EU – JAPAN EPA

MEAT PRODUCTS

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.
EPA PROCESS

INCREASE MARKET SHARE EU PRODUCTS

PROMOTION & INFORMATION

July 2018
Signature

1/2/2019
Entry into Force

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Under the supervision of
- What the EPA is offering.
- Some trade data …
- Market Access
  - Bovine
  - Pork
  - Horses & Poultry
- Safeguard Clauses
- Geographical Indications
- Rules of Origin
- Information sources
## A FEW HIGHLIGHTS OF WHAT THE EPA IS OFFERING

<table>
<thead>
<tr>
<th>Main Products</th>
<th>Gate Price</th>
<th>EPA End-Tariff</th>
<th>Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pork meat</td>
<td>Above GP</td>
<td>0% AV</td>
<td>1/4/2027</td>
</tr>
<tr>
<td></td>
<td>Below GP</td>
<td>0% AV+37.5Yen/kg</td>
<td>1/4/2027</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Carcasses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0%AV+50.0Yen/kg</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hams &amp; Shoulders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bovine meat</td>
<td>N/A</td>
<td>9.0% AV</td>
<td>1/4/2033</td>
</tr>
<tr>
<td>Pork edible offal</td>
<td>Above GP</td>
<td>0% AV</td>
<td>1/4/2027</td>
</tr>
<tr>
<td></td>
<td>Below GP</td>
<td>0% AV+50.0Yen/kg</td>
<td>1/4/2027</td>
</tr>
<tr>
<td>Pork processed meat</td>
<td>Above GP</td>
<td>0% AV</td>
<td>1/4/2028</td>
</tr>
<tr>
<td></td>
<td>Below GP</td>
<td>0% AV</td>
<td>1/4/2028</td>
</tr>
<tr>
<td>Pork meat preparations (CH16)</td>
<td>Above GP</td>
<td>0% AV</td>
<td>1/4/2028</td>
</tr>
<tr>
<td></td>
<td>Below GP</td>
<td>0% AV</td>
<td>1/4/2028</td>
</tr>
<tr>
<td>Poultry meat</td>
<td>N/A</td>
<td>0% AV</td>
<td>between 1/4/23 and 1/4/2028</td>
</tr>
</tbody>
</table>
EU AGRI-FOOD 2017 EXPORTS TO JAPAN (MIO €)

- pork, 1264
- other, 1856
- alcoholic bev., 1106
- pasta, 187
- casein, 194
- chocolates, 198
- olive oil, 249
- prep. of fruit & veg, 258
- cheese, 385
- tobacco prod., 703

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EU MEAT EXPORTS TO JAPAN (MIO €)

- Pork
- Bovine
- Poultry
- Offal & Fats
- Meat Preps

<table>
<thead>
<tr>
<th>Year</th>
<th>Pork</th>
<th>Bovine</th>
<th>Poultry</th>
<th>Offal &amp; Fats</th>
<th>Meat Preps</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>864</td>
<td>2</td>
<td>68</td>
<td>2</td>
<td>54</td>
</tr>
<tr>
<td>2014</td>
<td>1123</td>
<td>48</td>
<td>36</td>
<td>5</td>
<td>44</td>
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<tr>
<td>2015</td>
<td>1004</td>
<td>75</td>
<td>53</td>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>2016</td>
<td>1214</td>
<td>80</td>
<td>99</td>
<td>6</td>
<td>113</td>
</tr>
<tr>
<td>2017</td>
<td>1264</td>
<td>91</td>
<td>81</td>
<td>7</td>
<td>22</td>
</tr>
</tbody>
</table>
MARKET ACCESS PORK

Most important agri export product: 1.2 bn € and 30 % import market share!

- **Meat, fresh, chilled & frozen:**
  - Below Gate Price: almost duty elimination as from 1/4/2027 with specific duty divided by 10!
  - Above Gate Price: duty free as from 1/4/2027.

- **Edible offal (below GP)**
  - Other than internal organs: same concessions as for Meat
  - Internal organs: liberalisation between 8 and 11 years

- **Processed meat**
  - Above and below Gate Price: duties eliminated as from 1/4/2028

- **Meat preparations**
  - Duty elimination as from 1/4/2033 at the latest.
MARKET ACCESS BOVINE

- **Bovine meat**: major success of EPA: drastic tariff reduction: 38.5% to 9% in 15 years.

- **Edible offal**: tariff reduction from 50% base rate to 9% as from 1/4/2023 (cheek and head meat) and liberalisation after 11 or 16 years (other edible offal).

- **Processed bovine meat**: base rate of 161.5 Yen/kg gradually reduced by 50% as from 1/4/2028.

- **Bovine meat preparations**: gradual duty elimination in 16 annual instalments.

EPA offers level playing field in Japan with AUS

Gradual increase EU exports after BSE ban

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Horses
- **Live**: gradual duty elimination – free as from 1/4/2033. Current base rate: 3400 Yen/head
- **Meat**: already MFN duty free

Poultry
- **Meat, offal & preparations**: gradual duty elimination in 6 or 11 years.
Safeguard Measures

- May be applied on imports of beef and pork (fresh, frozen, edible offal, pork processed meat) and race horses.

- **Bovine:**
  - Annual SG with triggers up to 50,500 t in yr. 10, with fixed annual increases afterwards. Duties decrease to 18% in yr. 15, with possibilities of further decrease in subsequent years.


- **SG stops if not applied during 4 consecutive years after yr. 15.**
SAFEGUARD MEASURES

- **Pork**
  - Pork meat, fresh, frozen and edible offal:
    - Triggers based on an increasing percentage of the largest import volume during the last 3 years, or fixed quantities as from year 5 for low priced imports.
    - Duties for imports above Gate Price: 4% in yr. 1 to 2.2% in yr. 11
    - Duties for imports below gate price: max. 125 or 93.75 Yen/kg (according to product) in yr. 1, to 70 Yen/kg or 52.5 Yen/kg in yr. 11.
  - Separate SG measure for processed pork
  - SG’s can no longer be applied beyond 31/3/2029
GEOGRAPHICAL INDICATIONS

Full protection for 210 EU GIs, among which more than 15 meat products.

- 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.
List of EPA protected meat GIs:

- Tiroler Speck (A)
- Jambon d’Ardenne (B)
- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy) (F)
- Jambon de Bayonne (F)
- Nürnberger Bratwürste / Nürnberger Rostbratwürste (D)
- Szegedi szalami / Szegedi téliszlalami (H)

- Bresaola della Valtellina (I)
- Mortadella Bologna (I)
- Prosciutto di Parma (I)
- Prosciutto di San Daniele (I)
- Prosciutto Toscano (I)
- Zampone Modena (I)
- Guijuelo (E)
- Jabugo (E)
- Jamon de Teruel / Paleta de Teruel (E)
RULES OF ORIGIN

- Specified by product in the Product Specific Rules of Origin (PSR) – Annex 3-B

- PSR meat products manufacturing:
  - Chapter 1 – **Live animals**: wholly obtained: animals must be born and raised in the EU.
  - Chapter 2 – **Meat and edible offal**: all products of Chapters 1 and 2 must be wholly obtained, i.e. of EU origin.
  - Chapter 16 – **Meat preparations**: all products of Chapters 2, 3, and 16 and heading 10.06 (Rice) used in the manufacturing of CH. 16 products, must be wholly obtained.

**Example**
EU sausages imported in Japan under EPA preference: the meat products (CH.2) used in the production must be of EU origin; the flavourings such as garlic (CH. 7) can be of non-EU origin.
INFORMATION SOURCES

► EPA text and Annexes:
Of which:
► Annex 2-A: Schedule and Notes (TRQ, etc);
► Annex 3-B: Product specific rules of origin;
► Annex 14-B: GIs.
INFOGRAPHICS SOURCES


- Fiches per sectors and webinars on EPA outcome

<table>
<thead>
<tr>
<th>Date</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 April</td>
<td>Wines and Spirits</td>
</tr>
<tr>
<td>7 May</td>
<td>Geographical Indications</td>
</tr>
<tr>
<td>21 May</td>
<td>Dairy Products</td>
</tr>
<tr>
<td>11 June</td>
<td>Meat Products</td>
</tr>
<tr>
<td>18 June</td>
<td>Processed Agricultural Products</td>
</tr>
</tbody>
</table>
Overall import conditions in Japan, including SPS measures and Animal Quarantine inspection:


- 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:

▶ European Commission: Geographical Indications
Thank you for your attention

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QUESTIONS?

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