

# The Economic Partnership Agreement between Japan and the European Union: analysis of the first years of life and prospects for the future

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## Abstract

*On 1 February 2019 the EU-Japan Economic Partnership Agreement (EPA) entered into force, the largest trade agreement signed to date by the EU. The conclusion of this agreement meant the creation of the largest free trade area in the world, covering nearly 640 million people and one-third of the world's gross domestic product, all in the middle of the Trump era, a clear defender of protectionism. It eliminates over 90% of the tariffs paid by European companies exporting to Japan and represents a clear move against protectionism. Both powers share the same interests and values of democracy, the rule of law and the defence of human rights. This paper analyses the EPA taking into account the negotiation process, the normative text, the key elements and the impact of its first years of implementation. The work is completed with some conclusions, taking into account the repercussions of the crisis caused by COVID-19.*

**Keywords:** Economic Partnership Agreement, European Union, free trade, Japan, multilateralism

## Introduction

On 1 February 2019, the Economic Partnership Agreement (EPA) between the European Union and Japan entered into force. The conclusion of this agreement represents the creation of the largest free trade area in the world, covering nearly 640 million people and a third of the Gross Domestic Product in the world, all this in the era of Trump, a clear supporter of protectionist postulates. The free trade agreement with Japan is the largest trade agreement signed to date by the European Union. It eliminates more than 90% of the tariffs paid by European companies exporting to Japan and is a clear move by both powers against protectionism.

Japan is one of the main partners of the EU, at both, economic and political level. The two powers share common values as democracy, the rule of law, the protection of human rights and fundamental freedoms, supporting cooperation, not protectionism, as a way to address global challenges. However, it must be taken into account that the conception of human rights in Europe and Japan is not the same. In fact, the EU and the Council of Europe have pressured Japan to change some aspects of its legislation, such as the death penalty or the situation of detainees (Gascón, 2014, pp. 113-32).

## The relevance of Japan-EU relations

Relations between the European Union and Japan go back a long way. The framework for these bilateral relations is defined by the 1991 Joint Declaration, which provides for annual EU-Japan Summits devoted to foreign policy, economic and trade relations and regional and global issues, and by the 2001 Action Plan. In addition to these two political documents, there is a wide range of international agreements, including the Agreement on Mutual Recognition between the European Community and Japan (2001) or the Agreement between the European Union and Japan on Mutual Legal Assistance in Criminal Matters (2009) (Tirado, 2020, p. 55), for example. In addition to these agreements, since 2018 there have been two new and extremely important ones negotiated at practically the same time, which have undoubtedly marked a turning point in relations between Japan and the European Union: the Strategic Partnership Agreement (SPA) and the Economic Partnership Agreement. Although this paper focuses on the Economic Agreement, the importance of the Strategic Partnership Agreement should not be underestimated. It is a key element in understanding the new objectives in terms of general and sectoral political cooperation between Japan and the Member States and provides a legal basis for a closer partnership in tackling a range of bilateral and global issues (climate change, development policies, security policies, etc).

### Economic relations and trade barriers between Japan and the EU

Every year, EU companies export approximately €70 billion in goods and €31 billion in services to Japan. However, European companies faced many trade barriers when they wanted to export to Japan, high import tariffs and procedures and standards that differed from international ones, which affected their competitiveness. EU Member States were therefore particularly interested in the reduction of tariffs on certain products in Japan, as well as in the removal of the various barriers in the form of non-tariff measures that make it very difficult for European products to enter the Japanese market. European companies were also very attracted to Japanese public tenders, which will provide great opportunities to participate in large contracts with the Japanese administration. All these demands have been met with the signing of the trade agreement with Japan. The main objective of this Economic Partnership Agreement is to remove these trade barriers, making it easier for European companies to sell goods and services on the Japanese market. Japan and the EU also aim to jointly shape global trade rules in line with the high standards of both powers and their shared values. But the reality is that this agreement goes much further than that. The two powers are sending an unmistakable signal to international society that two of the biggest economies in the world reject protectionism (Chowdhry, Sapir & Terzi, 2018, pp. 9-12).

On 1 February 2021, the Joint Committee established by the agreement between the EU and Japan for an economic partnership held its second meeting by video-conference. The meeting was cochaired by the Executive Vice President of the European Commission and Commissioner for Trade, Valdis Dombrovskis, and the Minister for Foreign Affairs of Japan, Motegi Toshimitsu. They confirmed the importance of a full and effective implementation of the agreement, which remains as a political priority for both, as well as they highlighted the positive developments in cooperation in spite of the impact of the COVID-19 pandemic on international trade. Partners also discussed broader cooperation issues, including the engagement with

other international partners such as China and the US, the urgency to make progress on WTO reform, and international trade in COVID-19 vaccines.

The EU and Japan have jointly pursued the promotion of global coordination in response to the pandemic in different international fora such as the G7, the G20 and the United Nations. But to little effect, it must be said. Both remain strongly committed to their strategic partnership and should play an important role in recovering from the effects of the COVID-19 pandemic and in addressing other important common challenges and problems which, although they seem to have been put on the back burner at present, have not disappeared, such as population ageing, climate change, security, etc.

### **Some notes on the negotiation process of the EU-Japan Economic Partnership Agreement. The Hague Declaration and the Action Plan as a basis for mutual cooperation**

Relations between the European Union and Japan go back a long way, with more than 50 years of bilateral relations. The Joint Declaration of 1991 laid the foundations for bilateral cooperation, and EU-Japan Summits are held annually to address all aspects of relations between the Member States and Japan (economy, trade, global challenges, regional challenges, etc). In 2001, at the tenth of these summits, the Action Plan was adopted to strengthen the economic and trade partnership in particular, a small first step to begin to structure the new objectives that involved cooperation in economic matters, although the objectives proposed in the 1991 Joint Declaration had not yet been achieved, making it clear that little effective progress had been made by the two powers in ten years (De Prado, 2014, p. 14).

The truth is that both the Hague Declaration and the Action Plan lacked a strategic approach and did not produce tangible results. The objectives of the Action Plan were not substantially achieved, as more than a hundred initiatives were covered, but most of them failed to materialise due to a lack of political will on both sides (Berkofsky, 2012, pp. 265-88). What is certain is that during this period relations suffered from a clear lack of focus and concrete action. Some authors have argued that the problem with the failure of relations was the "expectations deficit" (Tsuruoka, 2008, pp. 107-26), and that relations suffered from a kind of "path dependency" (Gilson, 2016, pp.791-806), a dependence on the path already travelled by both the Union and Japan in the course of their history.

Although the Action Plan did not entail a dramatic change and its nature was neither legal nor binding, but rather a political agreement, without very specific measures, the reality is that it did open the door to the adoption of binding international agreements on specific or concrete aspects by Japan and the EU. Both partners followed this line of specific agreements, lacking a true global framework, and relations between them were characterised by agreements of this type until 2013, when negotiations began on the Strategic Partnership and Economic Partnership Agreements that is the subject of this paper. Both sides decided to negotiate, in parallel, both a trade and a strategic agreement. The former was intended to cover all economic issues relevant to both partners: tariffs, non-tariff measures, services, investment, intellectual property rights, public procurement, etc. The second was a more political agreement, an action plan that sought to strengthen relations through political, global cooperation and other

strategic sectors, such as security policies, in a comprehensive manner, within the framework of shared values.

## **The beginning of the Economic Partnership Agreement negotiations**

Negotiations on the economic agreement were formally launched in March 2013. The Council and the representatives of the governments of the Member States decided by unanimity that the European Union should enter into serious talks on this matter. To this end, they mandated the Commission to negotiate on behalf of the Union and gave it a mandate (a set of guidelines) with precise objectives that it should not deviate from in the negotiations. They took this decision following the publication of a study in 2012, which showed that it was in the economic interest of the EU to conclude this treaty. Before the official start of the negotiations, Japan was asked to remove certain non-tariff barriers beforehand, in order for the European authorities to verify that Japan was seriously committed to the negotiations of this agreement and that it really wanted to sign a free trade agreement. The start of negotiations by Japan was forced by the signing of the Free Trade Agreement between the Republic of Korea and the European Union (2011), which put Japanese companies at a clear disadvantage in exports to EU states compared to their Korean neighbours.

## **A slow negotiating process and a rapid response to protectionism**

Until 2017, progress in the negotiations was really slow, as both powers were immersed in the negotiations of other economic agreements in which they had a greater interest (Japan in the Trans-Pacific Economic Cooperation Agreement and the European Union in the Free Trade Agreement with the United States). Everything changed with the arrival of President Trump in the White House, which led to the end of negotiations on both treaties. As a direct consequence of this, the European Union and Japan made rapid progress in their negotiations, as they were put on alert, not only because of their economic interest in seeking other markets to export their products, but also because of their political interest in showing the rest of international society, and especially the United States, that their response to strong protectionism was the opening of their markets, cooperation, understanding and the creation of common standards. As noted above, this agreement had been years in the making, but undoubtedly the main reason why negotiations were so intensified and consensus was reached so quickly, compared to the scant progress made in previous years, was the need for both the EU and Japan to react to the decisions of Trump Administration. The consensus reached is a clear message of unity in trade relations in the face of economic restrictions on third countries and a statement in favour of free trade.

At the EU-Japan Summit on 6 July 2017, both sides reached an in-principle agreement (without finalising negotiations on certain aspects of the text) on the main elements of the EPA. Negotiations on all outstanding issues were concluded on 8 December 2017, after 19 rounds of negotiations. On 18 April 2018, the Commission submitted the text of the agreement to the Council for approval. This step marked the start of the ratification process at EU level. It was the first step towards the signature and conclusion of the agreement. At the 25th EU-Japan Summit in Tokyo on 17 July 2018, European Commission President Jean-Claude Juncker, European Council President Donald Tusk and Japanese Prime Minister Shinzo Abe signed the EPA. After being

endorsed by the Council, it was approved by the European Parliament on 12 December 2018 with 474 votes in favour, 152 against and 40 abstentions.

### **Some highlights of the negotiations**

One element to highlight in the negotiations of this agreement, and one on which the Commission has made a special effort, after the negative experience during the unsuccessful negotiations of the free trade agreement with the United States, is transparency, at least on paper. While it is true that Member States and Parliament have been kept informed throughout the process, that meetings have been held with members of national parliaments and civil society, and that negotiating documents and reports of the negotiating rounds have been made available online, on some occasions the information reaching the public was somewhat limited and did not give an account of how some of the most contentious points were to be resolved.

With regard to the main elements around which the negotiations have revolved, it is worth highlighting EU agricultural exports, geographical indications, the services market (financial services, e-commerce, telecommunications and transport), access for EU companies to the large public procurement markets of Japanese cities, the protection of specific sensitivities in the EU, trade and sustainable development, consumer protection and the guarantee of public services. Another important point in the negotiation of this agreement, which shows that it transcends the economic sphere, is the issue of data protection. Both powers agreed on the mutual recognition of their data protection systems as "equivalent", which will allow data to circulate freely between the European Union and Japan, creating the world's largest area of secure data flows (Gascón, 2019, pp. 213-25).

Throughout the negotiations, some sectors have criticised the fact that the issue of whaling was dealt with in a superficial way and did not make it into the final text. Japan is one of only three whaling countries in the world and the only one that hunts whales outside its territorial waters. Although the EU condemns Japanese whaling, the text of the agreement only refers to "dialogue and joint work on environmental issues".

### **Content of the Agreement and key elements: beyond the mere exchange of trade products**

With the EPA, the EU seeks to boost trade in goods and services and create investment opportunities in Japan, improving the position of European exporters and investors in the Japanese market. At the same time, however, it wants to ensure that the European rules and values are protected, which did not initially appear to be an easy task given the complexity of the issues to be negotiated, as well as the many differences between the legal systems of the two powers and their high regulatory standards.

Undoubtedly, having reached a consensus contributes to consolidating both Japanese and European leadership in the establishment of international trade rules at the global level. It also reaffirms their position against those in favour of economic protectionism: both powers hold the firm belief that state-to-state cooperation and mutual understanding help to combat global challenges today and are more necessary than ever in a turbulent international environment.

At almost nine hundred pages in length (including a Preamble, 26 chapters and Annexes), the importance of the agreement is evident. The variety of issues covered by it and the detail with which they had to be dealt with in order to provide sufficient legal certainty in its implementation are also evidence of its relevance.

With the entry into force of the treaty, tariffs on more than 90% of European exports to Japan have been eliminated. Once the agreement is fully implemented (progressive implementation of some of its provisions has been established), Japan will eliminate customs duties on 97% of goods imported from the EU and will have partially liberalised the remaining tariff lines through tariff quotas or tariff reductions. This translates into savings of approximately one billion euros a year in customs duties for EU exporters.

## **Elimination of barriers in the food and agriculture sector**

One of the European sectors that exports the most to Japan is agriculture and food products. In fact, Japan is the fourth largest market for this sector in terms of exports, with an annual figure of more than 5.7 billion euros. With the progressive implementation, around 85% of European agri-food products, on tariff lines, will be able to enter Japan completely duty free.

The agreement eliminates or significantly reduces duties on agricultural products of particular interest to the EU. The impact that this can have on the European agri-food sector, with the reduction and elimination of duties, which will undoubtedly help to facilitate the marketing of these products, is truly considerable. One of the best examples of these products of great importance to the interests of the Union is pork, the agricultural product most exported to Japan and a sector particularly protected by the power, with safeguards and a complex tariff system. Tariffs will be phased out: for fresh meat and certain types of offal in ten years, for cured ham and other dried, smoked or brined meats, liberalisation in ten years, for sausages liberalisation in five years, cooked ham in ten years and canned meat in a maximum of fifteen years. Another example of a key product is beef, which will have its tariffs reduced from 38.5% to 9% over fifteen years for a significant volume of beef products.

Tariffs on wine (15% before the EPA), the second most exported agricultural product to Japan, have disappeared with the entry into force, as have those on other alcoholic beverages. The export of wine to Japan is not a trivial matter, since it represents a figure of approximately one billion euros per year for the European Union.

Another key product for the European Union is cheese, as it is the leading exporter of this product in Japan. With regard to cheese, the high duties (ranging from 22.4% to 40%) on many hard cheeses such as Gouda, which before the signing of the Agreement was 29.8%, are eliminated, and a duty-free quota is established for fresh cheeses such as Mozzarella. The period of liberalisation of these tariffs is set at a maximum of sixteen years, varying according to the type of cheese. In fact, such is the importance of cheese in this agreement that many media have named it "The Cheese-for-Cars Agreement", emphasising the importance that the elimination of barriers to trade in both products has for the respective powers. In any case, it is necessary to make clear that this agreement goes much further than that, as we are seeing, it covers a multitude of products and services, as well as regulating other important economic aspects (Tirado, 2020, p. 65).

One of the main concerns in the field of agriculture and food production at European level was that of geographical indications, and it was of the utmost importance for the EU that the level of protection enjoyed by certain products of particular interest because of their origin should be the same in Japan. Finally, the agreement recognises their special status and offers protection on the Japanese market to more than 200 EU agricultural products with a specific geographical origin. These products will have the same level of protection in Japan as they have in Europe. This matter is regulated in Chapter Three, which, together with its Annexes, sets out the rules of origin and origin procedures. It was a "red line" for the European Union that its high standards in terms of food quality and designations of origin should be respected and protected.

### **Industrial products in the EPA and the whale problem**

For industrial products, tariffs are eliminated in their entirety in the chemical sector, plastics, cosmetics and textiles. It should be noted that for leather and footwear, the current quota system has significantly impeded exports to Japan. However, this situation changes with the EPA and is abolished. Footwear tariffs are reduced from 30% to 21% and the rest of the duties will be progressively eliminated in ten years, as well as tariffs on leather products, sports shoes or ski boots, which have always been highly protected by the Japanese administration. Undoubtedly this means a before and after for these industries, which will see the possibility of expansion with much lower, or practically non-existent, costs in a huge market of 127 million consumers.

On the controversial issue of whaling (perhaps, together with capital punishment and the question of treatment in Japanese prisons, the most critical issues of cooperation on which the two partners cannot find any convergence), which has been criticised in the European Parliament, the EU has banned all imports of whale products for more than 35 years. The Member States are particularly committed to the protection of whales and totally reject whaling for scientific purposes. The EU strictly applies the trade ban under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and addresses whaling by third countries, such as the Japanese State, in forums such as the International Whaling Commission. Nothing is provided for in this respect in the EPA, only a chapter on sustainable development (Chapter Sixteen) is included, with which it is hoped, at least on the part of the European Union, to work together on environmental issues, reaching a consensus on this matter.

### **Non-tariff barriers: the traditional challenge with Japan**

Beyond tariffs, there are other barriers in the highly regulated Japanese market for European companies that make exports to Japan difficult. Japanese technical requirements and certification procedures present an additional difficulty for EU products to be exported. However, the EPA seeks to overcome these impediments. On the one hand, as regards technical barriers, regulated in Chapter Seven, both powers are committed to ensuring that their rules and regulations are based as far as possible on international standards, which will mean that, for example, for food products, Japanese labelling standards will be more easily met. This, together with the provisions on non-tariff measures, is a significant improvement for the export of European electronics, pharmaceuticals, textiles, and chemicals.

On the other hand, with regard to sanitary and phytosanitary measures, the authorisation and customs clearance processes have been simplified. This will allow import processes to be completed without delay, ensuring that bureaucracy (sometimes excessive in the eyes of exporters) does not frustrate exports. It should be made clear that the EPA does not imply any lowering of product safety requirements. In November 2014, Japan adopted the international standard on quality management systems for medical devices. The EU's quality management system is based on the same international standard, which will significantly reduce certification costs for European medical devices exported to Japan. Moreover, in 2016, a notification system was abolished which, due to its complexity, was a major obstacle for the export of pharmaceutical, medical devices and cosmetic products.

Japanese legislation also adopted in 2015 the international textile labelling system, which is very similar to the European system. This means that textile exporters will no longer have to change the label on every product they ship to Japan, a very advantageous measure for this sector. Japan has recently adopted ISO standards (international norms that set quality standards for products), thus replacing its own national quality standards, the JIS (Japan Industrial Standards). The old Japanese quality standards were not in line with international standards, making it more difficult to trade with Japan and presenting problems when negotiating certain points of the EPA.

### **The transitory liberation of the automobile sector**

For the automobile sector, this agreement is of enormous importance and has had great weight in the negotiation processes. Its implementation will completely change the commercialisation of Japanese cars on the continent, as it will entail the progressive elimination over a period of seven years of tariffs on Japanese cars, which are currently taxed at 10%, and on Japanese-produced components, which are taxed at a 3% tariff. These tariffs will be eliminated progressively, so Japanese brands with a presence in Europe (Suzuki, Toyota, Nissan, and Honda, with production infrastructure in Europe) will benefit the most, as they will be able to reduce their prices. On the other hand, brands that do not manufacture in Europe (Mazda, Subaru or Mitsubishi) will also be able to lower their prices, so they benefit equally from the agreement. The EU will also be able to increase the export of some of its car models to Japan. The elimination of tariffs on components produced by Japanese firms will be an advantage for the European brands that use them, as well as, of course, for Japanese manufacturers.

The negotiations in this sector have been one of the most sensitive points due to the fact that its implementation could produce an imbalance in the European motor market. For this reason, it has been agreed that the elimination of tariffs will take place over a transitional period of seven years. In addition, the EU has reserved, by means of a safeguard clause, the right to introduce new tariffs if, after full implementation, enormous damage to European industry is observed, as well as if Japan reintroduces non-tariff barriers to European vehicle exports.



## **Services export in the EPA**

In addition to its products, the EU also exports its services to Japan, which in 2017 amounted to over €31 billion. The dominant sectors were financial services (23.53%), telecommunications (14.5%) and transport (13.97%). Although the treaty contains provisions that will apply across the board to all trade in services, it maintains the right of EU Member States to retain the public nature of services such as education, health and water supply. There will be no obligation to privatise or liberalise any services at national or local level.

## **Innovative aspects of the EPA in relation to other trade agreements**

Having already presented a general framework of the most relevant provisions on products and services, it is worth highlighting other innovative aspects such as the provisions on public procurement, intellectual and industrial property rights, environment, sustainable development, labour rights, corporate governance, anti-fraud, small and medium-sized enterprises, and competition policy. Finally, a point of particular relevance in the negotiations has been data protection. The European Commission adopted in January 2019 an adequacy decision on Japan, allowing personal data to flow freely between the two economies on the basis of protection guarantees and thus creating the world's largest secure data flow area.

There are some points that have not yet been resolved and are not included in the content of the EPA. In this respect, negotiations are continuing between the EU and Japan on investment protection rules and on the settlement of investment protection disputes.

## **Conclusions**

The European Union and Japan have opened, through the EPA, the largest free trade area in the world in the midst of the Trump era. It represents a significant boost for trade exchanges on both sides and will particularly affect the future of important sectors such as the agri-food and automobile sectors, liberalising them. In addition to the reduction of traditional trade taxes, this agreement goes further and includes references to investment, intellectual property rights and access to public procurement processes, which are highly novel factors in international economic agreements and will be taken into account as a precedent when negotiating future trade treaties.

The economic relevance is undeniable, bringing together two of the four largest global economic powers, which account for almost 40% of trade and a third of the world's GDP. The liberalisation of more than 90% of trade, in a progressive manner, the saving of 1 billion euros a year in tariffs for European companies and the estimated 33% increase in European exports to Japan are some of the benefits that are consistently highlighted when studying this agreement. For its part, Japan estimates that its economy will grow by 1% annually when the full reduction in tariffs takes place. For European industries such as agri-food, textiles, footwear and pharmaceuticals, it means a significant reduction in costs and access to a market of 127 million consumers. However, there are other sectors such as the automobile and fishing industries that are wary of the possible substantial change in the prices of Japanese products. In fact, with the implementation, Japan benefits mainly from the marketing of its vehicles on the

continent, while the European Union is favoured by the reduction of duties on food products such as beef and the elimination of duties on other products such as cheese and wine.

The economic benefits were already evident during the first months of the EPA. The EU's review of the first anniversary of the entry into force of the agreement notes that in the first ten months, EU exports to Japan increased by 6.6 % over the same period of the previous year, exceeding the growth of the last three years, which averaged 4.7 % (Eurostat data), and Japanese exports to Europe grew by 6.3 % over the same period. In fact, exports in certain sectors have grown even more. For example, in relation to meat, exports for the period February to November 2019 compared to the same period in 2018, increased by 12%, 12.6% for pork and tripled for frozen beef. Beverage exports rose by 20%, 17.3% for wine. For dairy products, exports increased by 10.4% and for butter by 47%. Leather goods saw an increase of 14% and clothing 9.5%. The increase for telecommunications equipment, storage devices and electronic circuits was 16.4%.

Beyond the quantifiable economic benefits, the EPA transcends the commercial sphere and offers other geostrategic benefits, such as the fact that, together with the existing agreement signed with Korea and the treaties still under negotiation with other countries in the region (such as Singapore or Australia), the EPA with Japan will increase the EU's economic presence and political importance in the Asia-Pacific region, which is expected to experience the highest economic growth in the coming years (although these economic estimates may be affected by the economic crisis caused by COVID-19).

In addition, it has important political implications. Japan and the EU sent a message to former President Trump, showing a completely different path to the protectionism he advocated, that of multilateralism and trade between nations based on international rules, on regulatory harmonisation. Both partners continue to believe in the benefits of trade agreements at a time of uncertainty among industrialised countries about them.

Certainly, the EPA with Japan should be seen as an opportunity. Not only an economic opportunity, which is undoubtedly true, although we must wait for the agreement to be implemented fully and for the benefit of all, resolving through cooperation and understanding on both sides the possible problems that may arise as an agreement with such a novel content, but also an opportunity to cooperate more closely in international fora for norm-setting with Japan, creating standards and converging the rules of international trade, and an opportunity for both powers, as international partners with common values and principles, to be stronger working together.

It is not a mere free trade agreement; the parties decided to include many more issues such as public procurement, global governance, and sustainable development. On the other hand, it is regrettable that investment protection and the controversial issue of the dispute settlement body in this area have been separated from the EPA, thus preventing the EU from turning the agreement into a mixed agreement and the negotiations from taking longer.

The EPA is more than a "car for cheese" as the media have described it (Tirado, 2020, p. 71), it extends to numerous products and services, making it the regulatory standard for an economic partnership between 29 countries and 635 million people representing almost a third of the world's Gross Domestic Product. It is an agreement that we believe

will be beneficial for states, businesses and consumers. And, above all, beyond the economic benefits, it is beneficial in terms of the symbol it represents, the proclamation of the defence of the same values in the face of the convulsive international scenario; cooperation in the face of protectionism, a world order based on rules, as well as the protection of human rights and fundamental freedoms. It is also an essential step in EU-Japan relations, which have stagnated for decades.

As mentioned in the introduction to this paper, Japan and the EU have met by electronic means not only on this agreement, but also on the COVID-19 crisis. In these meetings, it became clear that both powers are committed to strengthening international organisations, in order to be able to provide joint responses to this type of situation. In fact, they stressed the importance of transparency, of sharing information freely and quickly, that is, of collaborating and cooperating to solve these global problems as opposed to the isolationism that other states seem to champion. We should not approach these kinds of statements from a merely political point of view, but they can have a direct impact on global health.

Both partners are being hit hard in social, health and economic terms by the pandemic. On the economy, plunged into the worst recession since World War II, both appear to be committed to a sustainable, inclusive and resilient recovery, in line with the Sustainable Development Goals and the Paris Agreement. They also support the G20 Action Plan proposed by Finance Ministers and Central Banks in support of the global economy, although we do not know the concrete actions, it seems that the clear commitment of both partners is to international cooperation and mutual trust.

In any case, the consequences of this crisis are yet to be seen, so it is difficult to make forecasts in social, health, economic and geopolitical terms, as everything depends on the evolution of the pandemic. What does seem clear is that both Japan and the European Union share values and stand for a rules-based international order. Both wish to strengthen a cooperation that has been developing for years on the basis of international law to address common challenges, and whose commitments culminated in the Strategic Partnership and Economic Partnership Agreements, whose implementation will certainly not be interrupted by the current crisis, although we will have to see if the expected repercussions are diminished. In our view, whatever the challenges ahead, the Japan-EU partnership must move forward. The partners have already shown the world their alliance and shared values, now they must take action and cooperate on the global issues that are undoubtedly, and unfortunately, still to come. What is clear is that Japan and the EU have made great strides in their relationship and are natural partners, and their path must continue to be a common one.

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