



EU-Japan Centre
for Industrial Cooperation
日欧産業協力センター

Export Support Webinar – Culture

Webinar for Belgian Exporters to Japan

15 October 2020, 10:30, by C. Nakabayashi



Exporting Food Products to Japan

Today's Agenda and Points of Discussion:

1. Japan's Business Culture
2. Japan's Business Practices
3. Consumer's Behaviours, and Market & Product Orientation
4. Japan's Food Market - Size and Outlets
5. Q&A



Exporting Food Products to Japan



Belgium and Japan: Similar and Different Business Cultures

- ✓ Decision-making process is similarly slow to achieve consensus
- ✓ Similarly planning and pragmatic approach to avoid uncertainty
- ✓ Differently, Individually autonomous vs group-oriented



Japan's Business Culture



1) CONSENSUS-BASED DECISION MAKING

Decision making process is slow because decisions must be agreed by each layer of hierarchy. In society, power is equally distributed and decision-making is consensus-based.

2) LOYALTY IN-GROUP

Japanese in-group act situationally. Japan is a group-society and Japanese are loyal to the groups that they belong to. Japanese are individually more private and reserved than most other Asians.



Japan's Business Culture



3) GROUP-BASED COMPETITION

Japanese dislike assertive and competitive individual behaviours, however Japanese in-group engage in competition. In business, employees are motivated when they compete with competitors. Group competition drive Japanese to manufacture excellent and perfect products and services.



Japan's Business Culture

4) AVOIDING UNCERTAINTY

In Japan, life is highly ritualized and changes are difficult to realized. Ceremonies are manualized and people are reluctant to go against precedence. In business, time and effort are in feasibility studies and risk factors are worked out. Managers ask facts and figures before taking any decision. Japanese companies avoid a 'surprise' by preparing all what they can do to avoid uncertainty.

5) LONG TERM COMMITMENTS

Japan is a long-term oriented society. Life is seen as a short moment in a history of mankind. Lives are guided by virtues and practical good examples. In business, companies focus on business durability and make long-term investment in business. As for business goals, many companies focus on long-term commitments to society as a whole. They also commit to business partners.



Japan's Business Practices

1) FORMAL AND RITUAL

Japanese business is formal and ritualistic, particularly when meeting business partners for the first time. It is to confirm formal relationships. For instance, to meet Japanese business partners for the first time, personal introduction by a third party is required.

2) TWO-TIER BUSINESS RELATIONSHIP

To establish long-lasting business relationship in Japan, you need to set up a two-tier business relationship structure: establish friendship and then move to the second stage of actual business negotiations.



Japan's Business Practices

3) **NAME CARD OR *MEISHI***



Name cards are exchanged on every occasion when one businessperson meets another. The purpose is to enable recipients of cards to know the other's position and status. Japanese are status conscious and set formal relationships to decide which level of language to use and how differently to bow and act. Business cards also serve to know instantaneously names and positions and to record for future reference.

4) **BUSINESS CORRESPONDENCE**

Japanese companies may fail to answer written enquiries. This does not mean a lack of interest. Japanese are accustomed to talk face-to-face. Or, there isn't people available who speak English.

Japan's Business Practices



5) **DRESS CODE**

Non-verbal communication is dress. Japanese businesspeople choose a dark suit for men and sober/plain dress for women. Most Japanese businesspeople expect a certain variety in dress of foreign businesspeople. However, one should avoid extremes in dress which may ignore some degree of formality in dress in Japan.

6) **'YES' AND 'NO'**

The Japanese term *hai* is 'yes'. It can also mean 'I see' or 'I understand' and does not necessarily mean agreement. Japanese culture emphasises harmony rather than confrontation. Japanese are very reluctant to give a direct 'no' answer. Instead, Japanese answer with something non-committal such as 'Let me think.' One must read the negative response signs such as hesitancy or an unwillingness.

Japan's Business Practices

7) **SILENCE IN NEGOTIATIONS**


Silence are common. Japanese think over what has been said and what alternatives are open. Silence is also part of Japanese communication procedure. Foreigners find silences embarrassing and feel obliged to say something unnecessary to relieve the tension, but the best way to handle such silences is to exercise restraint/patience and wait for a word after the silence.

8) **LONG-TERM COMMITMENTS & DUE DILIGENCE**

Japanese take long-term approach to prepare for future uncertainty. On business dealing, some Japanese companies, particularly small companies, prefer to make a broad agreement or mutual understanding rather than detailing out contract terms as they desire to allow both sides to adjust to unforeseen circumstances. However, due diligence should be given on payment terms and conditions to avoid business troubles. Legal settlements of disputes are rare in Japan.

Japan's Food Market

Size Japan's Food Market

	 Japan
Consumer Base for Food Demand	127 million
Self-sufficiency of Food Supply	40%
Spending (% in Disposable Income)	26%

Consumer Behavior and Market Orientation

Japan's Market Orientation: Safety and Quality/Premium

- Purchase decision on safety and quality
- Price on safety and quality
- 3 conditions to win consumer trust and loyalty: (1) **safety and quality** are guaranteed by authorities, (2) are proved with tradition, and (3) are disclosed on labels: these which appear on certifications, traditional production methods and product labels. They then attach accountability, authenticity and transparency to products.
- A unique market segment for super **premium food** products

Consumer Behavior and Product Orientation

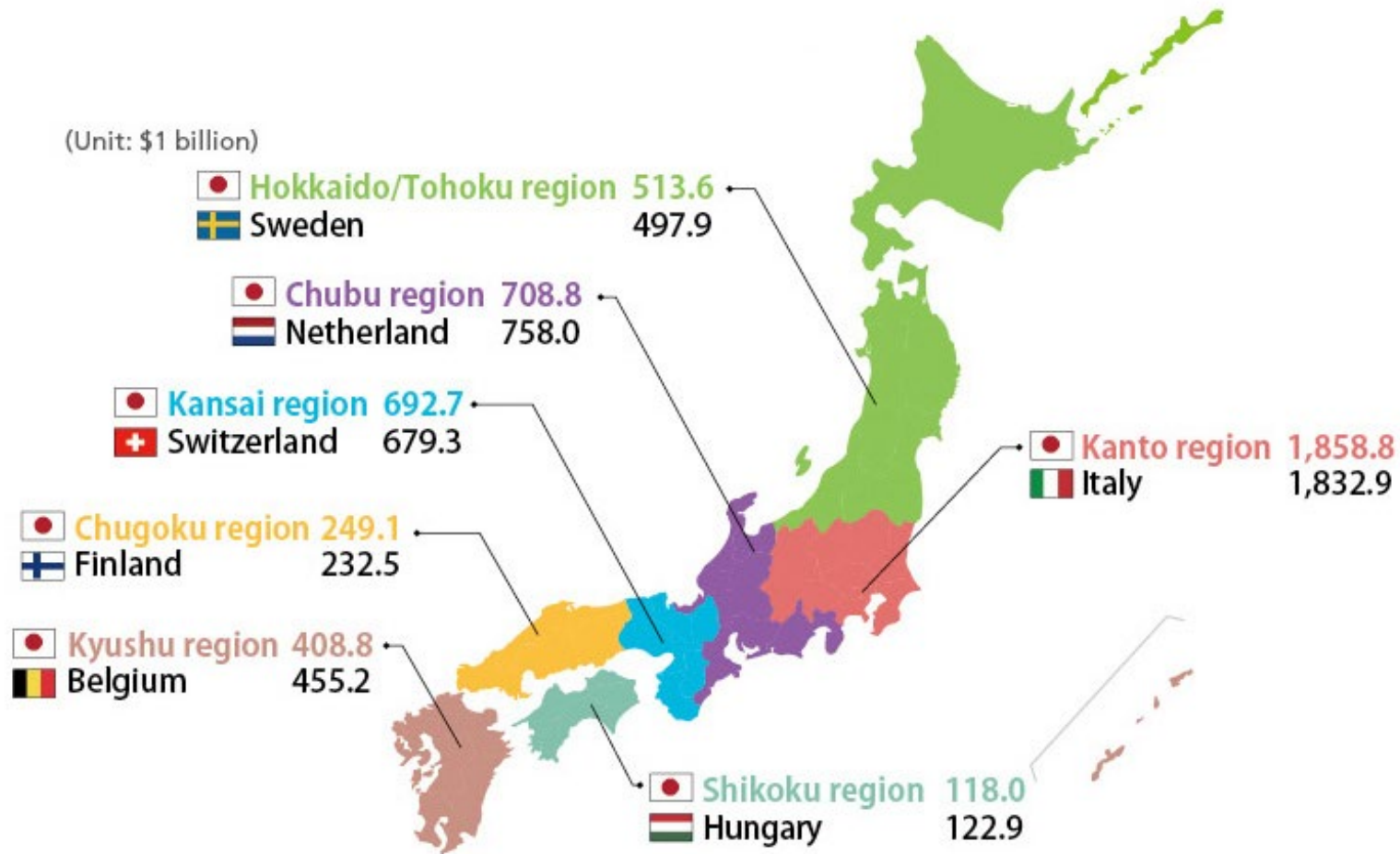
Japan's Product Orientation: Processed and Packaged Foods

- Busy modern life & small family unit: Processed food, freshly prepared and controlled under strict expiry date and time
- City life: 'Packaged or convenient food' for everyday life, sold under OEM/private labels to gain consumer loyalty
- Gift culture: So-called 'Preserved food' sold in gift food market and emergency food market



Japan's Food Market

Size of Japan's Regional Markets Compared to European Economies

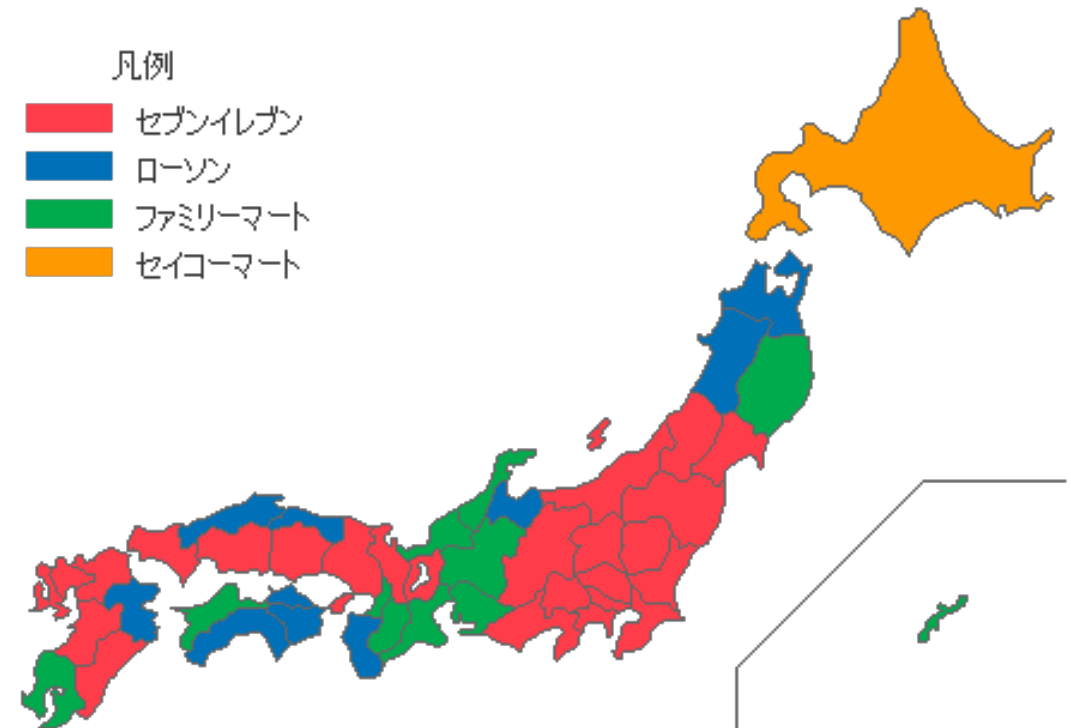




Japan's Food Market

B-2-C retail outlets – Convenience Store:

- Over 58,000 convenience stores
- Market shares
 - Seven Eleven
 - Lawson
 - Family Mart
 - Seicomart

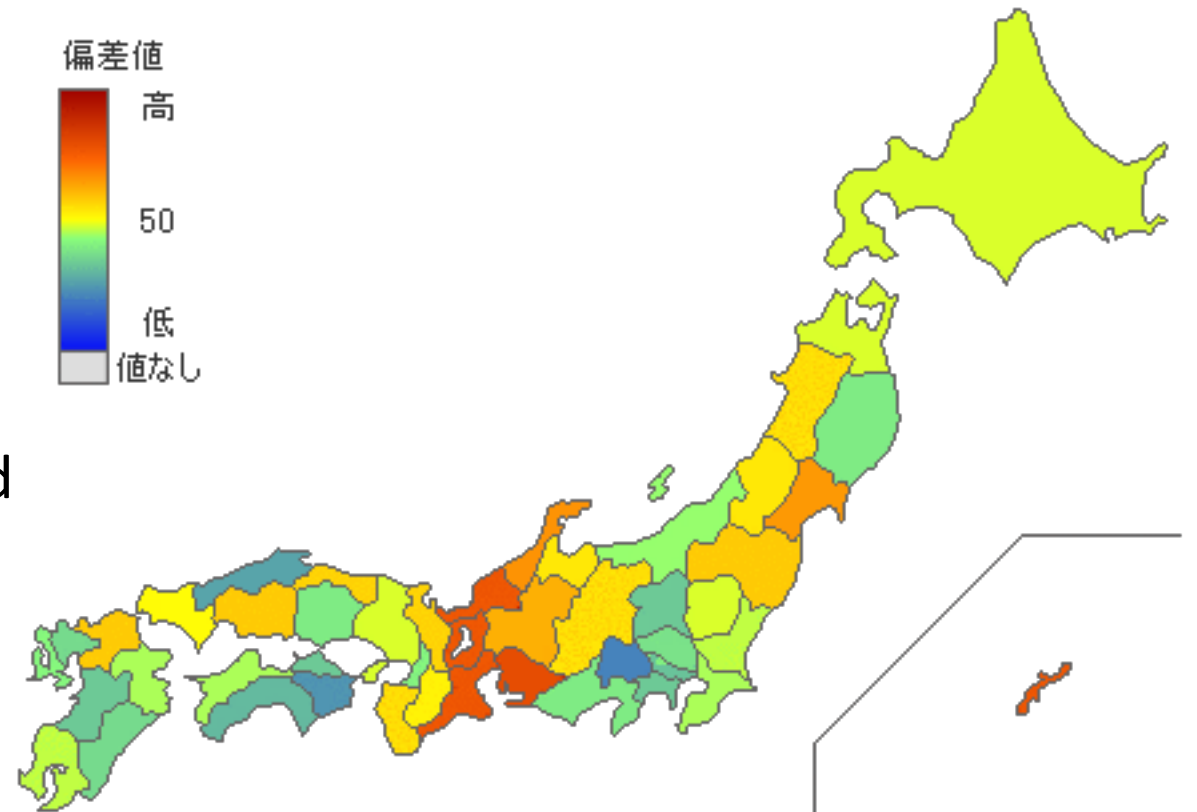




Japan's Food Market

B-2-C other retail outlets:

- Over 22,000 supermarkets
- Over 200 department Stores
- Two types of regional supermarkets and department stores: either good quality stores or discount stores
- Supermarkets specialized in imported food (some listed on next slide)





Japan's Food Market

Supermarkets for imported food	Locations	Stores	Particulars
Seijo-Ishi	All regions	171	OEM. Wine, cheese, confectionary
Kinokunia	Kanto regions	29	Large variety. Spices, confectionary
Kitano-Ace	All regions	89	OEM
Queens Isetan	Tokyo area	27	OEM, Fresh processed food
Loncos	Tokyo	5	Fresh food. Wine, cheese, desert, Maruetsu Group
Peacock Store	Kanto, Kansai	n.a.,	Lower end of premium food, AEON Group
Bio c'Bon	Tokyo	12	French store, organic food. AEON Group
Motomachi Union	Tokyo	34	American store
Miura-Ya	Tokyo	11	OEM. Fresh food
Precce	Tokyo	4	Fresh food, Tokyu Group



Japan's Food Market

B-2-B outlets:

Some Japanese "Senmon Shosha" or highly specialized trading companies

Lakuto Japan	Dairy ingredients such as butter, cheese, skin milk powder
Nichimo	Fisheries fresh and processed products
Nichiyou	Import food ingredients and products in networking with convenience chain stores and mass merchandisers. Also develop original products (OEM)for direct sales.
Shoei Food Corp	Nuts, dry fruits, confectionary and baking products
O'will Corp	Beverage, food additives, milk & dairy products, fruits & vegetable
Iceco	Ice-cream
Nippon Ham	Processed hams
Delica Foods Groups	vegetables
Sugimoto Meat Industry	Meat products. It has its own meat shops and restaurants.



Japan's Food Market

Examples of B-2-B outlets:

Highly specialized Import Agencies Used for Belgian Products

Belgian Beer	Belgian Beer Japan, Euroasia Trading, etc
Belgian Ham (Ganda)	Ashahi Grant, etc
Belgian Sweets (Cote D'Ore, Lutus, waffles, etc)	Tomoe Corp., Food Marketing International, One-second, Nichimen, Yutaka Trading, Ito-Chu
Belgian Coffee	Rurale, Shigematsu Trading
Belgian Functional Foods	DKSH Japan
Belgian Products on E-commerce	Rakuten, Amazon Japan



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Exporting Food Products to Japan

Q&A Session

Thank you.

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Export Support Webinar - Food Sector

Webinar for Belgian Food Exporters

15 October 2020, 10:30, by C. Nakabayashi



Exporting Food Products to Japan

Today's Agenda and Points of Discussion:

1. Belgium's Food Exports to Japan
2. Belgium's Advantages in Japanese Food Market
3. How to Enjoy Merits of EU-Japan Economic Partnership Agreement for Belgium Food Exports to Japan
4. Import Clearances, and Invitation to 30min Webinars
5. Q&A

Exporting Food Products to Japan

World Top 10 Agricultural Exporters

(source: FAO 2012)

Rank	Exporter	Value (billion \$)
1	USA	155
2	Netherland	87
3	Brazil	80
4	Germany	80
5	France	70

Rank	Exporter	Value (billion \$)
6	Canada	44
7	China	44
8	Spain	43
9	Belgium	42
10	Argentina	41

Exporting Food Products to Japan

✓ High-end Branding: e.g., Chocolate



✓ Consolidate PR, Custom/Client- Oriented Approach: e.g., Meat



✓ Industrial Support Clusters: Food & Drink





EU-Japan EPA Tariff Rates for Frozen Potato at Japan Customs

(source: EC Market Access Database)

071010.000 Potatoes

Staging Category Code: B5

Staging Category Description:

(c) customs duties on originating goods classified under the tariff lines indicated with "B5" shall be eliminated in six equal annual instalments, and these goods shall be duty-free as from 1 April of the sixth year;

Agreement entered into force date: 01.02.2019

Base Rate: 8.5%

Notes:

 [Read general notes for Category](#)

SCHEDULE		FTA JAPAN BOUND DUTY
YEAR	PERIOD, FROM - TO	
YEAR 1	01/02/2019 - 31/03/2019	7.1%
YEAR 2	01/04/2019 - 31/03/2020	5.7%
YEAR 3	01/04/2020 - 31/03/2021	4.3%
YEAR 4	01/04/2021 - 31/03/2022	2.8%
YEAR 5	01/04/2022 - 31/03/2023	1.4%
YEAR 6	01/04/2023 -	0%

Exporting Food Products to Japan

Butter Import to Japan in 2018

(source: Ministry of Finance of Japan)

Dairy item	Country	Import, tons	Share, %	CIF, yen/kg
Butter	Australia	196	1%	599
	New Zealand	11.422	58.2%	588
	USA	403	2.5%	639
	EU	6.498	33.1%	724
	Netherlands	3.361	17.1%	670
	Germany	1.654	8.4%	689
	France	1.231	6.3%	890
	Belgium	196	1%	838
	UK	3	0%	1.098
	Others	1.004	5.1%	628
	Total	19.612	100%	636

Exporting Food Products to Japan

EU-Japan EPA Tariff Rates for Butter at Japan Customs

(source: EC Market Access Database)

Click on the code to check additional duties and taxes that apply to your product

Code	Product description	EU	GEN	MFN	RoO	Schedule
04	CHAPTER 4 - DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED:					
0405	Butter and other fats and oils derived from milk; dairy spreads:					
0405.10	- Butter:					
	- - Of a fat content, by weight, not exceeding 85 %:					
0405.10.11	- - - Imported by the Agriculture and Livestock Industries Corporation to the extent of the quantity stipulated by Paragraph 1 of Article 17 of Act on Stabilization of Livestock Management or imported with approval of the Minister of Agriculture, Forestry and Fisheries by means stipulated by the Paragraph 2 thereof	35%	35%	35%	RoO	Schedule

Exporting Food Products to Japan

Global Beer Consumption by Country, 2018

(source: Kirin Holdings Company, Ltd.,)

	Country	2018 Total Consumption (‘000 KI)	Global Market Shares (%)	Growth (2017-2018)
1	China	39,362	20.9%	-2.0%
2	USA	24,029	12.7%	-0.4%
3	Brazil	12,662	6.7%	+0.8%
4	Mexico	8,982	4.8%	+5.3%
5	Germany	8,321	4.4%	+1.3%
6	Russia	7,819	4.1%	-2.4%
7	Japan	5,108	2.7%	-0.1%
8	UK	4,856	2.6%	+5.7%
9	Vietnam	4,667	2.5%	-7.1%
10	Spain	4,051	2.1%	0



Exporting Food Products to Japan

Custom Duty, Liquor Tax and Consumption Tax for Imported Beer

(source, Japan Customs, Ministry of Finance of Japan)

Sparkling Beverages/Beer	Custom Duty	Liquor Taxes (per kilolitre, Japanese yen)			Current Consumption Tax Rate
		Liquor Tax Revision 1, 1/10/2020	Liquor Tax Revision 2, 1/10/2023	Liquor Tax Revision 3, 1/10/2026	
Not less than 50% by weight of malt or not less than 10% by volume of an alcoholic strength	Zero	200,000	181,000	155,000	10% of import price plus liquor taxes
Not less than 25% but less than 50% by weight of malt		167,125	155,000		
Less than 25% by weight of malt		134,250	134,250		
Any other sparkling beverages, not mentioned above		108,000			

Exporting Food Products to Japan

Major Imported Beers in Japanese Market (source: Diamond Online)

Brands	Brand Holders	Origin, Production	Sales By
Heineken	Heineken	Japan, Kirin	Kirin Beer
Budweiser	ABI	Japan, Kirin	Kirin Beer
Corona Extra	ABI	Mexico	ABI Japan
Hoegaarden White	ABI	Belgium	Asahi Beer
Stella Artois	ABI	Belgium	Asahi Beer
Leffe	ABI	Belgium	Asahi Beer
Bass Pale Ale	ABI	UK	Asahi Beer
Löwenbräu	ABI	Japan, Ashahi	Asahi Beer
Carlsberg	Carlsberg	Japan, Suntory	Suntory Beer
Draft Guinness	Diageo	Ireland	Kirin Beer

Exporting Food Products to Japan

Growth of Belgium's Exports to Japan under EU-Japan EPA

- Japan is Belgium's 5th largest non-EU trade partner and of particular importance for agri-food, chemicals, technology and automotive industries.
- Under EU-Japan EPA, European exports were up 6.6% in the first year while Belgian exports to Japan increased 10.2% or by €3.0 billion compared to 2018 exports.
- Adding to these bilateral exports, Belgium enjoys indirect exports via European neighbours (specifically, Belgian components included in goods exported to Japan from another EU Member State).

Exporting Food to Japan

Tariff Elimination Rates for EU Agricultural Products

(+ Deregulation, + Protection of Quality Products)

Immediate Elimination Rate	Elimination Rate for 2 – 11 Years	Elimination Rate for After 12 Years	Final Elimination Rate
54%	26%	2%	82%

Indicative Rates without/with Preferential Tariff Treatment

(Source: DG Trade Calculation, Extract from Economic Impact of EU-Japan EPA, p46)

	Base Tariff	EPA Tariff (2019- 2035)
Dairy	24.5%	2.9%
Processed Food	12.0%	0.4%
Beverage, Tobacco	5.7%	0
Meat	5.1%	1.1%
Livestock	3.6%	0
Fisheries	3.0%	0

Exporting Food to Japan

EPA Utilization Rate = (A) / (B) =

import value that actually uses the EPA's preferential tariff (A)

import value of items that may be subject to the preferential tariff (B)

- EPA utilization rate for February 2019 to December 2019 was 54% for EU exports to Japan and 39% for Japan's export to the EU.
- Missed opportunity for duty free or reduced tariff available for EU and Japanese products.

Exporting Food to Japan

2. How to Use EU-Japan EPA When Exporting to Japan

Step1

Check Tariff Rates

- EC Market Access Database (MADB): list all tariff rates including duty free
https://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi



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Exporting Food to Japan

When Checking Tariff Rates on EC Market Access Database

https://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi

- Select country 'Japan' by scrolling down arrow sign
- Enter product code if you know
- Click 'Find Product Code' if you don't know
- 6 digit product code is the universal HS (Harmonized System) code

Country:

Japan



Product code (4 or 6 digits):

Find product code

Search



Exporting Food to Japan

2. How to Use EU-Japan EPA When Exporting to Japan

Step
2

Self-Certification of Product Origin

- First EU exporters register in Registered Export System (REX) and obtaining a REX number.
- When exporting, self-certify that a product is ‘made in the EU’. There are 2 ways:

(1) EU manufacturers and exporters give a statement on origin in commercial documents; For the former, EU exporters include the following statement in commercial documents such as invoice, packing list or delivery note.

TEXT OF THE STATEMENT ON ORIGIN

English version

(Period: from..... to(1)) **Fill in for repeating exports of same products up to 12 month period**

The exporter of the products covered by this document (**REX Number (2)**) declares that, except where otherwise clearly indicated, these products are of **the European Union** preferential origin (3).

Date: 16 DEC 2019

(Origin criteria used(4))

.....**Refer details to EPA Help Desk on www.eu-japan/epa-helpdesk**

(Place and date (5))

.....

(Printed name of the exporter)

.....



Exporting Food Products to Japan

Clearances at Japan Customs

EU Export Permit, Commercial Documents

Import Declaration

Legal and Regulatory Clearances

Import Payments

Labelling



Invitation to 30 min Online Training Webinars

	Webinar/online training details	Wednesdays
1	Online Training (1) Before, During and After Custom Clearance at Japan Customs	23 September 2020
2	Online Training (2) Quarantines for Animal and Plant Protection, and Sanitary and Phytosanitary Clearances (SPS)	30 September 2020
3	Online Training (3) Requirements for Labelling on EU Food Products and Household Goods	7 October 2020
4	Online Training (4) Japan Industrial Standard (JIS), Preferential Rules of Origin (RoO), and Intellectual Property Right (IPR) – Geographical Indicators (GIs) and other IPRs	14 October 2020
5	Online Training (5) Technical Regulations – Motor Vehicles	21 October 2020
6	Online Training (6) Technical Regulations – Medical Devices	28 October 2020
7	Online training 7. Technical Regulations - Pharmaceuticals	4 November 2020
8	Online training 8. Technical Regulations - Textiles Labelling	18 November 2020

	Webinar/online training details	Wednesdays
9	Online training (9). Technical Regulations - "Quasi Drugs"	20 January 2021
10	Online training (10). Technical Regulations - Beer	27 January 2021
11	Online training (11). EU Advantages – Agriculture and Food Products: Pork & Dairy including Cheese	3 February 2021
12	Online training (12). EU Advantages – Textiles	10 February 2021
13	Online training (13). EU Advantages – Footwear & Leather	17 February 2021
14	Online training (14). Setting up a Business in Japan – Representative Office, Branch Office, Subsidiary Companies	24 February 2021
15	Online training (15). Markets, Distribution System and Sales Channels for B2B and B2C	3 March 2021
16	Online training (16). Trade Shows and Due Diligence - Finding Business Partners	10 March 2021

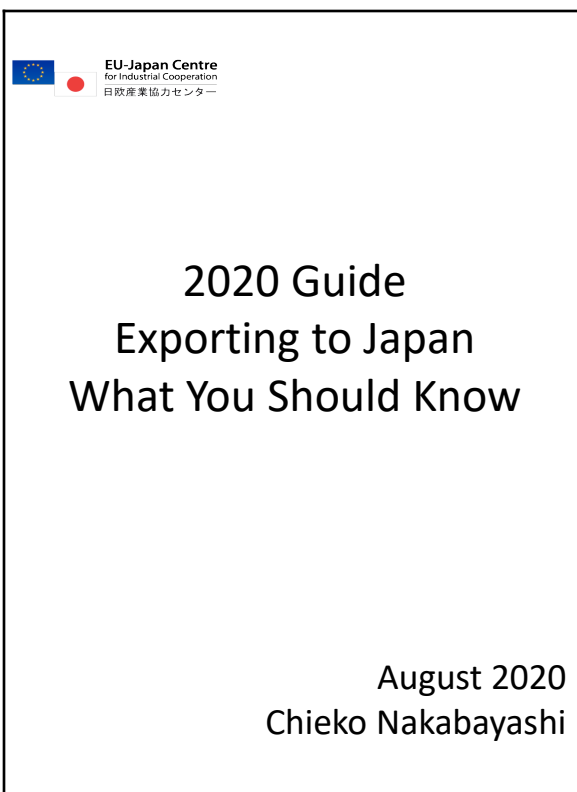


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- [8. EPA Helpdesk – EU-Japan Centre for Industrial Cooperation](#)

Available on

<https://www.eubusinessinjapan.eu/library/publication/report-2020-guide-exporting-to-japan-what-you-should-know>

Exporting Food Products to Japan

8. Q&A Session

Thank you.

Expert's contact address: chieko.nakabayashi@faculty.uibs.org

A decorative background of pink cherry blossoms on the left side of the slide.

EU – JAPAN EPA: What's in for the AGRI-FOOD Sector?



EPA Process

**INCREASE
MARKET SHARE
EU PRODUCTS**



July 2018
Signature

1/2/2019
Entry into Force

**PROMOTION &
INFORMATION**

Managed by



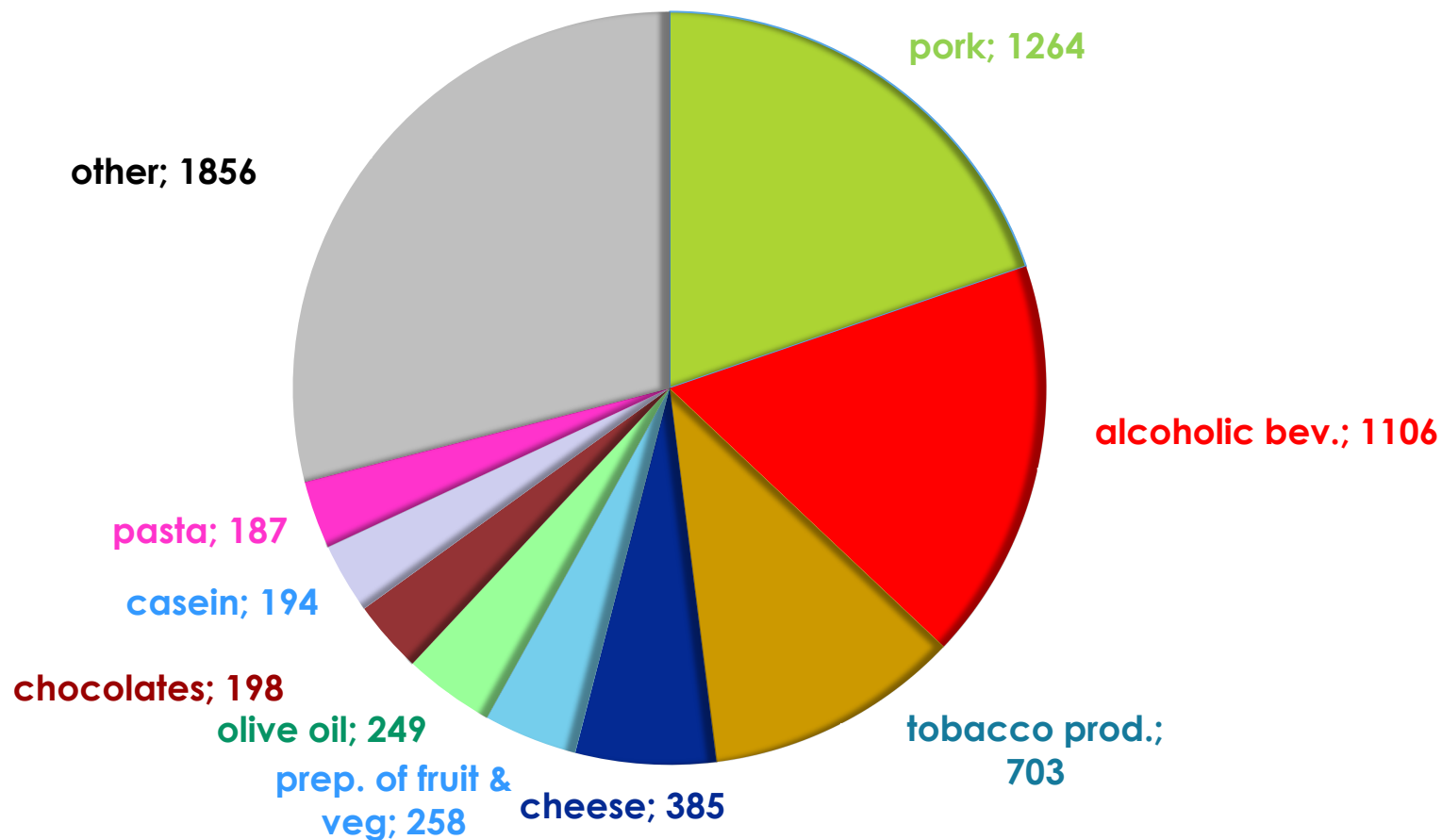
www.eu-japan.eu/epa-helpdesk

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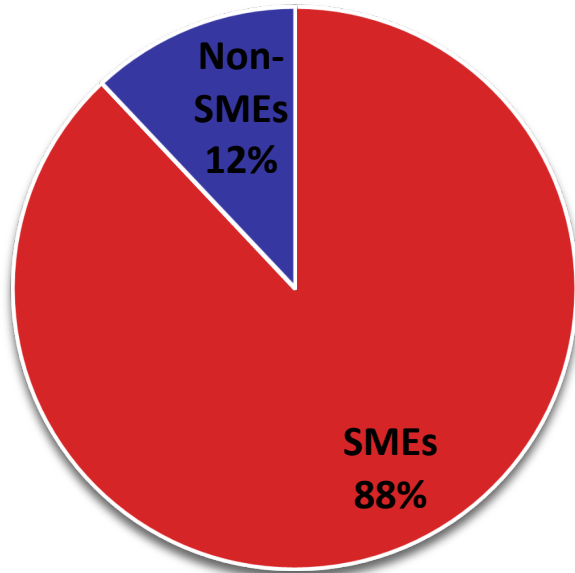




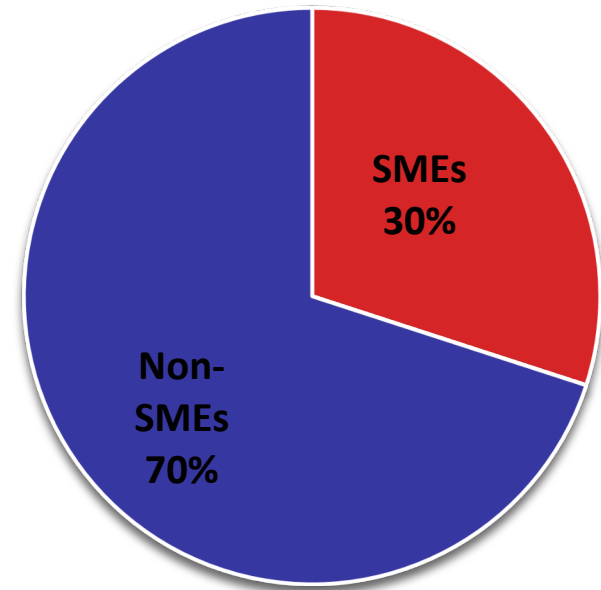
EU AGRI-FOOD 2017 EXPORTS TO JAPAN (MIO €)



Number of EU exports to Japan.



Value of EU exports to Japan.



Source: Eurostat

MARKET ACCESS

Types of EPA Concessions

Type	EPA Code	Description
Immediate Liberalisation	A	Japan's base rate is eliminated at the entry into force of the Agreement Most of those tariff lines are not listed in Japan's EPA tariff schedule
Duty elimination spread over a period	B	Gradual elimination of Japan's base rate over a period of time. the zero duty will be applied in subsequent years.
Duty reduction spread over a period	R	Gradual reduction of Japan's base rate to a certain level. The final reduced level will be applied in subsequent years.
Tariff rate quotas	TRQ	TRQs allow for one of the above preferences within the limits of an annual import quantity.
Exclusion	X	Tariff lines excluded from any preference

A few highlights of what's the EPA is offering

Product	EPA Tariff	EPA Safeguard/ TRQ	Transition
Beef	9%	High safeguard trigger: 43 500 t to 50 500 t	15 years
Pigmeat	almost free trade	Temporary safeguard	10 years
Hard cheese	free trade		15 years
Other cheeses	0% within TRQ	TRQ: 20 000 t to 31 000 t	15 years
Processed Agr. Products	Free trade as from EIF or within max. 10 yrs., some within a TRQ		10 years



PIGMEAT

- ▶ EU most important agri export : 1.2 bn€ and > 30% of import market share.
- ▶ Meat fresh, chilled and frozen: **almost tariff elimination**
- ▶ Sausages and pork preparations: **full tariff elimination in 5 years**
- ▶ Temporary safeguard (10 years) – low snapback duty
- ▶ MFN safeguard not applicable to EU products

- ▶ **Drastic tariff reduction: from 38.5% to 9% in 15 years.**
- ▶ **High safeguard trigger (50.500 t after 10 years) which may disappear on the long run.**
- ▶ **Gradual increase of EU exports after long lasting BSE ban ...**



CHEESES

- ▶ hard cheeses (the big bulk of EU quality cheeses) :
duty free in 15 years.

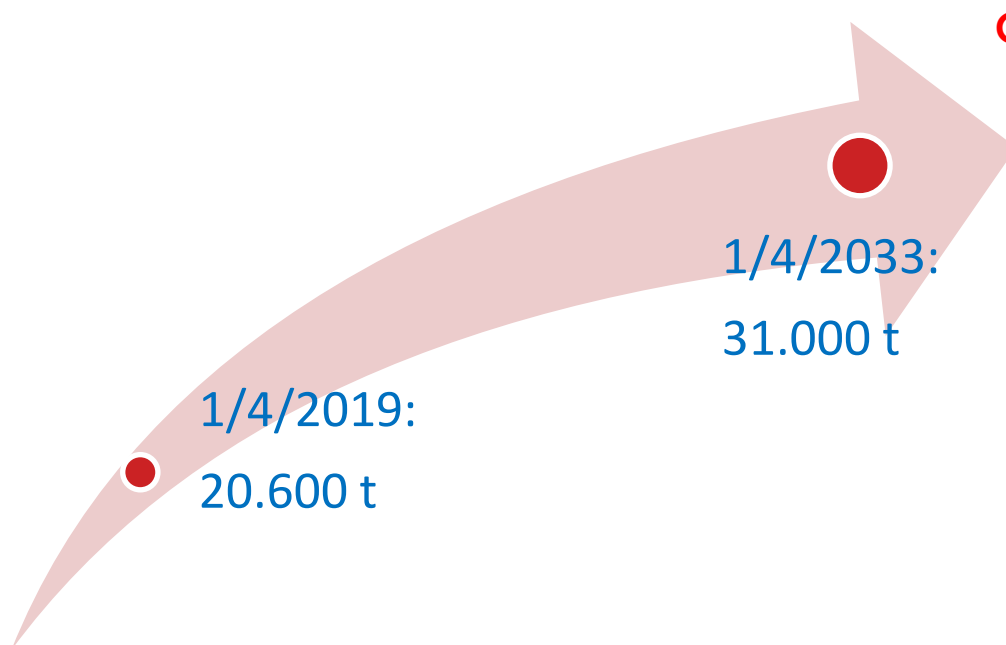
Including: cheddar,
Comté, Parmigiano
Reggiano, ...

**e.g. tariff of Parmigiano Reggiano: 24.2%
since 01/04/2020 (from 29.8%)**



CHEESES

Duty free TRQ for fresh, soft and processed cheeses



**Continued growth based on
cheese consumption
growth in Japan**

**Including: mozzarella, blue veined
cheeses, brie, Feta ...**

OTHER DAIRY

- **Whey products:**
 - **Drastic tariff reductions or almost tariff elimination over time with transitional TRQs, depending on mineral and protein content, etc.**

- **Skimmed milk powder (SMP):**
 - **Important TRQ together with butter**
 - **To note: SMP for feeding: 95% tariff reduction**

- **Lactose: duty elimination**
- **Ice cream: important duty reduction**

WINES

- ▶ **Wine sector: > € 800 million / 13% of EU total agri exports to Japan.**
- ▶ **EPA: duty free for EU wines since 1 February 2019 → level playing field with Chili and Australia**
- ▶ **Facilitation for EU oenological practices**
- ▶ **GI protection of more than 100 wine names**

SPIRITS & BEERS

- 
- ▶ **Already MFN duty free for all beers and most of the spirits**
 - ▶ **Remaining duties for spirits eliminated since 1 Feb 2019 (e.g.: gin, Genever, vodka, etc.).**
 - ▶ **GI protection for 28 spirits and 6 beers (e.g.: Münchener bier, Kornrand, etc.).**

Other products of interest

- ▶ **Malt, potato starch → Significant duty free TRQs**
- ▶ **Wheat gluten → liberalization in 10 years**
- ▶ **Less sensitive products**
 - ▶ **poultry meat, pet food, jams, etc. → liberalisation, possibly with staging**
 - ▶ **most fruits and veg → liberalisation mostly at entry into force or short staging**

PROCESSED AGRI PRODUCTS (PAPs)

▶ Duty free in maximum 10 years for:

Spaghetti, pastries, waffles, breakfast cereals, biscuits,
Chocolates and choc. confectionary
Candies and sugar confectionary,
Tomato puree,
Several food preparations,
Esterified starches

Max 10
years

PROCESSED AGRI PRODUCTS (PAPs)

▶ Duty free since 1 February 2019 for:

egg albumin, mineral waters,
preserved tomatoes, pure cocoa
powder, pectic substances, yeasts,
caseinates

Duty free
01/02/2019

▶ Wheat related food preparations and barley, wheat flours etc.: Sizeable TRQs

GEOGRAPHICAL INDICATIONS

Full protection for 210 EU GIs (wines, spirits and food-stuffs):

- ▶ Direct protection of GIs under the EPA.
- ▶ Relation between GIs and Trade Marks (TMs):
 - ▶ no registration in Japan of subsequent TMs;
 - ▶ coexistence with pre-existing TMs is addressed.
- ▶ Listed prior uses to expire within 5 or 7 years
- ▶ Possibility to add new GIs in the future.



RULES OF ORIGIN

- to benefit from an EPA preference: product must be originating in the EU or Japan.
- to be originating the product must comply with:
 - the provisions “Rules of Origin” of the EPA text (Chapter 3);
 - the Product Specific Rules (PSR) for each product (Annexes 3A/3B and Appendix 3-B-1): further requirements in order to be originating.

These requirements can include:

- a change in tariff classification
- a production process
- a maximum value of non-originating materials
- a minimum regional value content

RULES OF ORIGIN

A FEW EXAMPLES ...

HS CODE	LABEL	PSR	COMMENTS
Chapter 08	Edible fruit	Wholly obtained	Products must be of EU/Japan origin
Heading 20.01	Prepared fruit and vegetables	CC	Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another Chapter
Heading 1806	Chocolates and other cocoa preparations	CTH, provided that: <ul style="list-style-type: none"> - the total weight of the non-originating materials of CH4 (dairy) and of Heading 19.01 (food preparations) used does not exceed 10% of the weight of the product; and - the total weight of the non-originating materials of Headings 17.01 (cane or beet sugar) and 17.02 (other sugars) used does not exceed 30% of the weight of the product; 	Non-EU/Japan originating materials may be used in the production of the goods if these materials are classified under another Heading , and the 2 conditions are satisfied.

INFORMATION SOURCES

- ▶ EPA text and Annexes:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

Of which:

- ▶ Annex 2-A: Schedule and Notes (TRQ, etc);
- ▶ Annex 2-E: Facilitation of wine export;
- ▶ Annex 3-B: Product specific rules of origin;
- ▶ Annex 14-B: GIs.

INFORMATION SOURCES

- ▶ Overall import conditions in Japan:
 - ▶ European Commission DG TRADE “Market Access Database”:
<http://madb.europa.eu/madb/indexPubli.htm>
 - ▶ European Commission DG AGRI “Food and Beverage Handbook – Japan”:
<https://ec.europa.eu/chafea/agri/content/food-and-beverage-market-entry-handbook-japan>
- ▶ Japan’s Customs:
http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm

INFORMATION SOURCES

- ▶ European Commission (DG TAXUD) – Rules of Origin:
 - ▶ https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en
 - ▶ https://ec.europa.eu/taxation_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan_en
 - ▶ https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_japan_epa_guidance_claim_verification_denial_en.pdf

- ▶ European Commission: Geographical Indications
 - ▶ <https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels>

INFORMATION SOURCES

▶ EPA Helpdesk: <https://www.eu-japan.eu/epa-helpdesk>



▶ Fiches per sectors and webinars on EPA outcome

1. IN A NUTSHELL

The EPA foresees full protection for more than 200 EU GIs (foodstuffs (including beers), wines and spirits). The legal provisions guaranteeing this protection are of the same high level as those foreseen for wine and spirits products in Article 23 of the WTO TRIPS Agreement¹⁰, but now extended to other agricultural products, including beers.

In case of **PDO products**, its quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and where the steps in production all take place in the defined geographical area. Furthermore, **raw materials must come from, and all stages of production must take place in the geographical area concerned.**

In case of **PGI GI products**, on the other hand, the given quality, reputation, or other characteristic is essentially attributable to its geographical origin, and in relation to which, at least one of the steps in production takes place in the defined geographical area.

A further difference is the colour of their logo:



Ex officio administrative enforcement of GI rights by Japanese authorities to protect the GIs listed in the EPA in addition to civil enforcement on request and remedies.

On the relationship between GIs and trade marks (TMs): refusal of registration in Japan of subsequent TMs which are likely to mislead consumers; coexistence with pre-existing TM is addressed.

Phasing out of prior uses identified on the Japanese market within 5 years after entry into force of the Agreement for alcoholic beverages, and within 7 years for foodstuff GIs.

Possibility to add new GIs to the relevant list in the Agreement.

2. WHAT IS A GI?

A geographical indication is a name used to identify a product as originating in the territory of a particular country, region or locality where its quality, reputation or other characteristic is linked to its geographical origin.¹²

In the European Union, the protection of GIs for agricultural products can be obtained in one of the following ways: as a protected designation of origin (PDO) or protected geographical indication (PGI) for wines and agricultural products and foodstuffs, or as a geographical indication (GI) for spirit drinks and aromatized wines.

- The relevant EU GI legislation depends on the product category:
- Agricultural products and foodstuffs: Regulation (EU) No 1151/2012¹¹
 - Wines: Regulation (EU) No 1308/2013¹⁴
 - Spirits: Regulation (EC) No 110/2008¹³
 - Aromatised wines: Regulation (EU) No 251/2014¹⁵

The details on GI application procedures, including relevant templates, can be found on the following website: <https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels>

9 April	Wines and Spirits
7 May	Geographical Indications
21 May	Dairy Products
11 June	Meat Products
18 June	Processed Agricultural Products

Thank you for your attention

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QUESTIONS ?

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.



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- *30 staff (18 in Tokyo, 12 in Brussels)*

Mission

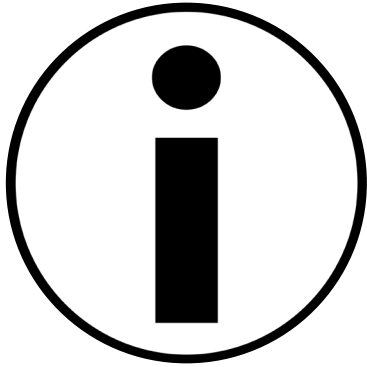
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