

From: [REDACTED] (TRADE)

[Art. 4.1(b)]

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To: ETRICCIÓN Mauro Raffaele (TRADE); [REDACTED] (TRADE); [REDACTED]

(TRADE); [REDACTED] (TRADE); [REDACTED] (TRADE); [REDACTED]

(TRADE); [REDACTED] (TRADE); [REDACTED] (TRADE); [REDACTED]

[REDACTED] (TRADE)

Cc: [REDACTED] (EEAS-TOKYO); [REDACTED] (EEAS-TOKYO)

Subject: report of meeting with Foreign Trade Association and Metro on EU-Japan FTA

COM ([REDACTED]) had a discussion this morning with the Foreign Trade Association (association of retailers and importers) and Metro (German retailer) on the ongoing EU-Japan FTA negotiations.

FTA/Metro:

- TA has sent the attached position paper ahead of the meeting
- TA started by expressing their keen interest for this FTA. Only Metro was present today but other companies such as Zara, Puma, or Adidas) are also following closely the process.
- etro gave some details about their presence in Japan (only 9 stores which are not yet profitable, they don't know yet whether they will expand)
- etro explained that one of the biggest problems they are facing has to do with Japan's competition policy. It is deliberately applied in a way to protect small and medium operators and Metro, even though they have a very limited presence, is considered as a potentially dominant operator. For example when they started to sell beers they had a lot of difficulties in getting the licences and once they got it they had an inspection by tax authorities.
- etro explained that they often face quite a lot of difficulties with customs procedures that are lengthy and difficult and negatively affect the shelf-life of imported products.
- etro noticed that at the end of last year the problem with wholesale alcohol licence was solved. They were positively surprised as the issue had been ongoing since 2001. It was understood as a clear gesture by JN towards the EU.
- etro explained their problem with the online sale of liquors (not possible to sell outside the prefecture of the store).
- etro mentioned that according to their contacts one of Japan offensive interest in the negotiation would be the lack of uniform application of custom rules in the EU between the MS.

COM;

- e gave an update on the negotiating process
- e asked for more detailed information on some of their problems, notably on the import licences for perfumes
- e offered that their local contacts in Japan who have a more technical knowledge of the problems faced to contact the EU DEL trade section. We also asked if we could contact some of FTA members when we will be in Tokyo for the second round in case we have technical questions.
- n Competition we asked for more info especially on potential discrimination. We however explained that we cannot expect to completely change the business culture of Japan via an FTA.

[REDACTED] Trade Relations with Japan
European Commission
DG TRADE

