

## Japan in Focus

### Japan

Conclusion of negotiations on JAEPA was announced in Tokyo on 7 April 2014 by Prime Minister Tony Abbott and Prime Minister Shinzo Abe. Prime Minister Abbott and Prime Minister Abe signed the agreement on 8 July 2014 in Canberra. The Japan-Australia Economic Partnership Agreement (JAEPA) entered into force on 15 January 2015.

The bulk wine tariff (>150 litres) was eliminated on entry into force of the agreement. The tariff for wine in containers (>10l<150l) will be eliminated over 10 years. The wine tariff for bottled (and bag-in-box< 10l) wine will be eliminated on 1 April 2021:

- 13.1 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 58.63 Yen per litre, as from the date of entry into force of the Agreement;
- 11.3 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 50.25 Yen per litre, as from 1 April of 2015;
- 9.4 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 41.88 Yen per litre, as from 1 April of the third year;
- 7.5 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 33.5 Yen per litre, as from 1 April of the fourth year;
- 5.6 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 25.13 Yen per litre, as from 1 April of the fifth year;
- 3.8 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 16.75 Yen per litre, as from 1 April of the sixth year;
- 1.9 per cent or 125 Yen per litre, whichever is the less, subject to the minimum customs duty of 8.38 Yen per litre, as from 1 April of the seventh year; and
- free, as from 1 April of the eighth year (April 2021).

As Japan implements its tariff reductions in April of each year, this means two tariff reductions occurred in 2015.

### **Non-tariff issues**

WFA has also been active in pursuing the approval of copper sulphate as a processing aid in wine sold to Japan. The original submission was lodged in March 2012, and ongoing follow-up activities are required. WFA have contracted a consultant to progress the copper sulphate application through the MHLW and Food Safety Commission. We expect to complete this stage in 2015 and then commence the approval with the National Taxation Authority.

We have partnered with the United States to seek approval for a number of other additives in Japan. This is a long and difficult process, but the potential payoffs are significant. We are also looking to expand this partnership to include CEEV (the powerful and influential European wine Exporters Association).