



Fecc
EUROPEAN ASSOCIATION OF
CHEMICAL DISTRIBUTORS

EU Consultation: EU-Japan trade agreement – evaluation

European Association of Chemical Distributors (Fecc)
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Fecc acknowledges the consultation on **EU-Japan trade agreement - evaluation** ([link](#)) and welcomes the opportunity to provide input. In this consultation we would like to raise the following points:

- 1. Strengthened Bilateral Cooperation:** Fecc endorses the initiative to enhance relations between the EU and Japan, particularly in the areas of trade, investment, and sustainable development. By fostering deeper cooperation in green transitions, renewable energy, and digital innovations, the agreement can create new business opportunities and improve market access for SMEs and family-owned businesses.
- 2. Market Access and Business Environment:** The proposed advanced trade provisions are crucial in improving access for European companies in the Japanese market. Fecc encourages the EU to ensure that these provisions facilitate a more favorable business environment, reducing barriers and promoting smoother trade and investment relations. This will boost the competitiveness of EU-based SMEs and family-owned businesses.
- 3. Environmental and Safety Standards:** Fecc appreciates the EU's focus on promoting sustainable development and safeguarding human rights in the agreement. We urge the EU to ensure that environmental regulations, especially around chemicals, are harmonized with global standards. This will help chemical distributors align with international practices while contributing to sustainability and safety.
- 4. Reduction of Non-Tariff Trade Barriers:** There is still room for improvement, especially in reducing non-tariff trade barriers. For example, the new regulation JAS Standards for organic plants and organic processed foods of plant origin, effective since January 2024 requires the importer's name on the JAS label. This is impractical for normal series production, as companies have multiple customers and production occurs in large batches. Some European suppliers have had to establish Japanese companies to process import invoices, incurring unnecessary costs. We advocate for addressing these issues in an amendment to the agreement.
- 5. Technical Details and Administrative Burdens:** The EU-Japan trade agreement, unlike other EU trade agreements, requires the type of rule used to determine preferential origin to be indicated in coded form (e.g., C1 for change in tariff classification or C2 for value-added rule). This requirement is complex and burdensome, especially as multiple EU companies may be involved in the supply chain. Each company must maintain and pass on this coding, necessitating new data fields and system adjustments. We recommend eliminating this specific requirement to reduce unnecessary administrative burdens.

Fecc represents chemical, food, and active pharmaceutical ingredients distributors, most of which are SMEs and family-owned businesses. The objectives of this initiative are commendable, and we support efforts to enhance relations between the EU and Japan. Fecc looks forward to continuing its engagement with the Commission to ensure that the agreement benefits both the industry and the broader EU-Japan partnership, promoting economic growth, environmental protection, and a fair regulatory framework.

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To access the Fecc's response on EU Commission's website, please [click here](#).