



EU JAPAN RELATIONS



POLITICAL RELATIONS

The **EU-Japan strategic partnership** is based upon longstanding cooperation and shared fundamental values and principles such as **democracy, the rule of law, human rights, good governance and a market-based economy**. Japan is a longstanding partner, one of the EU's closest and most like-minded allies in Asia. EU-Japan relations have developed steadily, extending from trade and investment to a wide range of dialogue and cooperation in other areas, from close political cooperation to a broad range of sectoral relations. **Security** is a key area where the EU and Japan have been strengthening their cooperation.

RECENTLY, THE EU AND JAPAN HAVE SUCCESSFULLY CONCLUDED TWO NEW LANDMARK AGREEMENTS WHICH TOGETHER PROMISE TO BOOST BILATERAL RELATIONS, NAMELY THE:

STRATEGIC PARTNERSHIP AGREEMENT



The Agreement will define and underpin the overall EU-Japan relationship. It has a wide scope, covering global and sectoral cooperation in many different areas, and will enhance bilateral cooperation and cooperation in international and regional organisations and fora.

ECONOMIC PARTNERSHIP AGREEMENT



The Economic Partnership Agreement is an ambitious, balanced and progressive trade agreement that promotes the EU's interests and values. The Economic Partnership Agreement will enable European companies to access Japan's large market and it will provide strong guarantees for protecting EU standards and values.

Summits between the EU and Japan have been taking place yearly since 1991.

Additionally, there are a number of formats providing for a regular exchange of views:



TRADE AND ECONOMIC RELATIONS DIALOGUE

Both the EU and Japan are deeply committed to the open, ruled-based trading regime with the WTO at its core.



CLIMATE CHANGE DIALOGUE

The EU and Japan consider climate change as an urgent global issue and are committed towards tackling global warming. The Dialogue usually takes place at the beginning of the year, following the outcome of the annual UN Climate Change Conference.



FOREIGN AND SECURITY POLICY

The EU and Japan maintain formal exchanges and dialogues, as well as frequent high-level meetings on geographic and thematic issues.



CYBER DIALOGUE

Both the EU and Japan support an open and secure cyberspace that respects and promotes common values such as human rights, safe flow of information, democracy and the rule of law. The Dialogue promotes cooperation on cyberspace through exchanges of experience and knowledge in order to ensure a safe, open and secure cyberspace.



FISHERIES AND MARITIME AFFAIRS DIALOGUE

The Dialogue promotes cooperation on ocean governance. Both the EU and Japan are committed towards combatting illegal, unreported and unregulated fishing together.



OTHER DIALOGUES

In the areas of research, human rights, development policy, industrial policy, education, culture, and transport.

TRADE AND ECONOMIC RELATIONS



The EU and Japan are two of the world's four largest economies and together account for around a third of world GDP. Japan is the EU's second biggest trading partner in Asia after China and the EU's sixth most important trading partner worldwide. For Japan, the EU is its third largest trading partner worldwide after China and the US.

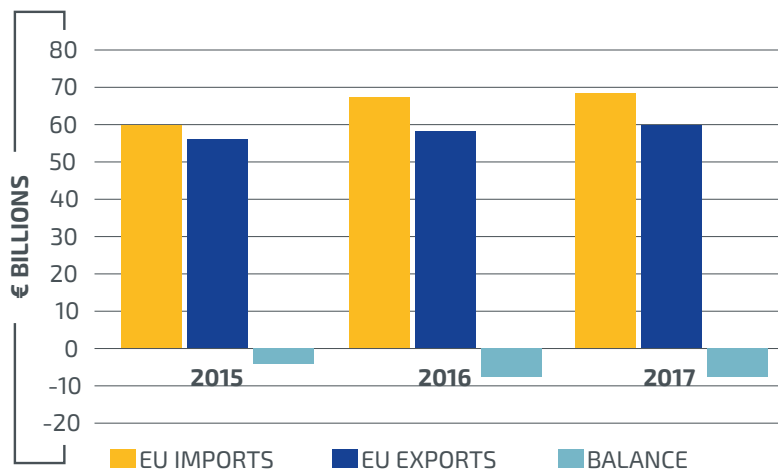
The EU and Japan have concluded a new trade agreement, the **Economic Partnership Agreement**. It will substantially liberalise trade, as Japan will remove customs duties on 91% of its imports from the EU at entry into force. At the end of the transition period, **99% of its imports from the EU will be duty-free**, while the remaining imports (1%, mainly in agriculture) will benefit from quotas and tariff reductions.

Even before the conclusion of the Economic Partnership Agreement, the EU and Japan already had a very close trade ties. **The EU exports over €60.5bn of goods to Japan** every year. Furthermore, more than **600.000 jobs in the EU are tied to exports to Japan** and Japanese companies in the EU employ more than half a million people. Japan exports about €68.9bn of the goods to the EU every year (figures for 2017). The Economic Partnership Agreement will send a powerful signal to the rest of the world that two of the world's largest economies resist protectionism. This agreement will lead to more growth and more jobs for the EU and Japan.

MANUFACTURED GOODS DOMINATE BILATERAL TRADE

Machinery and transport equipment represent **37%** of the total EU exports to Japan, chemicals **25%** and all other manufactured products **22%**, while primary products (such as agriculture, raw materials and energy) represent **14%**. Machinery and transport equipment alone account for **65%** of total EU imports from Japan, while chemicals account for **10%** and primary products for **2%**.

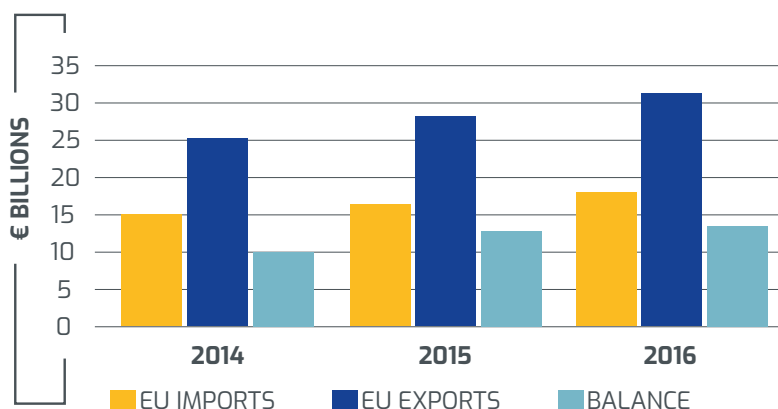
EU-JAPAN TRADE IN GOODS STATISTICS



TRADE IN SERVICES

As for services, exports to Japan grew from **€28bn** in 2015 to **€31bn** in 2016, whilst services imports to the EU from Japan increased from **€16bn** in 2015 to **€18bn** in 2016. The EU's surplus of **€13bn** in its services trade with Japan was mainly due to trade in financial services, computer/information services, travel and air transportation services.

EU-JAPAN TRADE IN SERVICES STATISTICS



DATA FLOWS



Respecting privacy is a condition for stable, secure and competitive global commercial flows. In order to facilitate the exchanges of data, the EU and Japan engaged in adequacy negotiations in January 2017, based on the strong data protection standards of both partners.

Negotiations on reciprocal adequacy were concluded on 16 July, which will complement the Economic Partnership Agreement. They agreed to recognise each other's data protection systems as 'equivalent', which will allow data to flow safely between the EU and Japan, creating the world's largest area of safe data flows.

PEOPLE TO PEOPLE EXCHANGES



In the area of cooperation in higher education, Erasmus Mundus and its successor, Erasmus+, promote mobility of students and academics between European and non-European higher education institutions. Jean Monnet chairs and centres of excellence promote knowledge of and studies on European integration in Japan. **There are currently three Jean Monnet Centres of Excellence in Kobe, Kyushu and Keio Universities.**

Europe is an ideal study abroad location for Japanese students, and the annual European Higher Education Fair provides students with information on many different options Europe has to offer. Several Japanese universities have successfully collaborated with European universities to create new Joint Master, Joint Doctorate, and Double Degree projects. Such programmes focus on a range of subject areas from cultural and social developments in Europe, European Studies, and European philosophy, to sustainable energy development, engineering, and neuroscience. Indeed, Japan and the EU share many priorities and challenges in the field of education and during the G7 education meeting in Kurashiki (May 2016), both sides agreed to develop an EU-Japan policy dialogue, which was officially launched on July 6th 2018, also covering Sports and Culture.

RESEARCH AND INNOVATION



Japan and the European Union share a flair for innovation. An agreement on cooperation in science and technology, in force since March 2011, is the foundation for cooperation between the EU and Japan in this area. A Joint Committee on Scientific and Technological Cooperation was established under this agreement in order to exchange information and views on Science and Technology policy issues, identify priority areas for cooperation and promote reciprocal access to research and innovation programmes.

Priorities for future strategic cooperation are:

(1) areas where cooperation already is substantial, namely ICT, aeronautics, and advanced materials and
(2) areas where cooperation can be strengthened, namely energy (non-nuclear), health, environment, and high-energy physics. Beside these areas, cooperation is already substantial in nuclear research, and there is the potential to increase cooperation in other areas such as space, security, and research infrastructures.

The EU and Japan are working together mainly through:

- (1)** Horizon 2020 calls for collaborative research and innovation proposals,
- (2)** The Marie Skłodowska-Curie scheme under Horizon 2020,
- (3)** The European Research Council under Horizon 2020,
- (4)** Joint calls for research and innovation proposals issued by the EU and Japan
- (5)** Multilateral schemes and projects such as the International Thermonuclear Experimental Reactor, ITER,
- (6)** The EU-Japan Science Policy Forum.