



EU-Japan Centre  
for Industrial Cooperation  
日欧産業協力センター

# Export Support Webinar - Textile Sector

Webinar for Vilnius-Kaunas, Lithuania

24 September 2020, 10:30, by C. Nakabayashi

## Exporting Textiles to Japan

### Today's Agenda

1. EU/Lithuanian Textile Businesses
2. Japan's Textile Market
3. Invitation to Online Training Webinars for More Details
5. Q&A



## Exporting Textiles to Japan

### EU Textile Industry

Natural (animal, plant & mineral) and synthetic fibres

Yarns and fabrics through different production methods  
(weaving, knitting, spreading, crocheting, bonding..)

Clothe through different processing

To apparel and technical textile industries

## Exporting Textiles to Japan

### EU Textile Industry

- China took over the EU as top textile exporter in mid-2000s
- Since then, EU shifted to export globally competitive value-added products and focused on niche markets for high-quality garments with high design contents as well as for technical textiles and non-woven materials.
- Currently 30% market shares in fast growing world market while the EU Single Market is the most important one.
- Attributed to high-end specialisation, flexibility, market adaptation, and innovation that address new needs.

## Exporting Textiles to Japan

### Lithuania's Textile Industry

- highly export oriented: majority of products exported to European countries like Germany, Denmark, UK and Sweden.
- major export products & services include (1) wearing apparel, (2) textiles, (3) home textile, (4) knitwear, (5) yarns, (6) linen, and (7) cut-make-trim (CMT) services .
- Production and servicing as OEM/private labelling under ‘ sub-contactors’ or ‘co-contractor/co-maker’ while few to grow into ‘hybrids’ to become a designer brand.

## Exporting Textiles to Japan

### Challenges/Opportunities for Lithuania's Textiles

- Market expansion beyond EU market (e.g., Asia, North America)
- Product and service expansion/innovation (e.g., medical or industrial protectives)
- Specialization in high demand areas (e.g., speciality fibre extrusion)
- Partnership with clients: leading export companies or innovative companies which can invest in and train Lithuanian SMEs
- Partnership with other EU/Lithuanian suppliers to build a cluster for clients from R&D, production, sales & distribution.



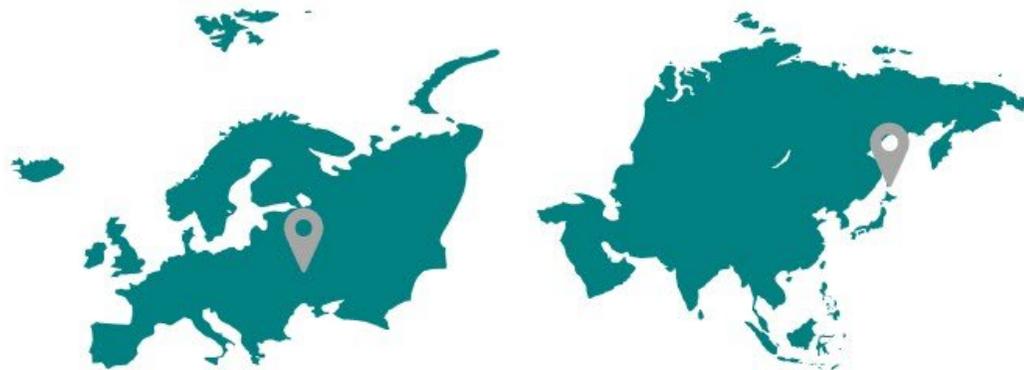
# Exporting Textiles to Japan



2 bn €

Exports from UE to Japan

(Feb 19 - Jan 20)\*

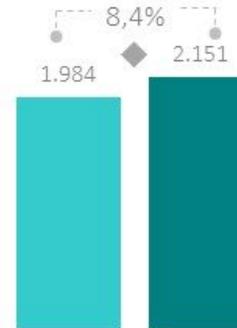


This Free Trade Agreement, allowed EU to **grow 8,4%** the value of their exports in 2019 compared to the same period of 2018:

\* Available data at 24th of April

Source: Global Trade Atlas | <https://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/>

EXPORTS TO JAPAN | BN €



TEXTILES & CLOTHING 50-63

- 02/2018-01/2019
- 02/2019-01/2020
- ◆ % change 2019/2018

MONTHLY EVOLUTION | BN €



## Exporting Textiles to Japan

### **Benefits from EU-Japan Economic Partnership Agreement (EPA)**

1. Protecting EU products from imitation and branding of EU products
2. Improving business environments for EU investment
3. Protecting EU business secret and compensating any violation
4. Self-certification of product origin
5. Adaptation of international standards
6. Digitalization of procedures
7. Elimination of custom duties.



## Exporting Textiles to Japan

**EPA Utilization Rate** = (A) / (B) =

import value that actually uses the EPA's preferential tariff (A)

import value of items that may be subject to the preferential tariff (B)

- EPA utilization rate for February 2019 to December 2019 was **54% for EU exports to Japan** and 39% for Japan's export to the EU.
- Missed opportunity for duty free or reduced tariff available for EU and Japanese products.

## Exporting Textiles to Japan

### Tariff Rates under EU-Japan EPA and under WTO Rules

(Extract from EC Market Access Database, MADB as of September 2020)

[https://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat\\_id=AT&from=publi](https://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi)

Example: ‘Babies Garment and Clothing’ for third year of EU-Japan EPA

Code	Product description	EU	GEN	MFN	RoO
61	CHAPTER 61 - ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED:				
6111	Babies' garments and clothing accessories, knitted or crocheted:				
6111.20	- Of cotton:				
<a href="#">6111.20.15</a>	- - Gloves, mittens and mitts	0%	9%	7.4%	<a href="#">RoO</a>
	- - Pantyhose, tights, stockings, socks and other hosiery:				
<a href="#">6111.20.21</a>	- - - Pantyhose and tights	0%	11.2%	7.4%	<a href="#">RoO</a>
<a href="#">6111.20.29.5</a>	- - - Other	0%	9%	7.4%	<a href="#">RoO</a>

## Exporting Textiles to Japan

### Japan's Textile Industry

- Net importer of textiles and clothing due to a loss of price competitiveness and subsequent elimination of domestic production capacity by 80%.
- Since, transformed to a technologically advanced, value-added textile industry.
- **Clothing market** supplied with imported products (98% on quantity base or 80% on value base), mainly from China, while sewing operations are shifting to ASEAN countries.



# Exporting Textiles to Japan

## Japan's Textile Industry

- High demand for '**high-performance fabrics**' for technical textiles which are used for:

- 1) automobile applications
- 2) medical textiles
- 3) geotextiles
- 4) agro-textiles
- 5) protective clothing



## Exporting Textiles to Japan

### Japan's Textile Industry

- High demand for **'high function textiles for clothing'** using polyester and nylon, adding following functions:
  - 1) Sweat-absorbent quick-dry fiber
  - 2) Heat absorbing fiber
  - 3) Antibacterial deodorant fiber
  - 4) Stretch fiber



## Exporting Textiles to Japan

### Japan's Textile Industry

(photos: Ministry of Economy, Trade and Industry of Japan)



### Unique chemical fibre for clothing 'the one and only'

- 1) **Cupra Fiber** developed by Asahi Kasei: regenerated cellulosic fibers made from the downy hair that surrounds the cotton seeds.
- 2) **Triacetate fibre** developed by Mitsubishi Chemical: semi-synthetic fiber made by reacting high-purity wood pulp with acetic anhydride.



## Exporting Textiles to Japan

### Japan's Textile Industry

- Investing Overseas – in the EU
  - 1) Teijin is expanding business in non-woven products: it invested 125 million euros in German company Ziegler, and is producing and selling automobile interior materials such as sound-absorbing materials made of non-woven fabric;
  - 2) Toray is expanding business in artificial leather textiles: it invested to double production facilities for the artificial leather of Italian company, Alcantara.
- Foreign direct investment (FDI) from Japan



## Exporting Textiles to Japan

### Export Process and Procedures

EU Export Permit, Commercial Documents

Import Declaration

Legal and Regulatory Clearances

Import Payments

Labelling

## Exporting Textiles to Japan

### Export Process and Procedures

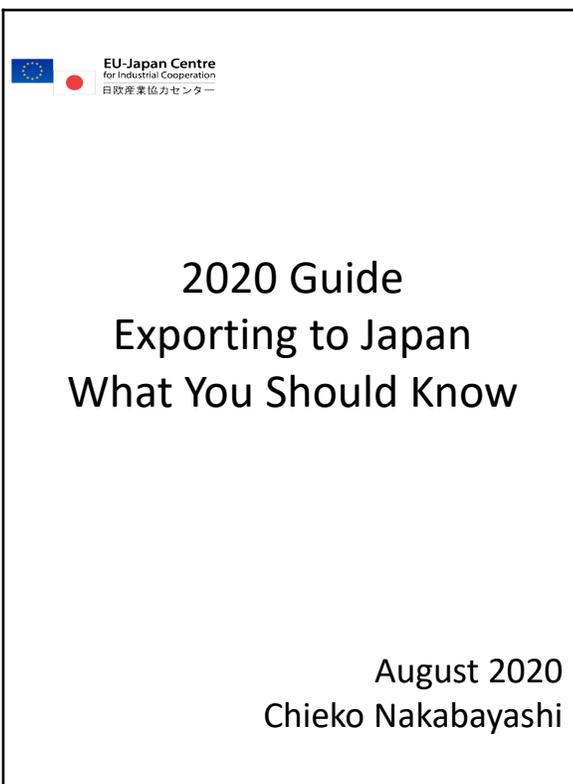
- There are certain technical regulations for exporting textiles to Japan, such as
  - 1) double transformation principle
  - 2) use of chemical substances
  - 3) textile labelling
- Invitation to 30 min online training for more details



# Invitation to 30 min Online Training Webinars

	Webinar/online training details	Wednesdays
1	Online Training (1) Before, During and After Custom Clearance at Japan Customs	23 September 2020
2	Online Training (2) Quarantines for Animal and Plant Protection, and Sanitary and Phytosanitary Clearances (SPS)	30 September 2020
3	Online Training (3) Requirements for Labelling on EU Food Products and Household Goods	7 October 2020
4	Online Training (4) Japan Industrial Standard (JIS), Preferential Rules of Origin (RoO), and Intellectual Property Right (IPR) – Geographical Indicators (GIs) and other IPRs	14 October 2020
5	Online Training (5) Technical Regulations – Motor Vehicles	21 October 2020
6	Online Training (6) Technical Regulations – Medical Devices	28 October 2020
7	Online training 7. Technical Regulations - Pharmaceuticals	4 November 2020
8	Online training 8. Technical Regulations - Textiles Labelling	18 November 2020

	Webinar/online training details	Wednesdays
9	Online training (9). Technical Regulations - "Quasi Drugs"	20 January 2021
10	Online training (10). Technical Regulations - Beer	27 January 2021
11	Online training (11). EU Advantages – Agriculture and Food Products: Pork & Dairy including Cheese	3 February 2021
12	Online training (12). EU Advantages – Textiles	10 February 2021
13	Online training (13). EU Advantages – Footwear & Leather	17 February 2021
14	Online training (14). Setting up a Business in Japan – Representative Office, Branch Office, Subsidiary Companies	24 February 2021
15	Online training (15). Markets, Distribution System and Sales Channels for B2B and B2C	3 March 2021
16	Online training (16). Trade Shows and Due Diligence - Finding Business Partners	10 March 2021



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- [7. Trade Fairs and Due Diligence – Finding Business Partners](#)
- [8. EPA Helpdesk – EU-Japan Centre for Industrial Cooperation](#)

Available on

<https://www.eubusinessinjapan.eu/library/publication/report-2020-guide-exporting-to-japan-what-you-should-know>



**EU-Japan Centre**  
for Industrial Cooperation  
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## Textile Exports to Japan

# Q&A Session

**Thank you.**

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