

# EU – JAPAN EPA

## TEXTILE & CLOTHING PRODUCTS

This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU-Japan EPA and bears no legal standing.



EU-Japan Centre  
for Industrial Cooperation  
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# EPA Process

**INCREASE  
MARKET SHARE  
EU PRODUCTS**

**PROMOTION &  
INFORMATION**

**July 2018  
Signature**

**1/2/2019  
Entry into Force**

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# MARKET ACCESS

## Types of EPA Concessions

Type	EPA Code	Description
<b>Immediate Liberalisation</b>	<b>A</b>	<b>Japan's base rate is eliminated at the entry into force of the Agreement</b> <b>Most of those tariff lines are not listed in Japan's EPA tariff schedule</b>
<b>Duty elimination spread over a period</b>	<b>B</b>	<b>Gradual elimination of Japan's base rate over a period of time. the zero duty will be applied in subsequent years.</b>
Duty reduction spread over a period	R	Gradual reduction of Japan's base rate to a certain level. The final reduced level will be applied in subsequent years.
Tariff rate quotas	TRQ	TRQs allow for one of the above preferences within the limits of an annual import quantity.
Exclusion	X	Tariff lines excluded from any preference

# MARKET ACCESS

- Very high degree of liberalisation for all textile and clothing products
- Duty free for all Chapter 51 to 63 products
- A few examples of EU products exported to Japan:

Japanese Tariff Code	Product Description	MFN Rate
621420200	Shawls, scarves, mufflers, mantillas, veils and the like of wool or fine animal hair.	6.6%
620342200	Trousers, bib and brace overalls, breeches and shorts, of cotton.	9.1%
511211020	Woven fabrics of combed wool of combed fine animal hair.	5.3%
621510010	Ties, bow ties and cravats, with outer surface of silk only	(13.4)
611011010	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted, of wool.	(10.9)
560312290	Nonwovens, whether or not impregnated, coated, covered or laminated.	4.3%
620520000	Men's or boy's shirts, of cotton	7.4%
620211200	Overcoats, raincoats, car-coats, capes, cloaks and similar articles, of wool or fine animal hair, not containing furskin.	9.1%
620311200	Overcoats, raincoats, car-coats, capes, cloaks and similar articles, of cotton, not containing furskin.	9.1%
620213200	Women overcoats, raincoats, car-coats, capes, cloaks and similar articles, of cotton, not containing furskin.	9.1%
620193200	Men's or boy's overcoats, raincoats, car-coats, capes, cloaks and similar articles: of man-made fibres, not containing furskin.	9.1%
620449200	Women's dresses, of other textile materials, not containing furskin	9.1%



# MARKET ACCESS

## Silk products (Chapter 50)

- all tariff lines have been liberalised at the EIF of the Agreement,
- or were already free at MFN basis,
- **except for the below listed products**, which will be liberalised in 10 or 12 years:

Jap. Code	Label	MFN Duty	EPA Duty 2020	Duty Free
500100.090	Silk worm cocoons suitable for reeling	2523.64 Yen/kg	1834.91 Yen/kg	as from 2028
500200.221	Raw silk (not thrown), other than wild silk, double cocoons silk	6978 Yen/kg	5074.91 Yen/kg	as from 2028
500200.225	Raw silk (not thrown), other than wild silk, other than double cocoons silk, 20/22 denier	6978 Yen/kg	5074.91 Yen/kg	as from 2028
500200.226	Raw silk (not thrown), other than wild silk, other than double cocoons silk, 20/29 denier	6978 Yen/kg	5367.69 Yen/kg	as from 2030
500200.227	Raw silk (not thrown), other than wild silk, double cocoons silk, other	6978 Yen/kg	5074.91 Yen/kg	as from 2028

# RULES OF ORIGIN

## GENERALITIES

- to benefit from an EPA preference: product must be originating in the EU or Japan.
- to be originating the product must comply with:
  - the provisions “Rules of Origin” of the EPA text (Chapter 3), including:
    - conditions to be originating
    - provisions regarding cumulation, tolerances etc.,
  - the Product Specific Rules (PSR) for each product (Annexes 3A/3B and Appendix 3-B-1): further requirements in order to be originating.  
These requirements can include:
    - a change in tariff classification
    - a production process
    - a maximum value of non-originating materials
    - a minimum regional value content
- the EPA allows for Bilateral Cumulation: if a product qualifying as originating in one Party, it is considered as originating in the other Party if that product is used as material in the production of another product in the other Party.

# RULES OF ORIGIN

## Specific Rules for Textile Products (PSR)

- a majority of PSR for textile products are based on production processes.
- the basic principle applicable is the “double transformation”.

### Examples

#### Woven fabrics of silk or of silk waste (HS50.07)

- spinning of natural or man-made staple fibres combined with weaving, or
- extrusion of man-made filament yarn combined with weaving, or
- twisting or any mechanical operation combined with weaving, or
- weaving combined with dyeing, or
- yarn dyeing combined with weaving, or
- weaving combined with printing; or
- printing (as standalone operation).

# RULES OF ORIGIN

## Specific Rules for Textile Products (PSR)

**More examples...**

### **Silk Yarn (HS 50.04 – 50.05)**

- spinning of natural fibres, or
- extrusion of man-made continuous filament combined with spinning, or
- extrusion of man-made continuous filament combined with twisting, or
- twisting combined with any mechanical operation

### **Fabrics (HS 52.08 – 52.12)**

- spinning of natural or man-made staple fibres combined with weaving, or
- extrusion of man-made filament yarn combined with weaving, or
- twisting of any mechanical operation combined with weaving, or
- weaving combined with dyeing or with coating or with laminating, or
- yarn dyeing combined with weaving, or
- weaving combined with printing, or
- printing (as standalone operation).

# RULES OF ORIGIN

## Specific Rules for Textile Products (PSR)

### Articles of apparel (HS ex62.01)

- weaving combined with making-up including cutting of fabric, or
- making-up including cutting preceded by printing as standalone operation

# INFORMATION SOURCES

- ▶ EPA text and Annexes:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

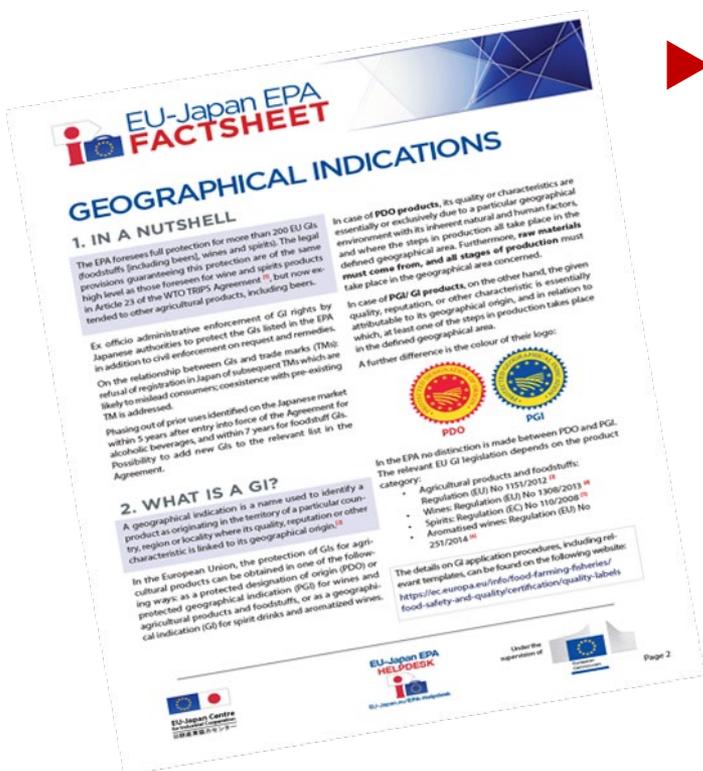
Of which:

- ▶ Annex 2-A: Schedule and Notes (TRQ, etc);
- ▶ Annex 3-B: Product specific rules of origin;
- ▶ Annex 14-B: GIs.

# INFORMATION SOURCES

▶ EPA Helpdesk: <https://www.eu-japan.eu/epa-helpdesk>

▶ Fiches per sectors and webinars on EPA outcome



9 April 19	Wines and Spirits
7 May 19	Geographical Indications
21 May 19	Dairy Products
11 June 19	Meat Products
18 June 19	Processed Agricultural
25 Feb 20	Textile Products
10 Mar 20	Leather Products

# INFORMATION SOURCES

- ▶ Overall import conditions in Japan:
  - ▶ European Commission DG TRADE “Market Access Database”:  
<http://madb.europa.eu/madb/indexPubli.htm>
  
- ▶ Japan’s Customs:  
[http://www.customs.go.jp/english/c-answer\\_e/imtsukan/1524\\_e.htm](http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm)

# INFORMATION SOURCES

- ▶ European Commission (DG TAXUD) – Rules of Origin:
  - ▶ [https://ec.europa.eu/taxation\\_customs/business/calculation-customs-duties/rules-origin\\_en](https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en)
  - ▶ [https://ec.europa.eu/taxation\\_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan\\_en](https://ec.europa.eu/taxation_customs/business/international-affairs/international-customs-cooperation-mutual-administrative-assistance-agreements/japan_en)
  - ▶ [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/eu\\_japan\\_epa\\_guidance\\_claim\\_verification\\_denial\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_japan_epa_guidance_claim_verification_denial_en.pdf)

Thank you for your attention

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QUESTIONS ?

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