress in the negotiations is good. He declared that increasing transparency is a major priority of DG Trade and that finding a common mechanism of NTB resolution is important.

Comité Européen des Entreprises de Vin (CEEV) asked about the timetable of tariff reduction in wines, which is important given the severe competition they face from Australia and Chile. He also enquired about progress on the issue of food additives.

Concerning tariff elimination on wines, **DG Trade (AP)** observed that the EU has tabled a request and negotiations are ongoing. Food additives of the first list of NTMs have been approved by Japan and a second list of food additives has been submitted.

Presentation on the SIA interim report

LSE Enterprise (HLM) presented the interim report of the EU-Japan Trade SIA study and the state of play of the ongoing research work. He stressed that the interim report presents work in progress and that additional ongoing research will also rely on further stakeholder feedback, which is a crucial source for the Trade SIA. He provided a brief overview of the economic, social and environmental sections of the report, as well as the individual sector studies and the state of play of the ongoing stakeholder consultations.

A timeline of the next steps as well as further measures to receive stakeholder feedback were presented. Through stakeholder feedback, survey and other recorded opinions, retail and wholesale (classified under "Other Services" in the 2012 Impact Assessment) has been suggested as the additional eighth sector for further analysis in the Trade SIA. The final selection was based on the selection method used for other sectors.

Discussion Highlights

Zentralverband Elektrotechnik und Elektronikindustrie enquired why the sectors of electrical manufacturing and mechanical engineering were not included as a specific sectoral study in the Trade SIA.

EESC asked why the report does not lay a stronger focus on the defensive interests of trading partners.

LSE Enterprise (HLM) emphasised the importance of electrical machinery in this FTA, especially for employment, and that technical barriers to trade (TBTs) are addressed in the economic section of the Trade SIA. Furthermore, key sectors, of both offensive and defensive nature, are highlighted in the Trade SIA. **LSE Enterprise (SW)** further stressed that the chapters on TBTs of the economic section will address aspects of interest to electrical machinery and engineering.

Japan Automobile Manufacturers Association (JAMA), European office observed that Japan has adopted three new UNECE regulations in the passenger car sector. He also stated that the issue of acquisition tax is being addressed as this tax is already becoming lower.

LSE Enterprise (HLM) indicated that IPR issues are included in the report. However, patent related issues are not elaborated, explained by the state of play of the negotiations.