

GOVERNMENT PROCUREMENT

Although European firms already have access to the Japanese government procurement market, through the WTO Agreement on Government Procurement (GPA), the EU-Japan EPA will provide additional opportunities to gain Japanese government contracts. Japan has agreed to further open its government tenders to EU companies and to commit itself to lessening barriers, which were perceived as hampering competition on a level playing field with Japanese companies.

1. MAIN POINTS

- Single point of access to notices of procurement
- Enlarged market access to additional government entities
- Improved access to rolling stock procurement
- Access to electric power infrastructure procurement
- Additional service categories
- Commitment to ease qualification as supplier
- More clarity with regard to technical specification, test reports and environmental conditions
- Guarantees for impartiality of domestic review and challenging procedures
- Establishment of a Committee on Government Procurement

On top of existent market access regulated by the WTO GPA, the EPA will give European companies access to more government entities at the central, regional and local level. These include additional **six government agencies** at the national level and the city of **Kumamoto**, a designated city with a population larger than 500,000 inhabitants. In addition, Japan has agreed to open procurement by a **large number of hospitals, universities and research facilities** at the prefectural and municipal level to EU companies.

Japanese commitments will also include granting access to procurement of goods and services by so-called '**core cities**' (currently 54) of around 300.000 inhabitants, where European businesses can supply their products on an equal footing.

While excluded from the WTO GPA, Japan has also agreed to allow European companies to participate in procurement related to **publicly-owned electric power infrastructure**. This offers European companies active in hydro-, solar and wind-power new business opportunities in providing their products and services to prefectures and cities.

In the **railways sector**, Japan has agreed to remove the so-called Operational Safety Clause, which prevented foreign suppliers from bidding for contracts to supply rolling stock and railway equipment. Contracts with a value of approximately €480.000 and higher offered by the publicly-owned Japan Rail companies, Tokyo Metro and transportation systems in Japan's larger cities will be open for participation by European suppliers.

Japan has also agreed to open up **additional service categories** to European suppliers, on top of those specified in the GPA at the national and regional level. This will provide new opportunities to European businesses involved in supplying services such as personnel placement, photography at the national level, and rental and management consulting services at the regional level.

Suppliers to Japanese government entities need to obtain **supplier qualifications** in advance. In particular, the **keishin** business assessment for construction-related procurement is regarded as complex. Japan has committed itself to ensure that the assessment takes place in a non-discriminatory manner and will recognize accomplishments made outside of Japan are regarded as equivalent. Furthermore, Japan has agreed to make recognition of EU specific technical specifications and test reports smoother and objectively verifiable.

FURTHER INFORMATION:

- **Japan External Trade Organization (JETRO) government procurement website:** <https://www.jetro.go.jp/en/database/procurement>
- **Japan Tax & Public Procurement (JTTP) Helpdesk:** <https://www.eu-japan.eu/government-procurement>
- **Government Procurement Information:** <http://information1.gov-procurement.go.jp/en>
- **Choutatsu Portal:** <https://www.p-portal.go.jp>

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

