



# Japan-India Comprehensive Economic Partnership Agreement (CEPA)



## Significance of Japan-India CEPA

- FTA/CEPA with the biggest GDP partner
- For India: Access to US\$ 5 trillion GDP
- For Japan:  
More business opportunities in India

### ● Trade in Goods:

About 94% of the tariffs between Japan and India will be eliminated within 10 years (about 97% by Japan and about 90% by India) (on a trade value basis)

## GDP of India's FTA/CEPA Partners (among the recently signed agreements)

(Amount:US\$)

● Japan	5,068,996,399,491
● Korea	832,511,649,033
● ASEAN	1,446,468,714,132 (except for Brunei and Myanmar, whose figures are not available)
● Thailand	263,772,103,261
● Singapore	182,231,748,149

(Source: World Bank, Year 2009)

## History

November 2004: Agreement by the leaders to set up Joint Study Group (JSG)

July 2005 – April 2006: 1<sup>st</sup> to 4<sup>th</sup> JSG meetings

December 2006: Agreement by the leaders to start negotiations

January 2007- September 2010: 1<sup>st</sup> to 14<sup>th</sup> round of negotiations

September 2010: Agreement-in-principle

October 2010: Declaration of the conclusion of the negotiations by the leaders

**16th February 2011: Signed by H.E. Mr. Anand Sharma, Minister of Commerce and Industry of India, and H.E. Mr. Seiji Maehara, Minister for Foreign Affairs of Japan, in Tokyo**

## Japan's existing EPA/FTAs

Came into effect for:

- |                    |                               |
|--------------------|-------------------------------|
| ① Singapore (2002) | ⑦ Brunei (2008)               |
| ② Mexico (2005)    | ⑧ ASEAN (except<br>Indonesia) |
| ③ Malaysia (2006)  | ⑨ Philippines (2008)          |
| ④ Chile (2007)     | ⑩ Swiss (2009)                |
| ⑤ Thailand (2007)  | ⑪ Vietnam (2009)              |
| ⑥ Indonesia (2008) |                               |

# Comprehensive package

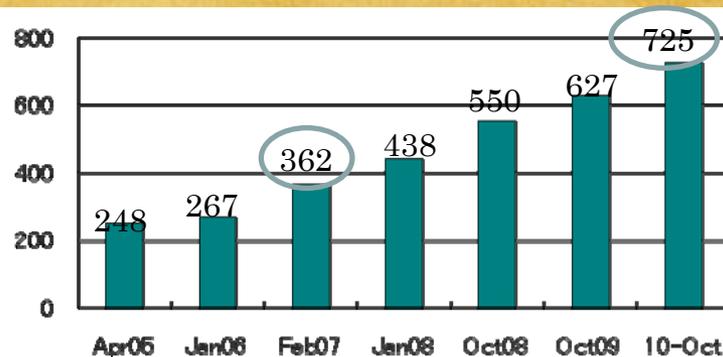
## ... New level of Strategic and Global Partnership

### Coverage of Japan-India CEPA:

- ① Trade in Goods (Market Access, General Rules, Rules of Origin, Customs Procedures)
- ② TBT/SPS
- ③ Trade in Services
- ④ Movement of Natural Persons
- ⑤ Investment
- ⑥ Intellectual Property
- ⑦ Government Procurement
- ⑧ Competition
- ⑨ Improvement of Business Environment
- ⑩ Cooperation

### Japan's Investment into India

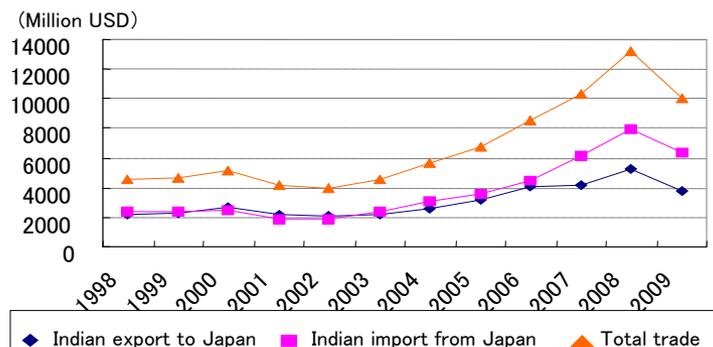
The number of Japanese companies in India has doubled in 3 years. (Japan's FDI: More than 800 billion yen (FY:2008), supporting employment, technical transfer, and export of Indian goods.)



(Source: Embassy of Japan in New Delhi)

### Japan-India Trade

Has been increasing rapidly. But, still the trade with India is merely 0.9% of the Japanese total trade (FY:2009).



(Source: Embassy of Japan in New Delhi, based on the statistics of the Ministry of Finance, Japan)



# Trade in Goods, Market Access (1) Liberalisation by Japan



※ Tariffs of many items will be eliminated immediately

## Industrial Products

※ Almost all the items will be eliminated on entering into force

## Agricultural Products (Examples)

<b>Farm products</b>	Durian (2.5%), Asparagus (3%), etc.	elimination on entering into force
	Capsicum (red pepper) other than large bell type (3%), Sweet corn (6%), etc.	elimination in 7 years
	Curry (3.6%), Black Tea (for beverage, exceeding 3kg) (2.5%)	elimination in 10 years
<b>Forest products</b>	Lumbers (3.6%)	elimination on entering into force
<b>Marine products</b>	Shrimps and Prawns (1-2%)	elimination on entering into force
	Octopus (frozen)(5%)	elimination in 7 years
	Shrimps and prawns (prepared ) (3.2-5.3%)	elimination in 10 years

※ Tariff ratios mentioned above are from the ratios as in 2007 April, which was used as the base for negotiations



## Trade in Goods, Market Access (2) Liberalisation by India



※ More liberalised than other Indian FTA/CEPAs

### Industrial Products (Example)

#### Car parts

Car muffler (10%):	elimination in 10 years
Diesel engine (12.5%) :	reduction down to 5% in 6 years
Gear box (12.5%):	reduction down to 6.25% in 8 years

Steel sheet, Steel plates, Alloy (5%): elimination in 5 years

DVD players, Video cameras (10%): elimination in 10 years

### Agricultural Products (Examples)

Chinese yam, Peach, Strawberry, Japanese persimmon (30%):  
elimination in 10 years

※ Tariff ratios mentioned above are from the ratios as in 2007 April, which was used as the base for negotiations



# Technical Regulations, Standards and Conformity Assessment Procedures, and Sanitary and Phytosanitary Measures (TBT/SPS)

## Main Points

### Cooperation on Generic Medicine

Each Party provides “National Treatment” to the person of the other Party for the application of approvals for release of generic medicine in accordance with its laws and regulations and completes the procedures within a reasonable period of time.

### Mutual Recognition

Through the Sub-Committee, the feasibility of MRAs (Mutual Recognition Arrangements) will be discussed in sectors such as electrical products, telecommunications terminal equipment and radio equipment, and other sectors. The Sub-Committee will meet within 3 months from the date of entry into force of CEPA.



# Trade in Services



Promotion of trade in services and improvement of transparency of rules between Japan and India

To promote further liberalization of trade in services, WTO plus commitments are made in the areas including the following:

## Japan

Services incidental to mining

Scientific and Technical consulting services related to petroleum, petroleum products, gas and minerals

Telephone answering services

Environmental services

Tourism and Travel related services

## India

Telecommunication services

Distribution services (i.e. Single Brand Product Retail Services and Franchising Services in respect of Single Brand retailing services)

Financial services



# Movement of Natural Persons



## Main Points

### Specific Commitments of Japan

There are specific commitments on entry and temporary stay for Indian Instructors of (i) Indian Yoga, (ii) Indian cuisine, (iii) Indian classical music and dance or (iv) English language.

### Social Security Agreement

Japan and India shall enter into negotiations in order to complete the consultations and negotiations within 36 months after the commencement of the consultations.

(※ Consultations already started in January 2011)

### Nurses and Careworkers

Japan shall enter into negotiations with India regarding the acceptance of Indian qualified nurses and certified careworkers by Japan, with a view to reaching a conclusion of the negotiations within one year if possible, but not later than two years, after the entry into force of this Agreement.



## Investment

- ※ Including provisions that cover not only “protection” aspect (post-investments stage), but also “liberalisation/ promotion” aspect (pre-investments stage)

### Main Points

- All basic provisions of “Investment Treaty” including “Investors-State Dispute Settlement”, “Expropriation and Compensation” and “Transfers” to protect investors and their investments
- Advanced provisions such as “National Treatment for ‘pre- investment activities’ and “post-investments” and “Prohibition of Performance Requirements” to liberalise and promote investment activities further



## Intellectual Property

- ※ Ensuring adequate, effective and non-discriminatory protection of intellectual property

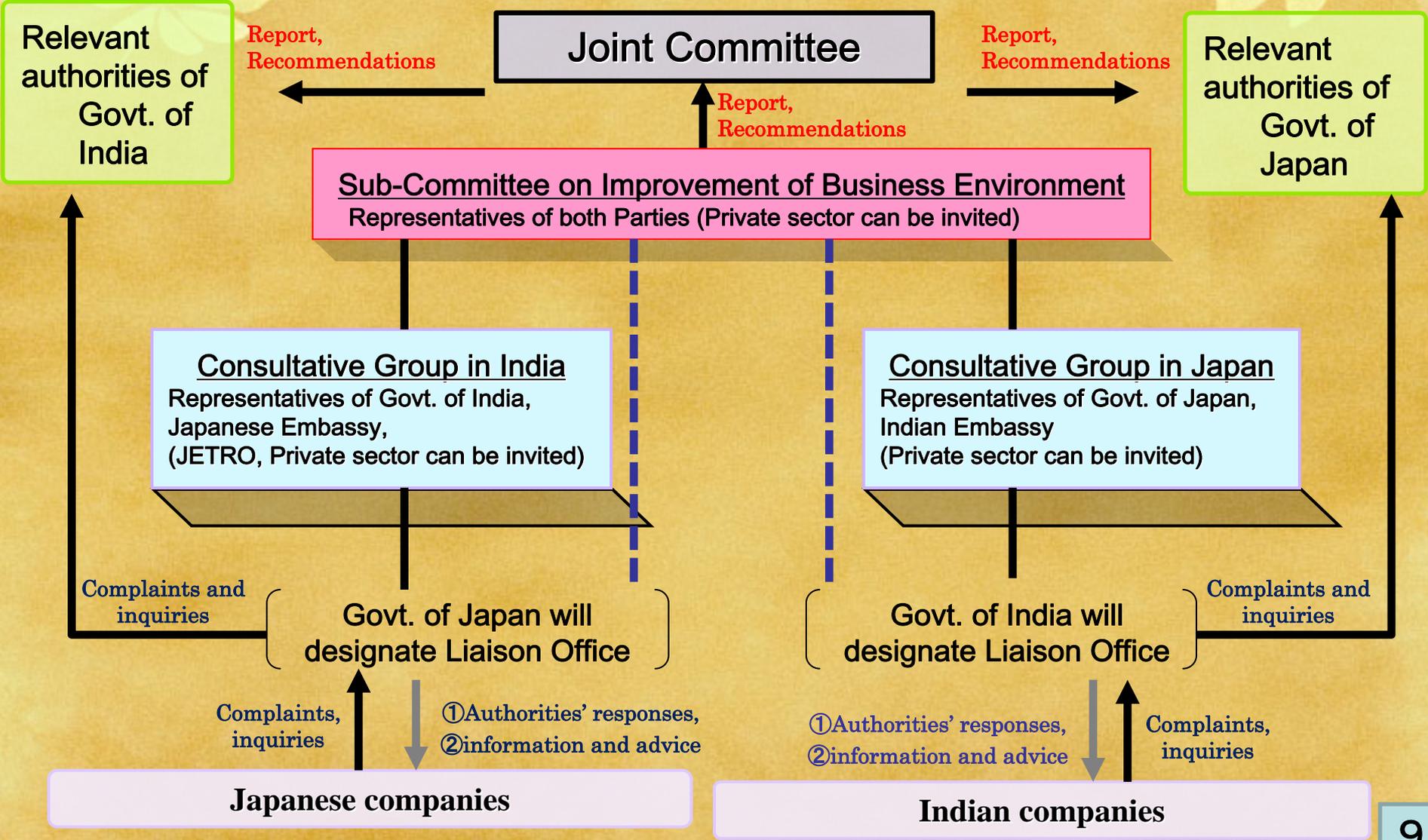
### Main Points

- Possibility of patent protection of inventions including computer programs
- Protection of well-known trademarks
- Enabling a trademark applicant to file a request for preferential examination (i.e., accelerated examination)



# Improvement of Business Environment

❖ Create Mechanisms to promote trade and investment





## Government Procurement

- Provide to the goods, services and suppliers of the other Party treatment no less favourable than that it accords to non-Party's goods, services and suppliers in accordance with its laws and regulations
- Ensure transparency of the measures regarding Government Procurement
- Exchange information of policies and practices on Government Procurement at the national level

## Cooperation

- Promote cooperation in order to liberalise and facilitate trade and investment
- Fields of cooperation
  - ① environment,
  - ② trade and investment promotion,
  - ③ infrastructure, ④ ICT,
  - ⑤ science and technology,
  - ⑥ energy, ⑦ tourism, ⑧ textiles,
  - ⑨ SMEs, ⑩ health,
  - ⑪ entertainment and information,
  - ⑫ metallurgy

## Competition

- Take measures against anticompetitive activities
- Cooperate in the field of controlling anticompetitive activities
- Apply competition laws and regulations in non-discriminatory manner
- Implement administrative and judicial procedures in a fair manner
- Promote transparency of implementation of competition laws and policy