

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Japan Joins Regional Comprehensive Economic Partnership

**Country:** Japan

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**Report Highlights:**

On November 15, Japan joined 14 countries spanning the Asia-Pacific region in signing the Regional Comprehensive Economic Partnership (RCEP) agreement. The members of the agreement are China, Japan, South Korea, Australia, New Zealand, and the 10 members of Association of Southeast Asian Nations (ASEAN). For Japan, it is the first trade agreement signed with China and South Korea. Under RCEP, Japan will abolish tariffs on 56% of farm products imported from China, 49% of those from South Korea, and 61% of items from ASEAN, Australia, and New Zealand.

## Basic Information

Fifteen countries spanning the Asia-Pacific region signed the Regional Comprehensive Economic Partnership (RCEP) agreement on November 15, 2020. The members are China, Japan, South Korea, Australia and New Zealand, along with the 10 members of the Association of Southeast Asian Nations (ASEAN). While Japan already has trade agreements with Australia and New Zealand through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and with ASEAN through the Japan-ASEAN Economic Partnership Agreement (EPA), RCEP marks the first trade agreement signed with China and South Korea.

RCEP will take effect after at least six ASEAN countries and three non-ASEAN countries ratify the agreement.

According to media reports, the Government of Japan is planning to submit a bill to ratify the agreement during the ordinary session of the Diet early next year. In addition, while other countries will not be permitted to join RCEP for a certain period of time after it takes effect, this provision will not apply to India which participated in negotiations until it withdrew in late 2019. The RCEP members are planning to prepare a separate document which will allow India to rejoin.

## Agricultural Trade under RCEP

In terms of tariff concessions, Japan retained tariffs on five sensitive agricultural product categories — rice, beef and pork, wheat, dairy and sugar — together with retaining tariffs on poultry and poultry products. Under RCEP, Japan will abolish tariffs on 56% of farm products imported from China, 49% of those from South Korea, and 61% of items from ASEAN, Australia, and New Zealand<sup>1</sup>. The scope of tariff reductions and eliminations provided by Japan is smaller than the CPTPP and Japan-European Union EPA which eliminated tariffs on 82% of Japan's agricultural imports. The U.S.-Japan Trade Agreement eliminated tariffs on 37% of agricultural tariff lines. According to media reports, the tariff concessions provided to the ASEAN countries is similar to those provided under the Japan-ASEAN EPA. While the majority of Japan's new concessions went to China and South Korea, the Japanese government explained that agricultural products for which Japan is seeking to strengthen domestic production were excluded from the agreement.

Chart 1 below, published by the Ministry of Agriculture, Forestry, and Fisheries (MAFF), lists the main categories where Japan provided tariff concessions for imports of agricultural products. The full list of tariff concessions by Japan is available in English here: [MoFA: Schedule of Tariff Commitments - Japan](#).

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<sup>1</sup> Based on the number of tariff lines for agricultural products. Includes tariff lines already duty free. Source: MAFF.

**Chart 1: RCEP Tariff Concessions Given by Japan for Agricultural Imports**

Product category	China	South Korea	ASEAN/Australia/ New Zealand
Rice	Excluded from RCEP		
Wheat			
Beef, pork			
Dairy products			
Sweetener			
Resource crops			
Poultry and poultry products			
Vegetables, fruit	<p>Products where domestic supply is insufficient to meet domestic demand were <b>included</b>. (examples: frozen processed vegetables, dried vegetables, ginseng)</p> <p>Products where the government is strengthening domestic production were <b>excluded</b>. (examples: onions, green onions, carrots, shiitake mushrooms (includes dried), taro (frozen), broccoli (frozen))</p>	Vegetables are basically excluded.	The scope of tariff concessions is significantly lower than what was provided under the CPTPP and Japan-EU EPA, and is also within the existing EPAs.
Forest products	<p>Most products <b>included</b> have little or no import record.</p> <p>Approximately half of products were <b>excluded</b>. (examples: plywood, SPF lumber, laminated wood for use in construction)</p>	<p>Most products <b>included</b> have little or no import record.</p> <p>Approximately one-third of the products were <b>excluded</b>. (examples: plywood, SPF lumber, laminated wood for use in construction)</p>	
Fishery products	<p>Products where domestic supply is insufficient to meet domestic demand were <b>included</b>. (examples: processed clams)</p> <p>Products where the government is strengthening domestic production were <b>excluded</b>. (examples: eel products, seaweed products)</p>	Scope of excluded fishery products greater than China.	

Source: MAFF (translated by FAS/Tokyo)

In terms of agricultural exports, Japan obtained tariff eliminations for products given high priority by domestic exporters including scallops to China, candy and chocolate confectionery to South Korea, and beef to Indonesia. Chart 2 below shows the main product categories for which Japan received agricultural tariff concessions. Further details are available in Japanese here: [MAFF: Major Agreements on Export of Agricultural, Forestry and Fisheries Products](#).

**Chart 2: RCEP Tariff Concessions Gained by Japan for Agricultural Exports**

Destination country	Product category	Current tariff rate	Details of tariff reduction/elimination
China	Packaged rice, etc.	10%	Eliminated in Year 21
	Rice confectionery	10%	Eliminated in Year 21
	Sauces and mixed condiments	12%	Eliminated in Year 21
	Soy sauce	12%	Eliminated in Year 21
	Chocolate confectionery	8%, 10%	Eliminated in Year 11/16
	Cut flowers	10%, 23%	Eliminated in Year 11/21
	Scallops (excludes scallops for farming, which are tariff free)	10%	Eliminated in Year 11/21
	Yellowtail	7%	Eliminated in Year 11/16
	Salmon	5%, 7%, 10%	Eliminated in Year 11/21
	Walleye pollack	5%, 7%	Eliminated in Year 11/21
	Conifer plywood	2%	Eliminated in Year 11
South Korea	Candy	8%	Eliminated in Year 10
	Chocolate bars	8%	Immediately eliminated or eliminated in Year 10
	Wood carpentry (windows, doors, piles, beams)	8%	Eliminated in Year 10
Indonesia	Beef	5%	Immediately eliminated or eliminated in Year 15
	Soy sauce	5%	Eliminated in Year 10

Source: MAFF (translated by FAS/Tokyo)

In addition to tariff concessions, the RCEP countries agreed to establish the certain rules in areas of trade including (but not limited to):

**- Customs Procedures and Trade Facilitation**

- Parties shall adopt or maintain procedures that allow goods to be cleared from customs within a period no longer than that required to ensure compliance with its customs laws and regulations and, to the extent possible, within 48 hours of the arrival of goods and lodgement of all the necessary information for customs clearance.
- Express consignment to be released under normal circumstances as rapidly as possible, and within six hours when possible, after the arrival of the goods and submission of the information required for release.
- For more details, please refer to Chapter 4 of the agreement ([CHAPTER 4: CUSTOMS PROCEDURES AND TRADE FACILITATION](#))

**- Sanitary and Phytosanitary Measures**

- Provision of explanatory documents or summaries of the reported sanitary and phytosanitary measures in English (there was no obligation for developing nations under the WTO/SBS Agreement).
- Technical discussions shall be held as soon as practicable
- For more details, please refer to Chapter 5 of the agreement ([CHAPTER 5: SANITARY AND PHYTOSANITARY MEASURES](#))

**- Standards, Technical Regulations, and Conformity Assessment Procedures**

- Provision of the full text or summary of reported mandatory standards and conformity assessment procedures in English (there was no obligation for developing countries under the WTO/TBT Agreement).
  - Technical discussions shall be held as soon as practicable.
  - For more details, please refer to Chapter 6 of the agreement ([CHAPTER 6: STANDARDS, TECHNICAL REGULATIONS, AND CONFORMITY ASSESSMENT PROCEDURES](#))
- **Intellectual Property (protection of plant varieties, geographical indications, trademarks)**
- Cooperation towards the accession to the 1991 Act of International Convention for the Protection of New Varieties of Plants as revised at Geneva on 19 March 1991
  - Provides for the exchange of information on protection of geographical indications (schemes, procedures, and products covered by the scheme)
  - Each Party shall provide that its competent authority has the authority to refuse an application or cancel a registration where the application to register the trademark was made in bad faith in accordance with its laws and regulations
  - For more details, please refer to Chapter 11 of the agreement ([CHAPTER 11: INTELLECTUAL PROPERTY](#))

**Attachments:**

No Attachments.