

News story: UK welcomes approval of new trade agreement with Japan

A new free trade agreement with Japan has been approved by the European Parliament and is expected to enter into force in early 2019.

The EU-Japan Economic Partnership Agreement (EPA) will create the world's largest free trade area, eliminating over 97% of export duties currently in place.

The agreement will help to boost trade between the UK and Japan and is estimated to increase UK GDP by up to £3 billion the longer term. This will help to create more British jobs and give consumers more choice at lower prices.

Last year, the British and Japanese Prime Ministers agreed to 'elevate our security and prosperity partnership to the next level' as the UK leaves the European Union. Visiting Japan last summer, International Trade Secretary Dr Liam Fox agreed with his counterparts to use the EU-Japan EPA as a basis for a new and stronger partnership.

The agreement agreed yesterday (Wednesday 12 December) removes significant barriers for the automotive sector and will commit Japan to international car standards, making exports of vehicles to the nation significantly easier. This is welcome news for the UK motor industry, which exported just over £1 billion worth of vehicles to Japan in 2017.

The agreement will also reduce tariffs on processed foods, agricultural products, beer, wine and whisky exports.

International Trade Secretary Dr Liam Fox said:

Japan is the world's third largest economy and one of our closest trading partners, as well as being a vocal defender of free trade in the face of increased protectionist tendencies from other countries.

This is one of the world's most ambitious free trade agreements and I welcome the benefits that it will bring to both British businesses and consumers. The agreement eliminates almost all tariffs on goods traded between our two nations and we will work with the Japanese government to use this agreement as the basis for a new, even stronger partnership after we leave the European Union.

- Japan is the second largest economy in Asia. Since 2012 goods and services trade between the UK and Japan totalled £28 billion in the year ending June 2018, an increase of just over 40% over the past 5 years. Most of this increase has been in vehicles, pharmaceuticals, machinery

and finance services.

- On 25 June 2018 the House of Commons voted in favour of the UK supporting EU signature of the EU-Japan EPA.