

# **EU – Japan Economic Integration Agreement**

Koji TOYOKUNI  
Director General, JETRO Paris

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# Japan – EU Trade Relationship (Overview)

## Japan's trade deficit suffers as exports to EU fall (Financial Times, 23 August 2012)

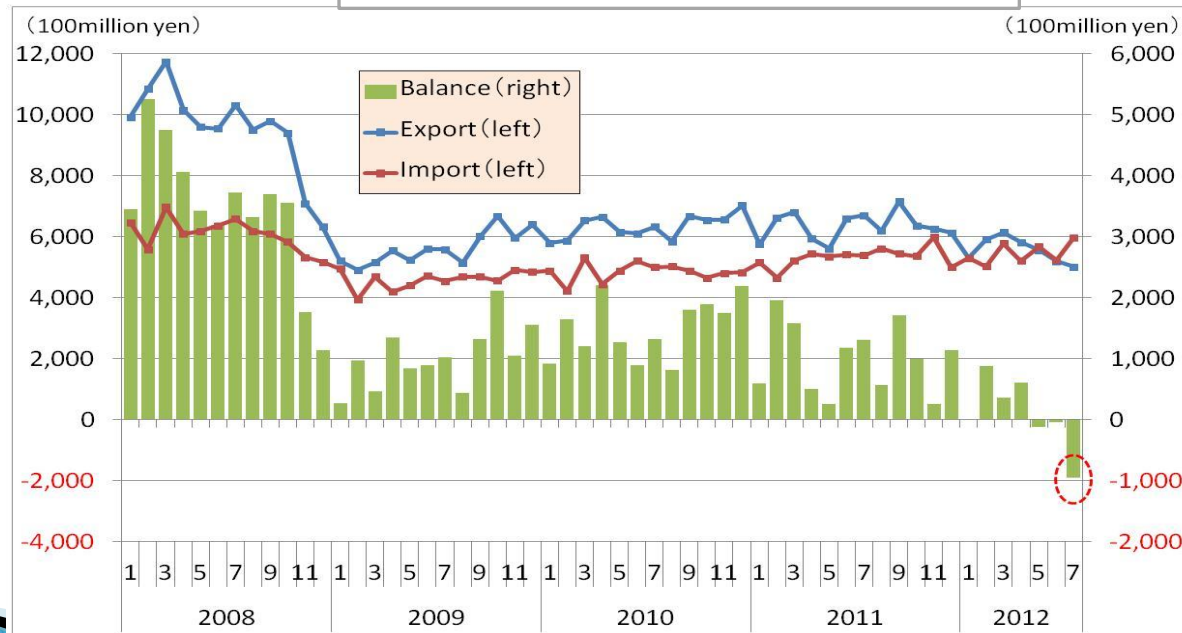
“Japan has posted its biggest trade deficit for the month of July, following a collapse in shipments to the EU, the country's third most important trading partner.

Exports from Japan to the EU fell by a quarter from the same month last year, government data showed yesterday. ...

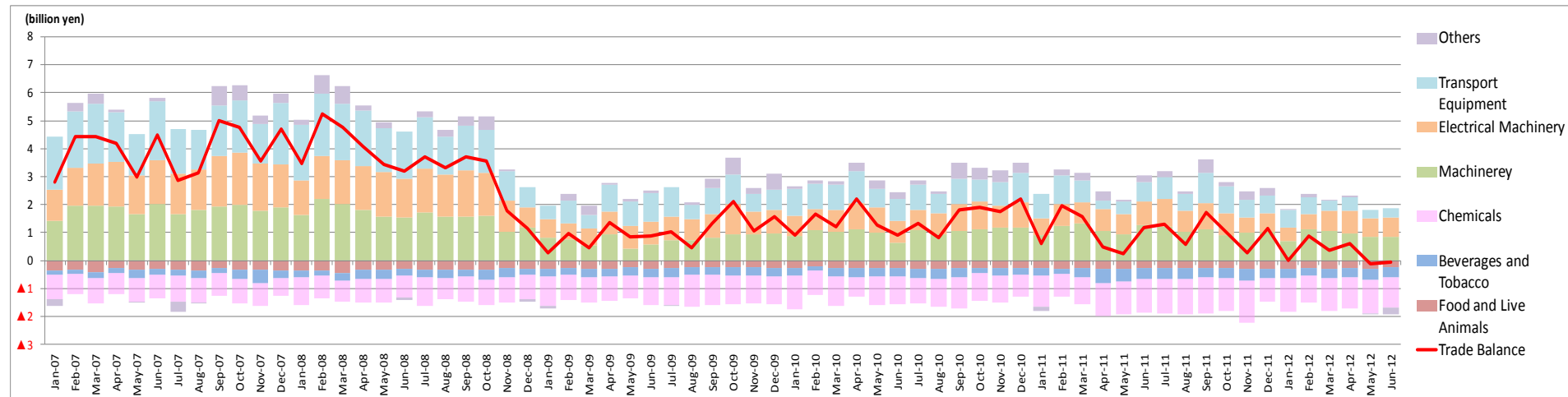
Japanese exports to Europe have been hurt by the yen's appreciation against the euro, as well as a strategy by Japanese multinationals to shift manufacturing to Europe. ...

Declines were steepest for big-ticket items such as cars, down 27%, and machinery, down 28%, suggesting the debt crisis continues to weigh heavily on consumer and manufacture sentiment. ...”

**Japan's trade balance with the EU**



# Japan – EU Trade Balance by Goods (billion yen)

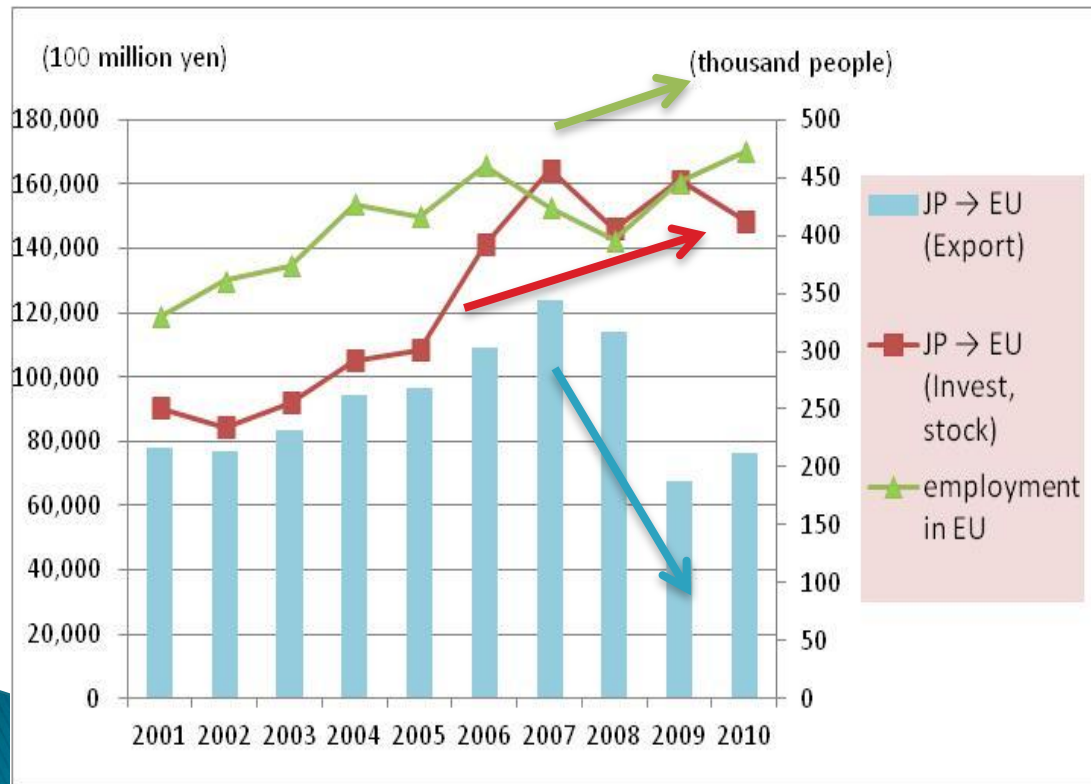


	Jun 2007			Jun 2011			Jun 2012			2007→2012	2011→2012
	EX to EU	IM from EU	Balance (EX-IM)	EX to EU	IM from EU	Balance (EX-IM)	EX to EU	IM from EU	Balance (EX-IM)	Balance Change	Balance Change
FOOD AND LIVE ANIMALS	1	30	▲29	2	29	▲27	1	25	▲24	5	4
BEVERAGES AND TOBACCO	0	22	▲22	0	38	▲38	0	36	▲36	▲14	2
CHEMICALS	75	158	▲83	52	174	▲122	45	152	▲107	▲24	15
MACHINERY	292	90	202	178	52	126	135	50	85	▲117	▲41
ELECTRICAL MACHINERY	213	56	157	134	50	84	113	42	70	▲87	▲14
TRANSPORT EQUIPMENT	296	86	211	138	67	71	110	78	32	▲179	▲40
OTHERS	198	185	13	156	132	24	116	140	▲25	▲38	▲48
<b>TOTAL</b>	<b>1,076</b>	<b>627</b>	<b>448</b>	<b>660</b>	<b>542</b>	<b>118</b>	<b>519</b>	<b>524</b>	<b>▲4</b>	<b>▲453</b>	<b>▲122</b>

# Japan's Investment & Employment in the EU

Japan's investment and employment in the EU have increased, while Japan's exports have decreased.

## Japan's export/investment/employment in the EU



Japanese **affiliates/subsidiaries** in the EU in 2010

**Number of employees:** over 470,000 \*

**Sales:** 250 billion €

**Intra-regional procurement:** 43 billion €

### \*Number of employees by country

UK	137,053
Netherland	97,960
Germany	61,911
Belgium	31,653
France	26,599

Source: Ministry of Finance Japan, Ministry of Economy, Trade, and Industry

# Japan's Trade in Medical Products

## Surging Drug Imports Hit Japan's Trade Balance (Nikkei, 15 May, 2012)

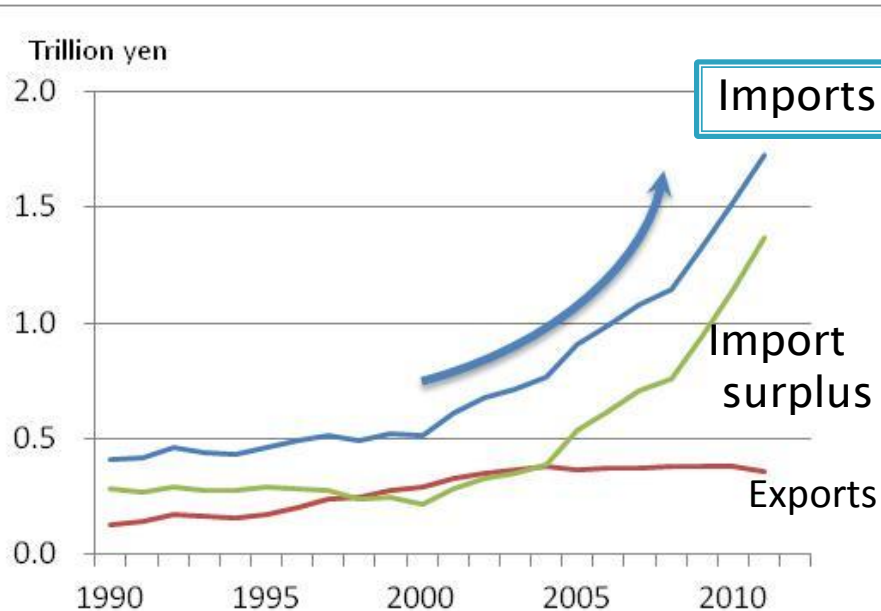
Japan's pharmaceutical imports are growing at a blistering pace due to the rapid aging of the population and the weak global competitiveness of domestic drug makers.

Japan incurred an overall trade deficit of about 2.5 trillion yen in 2011, as exports slumped while imports surged. More than half of that amount came from the pharmaceutical trade alone.

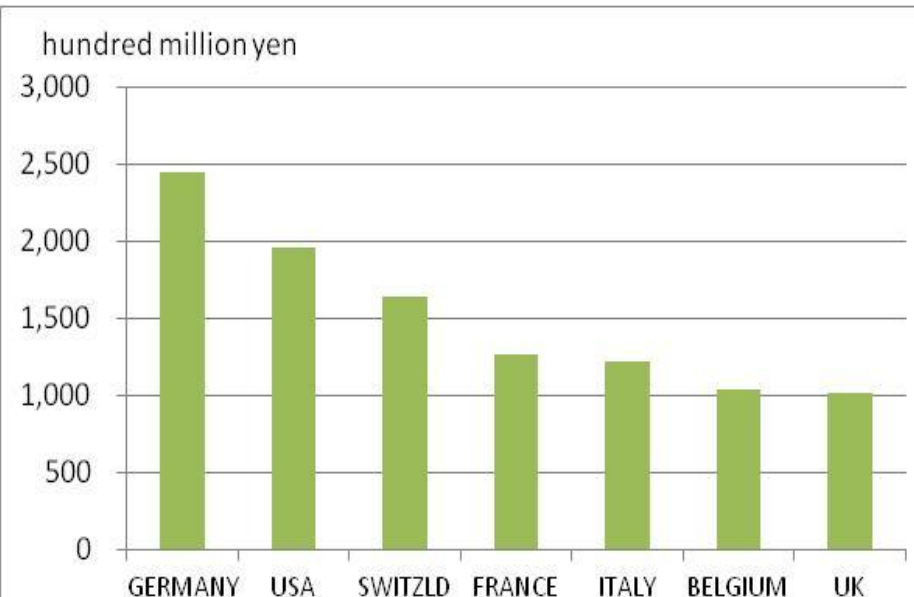
Japan's pharmaceutical imports are expected to keep growing in the long term, putting further pressure on the nation's trade balance.

Japan's pharmaceutical imports expanded by about 730 billion yen in the past five years alone, while exports have remained almost unchanged during the same period, at around 370 billion yen.

### Expansion of Imports in Medical Products



### Import surplus of Medical Products by country in 2011



# Addressing “Non Tariff Measures”

The Japanese government determined the reform policy in response to the request of EU countries.

## 1. Automobile

The Ministry of Land, Infrastructure, Transport and Tourism shall draft and publish a roadmap toward the adoption of UN/ECE regulations as a part of efforts toward the realization of an international Whole Vehicle Type Approval.

## 2. Food Additives

With regard to the undesignated 15 food additives, the Ministry of Health, Labour and Welfare shall designate 3 food additives, and publish a roadmap toward designation for other 12 food additives.

## 3. Pharmaceuticals

The Ministry of Health, Labour and Welfare shall examine issues toward the revision of GCP Ordinance with a view to ensuring consistency of the GCP Ordinance with the contents of ICH-GCP Guidelines, and amend the Ordinance.