Art. 4.1(b)

spirits.

From: EC ARES NOREPLY < DIGIT-NOREPLYARES@nomail.ec.europa.eu> Sent: 01 November 2017 09:20 To: (TRADE); (TRADE); (TRADE); (AGRI); (TRADE); (AGRI); (AGRI); (AGRI); (TRADE); (TRADE) Cc: (DEL-JAPAN); (DEL-JAPAN); LO (DEL-JAPAN); (DEL-JAPAN); (DEL-JAPAN); (DEL-JAPAN); (DEL-JAPAN) Subject: Ares(2017)5340834 - RE: Scotch whisky and Moet Hennessy meeting Attachments: Scotch whisky association.pdf; EBC LIQUOR COMMITTEE POSITION PAPER.pdf Ares(2017)5340834 - RE: Scotch whisky and Moet Hennessy meeting Sent by >. All responses $\mid (DEL ext{-}JAPAN) < \mid$ have to be sent to this email address. Envoyé par (DEL-JAPAN) <>. Toutes les réponses doivent être effectuées à cette adresse électronique. In addition to the report below, I am sending herewith a short report drafted by regarding last week's meeting with Mr Yvon. He seemed unaware of the issue linked to Scotch Whisky raised by Diageo below. DEL () met Mr Bruno Yvon, new president and MHD Moet Hennessy Diageo K.K. on 27 October at DEL. The main purpose of the

• The procedures for the EPA do not require approval by MS level if investment protection and dispute settlement are treated separately.

meeting was to introduce Mr Yvon to us while discussing the main outcome of the EPA for wines and

- Regarding GIs, the agreement guarantees high level of protection. Phase out of prior uses for wines and spirits is set at 5 years. Japanese (MoF/NTA) public comment was just finalised but there should be no surprises.
- Concerning wine additives both sides have committed to speedy approval of a set of substances: Japan would approve some of them at EIF, within 2 years and within 5 years. As Japan is not OIV member, they do not recognise international standards. However, this exercise should support the industry to expand their product line for exports to Japan.
- Besides the advantage of tariff reduction for the sector, progress has been made on various NTBs including SPS issues.
- Concerning Brexit, Mr Yvon asked about the future protection of GI "Scotch". DEL responded that while the UK is a member, the protection is there but it's still to be seen how to handle this once the UK leaves.
- Ms provided an update on the lot code issue. She reported that in addition to NTA, MHLW/ METI/ MAFF also sent an information notice to the industry to educate them about the lot code.

NTA has started to include information regarding lot code in their training manual for retail licence holders.

rt. 4.1(b)	From:		(EEAS-I	UKYU)			
	Sent: \	Sent: Wednesday, November 01, 2017 3:43 PM					
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	Subjec	Subject: Scotch whisky					
	Dear		,				
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		You may have already heard about this through other ways (?), but I'm sending attached a					
	docum	document handed to us on 30 th October during a meeting with Diageo Korea					
).	
	[Diaged	[Diageo Korea Co. Ltd. produces and sells liquor products: It offers blended whisky, single malt					
	and sin	and single grain whisky, beer, RTD, vodka, gin, rum, liqueur, and tequila primarily under the					
	Origina	Original, Johnnie Walker, Guinness, Windsor, Smirnoff, Crown Royal, Singleton, and Bailey's					
	brand r	brand names. The company was founded in 1980 and is based in Seoul, South Korea.]					

Diageo came to meet us about an issue that concerns Scotch Whisky, in particular a product called White horse, which is a Scotch sold in a 4 litre case. This issue has seemingly emerged during the GI public comment by MoF. The Japanese authorities (NTA) have reacted on the practice of adding caramel into the product during the bottling done in Japan. While the Scotch Whisky association sees the addition of caramel as part of the bottling process, the Japanese consider this to be part of the production process: they allege that such practice could lead to difficulties in granting the Scotch the zero tariff treatment at entry into force of the EPA. Other potential problems may be foreseen for GI protection and additive use.

The Delegation asked Diageo whether the bottling overseas and the practice of adding caramel complies with the GI specification – Diageo did not know, but would check.

The Delegation would check what the approach of the NTA regarding caramel is, whether it is considered an additive and whether this issue has any impact on the matter at hand. It sounded that the NTA has not been aware of the practice to add caramel as there is no requirement to list additives in the back label. One also needs to verify whether American bourbons and such apply similar practices when bottling products in Japan.

Kind Regards,