



EU-Japan EPA  
**HELPDESK**



# WINE, SPIRITS & BEER

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This presentation has been prepared with the sole purpose of simplifying the understanding of some parts of the EU -Japan EPA and bears no legal standing.

# WHAT'S IN THE EPA FOR WINES AND ALCOHOLIC BEVERAGES

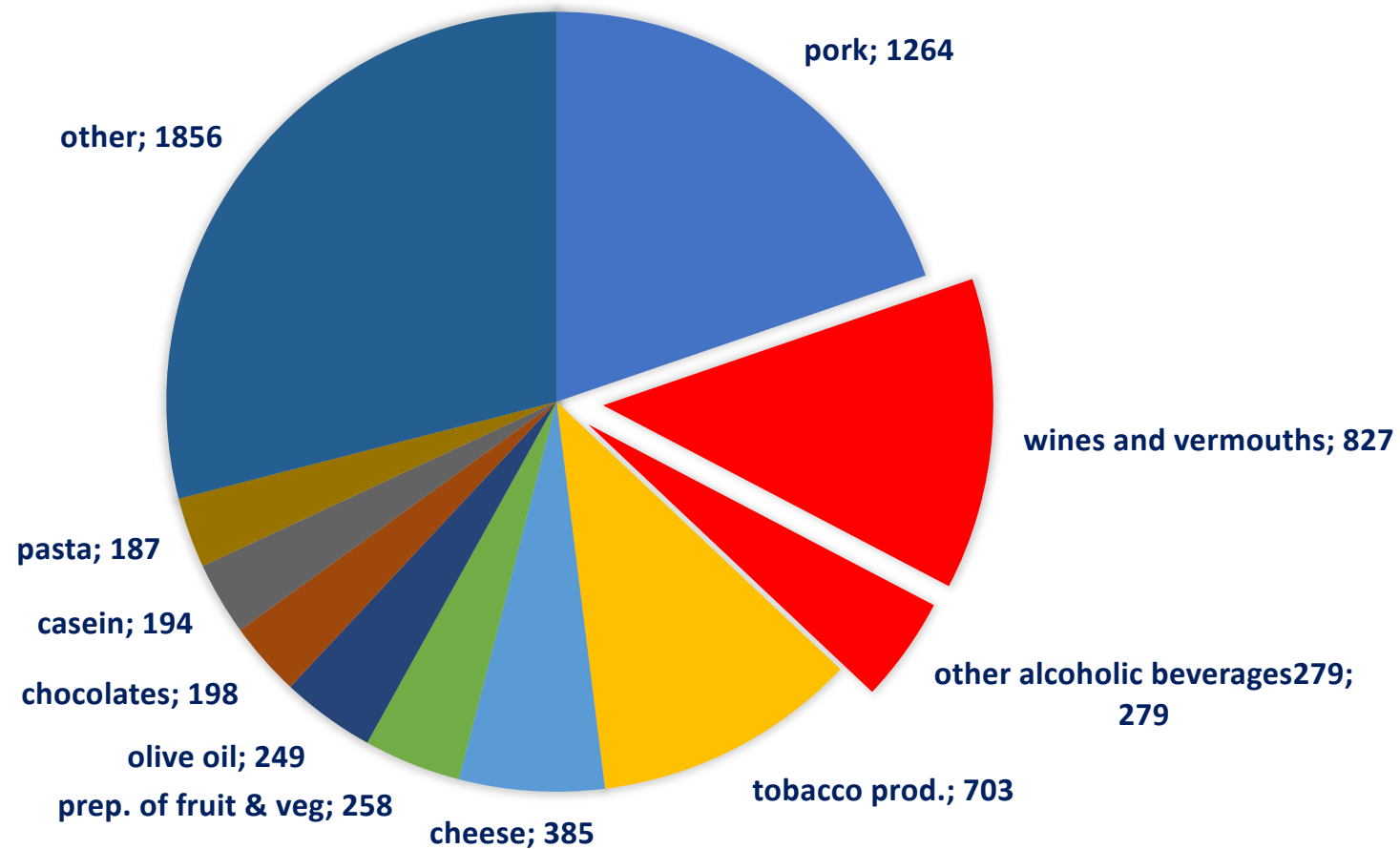
- EU agriculture is the sector with the most opportunities to seize in this Agreement:
  - 85% of tariff lines will be liberalised over time;
  - or 87% of current EU agri-food exports to Japan.
- Wines: tariffs liberalised at entry into force (1/4/2019).
- High level GI protection for EU's most important wines, spirits and beers.
- Japanese commitment to approve 28 EU additives and processing aids.

- Some trade data ...
- Market Access
- Oenological Practices (OP)
- Geographical Indications (GI)
- Rules of Origin
- Information sources

# SOME TRADE DATA

- Japan is the 3<sup>rd</sup> largest economy (GDP) in the world with a GDP per capita comparable to the one in the EU.
- Japan is the EU's 5<sup>th</sup> agri-food trading partner, after the US, China, Switzerland and Russia.
- SMEs represent a large share in the EU's today's export to Japan: 88% of total EU exporters.

# EU AGRI-FOOD 2017 EXPORTS TO JAPAN (MIO €)



## Wines

- Full duty elimination since the 1<sup>st</sup> of February 2019 for still and sparkling wines, as well as for vermouth wines.
- Duties for some “other wines”, such as cider and beverages with alcoholic strength less than 1 %, will be gradually eliminated in either 5 or 10 years.
- This places the EU wines back on equal footing with competitors such as Chile and Australia.

## Spirits

- Spirits from grape wine distillation (e.g. **Cognac, Armagnac, grappa, brandy de Jerez**, etc.), for **whiskies** and fruit brandies: Japan already applies zero MFN duties
- For other spirits, the implemented free duty is maintained *ad infinitum* since the 1st of February 2019. The products concerned are **rhum** (and other spirits obtained by distilling fermented sugar-cane), **gin** and **Genever, vodka, and liqueurs & cordials**.
- A limited number of spirits (such as imitation sake) will have duties phased out in 5 years.

## Alcoholic beers (HS 230300)

Japanese Customs already apply zero duties at MFN level.

## Non-alcoholic beers (HS 220291)

Containing added sugar: duties phased-out in 3 years.

Not containing added sugar: zero duties at MFN level.

# OENOLOGICAL PRACTICES

➤ A number of OPs, currently used in European wines, will be approved by Japan in one of the 3 following phases:

➤ **PHASE 1 OP list since 1<sup>st</sup> of February 2019**

OPs concerned:

Calcium alginate

Caramel

L(+) tartaric acid

Lysozyme

Microcrystalline cellulose

Oak chips

Perlite

Potassium alginate

Potassium bisulphite – potassium hydrogen sulphite

Potato protein

Yeast protein extracts

## PHASE 2 OP list since 15 January 2021

- In case of Japanese failure to deliver, EU may temporarily suspend simplified and self-certification on wines imported from Japan and will not approve Japanese processing aid of Phase 2.
- OPs concerned:
  - Ammonium bisulphite
  - Calcium carbonate + double calcium salt of L(+) tartaric and L(-) malic acids
  - Chitin-glucan derived from *Aspergillus*
  - Dimethyldicarbonate (DMDC)
  - Metatartaric acid
  - Neutral potassium tartrate
  - Neutral salt of potassium DL tartaric acid
  - Polyvinylimidazole-polyvinylpyrrolidone copolymers (PVI/PVP)

# OENOLOGICAL PRACTICES

## PHASE 3 OP list by 1<sup>st</sup> of February 2024:

Consultations will be held if these OPs are not authorised within the deadline.

➤ OPs concerned:

Argon

Calcium phytate

Calcium tartrate

Copper sulphate

Kaolin (aluminium silicate)

Malolactic fermentation activators

Potassium bicarbonate = potassium hydrogen carbonate = potassium acid carbonate

Potassium caseinate

Potassium ferrocyanide

➤ For EU wines imported and sold in Japan: no certificate is required as evidence that the OP requirements have been fulfilled (“standstill”).

# GEOGRAPHICAL INDICATIONS

- The EPA protects more than 200 EU GIs, including around 130 wines, spirits and beers.
- Direct protection, i.e. no application and no registration.
- Administrative enforcement (“ex officio”): Japan must take the necessary measures to stop GI infringements.
- GIs vs. TMs:
  - Rejection of subsequent TMs in Japan.
  - Co-existence with pre-existing TMs is addressed.
- Possibility to add new GIs to EPA list.
  - an additional number of 7 wine & spirits GIs will be protected as from early February 2021.



# Rules of Origin

- The RoO under the EPA are determined by product in the Product Specific Rules of Origin (PRS).
- The PSR for Wines, Spirits and Beers specify:
  - “CTH except for headings 22.07 (ethyl alcohol) and 22.08 (spirit drinks) provided that:*
    - All the materials of sub-headings 0806.10 (fresh grapes), 2009.61 and 2009.69 (grape juice, including grape must) used are wholly obtained;*
    - The weight of non-originating materials of Chapter 4 (dairy products) used does not exceed 40% of the weight of the product;*
    - The total weight of non-originating materials of headings 17.01 and 17.02 (sugar products) does not exceed 40% of the weight of the product”*

# Rules of Origin

## In brief:

**Wines and sparkling wines should be made or originating grapes and grape must in order to benefit from duty free access.**

- **CTH** (Change of Tariff Heading): non-EU originating materials may be used in the wine, spirits and beer production if they are classified under another tariff heading in the HS classification (4 digits), **but**:
  - Non-originating ethyl alcohol materials classified under HS 22.07 and HS 22.08 cannot not be used.
  - Non-originating sugar classified under HS 17.01 or HS 17.02 may be used but up to a weight limit of 40%.

# INFORMATION SOURCES

EPA text and Annexes: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1684>

Of which:

- Annex 2-A: Tariff reduction and elimination, including Japan's tariff schedule and Notes hereto;
- Chapter 2 Article 2.23 to 2.31 and Annex 2-E: Facilitation of wine export;
- Annex 3-B: Product specific rules of origin;
- Chapter 14 – Articles 14.22 to 14.30 and Annex 14-B: GIs.

Detailed information on EPA preferences per sector (Factsheets & Webinars):

EPA Helpdesk: <https://www.eu-japan.eu/epa-helpdesk>

# INFORMATION SOURCES

Overall import conditions in Japan:

- European Commission DG TRADE: “Access2Markets Database”:

<https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users>

- Japan’s Customs:

[http://www.customs.go.jp/english/c-answer\\_e/imtsukan/1524\\_e.htm](http://www.customs.go.jp/english/c-answer_e/imtsukan/1524_e.htm)

- European Commission DG TAXUD - Rules of Origin:

[https://ec.europa.eu/taxation\\_customs/business/calculation-customs-duties/rules-origin\\_en](https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin_en)

- European Commission – Geographical Indications:

<https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels>

# Thank you for your attention

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