

## **EU-Japan bilateral relations**

CLEPA members are in favour of continuing robust EU-Japan relations. However, it is our contention that regulatory co-operation on technical issues, including global harmonization of technical standards, should be at the heart of bilateral talks, in order to properly tackle Non-Tariff Barriers, which are a long-standing trade obstacle to EU exporters.

As such, Japan should be strongly encouraged to swiftly sign all those UN Regulations under the 1958 Agreement, which the EU has signed, and to accelerate its adoption rate, its current average is only 4-5 Regulations per year. To date, Japan has signed only 43 UN Regulations from 1958 Agreement, whilst the EU has signed 107 of these Regulations. Furthermore, Japan should give an undertaking not to withdraw its signature from the UN Regulations which it has already adopted.

CLEPA calls for generic exemption of automotive pyrotechnic safety devices from the Japanese Explosives Control Act (ECA), including test methods for such devices. CLEPA has a further request for these articles to gain generic exemption from the High Pressure Gas Act (HPGA). A time-table should be prescribed for resolving problems which have arisen in respect to these requirements. This is hampering EU exports into Japan.

In light of the above, we request the Commission to adopt a two track approach:

- To obtain clear commitments on the elimination of the above-mentioned Non-Tariff Measures (NTMs), within a reasonable timeframe, and
- To evaluate the outcome of the Scoping Exercise, (which has now been closed) through a publicly-available Impact Assessment on trade, investment and employment in the EU and Japan.

The EU should not enter into formal negotiations of an FTA / EPA, if there is no clear and comprehensive roadmap to resolving these NTMs, where there is no real opportunity to increase EU export potential and if it is demonstrated through an Impact Assessment that such an agreement would confer a disproportionate benefit on Japan to the disadvantage of the automotive industry. In this case, CLEPA is not in favour of opening up formal negotiations with Japan, which would include tariff negotiations.

Japan trade flows clearly indicate solid competition and increasing imports to EU. Under HS Tariff Code: 8708 (auto parts & accessories) Japan exports to EU increased by 16.6% in 2011 compared to 2010. EU exports increased only by 1.6%.

Japan trade surplus in 1<sup>st</sup> Q of 2012 amounted to \$924,708m = +6.2%.

**EU/JAPAN Trade relations**  
**Scoping exercise- Vehicle components**

**Non Tariff Barriers- Technical legislation**

**1) Japan and the UNECE 1958 Agreement**

Japan acceded to the UNECE 1958 Agreement and has signed up to now only 43 Regulations. The EU applies 107 UNECE Regulations.

Japan has a rather slow rate of signing new Regulations, 4 to 5 per year.

CLEPA does not have problems with Japan. In some cases Japan accepts UNECE approvals, according to the Regulations it has not signed. However, this situation might quickly change and it will be welcomed that Japan signs all the UNECE Regulations which the EU has signed.

The following UNECE Regulations are priority for CLEPA: R13, R18, R37, R43, R46, R51, R59, R79, R83, R90, R99, R103, R122, R126 and the new Regulation on LEDs.

**2) Automotive pyrotechnic devices**

Pyrotechnic safety devices used in automobiles must gain exemption from the Explosives Law.

While airbag gas generators and seatbelt pre-tensioners are exempted, the criteria for allowing the use of other automotive pyrotechnic devices differ according to the device.

The new exemption for all other pyrotechnic devices for vehicles is based on conditions rather than the use of the pyrotechnic device, yet it is a real improvement. However, the amount of pyrotechnic and explosives substances is small and could be restrictive. If Japan were to adopt ISO 14451, when it is released as a testing procedure for the certification of these pyrotechnic devices, it would be a step in the right direction. This could be completely solved if the pyrotechnic articles for automotive applications are already in conformity with this ISO standard and therefore would have not to be subject to the case by case procedure .

### 3) High pressure gas safety law

Pressurized devices are regulated under the High Pressure Gas safety Law. (HGPL)  
METI is responsible for the application of this Law as well as for the Explosives Law.

Since there is no harmonization between the Explosives Law and High Pressure Gas law. The general requirements for inspection according to Article 46 of HPGL is also valid for airbag inflators containing so called “dangerous gas” irrespective of the previously mentioned exemptions. Subsequently all levels of use when the device is imported into Japan (in particular the vehicle) will be negatively affected by the general inspection requirements until an exemption for the technology is granted. Without the special exemption from the regulation all Vehicles containing this new technology will be subject to inspection.

In the EU, high pressure gas devices are regulated by the Pressurized Equipment Directive (PED). However volume of gases is usually so low in airbag inflators that these devices are exempted from the PED requirements

There is some space for interpretation and exemption from the High pressure gas law, where an opening could be found. This reference to in HGPL is found in attached document. (Japan-High Pressure Gas legislative doc) on page 2 (Exemptions). A new exemption should be introduced which should read :

Article 3, (viii):

“Non refillable containers/cylinders with high pressure gas, intended for automotive safety products shall be exempted from the provisions of this Act”

\* \* \*