



# Japan-Australia Economic Partnership Agreement

The Japan-Australia Economic Partnership Agreement (JAEPA) entered into force on 15 January 2015.

Japan is the world's third largest global economy and has a significant and long standing trade relationship with Queensland. It is Queensland's second largest trading partner, with merchandise exports valued at \$8.8 billion or almost 20% of Queensland's total exports.

Japanese investment in Queensland dates back to the 1960s and has helped build Queensland's economic capacity and create jobs in key industries including mining, agriculture, food manufacturing and tourism.

Queensland has opportunities with Japan's need for minerals and energy security, food safety and security, and development of new markets in growing economies. Additional opportunities exist for Japan's response to its ageing population, and desire for new technologies, particularly in the software and pharmacy sectors.

## A breakthrough for Queensland exporters

*... a seismic shift in Japan's protection of many of its sectors.*

The Australian Japan Business Cooperation Committee

JAEPA is the most liberalising trade agreement Japan has ever concluded. It will deliver unprecedented market access and competitive advantage to Australian agricultural exports - many of them Queensland-based.

More than 97% of Australia's exports to Japan will receive preferential access or enter duty-free when JAEPA is fully implemented. Many tariffs will be removed immediately or within a few years once the Agreement is in effect.

JAEPA will also improve market access for Australian service suppliers, particularly in the areas of legal and financial services, telecommunications and education.

## Key benefits

### Services

Services account for approximately 80% of Australia's economy yet make up only 6% of the total value of two-way trade with Japan. JAEPA gives opportunity for new market access for a wide range of services sector providers.

### Education services

Australian education providers have been guaranteed access to Japan's higher education services market, including vocational and technical education. Japanese students seeking to study in Australia, including at TAFE, will be able to apply for Japanese low-interest loans.

### Legal services

Australian law firms will be able to form legal professional corporations under Japanese law. Market access will be guaranteed for Australian lawyers who, if residing in Japan, will be able to take advantage of expedited registration procedures to provide Australian and international legal services in Japan.



### Financial services

JAEPA will deliver streamlined licensing procedures for Australian financial service providers. These providers will be able to supply a defined list of financial services on a 'cross-border' basis, without having to open a full commercial office. Specified services include trade in wholesale securities transactions, investment advice and portfolio management services.

### Telecommunications services

Under JAEPA, Australian telecommunications providers will benefit from commitments on non-discriminatory treatment, regulatory transparency, competitive safeguards and fair and reasonable access to telecommunications networks and services.

## Agriculture

### Beef

Independent economic modelling estimates beef sales to Japan could rise by \$5.5 billion over the next 20 years as a result of the tariff reductions detailed in JAEPA. These include an immediate reduction in the frozen beef tariff from 38.5% to 30.5%, declining to 19.5% over 18 years. Tariffs for chilled beef and beef offal will also fall over time.

### Sugar

Under JAEPA, Japan will immediately eliminate its ¥21.5/kg tariff on high polarity raw sugar and reduce the levy.

### Dairy

Increases in duty-free quotas and the removal or reduction of tariffs on various cheese categories including natural cheese for processing and shredding, will provide additional market access to the single most important export market for Australian dairy. JAEPA will also liberalise market access for Australian ice cream and frozen yoghurt.

### Fruit and vegetables

JAEPA will provide immediate or fast-track tariff elimination on a wide range of fruit, vegetables and juices, including mangoes, various stone fruit, and apples, berries, carrots and potatoes. Some products will also be given counter-seasonal preferential access.

### Nuts

The immediate removal of a 5% tariff is expected to significantly increase exports to Australia's second largest market for shelled macadamia nuts.

### Grains/oil seeds

The removal of some tariffs and the streamlining of complex market arrangements will improve market access to what is already a significant grain market for Australia.

### Seafood

JAEPA will immediately eliminate tariffs on a range of seafood including lobsters, shrimp and prawns, oysters, crabs, fresh sea urchins and some fish.

### Processed foods

JAEPA will improve market access for many Australian processed food exporters, with the immediate or staged elimination of tariffs on a wide range of products, from peanut butter and pet food to canned tomatoes, honey and tea.

## Manufactured goods

JAEPA will eliminate tariffs of up to 30% on a range of manufactured products, including textiles, clothing and footwear, hides and skins, wood products and plastics.

## Investment

JAEPA will enhance the opportunities for Queensland businesses to attract and partner with strategic investors from Japan through an increase in the FIRB scrutiny level for private investment from \$248million to \$1,078million (with some exceptions such as agriculture).

### For more information:



+61 7 3514 3147



[tiq.qld.gov.au](http://tiq.qld.gov.au)



[tiq.info@tiq.qld.gov.au](mailto:tiq.info@tiq.qld.gov.au)



[facebook.com/TradeandInvestmentQLD](https://facebook.com/TradeandInvestmentQLD)



[@tradeinvestqld](https://twitter.com/tradeinvestqld)