

Broadening Economic Partnerships

Economic zones based on free and fair rules that promote global sustainable growth are spreading in the increasingly borderless global economy

Borderless and interdependent relationships are steadily advancing in the global economy. Amid this, economic zones based on free and fair rules are forming as respective countries enter into the agreements necessary to realize global stability and sustainable growth. Based on this background Japan has been actively promoting the establishment of bilateral and

intraregional rules through, for example, the Economic Partnership Agreement (EPA). The leaders' declaration adopted at the G20 Osaka Summit under Japan's presidency also incorporated the basic principles of free trade, such as the necessity for it to be "free, fair and non-discriminatory."

The Comprehensive and Progressive Agreement for the 11-nation Trans-

Pacific Partnership (TPP11) entered into force in December 2018, while the EPA between Japan and the European Union (EU) came into force in February 2019. The mutual efforts by signatory countries to eliminate or reduce tariffs are expected to revitalize trade in both agreements. Rules have also been introduced in the areas of intellectual property and investment regulation, as well as in



Trade expansion is expected to occur as a result of tariff reduction and elimination, and through the development of common rules.



As world digital transactions have been accelerating, a new set of rules for e-commerce are being created.

electronic commerce, which had been a growing need in an environment of increasing global digital transactions arising from rapid globalization and the advancement of information technology. Signatory countries find it easier to attract investment and benefit from becoming part of supply chains.

The effects of tariff reduction has already begun to appear. In the Japanese market, the prices of European cheese and Australian beef have fallen, imports have grown, and various tastes from around the world

can be enjoyed more easily. On the other hand, for example, exports of the branded beef and premium Japanese sake to Europe are growing, and consumers can now savor the authentic taste without coming to Japan.

To date, Japan is a signatory to 18 EPAs, involving 21 countries and regions, that have either entered into force or signed. In addition, negotiations are proceeding with the Regional Comprehensive Economic Partnership (RCEP). Signatory

countries are to be comprised of 10 ASEAN members and six other nations including Japan, China, and India. The realization of the RCEP would create an economic zone comprising approximately half the world's population. Besides, the Asia Pacific Economic Cooperation (APEC) is discussing the realization of a Free Trade Area of the Asia-Pacific (FTAAP) that includes the TPP and the RCEP. It is expected that we will take a step closer to realizing the FTAAP by promoting free trade in regions such as the TPP and the RCEP.

With each country working together for economic prosperity through the promotion of economic cooperation, regional stability can be achieved. As a flagbearer of free trade, Japan will continue to promote the expansion of economic zones based on free and fair rules throughout the world. *

Kampai with Sake and Japanese Wine!

For Japanese sake enthusiasts living in Europe, the effectuation of the Japan-EU EPA is certainly welcome news. Riding the Japanese food boom, the aggregate value of Japanese sake exports has tripled over ten years, but most of those have been to the United States and Asia. Through the Japan-EU EPA coming into effect, tariffs on Japanese sake to the EU were instantly eliminated and some brands have also obtained approval to display a Geographical Indication (GI), which has enabled consumers to more easily enjoy high-quality Japanese sake. Japanese sake is not the only Japanese product that has gained

access to the dinner tables of Europe. Tariffs on Japanese wine (wines brewed in Japan made entirely from indigenously cultivated grapes) were also immediately removed. Since the EPA came into force in February 2019, exports of Japanese wine to the EU in the five months till June have seen modest, year-on-year volume growth of 15.7%. Japanese wines are developing a high reputation even internationally for their attention to quality in grape cultivation and their delicate taste. With further expansion of EPAs, more people in the world can look forward to savoring those delectable flavors.



Top: An e-commerce company dealing in specialty Japanese sake for European markets gives a sake tasting to a visitor.

Bottom: Winegrowers preparing a shipment at Katsunuma, a renowned wine region in Yamanashi Prefecture.

