

**Study in support of an *ex-post* evaluation of the Agreement between the
European Union and Japan for an Economic Partnership**

(TRADE/2024/OP/0003)

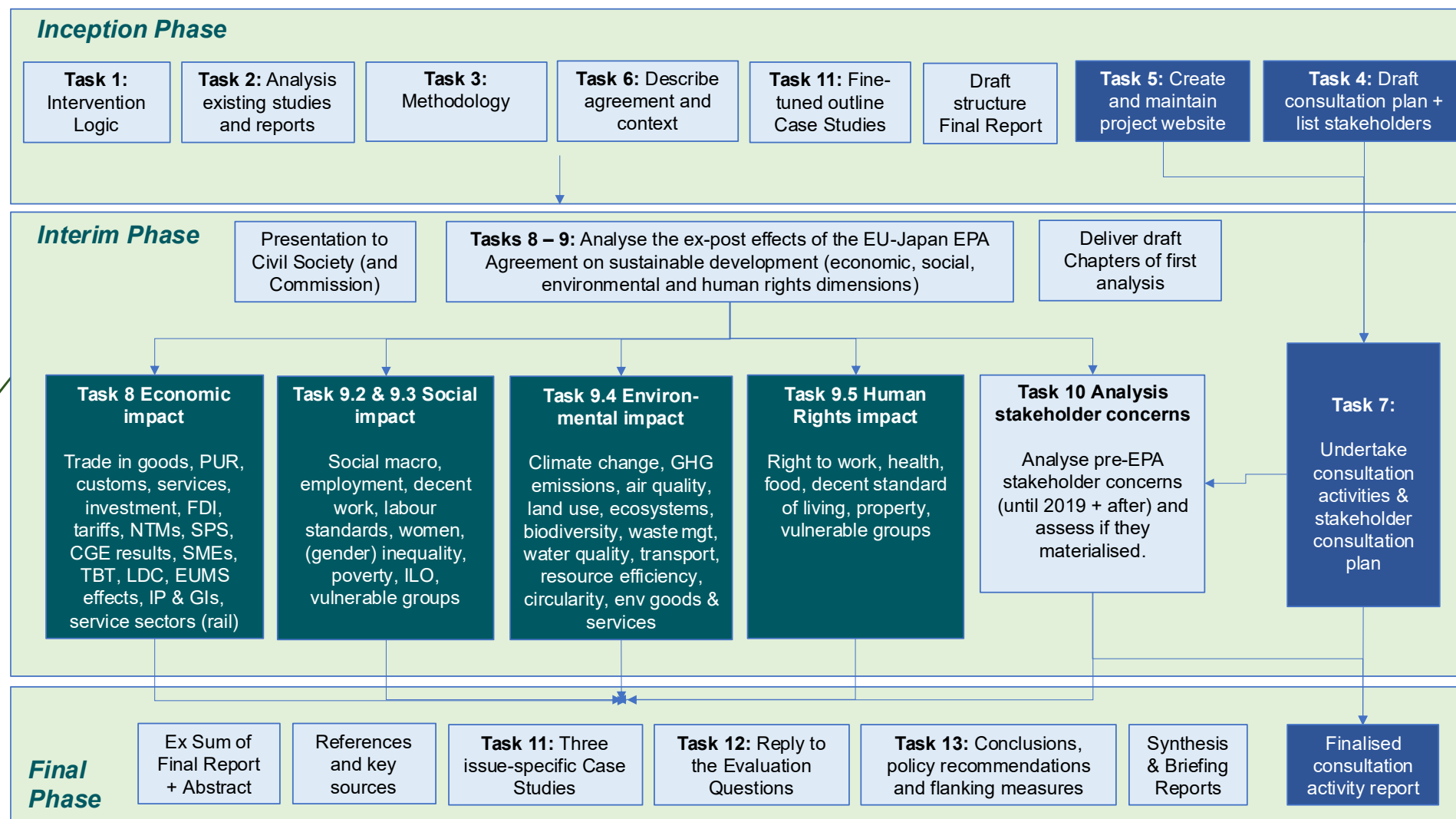
Presentation of the draft Inception Report

**Civil Society Dialogue meeting
22 May 2025**

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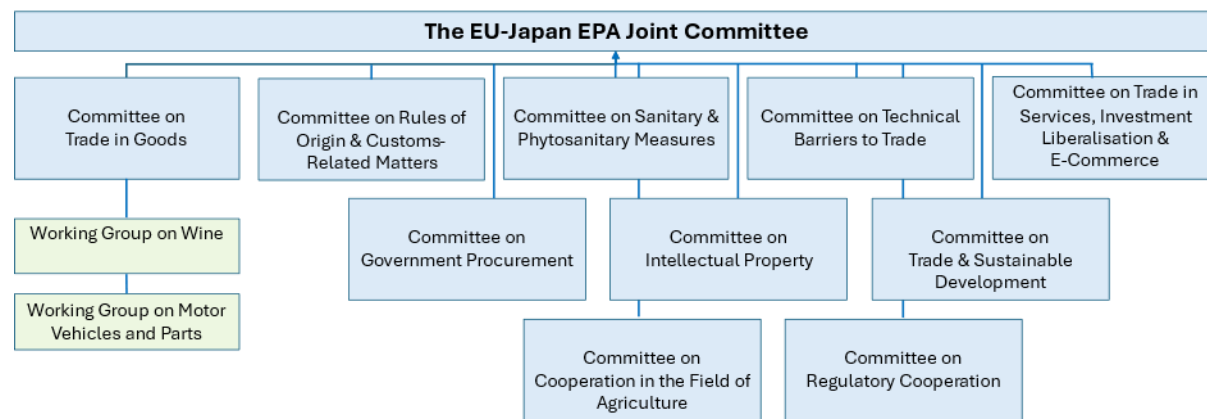
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I. Overview of the approach

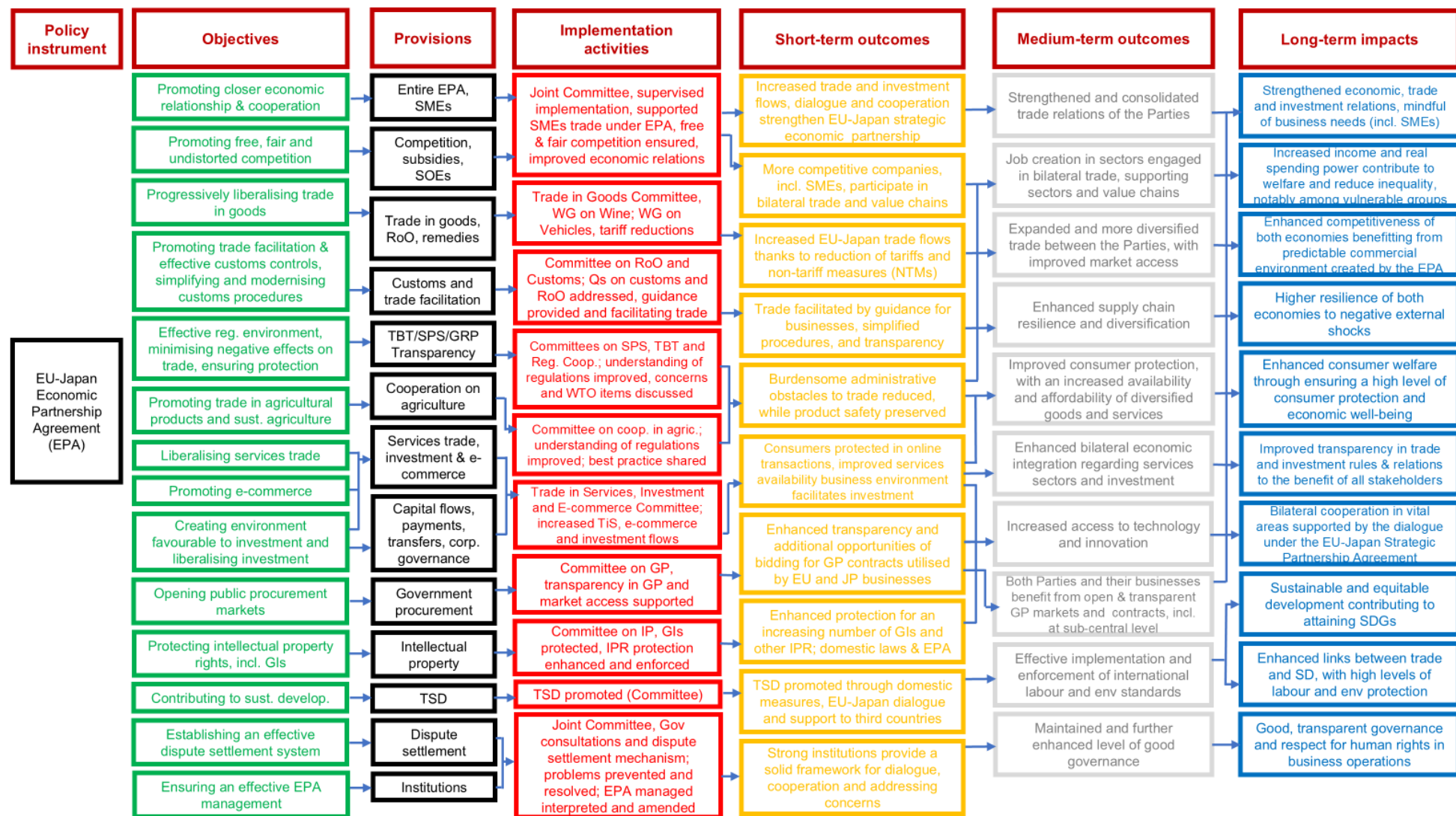


2A. Description of the Agreement and its institutions

Chapter number	Chapter title
Chapter 1	General Provisions
Chapter 2	Trade in Goods
Chapter 3	Rules of Origin and Origin Procedures
Chapter 4	Customs Matters and Trade Facilitation
Chapter 5	Trade Remedies
Chapter 6	Sanitary and Phytosanitary Measures
Chapter 7	Technical Barriers to Trade
Chapter 8	Trade in Services, Investment Liberalisation and Electronic Commerce
Chapter 9	Capital Movements, Payments, and Transfers, and Temporary Safeguard Measures
Chapter 10	Government Procurement
Chapter 11	Competition Policy
Chapter 12	Subsidies
Chapter 13	State Enterprises, Enterprises Granted Special Rights or Privileges, and Designated Monopolies
Chapter 14	Intellectual Property
Chapter 15	Corporate Governance
Chapter 16	Trade and Sustainable Development
Chapter 17	Transparency
Chapter 18	Good Regulatory Practices and Regulatory Cooperation
Chapter 19	Cooperation in the Field of Agriculture
Chapter 20	Small and Medium-Sized Enterprises
Chapter 21	Dispute Settlement
Chapter 22	Institutional Provisions
Chapter 23	Final Provisions



2B. Intervention logic



3. Review of the existing studies

- **Context:** For the EU, a desire to take a more active role in world trade negotiations and geopolitics, while for Japan, ongoing macroeconomic problems have been a driving force behind its increased interest and urgency in reaching an FTA with the EU.
- **Economic impact:** EU SWD (2010): EU GDP +0.34% - +1.9% by 2020;
- Chowdry et al. (2018): EU GDP: +0.14%; and Euro +13 bn in EU exports to Japan;
- LSE (2016) Trade SIA: EU GDP: +0.76%; Japan GDP: +0.3%, and a two-way rise in trade by 30%;
- Ex-post work: positive effects of the EPA in terms of trade and productivity;
- Van der Vorst (2025): +13.2% EU exports to Japan and +23.5% increase in Japanese exports to the EU;
- Basis also for (economic) security cooperation – private sector R&D in defence technology;
- **Social impact:** marginal but positive wage effects for the EU and slightly larger effects for Japan; civil society concerns over labour issues and rights;
- **Environmental impact:** literature divided into proponents (benefits of EPA), no effects (Trade SIA) and opponents (more emissions and weaker environmental protections);
- **Human rights impact:** There is little evidence, except for some concerns from civil society about the right to health.

4. Economic analysis

Step 1: Pre-EPA situation (2014-2018)

(for EU and Japan)

- Setting the scene:
 - Evolution of trade in goods and services
 - Evolution of foreign direct investment (FDI)
 - Review of pre-FTA tariffs and NTMs (lib potential)
 - Situation regarding SMEs
- Literature review of the effects of the EPA

Step 2: Post-EPA situation (2019-2023)

(for EU and Japan)

- CGE modelling results to identify marginal effects, statistical analysis of goods (PURs) and services trade, gravity regressions for FDI & procurement, qualitative analyses drawing on stakeholder- and expert inputs;
- **Focus:** GDP, production, welfare, trade (bilateral, total), tariff revenue, PURs, customs, NTMs, GIs, investments, value chains, LDCs, Türkiye
- **Special focus:** SMEs, trade diversification, case studies, stakeholder concerns analysis

Step 3: Conclusions, replies to the evaluation questions, and recommendations

- Overall analysis of economic impact: main conclusions (incl. in relation to the evaluation questions)
- Case study conclusions: key agricultural goods (SPS), Geographical indications (GIs), Trade in services
- Policy recommendations to further improve the implementation of the EPA
- Aim to strengthen positive impacts and mitigate negative ones
- Recommendations for future improvements of the EPA and broader policy

5. Social analysis

Step 1: Baseline analysis (2014-2023)

(for EU and Japan)

Analysis of observed trends and influencing factors in:

- Employment (overall and sectoral), income (wages), poverty levels, and approaches to consumer rights
- Working conditions (job quality), labour standards and enforcement (labour inspection)
- Gender equality (women as workers, entrepreneurs and traders)

Step 2: Impact analysis

(for EU and Japan)

- Impact analysis in areas/sectors most affected by the EPA (based on the economic modelling results);
- Impact analysis of EPA provisions, e.g. TSD Chapter; e-commerce, regulatory cooperation, SPS (consumers),
- Statistics, literature, and stakeholder engagement

Step 3: Conclusions, replies to the evaluation questions, and recommendations

- Overall analysis of social impact: main conclusions (incl. in relation to attainment of SDGs and evaluation questions)
- Policy recommendations to further improve the implementation of the EPA
- Aim to strengthen positive impacts and mitigate negative ones
- Recommendations for future improvements of the EPA and broader policy

6. Environmental analysis

Six IAs: Climate change, Air quality, Natural resources & biodiversity, Water quality & resources, Waste & waste management, Chemicals mgt

Step 1: Baseline analysis

- Overview of governance framework (incl. responsible authorities, balance of power)
- Overview of performance in each impact area (data availability and quality, trend, assessment, effectiveness, compliance with MEAs, weak/strong areas)

Step 2: Impact analysis

- Mix of quantitative and qualitative analysis
 - Exploring major developments in environmental performance since EPA start
 - Discussing the (effectiveness of) implementation of TSD provisions
- In-depth analysis for two most relevant/important impact areas. Proposed are climate change and waste management (circular economy).
- For climate change analysis, CGE model data from DG Trade will be complemented with additional analysis based on the E3ME model

Step 3: Conclusions, replies to the evaluation questions, and recommendations

- Synthesis from quantitative and qualitative evaluation with other parts of the evaluation (economic, social, human rights)
- Synthesised results will be used to reply to the evaluation questions
- Policy recommendations to further improve the implementation of the EPA
- Aim to strengthen positive impacts and mitigate negative ones
- Recommendations for future improvements of the EPA and broader policy

7. Human rights analysis

Step 1: Pre-EPA situation (2014-2018)

(for EU and Japan)

- Identify the international human rights obligations of the Parties based on the ratification status of core international human rights conventions
- Analysis of the human rights situation in the EU and Japan, including pre-existing vulnerabilities and trends (Human rights profiles – for the EU at the EU level)

Step 2: Post-EPA situation (2019-2023)

(for EU and Japan)

- Screening and scoping of human rights impact under EPA
- In case of significant impact identified, detailed impact analysis of one or two specific human rights that have been impacted most by the EPA (based on the economic modelling results and human rights indicators)
- Targeted stakeholder engagement

Step 3: Conclusions, replies to the evaluation questions, and recommendations

- Overall analysis of human rights impact: main conclusions and replies to the evaluation questions
- Policy recommendations to further improve the implementation of the EPA
- Aim to strengthen positive impacts and mitigate negative ones
- Recommendations for future improvements of the EPA and broader policy

8. Case studies: approach

Case study structure (est. 5-15 pages max)

- Introduction
- Baseline situation (pre-EPA)
- Provisions in the EPA
- Economic, social, environmental effects of the EPA
- Conclusions and recommendations

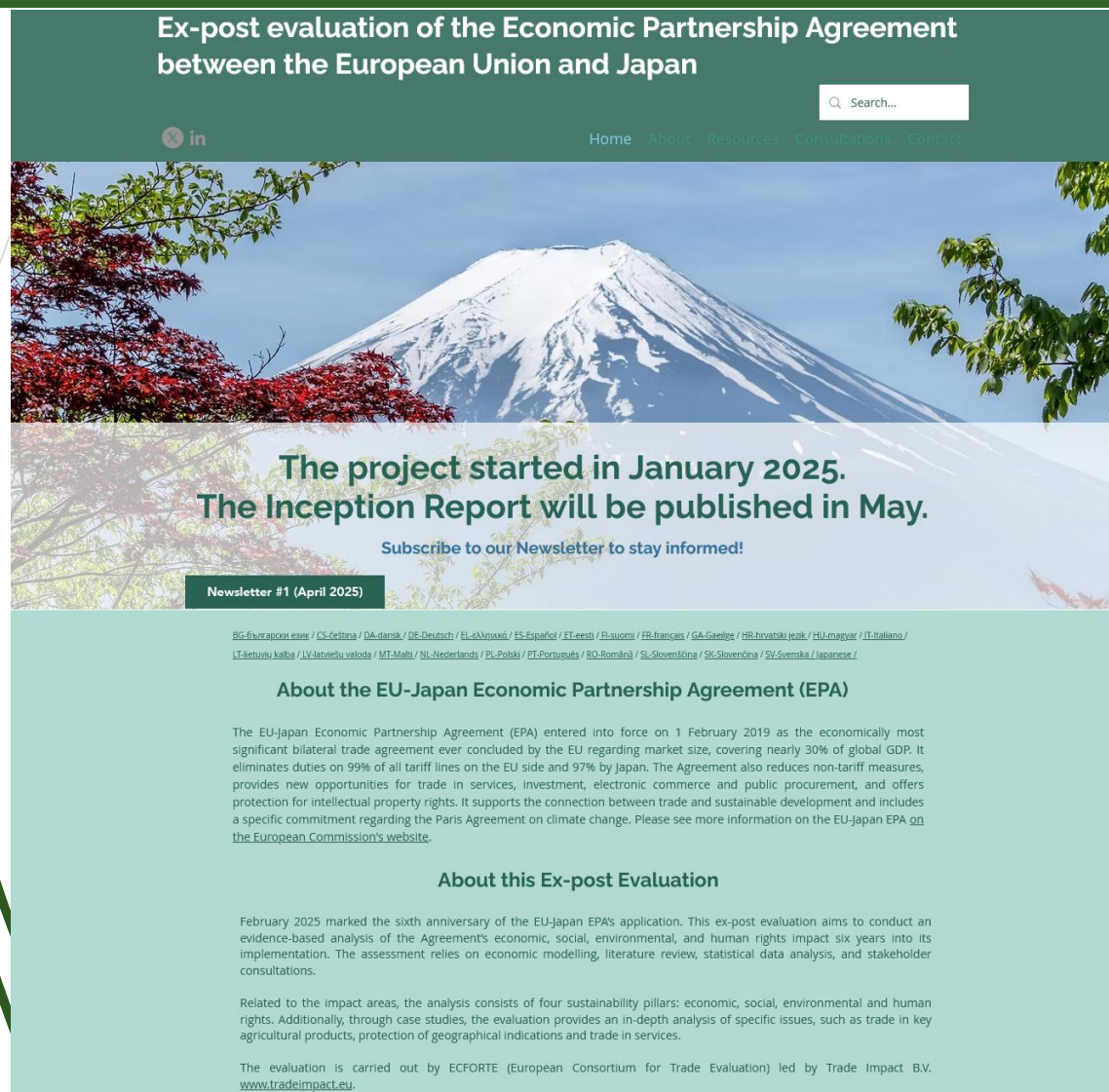
Three case studies:

- CS1: Trade in key agricultural goods including SPS, market access and related barriers;
- CS2: Geographical Indications (GI) protection aspects;
- CS3: Trade in specific services (transport, financial services, telecom, computers and e-commerce, and delivery)

9A. Consultations approach

- **Pillar 1:** Two meetings with EU civil society (CSD, online meetings)
- **Pillar 2:** Stakeholder consultations for EUMS and Japan:
 - Online business/SME survey for EU, EUMS and Japan
 - Four regional online seminars for stakeholders from EUMS
 - One online seminar for Japanese stakeholders
 - Interviews with stakeholders in the EU and Japan
- **Pillar 3:** Open Public Consultation (OPC survey)
- **Pillar 4:** Meetings with the EU institutions (e.g. EESC, INTA Committee) and other meetings, including with the Japanese government officials
- **Pillar 5:** Digital engagement with stakeholders: website, social media, and other channels.

9B. Consultations approach: website & other channels



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[EU-Japan EPA Evaluation](https://www.EU-JapanEPAEvaluation)

EU-Japan Economic Partnership Agreement (EPA)

Questions & Answers

