



Agri-foods in the UK-Japan CEPA

- ▶ Total UK agri-food exports to Japan were worth around £402 million in 2019-20¹, of which £271 million was beverages, spirits and vinegar² and £131 million was other agri-food products of which around £1 million was covered by Tariff Rate Quotas (TRQs).
- ▶ The vast majority of the £131 million of other agri-food exports is not subject to quotas and will be covered by tariff reductions or eliminations including on beef (MFN 38.5% reducing gradually to 9% by 2033), higher value pork (MFN 4.3% reducing gradually to 0% by 2027), cheddar cheese (MFN 29.8% reducing gradually to 0% by 2033) and salmon (MFN 3.5% continued reduction to 0% at entry into force).
- ▶ In 2019-20, the UK utilised only five of the 25 TRQs covered by the EU-Japan agreement. The deal we have negotiated focuses on those quotas with the highest usage and of most value to the UK. These new arrangements cover 99% of the value of UK exports under EU TRQs in 2019-20.
- ▶ Under CEPA, we will continue to have access to the same preferential tariff rate for 10 priority TRQs. UK exporters will also continue to benefit from access to Japan's duty-free global TRQ for Malt.
- ▶ Under the UK's arrangement, Japanese importers would initially pay no tariff on imports of covered products. At the end of each financial year, importers would pay the same in quota rate as under the EU scheme (usually 0% tariff) for any TRQ volume not utilised by the EU27.
- ▶ These arrangements are a bridge to the UK's eventual membership of the Trans-Pacific Partnership (CPTPP). The UK expects there will continue to be enough surplus volume in the EU TRQs until around 2024, by which time we expect to have joined CPTPP. As part of UK-Japan CEPA discussions, Japan has committed (via a Ministerial side letter) to support the UK's quick accession to CPTPP and provide the UK meaningful market access to similar products to those covered by TRQs in the EU-Japan deal.
- ▶ Japan has further committed (via a Ministerial side letter) to working closely with the UK to ensure the scheme operates effectively and that we have unfettered access to any under-utilised EU quota. Under the UK arrangement Japanese importers of UK products only need to provide two customs documents, rather than the six potentially required by the EU agreement.

¹ According to Japanese Ministry of Finance and customs data covering period from April 2019 to March 2020.

² "Beverages, spirits and vinegar" here refers to products defined under chapter 22 of the Harmonised System.