



Mr Jean-Luc DEMARTY  
Director-General  
Directorate-General for Trade  
EUROPEAN COMMISSION  
B-1049 BRUSSELS

Brussels, 12 March 2013

**Subject: EU-Japan FTA Negotiations**

Dear Mr Demarty,

I write to you with regard to the forthcoming EU-Japan Summit, at which it is planned to announce the opening of negotiations of a bilateral Free Trade Agreement.

ACEA understands that, under the terms of the Directives for the Negotiation of a Free Trade Agreement with Japan granted to the Commission on 29 November last year, the Commission will review one year after the start of the negotiations the implementation of the commitments given by Japan to eliminate NTBs, notably those relating to automobile industry, as set out in the roadmaps on the EU's Illustrative List of NTBs, included in the conclusion of last year's Scoping Exercise.

ACEA very much welcomes this provision of the mandate. This review will be an important test of Japan's resolve.

The roadmap for the elimination of automobile NTBs defines the overall objectives for the negotiations. It does not however set out a precise timetable for their attainment. It will not be easy therefore to determine solely on the language of the roadmap whether Japan's progress in fulfilling its commitments meets the EU's expectations.

ACEA proposes that, at the outset of the negotiations, the EU should set specific targets for what can be reasonably achieved during the first year of the negotiations with respect to the areas covered by the automobile roadmap. ACEA proposes that said targets should be established based on the list attached in Annex I.

For ease of reference, I also enclose a chart in Annex II, which shows how these targets relate to the provisions of the Scoping Exercise automobile roadmap.

These targets are challenging, but they are not unrealistic. Many of the proposals build on the debate already under way in Japan on regulatory and fiscal reform. ACEA's proposals for the targets to be met in the first year are of course without prejudice to the need to address other issues such as the 2020 fuel efficiency standards for passenger cars and light duty vehicles in the course of the negotiations. ACEA will prepare a detailed input on these issues in due time. This is essential in order to achieve the ultimate objective that a vehicle manufactured and type approved in the EU should be accepted in Japan without further testing or modification.

ACEA remains ready to provide your services with any further information about these proposals that they may require.

Yours sincerely,



Ivan Hodac

Encl.

cc: Mr Daniel Calleja Crespo, Director-General, Directorate-General for Enterprise and Industry, European Commission