

Director-General

Mr Karel DE GUCHT  
Commissioner for Trade  
EUROPEAN COMMISSION  
200, rue de la Loi  
1049 Brussels

31 May 2012

Dear Mr De Gucht,

**EU-Japan Economic Integration Agreement**

Following the meeting we had with you on 6 March I am writing to you to reconfirm our support for an EU-Japan Economic Integration Agreement.

Since the short term outlook for a successful conclusion of the WTO Doha Round is not very positive, Cefic considers that the EU should focus on concluding FTAs with its biggest trading partners, including Japan and the USA. A comprehensive FTA with Japan should be a 21<sup>st</sup> century one similar to the one concluded with South Korea. It should eliminate all barriers to trade with no exceptions, and set a rules-based framework which goes far beyond the WTO including a framework for real and authentic regulatory cooperation. The FTA should be a model agreement on how the EU would like to shape new trade policy issues in future WTO-negotiations, such as investment, export taxes, access to raw materials, etc. It would therefore be no threat to the WTO rules-based system but a new initiative to deal with trade subjects of importance to which the WTO unfortunately does not yet provide any answers. All these important issues can be dealt with authoritatively in the negotiations on such an agreement. We therefore welcome the news that the scoping exercise has been officially finalized and that a draft mandate will be presented to the Council in the coming weeks. We support the opening of the FTA negotiations with Japan as soon as possible. However, our support for the final deal will be subject to the results of these negotiations with respect to concrete progress on identified non-tariff barriers to trade in the chemicals sector.

Japan is an important trading partner for the European chemical industry. In 2011, chemical trade between the EU and Japan was not only practically in balance with some Euro 7 billion worth of chemicals going both ways, it was also very complementary, which suggests win-win situations. Since tariffs are already very low, they do not provide any protective effect but simply have become a cost (roughly Euro 200 million on the EU side and Euro 100 million on the Japanese side). Elimination of the duties will thus result in benefits for both industrial users and consumers. Furthermore, maintenance of tariffs entails high administrative costs and bureaucracy.

You can thus count on our continued strong support for an ambitious EU-Japan Economic Integration Agreement.

Yours sincerely,



Hubert Mandery

