

JAPAN- AUSTRALIA

ECONOMIC PARTNERSHIP AGREEMENT



FRESH FRUIT AND VEGETABLES TO JAPAN

MARKET TRENDS AND JAEPA BENEFITS

The Japan-Australia Economic Partnership Agreement (JAEPA) has been in force since January 2015, and the benefits for Australian exporters to Japan are significant.

Fruit and vegetable exporters can benefit from the agreement through the reduction or elimination of tariffs that have previously posed barriers to trade in goods between Japan and Australia.

Early indications are that a majority of Japanese importers are already claiming reduced import duties, helping to make trade with Australia more appealing and our products more competitive.



Australian exporters can access preferential tariffs under JAEPA by applying for a Certificate of Origin (COO) from the Australian Chamber of Commerce and Industry (ACCI) or Australian Industry Group (AIG).

Taking advantage of preferential tariffs benefits exporters and the Australian economy. It strengthens Australia's competitive position as a supplier of clean, safe and premium Australian fruit and vegetables into Japan.

EXPORT OPPORTUNITIES TO JAPAN

Australia is the first major agricultural exporter to secure a bilateral agreement with Japan, giving a first-mover advantage. The implementation of JAEPA's preferential tariff rates, coupled with continued demand, makes it an ideal time for Australian exporters to review the depth and quality of opportunities in Japan.

Japan continues to be one of the world's largest net importers of food, with only 39 per cent of the nation's food consumption (on a calorie basis) domestically produced. This rate has remained relatively stable since 1997, despite repeated attempts by the Japanese Government to increase it to 45 per cent. Domestic production continues to be low and local produce is expensive, due to high labour costs and low production yields.

Australia, as a net food exporter with considerable experience exporting high-quality produce to Asian markets, is well positioned to meet this demand. Japan's fruit and vegetable market offers considerable opportunities to Australian exporters.



Australian Government

Austrade



Fruit and vegetable consumption in Japan continues to be high, driven by the traditional vegetable-based diet, national health consciousness and the availability of a diverse range of fruit and vegetables. Fruits and vegetables are also processed into value-added products such as juices, snacks, ice-creams and supplements.

Consumption trends continue to evolve, with growth in single-person households, an ageing population, and strong demand for convenience food leading to a

significant increase in the value of Japan's cut-fruit and cut-vegetable market – now worth around US\$750 million. For example, packaged single-serve cut-fruit and cut-vegetables are sold widely at Japanese retail and convenience stores.

The last two years have seen an increase in demand among Japanese consumers for vegetable chips, vegetable ice-cream and juice, sweet-potato desserts and dried fruit-based sweets.

VEGETABLES – HS CODE 07

MARKET OVERVIEW

The total value of vegetables imported into Japan in 2014 was A\$2.7 billion, an increase of 4.1 per cent compared to the previous year.

In terms of value, China and the US accounted for about 69 per cent of Japan's total vegetable imports in 2014. The main imported categories were frozen and fresh vegetables including onions, carrots, cabbage and tomatoes.

Australia ranks 13th for vegetable exports to Japan with a value of A\$25 million, an increase of 11 per cent in the same year. Key vegetables exported from Australia to

Japan are asparagus, broccoli, brussels sprouts, carrots, leeks, mushrooms and truffles, and onions. Other Australian vegetable exports increasing in significance are cabbage, celery, frozen finger limes, other frozen vegetables, and lettuce.

TARIFF BENEFITS

Most of the key vegetables Australia exports to Japan experience immediate tariff eliminations under JAEPA. Onions and frozen vegetables have gradual tariff reductions and their duties will be free in the near future.

Vegetable HS Codes, Quantities and Tariff Rates

HS Code	HS Code Description	Quantity up to 2015 Jul kg	Quantity up to 2014 Jul kg	Tariff Rate From 1st April 2015	Tariff Rate From 1st April 2016	Tariff Rate From 1st April 2017	Tariff Rate From 1st April 2018	Tariff Rate From 1st April 2019
070310011	Onions – not more than 67 yen/kg in value	1,822,760	640,120	5.7%	4.3%	2.8%	1.4%	Free
070310012	Onions – more than 67 yen/kg but not more than 73.70 yen/kg	421,600	247,960	5.7% or ((73.70yen-the value for customs duty)× 4/6)/kg, whichever is the less	4.3% or ((73.70yen-the value for customs duty)× 4/6)/kg, whichever is the less	2.8% or ((73.70yen-the value for customs duty)× 4/6)/kg, whichever is the less	1.4% or ((73.70yen-the value for customs duty)× 4/6)/kg, whichever is the less	Free
070310013	Onions – more than 73.70 yen/kg in value for customs duty	1,865,670	3,560,010	Free	Free	Free	Free	Free
070310020	Shallots	0	7,875	Free	Free	Free	Free	Free
070390090	Leeks	26,650	5,450	Free	Free	Free	Free	Free
070420000	Brussels sprouts, fresh or chilled	44,070	33,760	Free	Free	Free	Free	Free
070490010	Broccoli, fresh or chilled	92,160	0	Free	Free	Free	Free	Free
070490020	Head cabbage, fresh or chilled	555	0	Free	Free	Free	Free	Free
070511000	Lettuce – cabbage lettuce (head lettuce), fresh or chilled	0	0	Free	Free	Free	Free	Free
070610000	Carrots and turnips, fresh or chilled	439,416	576,680	Free	Free	Free	Free	Free
070690090	Salad beets, radishes, etc., nesoi, fresh or chilled	1,470	0	Free	Free	Free	Free	Free
070920000	Asparagus, fresh or chilled	0	0	Free	Free	Free	Free	Free
070951000	Mushrooms of the genus agaricus, fresh or chilled	3,000	0	Free	Free	Free	Free	Free
070959012	Truffles, fresh or chilled	336	575	Free	Free	Free	Free	Free
071080090	Frozen vegetables	1,470	300	3%	1.5%	Free	Free	Free
071090100	Frozen mixed vegetables, chiefly consisting of sweet corn	9,943	0	Free	Free	Free	Free	Free

Fruit HS Codes, Quantities and Tariff Rates from April 2021

HS Code	HS Code Description	Tariff Rate From 1st April 2021	Tariff Rate From 1st April 2022	Tariff Rate From 1st April 2023	Tariff Rate From 1st April 2024	Tariff Rate From 1st April 2025	Tariff Rate From 1st April 2026	Tariff Rate From 1st April 2027	Tariff Rate From 1st April 2028	Tariff Rate From 1st April 2029	Tariff Rate From 1st April 2030
080510000	Fresh oranges – imported during the period from 1st June to 30th Sept	4%	3%	2%	Free	Free	Free	Free	Free	Free	Free
080510000	Fresh oranges – imported during the period from 1st October to 31st May	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%
080520000	Mandarins (including tangerines and satsumas), clementines, wilkings and similar citrus hybrids	9%	7%	6%	5%	4%	3%	2%	1%	Free	Free
080590090	Citrus fruits, inc. kumquats, and other fresh or dried	10%	9%	7%	6%	5%	4%	3%	2%	1%	Free
080610000	Fresh grapes – imported during the period from 1st March to 31st October	5%	3%	2%	Free	Free	Free	Free	Free	Free	Free
080610000	Fresh grapes – imported during the period from 1st Nov to last day of Feb	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free

HOW TO USE JAEPA TO EXPORT YOUR PRODUCTS TO JAPAN

Preferential JAEPA tariffs are not applied automatically.

After confirming that your goods have quarantine approval in Japan, follow the three steps below to take advantage of JAEPA.

- ▶ **1.** Identify the HS Codes for all goods you are exporting on the Japan Customs website. If you are unsure which HS Codes apply to your products, ask your importer to check with Japan Customs on your behalf.
- ▶ **2.** Visit the DFAT Free Trade Agreement Portal to confirm how your products are being treated under JAEPA in terms of tariff reduction and tariff quota.

Review the Free Trade Agreement Portal to ensure your products meet the criteria for 'Australian Origin'.

FTA Portal: www.ftaportal.dfat.gov.au

- ▶ **3.** Prepare certification of origin for your products. JAEPA allows Australian exporters to self-certify the origin of their goods by preparing an Origin Certification Document (OCD). Instructions on self-certification are included in DFAT's Guide to using JAEPA to export and import goods. You can also certify origin by obtaining a Certificate of Origin (COO) from the Australian Chamber of Commerce and Industry (ACCI) and Australian Industry Group (AIG), the accredited certifiers in Australia.

ACCI: www.acci.asn.au

Sample COO:

www.customs.go.jp/kyotsu/kokusai/gaiyou/au/ACCI.pdf

AIG: www.aigroup.com.au

Sample COO:

www.customs.go.jp/kyotsu/kokusai/gaiyou/au/AiG.pdf

In-depth detail of the above three steps are included in DFAT's *Guide to using JAEPA to export and import goods*.

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