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Prepared By: Keiko Fujibayashi

Approved By: Mark Wallace

Report Highlights:

The United Kingdom (UK) and member states of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) signed the agreement to join the CPTPP in July 2023. Japan will grant the same treatment as the current CPTPP for UK agriculture, forestry, and fisheries products. For agricultural safeguard measures, Japan will retain the trigger levels and mechanisms for the other CPTPP members while including imports from the UK under the Japan-UK Economic Partnership Agreement for triggering the safeguard against the UK under the CPTPP.

On July 16, 2023, the United Kingdom (UK) and member states of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) ¹ signed [the Protocol for the Accession of the United Kingdom of Great Britain and Northern Ireland to the CPTPP](#) (hereinafter referred to as “the Protocol”) at the seventh CPTPP commission meeting. [The Protocol](#), an international treaty, will amend the CPTPP to include the UK in the Agreement. [The Protocol](#) outlines UK-related provisions applicable to specific chapters, and it sets out the UK market access terms² and the relevant changes to the terms of the existing parties. The UK’s accession to the Agreement will not change the original CPTPP rules.

The UK and each existing member state will need to complete its applicable domestic legal procedures for entry into force of the Protocol, which occurs after the last of the UK and the CPTPP members gives notice on completion of its domestic legal procedures to the CPTPP depository, New Zealand³. Japan requires Diet approval for the Protocol and media sources expect the earliest time for Government of Japan (GOJ) to submit a bill on the Protocol for approval will be at the extra-ordinary Diet session in the fall of 2023.

The UK is the first new economy to join the CPTPP since the agreement was signed in 2018. The CPTPP came into effect on December 30, 2018 for Australia, Canada, Japan⁴, Mexico, New Zealand and Singapore. The CPTPP entered into force for Vietnam on 14 January 2019; for Peru, on 19 September 2021; for Malaysia, on November 29, 2022; for Chile, on February 21, 2023; and for Brunei Darussalam, on July 12, 2023. The UK already has trade agreements with all CPTPP partners except for Malaysia and Brunei.

CPTPP Accession Process

The UK was the first country to formally request accession to the CPTPP on 1 February 2021, a year after it left the European Union (EU). The CPTPP members agreed to start negotiations with the UK on 2 June 2021. In March 2023, the CPTPP members and the UK reached agreement on the terms of the UK’s accession to the CPTPP.

The CPTPP members express support for the expansion of the CPTPP to include economies committed to the Agreement’s objectives, its rules, and its principal of comprehensive market access⁵. The CPTPP members established the [CPTPP Accession Process](#), by which member consensus initiates accession negotiations upon receipt of a formal request to join the CPTPP. The [Joint Ministerial Statement](#) of the seventh CPTPP commission meeting acknowledged that there were six accession requests. According to media, China, Taiwan, Ecuador, Costa Rica, Uruguay, and Ukraine submitted formal accession requests to the CPTPP depository⁶. The [Joint Ministerial Statement](#) states that “the membership is currently

¹ Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam.

² The UK’s tariff schedule and Tariff Rate Quotas (TRQ) can be found in [Annexes](#).

³ If the UK and the CPTPP members have not ratified it within 15 months after signing the Protocol, the Protocol will enter into force 60 days after the UK and six or more CPTPP members have completed the domestic legal procedures. If this requirement is met within 15 months of signing, the Protocol will enter into force after 15 months.

⁴ Japan’s tariff schedule, TRQs and safeguard measures are based on Japan fiscal year which runs from April 1 to March 31. Thus Year 1 for CPTPP for Japan is Japan fiscal year 2018 starting from April 1, 2018.

⁵ [Joint Ministerial Statement of the Sixth Commission Meeting](#) in October 2022

⁶ According to media sources, China formally applied for a CPTPP membership on September 16, 2021 and a week later Taiwan also submitted an accession application on September 22, 2021. Ecuador submitted a formal accession

undertaking an information-gathering process on whether aspirant economies can meet the CPTPP’s high standards”. South Korea, Thailand, and the Philippines also expressed an interest in joining the CPTPP, according to the media.

Japan-UK Economic Partnership Agreement

Following the UK’s exit from the European Union (EU), Japan and the UK concluded the Japan-UK Economic Partnership Agreement (EPA), which took effect January 1, 2021⁷. The Japan-UK EPA applies the same tariffs as the Japan-EU EPA⁸ on UK agricultural, forestry and fisheries products and alcoholic beverages, but did not establish any Tariff Rate Quotas (TRQs). By contrast, Japan established [25 EU TRQs](#) under the Japan-EU EPA. However, under the Japan-UK EPA, when EU TRQ volumes are left unused, upon request of Japanese importers Japan can apply unused in-quota tariffs of the Japan-EU EPA retrospectively to the 10 imported UK products specified in Table 1 below. In Japan Fiscal Year (JFY)⁹ 2022, in-quota tariffs of Japan-EU EPA were applied to only five metric tons of cheese from the UK despite plentiful EU TRQ volumes left unused for all 10 products.

Under the Japan-UK EPA, Japan gradually reduces the tariffs on beef over a 14-year period (by April 1, 2033), pork over an 8-year period (by April 1, 2027) and whey over a 9-year period (April 1, 2028). The agreement also phases out the tariffs on processed pork in Year 9 (from April 1, 2028); on oranges in Year 6 (from April 1, 2025), and Year 4 (from April 1, 2023); and on race horses in Year 14 (from April 1, 2033) with the combination of safeguard measures. Japan applies the same tariff schedule, safeguard mechanisms, and over-safeguard tariffs for these products under both the CPTPP¹⁰ and Japan-EU EPA. For the Japan-UK EPA, Japan will activate the safeguard if the total import volume from the EU and the UK exceeds the trigger level set under Japan-EU EPA.

Table 1. The “10 UK Products”

1	Wheat products
2	Mixes, doughs and cake mixes
3	Food preparations made primarily of wheat
4	Food preparations of barley
5	Coffee, tea mixes, food preparations and doughs
6	Seaweed and other algae preparations and food preparations with more than 50% sucrose
7	Food preparations containing more than 50% of sucrose and cocoa powder
8	Food preparations containing cocoa
9	Food preparations containing cocoa for the preparation of chocolate
10	Cheeses

Source: MAFF

request in December 2021, followed by Costa Rica in August 2022, Uruguay in December 2022 and Ukraine on May 5, 2023.

⁷ Year 1 for Japan-UK EPA is Japan fiscal year 2020 starting from April 1, 2020.

⁸ Japan-EU EPA entered into force on February 1, 2019. Year 1 is Japan fiscal year 2018 starting from April 1, 2018.

⁹ Japan Fiscal Year (JFY) runs from April 1 to March 31.

¹⁰Except whey - Japan will phase out the tariffs on whey with the protein content between 25 percent and 45 percent in Year 21 (from April 1, 2038) and whey with less than 25 percent protein in Year 16 (from April 1, 2033) under the CPTPP.

Japan Treatment for UK under CPTPP

Japanese Agricultural Minister Tetsuo Nomura commented that there will be almost no impact of the UK accession to the CPTPP on Japanese agriculture since Japan's concessions for UK products are within the scope of the current CPTPP. Also, Japan-UK EPA already had established concession levels similar to those of the CPTPP. Accordingly, Japan made no changes in the current CPTPP for treatment of UK agriculture, forestry and fisheries products, but Japan did adjust safeguard measures of the Japan-UK EPA and the CPTPP for the UK to count UK imports under both agreements.

Tariff Treatment

On July 16, 2023, Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) announced the following tariff treatment for imports of agriculture, forestry, and fisheries products from the UK.

1. Japan's tariff measures are within the scope of the current CPTPP.
2. Japan will treat the UK and other current CPTPP members equally. Japan will apply the same tariff rates as the current CPTPP to the UK from the date of entry into force of the Protocol.
3. Japan will not grant to the UK concessions that are currently granted only to some signatories, such as country-specific tariff rate quotas¹¹. Japan will not establish Country Specific Quotas (CSQ) for the UK.
4. For TRQ products, Japan will retain the current CPTPP quota volumes while allowing the UK to use the CPTPP quotas.

Adjustment to Agricultural Safeguard Measures

Japan sets the safeguard adjustment provision in the Protocol Annex (A-28 – A-32). The summary below is based on MAFF announcement on July 16, 2023.

1. Quantity-Based CPTPP-Wide Safeguard Measures

- Beef
- Pork priced less than 399 yen/kg (299.5 yen/kg for pork carcass)
- Whey Protein Concentrates (protein content is 25 percent or more and less than 45 percent)
- Whey Powder (protein content less than 25 percent)
- Oranges (fresh, dry)

Under the current CPTPP, Japan activates the safeguard for the above products when the total import volume of all CPTPP members exceeds the trigger levels. Upon UK's entry into the CPTPP, Japan retains the current CPTPP safeguard trigger levels and mechanisms, and will trigger the safeguard against the original 11 CPTPP members when the total volume of preferential tariff imports of all CPTPP members, including the UK, exceeds the CPTPP trigger levels. For safeguard against the UK under the CPTPP, if the total volume of preferential tariff imports of all CPTPP members including the UK plus Japan-UK EAP preferential tariff imports from the UK exceeds the CPTPP trigger level, Japan will trigger the UK safeguard. Similarly, under the Japan-UK EPA, Japan will trigger safeguards against

¹¹ Under the CPTPP, Japan established CSQs for rice for Australia, wheat for Australia and Canada, malt for Australia and Canada, processed cheese for Australia and New Zealand, whey for Australia and New Zealand, and inulin for Chile.

the UK if the total volume of preferential imports of the EU plus the UK which includes both preferential tariff imports of the CPTPP and the Japan-UK EPA exceeds the Japan-UK EPA trigger levels which are equal to the Japan-EU EPA.

Table 2. New Safeguard Treatment

Trigger Level and Over Safeguard Tariffs	Safeguard applied to	Trigger determined by
Current CPTPP	Original 11 CPTPP members	The total volume of all CPTPP preferential tariff imports including the UK
Current CPTPP	UK	The total volume of CPTPP preferential tariff imports including the UK plus UK preferential tariff imports of the Japan-UK EPA
Current Japan-UK EPA which is equal to Current Japan-EU EPA	UK	The total volume of the EU preferential tariff imports of the Japan-EU EPA plus the UK preferential tariff imports of the CPTPP <i>and</i> the Japan-UK EPA

Source: MAFF

Japan imported 2,722 MT of beef from the UK in 2022. Since one of the three criteria¹² for triggering the beef safeguard of the United States and Japan Trade Agreement (USJTA)¹³ is the total volume of CPTPP preferential tariff imports plus USJTA preferential tariff imports from the United States, UK's accession to the CPTPP may have an impact on the USJTA beef safeguard.

2. Quantity-Based Country-Specific Safeguard Measures

- Pork priced 399 yen/kg (299.5 yen/kg for pork carcass) or more
- Processed Pork (ham and bacon, etc)

Under the current CPTPP, Japan sets the safeguard trigger levels by country; it uses the maximum import volume of the last three years multiplied by a set ratio, 116 percent for JFY2023. Volumes beyond that trigger the safeguard. Upon UK's entry into the CPTPP, Japan's safeguard for the UK triggers when the total volume of UK products imported under CPTPP preferential tariffs *and* the Japan-UK EPA preferential tariffs exceeds the trigger level. The total import volume for one fiscal year, which determines the trigger level, includes the total import volume from the UK with the Japan-UK EPA preferential tariffs. The rates for calculating the trigger levels and the safeguard tariffs under the current CPTPP safeguard provisions will apply to the UK.

3. Value-Based Safeguard Measure for Race Horses

Under the CPTPP, when the import price per head is more than 10 percent lower than the trigger price, Japan imposes additional tariffs according to the difference. Japan will apply the current CPTPP safeguard mechanism to the UK once it enters the CPTPP.

To date, Japan has not triggered the safeguard measures for the CPTPP except for processed pork from Canada between November 1, 2022 and March 31, 2023.

¹² The three criteria can be found [here](#).

¹³ The USJTA entered into force on January 1, 2020. Year 1 is JFY2019 starting from April 1, 2019.

What UK Gains under CPTPP in the Japanese Market

Under the CPTPP, Japanese importers of UK products will have option to use TRQs and the lower tariffs of either the CPTPP or the Japan-UK EPA. The UK states that the CPTPP will benefit UK agriculture beyond the Japan-UK EPA by giving improved Japan market access opportunities for butter and milk powder, and for cereal products¹⁴.

The UK will have new access to the TRQs for butter and milk powder that Japan established under the CPTPP (Table 4). Under Japan-EU EPA, Japan established the TRQ covering multiple dairy products, including butter and milk powder, but that TRQ preferential tariffs are not applicable to the UK (Table 1). Japan imported from the UK 16 metric tons and 10 metric tons of butter and skim milk powder respectively in 2022. Although the UK is only a small dairy exporter to Japan, an increase in new CPTPP members will increase competition in Japan's dairy market for the United States as Japan does not grant preferential treatment for butter and milk powder under the USJTA (Table 4). Japanese importers will have new access to preferential tariffs and TRQs for UK cheese via the CPTPP. Importers will also have access to preferential tariffs of Japan-EU EPA TRQ which are applicable for UK cheese if the EU quota remains unused (Table 1 and Table 5). Japan imported 135 metric tons of cheese from the UK in 2022. Japan's tariff concessions for cheese under the USJTA are similar to those of the CPTPP (Table 5).

For cereal products, Japanese importers will be able to use the CPTPP duty-free TRQs for "mixes, doughs and cake mixes" and "food preparations made primarily of wheat" for UK products in addition to EU duty-free TRQs for these products under Japan-EU EPA, which are applicable to UK products if the EU quota remains unused. Japan imported 646 metric tons of "mixes, doughs and cake mixes" from the UK in 2022.

While Japan's tariff schedules are similar for both the CPTPP and the Japan-UK EPA, there are some differences. For example, Japan phased out biscuit tariffs between 10 percent and 20.4 percent by April 1, 2023 in the CPTPP while maintaining some tariffs until April 1, 2028 in Japan-UK EPA. Japan will phase out a 30 yen per kilogram tariff on pasta by April 1, 2028 under Japan-UK EPA, but for the CPTPP will only reduce the pasta duty to 12 yen per kilogram by April 1, 2026 and nothing thereafter. Japan immediately eliminated tariffs (15 percent or 125 yen/liter) on wine under Japan-UK EPA, but for the CPTPP will instead phase out tariffs from April 1, 2025. Japan also will phase out a 10 percent tariff on chocolate under the Japan-UK EPA, but for CPTPP will only establish a duty free TRQ.¹⁵ Japanese importers will be able to choose the lower of tariff rates on UK products from either the CPTPP or Japan-UK EPA agreements.

Japan's Imports of UK Agricultural Products

Japan's imports of the UK's agricultural products increased 106 percent in value over the decade ending in 2022. Whiskies, beef, cattle tongues, and dairy products contributed to the export growth. Japan relaxed the cattle age restrictions for beef and beef products and resumed imports from the UK in 2019. Japan set the same tariff reduction schedule on beef and beef products for both the Japan-UK EPA and

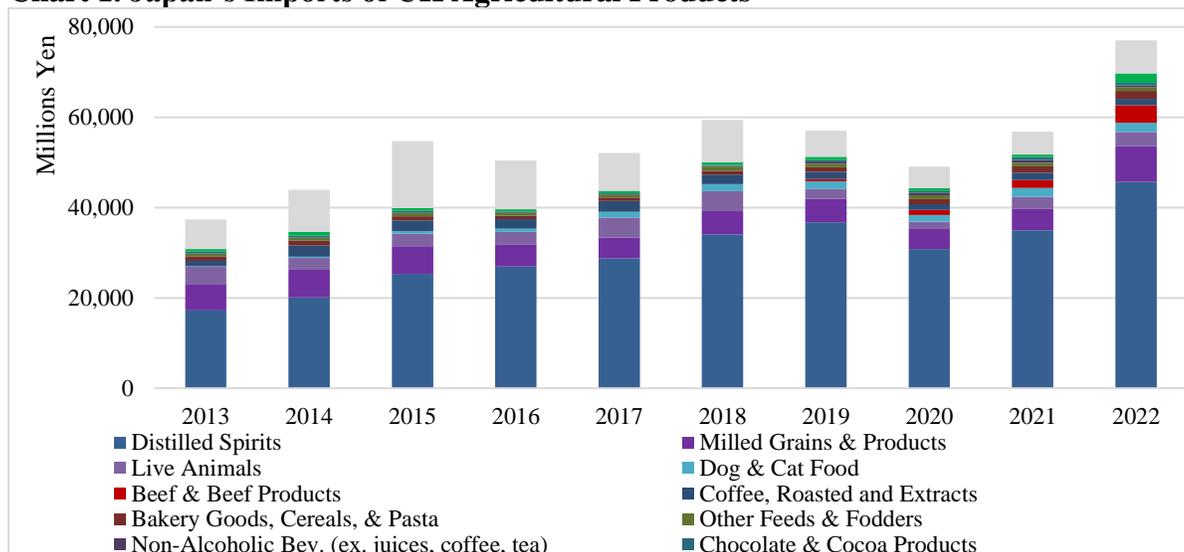
¹⁴ The UK [policy paper](#) published on March 31, 2023.

¹⁵ Japan will increase the CPTPP TRQ for chocolate to 18,000 metric tons over an 11-year period (by April 1, 2028).

the CPTPP. Japan imported 894 metric tons of cattle tongues and 2,722 metric tons of beef from the UK in 2022.

Whiskies, malt, live horses, live chicks, petfood, bakery products¹⁶ and non-alcoholic beverages have been UK’s major export items to Japan (Chart 1). From the UK Japan imports whiskies, malt¹⁷, petfood, and live poultry chicks duty free; it also imports live horses duty free or at reduced tariffs¹⁸.

Chart 1. Japan’s Imports of UK Agricultural Products



Source: Trade Data Monitor

What Japan Gains under CPTPP in the UK Market

Under the CPTPP, the UK will eliminate tariffs on imports of milled rice and microwavable packaged rice from Japan, which were not eliminated under the Japan-UK EPA (Table 3).

¹⁶ Bakery products include bread, pastry, cakes, biscuits, mixes, doughs, and cake mixes.

¹⁷ Japan sets duty-free EU quota for malt under the Japan-EU EPA and CSQs for Australia and Canada for malt in the CPTPP in addition to the duty-free WTO malt quota. As MAFF sets the WTO quota volume annually in accordance with the domestic demand, and since in-quota duty is free, the majority of importers continue to use the WTO malt quota while the EU quota and CPTPP CSQs are constantly underutilized (see GAIN [JA2021-0137](#)).

¹⁸ Japan phases out the 3.4 million yen per head tariffs on pure-bred breeding race horses by April 2033 in Japan-UK EPA, Japan-EU EPA and the CPTPP.

Table 3. UK Tariffs on Japanese Products under CPTPP

Product	MFN Duty	CPTPP	Japan-UK EPA
		UK Duty for Japan	
Wholly Milled Rice (short and medium grain)	121 GBP/MT	Eliminate immediately	No change
Semi-Milled Rice (short and medium grain)	121 GBP/MT	Phase out in Year 8	
Husked (Brown) Rice (short and medium grain)	25 GBP/MT	Eliminate immediately	
Rice Flour	115 GBP/MT	Eliminate immediately	
Packaged Prepared Rice	8% + 38 GBP/MT	Phase out in Year 5	
Beef	0 ~ 12%+254 GBP/100 kg	Eliminate immediately	
Green Tea	Free, 2%	Eliminate immediately	
Yellowtail	14% ~ 18%	Eliminate immediately*	Eliminate immediately

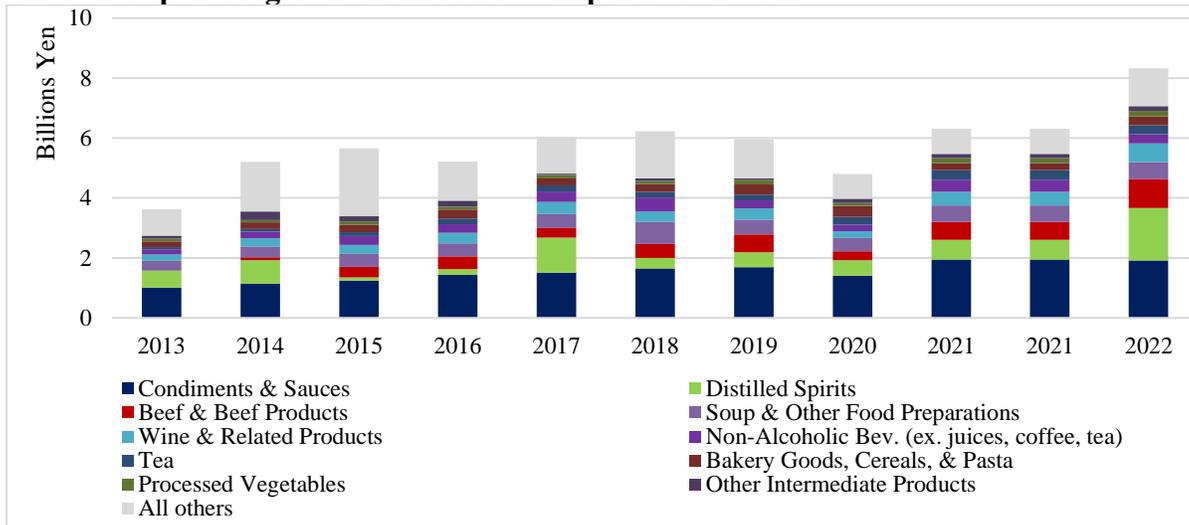
Source: [MAFF, Annex 2-D Tariff Schedule of the United Kingdom](#)

*For frozen yellowtail including fillet, the tariff will be phased out in Year 5.

Japan's agricultural product exports have grown 130 percent in value over the decade ending in 2022 (Chart 2). Major export items are whiskies, sauces, mixed condiments and seasonings, beef, *sake* (rice wine), soy sauce, soups and broths, green tea, and waters and rice. The UK eliminated tariffs on Japan's major export items except rice under Japan-UK EPA.

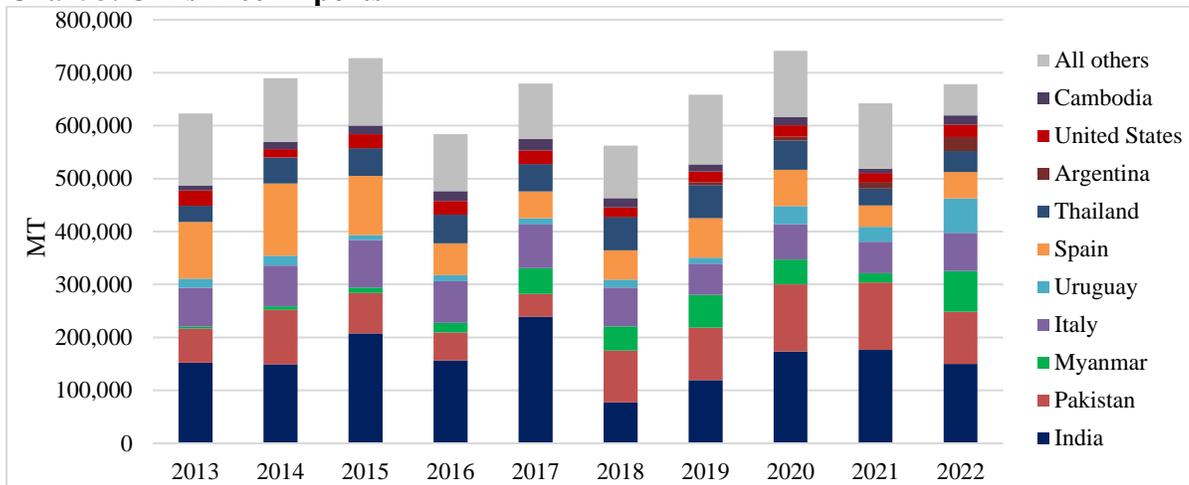
The UK does not grow rice so it relies entirely on imports to meet demand. In 2022, the UK imported 678,090 metric tons of rice, of which Basmati rice from India and Pakistan accounted for 37 percent. According to the Rice Association in the UK, long grain rice dominates the UK rice market. In 2022, the UK imported 541 metric tons of rice from Japan where short grain Japonica rice dominates production. According to MAFF, Japanese rice is distributed at a price about 1.6 times that of European Japonica rice in the UK. The elimination of tariffs on Japanese short grain rice should boost competitiveness of Japanese rice in the short grain market in the UK.

Chart 2. Japan's Agricultural Products Exports to the UK



Source: Trade Data Monitor

Chart 3. UK's Rice Imports



Source: Trade Data Monitor

Table 4. Japan's TRQs for Butter and Milk Powder under Japan-EU EPA, CPTPP and USJTA

	MFN Duty	Japan-EU EPA		CPTPP		USJTA		
		TRQ	Duty	TRQ	Duty	TRQ	Duty	
Butter and other dairy spreads	29.8%+985 yen/kg, 29.8% + 1,159 yen/kg	15,000 MT from April 1, 2023 thereafter	Reduce to 35% in Year 11 (from April 1, 2028)	45,898 MT on April 1, 2023 thereafter	Reduce to 35% in Year 11 (from April 1, 2028)	No Change		
Skimmed Milk Powder (sugar added)	425 yen/kg,			24,102 MT from April 1, 2023 thereafter				
Skimmed Milk Powder (no sugar added)	21.3% + 396 yen/kg, 21.3% + 425 yen/kg				Reduce to 25% in Year 11 (from April 1, 2028)			Reduce to 25% in Year 11 (from April 1, 2028)
Milk Powder	25.5%+612 yen/kg, 25.5%+1,023 yen/kg			Reduce to 30% in Year 11 (from April 1, 2028)	2,250 MT from April 1, 2023 thereafter			Reduce to 30% in Year 11 (from April 1, 2028)
Butter Milk Powder (sugar added)	29.8%+396 yen/kg,			Reduce to 35% in Year 11 (from April 1, 2028)				Reduce to 35% in Year 11 (from April 1, 2028)
Butter milk powder (no sugar added)	29.8% + 582 yen/kg, 29.8% + 1,023 yen/kg			Reduce to 25% in Year 11 (from April 1, 2028)				Reduce to 25% in Year 11 (from April 1, 2028)
Condensed milk (sugar added)	25.5%+254 yen/kg, 25.5%+509 yen/kg				750 MT from April 1, 2023 thereafter			Eliminate immediately
Condensed milk (no sugar added)	21.3%+254 yen/kg, 21.3%+509 yen/kg	No change		4,750 MT from April 1, 2023 thereafter	Eliminate immediately			
Milk powder for chocolate manufacture	25.5%+612 yen/kg, 25.5%+1,023 yen/kg	Increase to 15,940 MT in Year 11 (from April 1, 2028)	Eliminate immediately for 1:3 tie-in quota	Increase to 60,000 MT in Year 11 (from April 1, 2028)	Eliminate immediately for 1:3 tie-in quota			

Source: MAFF

Table 5. Japan Cheese Tariff Schedule and TRQ/CSQs under Japan-EU EPA, CPTPP, and USJTA

		HS	MFN Duty	Japan-EU EPA	CPTPP	USJTA			
Cheese 1. (Soft type cheese)	Cream cheese 45% or more milk fat	040610090	29.8%	Established EU TRQ which will increase to 31,000 MT in Year 16 (from April 1, 2033) Phase out in-quota duty in Year 16 (from April 1, 2033)	Reduce duty to 26.8% immediately				
	Mozzarella, etc				No change				
		Ripened soft cheese eg., camembert			040690090	Establish a 1:3.5 tie-in duty-free quota for those intended to make shred cheese. MAFF decides the quota volume annually in accordance with domestic demand. 8,000 MT for JFY2023.	No change		
								No change	
								Reduce duty by 50% in Year 11 (from April 1, 2028)	Reduce duty by 50% in Year 10 (from April 1, 2028)
		Blue-veined cheese			040640090	Phase out duty in Year 16 (from April 1, 2033)	Phase out duty in Year 16 (from April 1, 2033)		
	Shredded cheese	040610020			22.4%	Phase out duty in Year 16 (from April 1, 2033)	Phase out duty in Year 15 (from April 1, 2033)		
Grated or powdered processed cheese	040620100	40.0%	Establish CSQs for Australia and New Zealand which will increase to 150 MT each in Year 11 (from April 1, 2028)	Establish TRQ which will increase to 150 MT in Year 10 (from April 1, 2028)					
Processed cheese	040630000	40.0%	Phase out in-quota duty in Year 11 (from April 1, 2028)	Phase out in-quota duty in Year 10 (from April 1, 2028)					
Cheese 2. (Hard type cheese)	Creem cheese less than 45% milk fat	040610090	29.8%	Phase out duty in Year 16 (from April 1, 2033)	Phase out duty in Year 15 (from April 1, 2033)				
	Ripend hard cheese, eg. cheddar and gouda	040690090							
	Grated or powdered natural cheese	040620200							

Source: MAFF

Attachments:

No Attachments.