

To: RATSO Signe (TRADE); art.4.1.b (TRADE); art.4.1.b (TRADE);
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(TRADE)

Cc: art.4.1.b (TRADE); art.4.1.b (TRADE);
art.4.1.b (TRADE); art.4.1.b (TRADE)

Subject: Report of the meeting between DDG Joost Korte and Honda Motor Company -
19 April 2017

Attachments: 20170419 Report of the meeting between DDG Joost Korte and Honda.docx;
Honda Briefing - April 2017 - EU Version_v3.pdf

Dear All,

Please find attached / below the report following the meeting held yesterday between our DDG Joost Korte and Honda Motor Company – mainly about Brexit but also touching briefly on Out of scope . You will also find attached the presentation distributed by Honda on Brexit.

Should you have any questions about the meeting, I would be happy to be at your disposal to provide further information.

Best regards,

art.4.1.b

art.4.1.b



60th anniversary of the Treaties of Rome

European Commission

DG TRADE G3

Market Access, Industry, Energy and Raw Materials

art.4.1.b

B-1049 Brussels/Belgium

art.4.1.b

art.4.1.b@ec.europa.eu

Meeting between DDG Joost Korte and Honda Motor Europe - 19 April 2017

Participants:

- Honda Motor Europe: Ian Howells (Senior Vice President), Art.4.1.b

- DG TRADE: Joost Korte (DDG), art.4.1.b (G3)

Annex: Honda presentation distributed at the meeting

A meeting between DDG Joost Korte and Honda took place on 19 April at the request of the company to discuss Brexit-related issues. Out of scope

1. Brexit

- Honda presented its European operations in automobile, motorcycle and power equipment (e.g. lawnmowers and generators) production, underlining the presence of its footprint in the UK and the EU-27 as well.
- With regard to automobile production, Honda's only manufacturing site in the EU-28 is in the UK, at the factory located in Swindon. The company recently invested an additional £ 200 million in this production site, which provides a basis for sales mainly in the UK, the EU-27 and the US.
- art.4.2 and 4(3)
Honda's position is that trade should remain tariff-free between the EU and the UK.
- Honda also explained that its supply chains were very integrated across several EU MS and informed that 40% of the parts used in the Swindon factory were imported from the EU-27. In this regard, the company underlined the importance of retaining tariff-free trade, also in the interest of EU-27 suppliers.
- art.4.2. and 4.3
Honda underlined the potential difficulties as a result of possible additional customs procedure in case the UK was to leave the Customs Union (e.g. disruptions in just-in-time production).
- Honda emphasised the need to avoid regulatory divergence between the EU27 and the UK.
- Honda stressed the need to retain access to 'talent' as around art. 4.2. and 4.3 employees are EU-27 nationals.
- Contrary to its automobile production, Honda's manufacturing sites in the EU for other products are located in EU-27 MS: motorcycles in Italy and Spain, power equipment in France. In this context, Honda's main concern is access to the UK market as they currently export in the value of art. 4.2. and 4.3
- DG TRADE took note of Honda's concerns and explained the state of play and next steps from the EU side.
- DG TRADE inquired about Honda's automobile production plant in Turkey. Honda explained that the Turkish site is a small factory producing only one model, mainly serving the Turkish market. art.4.2. and 4.3

2. out of scope

- out of scope

out of scope

art.4.1.b , TRADE G3 ☎ art.4.1.b