



## AE MicroMacro - Japan

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### EUJEPa, Polish SEZs and export opportunities, part 1

**What happened?** [On 17 July 2018, the European Union and Japan signed an Economic Partnership Agreement \(EUJEPa\)](#), which entered into force on February 1<sup>st</sup>, 2019. EUJEPa ([which covers more than 600mln citizens](#)) could play a major role for a private sector and governments. In Poland Special Economic Zones (SEZs) could become one of the most beneficial participants if management boards use specific advantages of EUJEPa regulations. Structure of the trade exchange between Poland and Japan provides a valuable hints to understand which EUJEPa mechanics should be paid a special attention a

**The brief description.** EUJEPa has a [preamble, 23 chapters and annexes](#). There are 14 operating SEZs in Poland. Due to competition between the zones and different strategies adopted (i.e. Lodz SEZ targeted Japanese investors and once had a specially dedicated webpage translated into Japanese) a there are several major differences in investment conditions between them i.e. the amount of tax exemptions ranges from 10 to even 50% (“East Wall”). Nonetheless, [in all 14 SEZs there are 72 Japanese enterprises operating](#) and [Japan was \(data from 2016\) the 5<sup>th</sup> country in terms of the amount of capital invested](#) in the SEZs. [Polish exports to Japan are mainly based on](#) 1) foodstuffs (27% of total) includes rolled tobacco, fruit juice and chocolate; 2) machinery and parts (23%) including gas turbines, broadcasting equipment and engine parts; 3) transportation (13% of all) includes cars and vehicle parts; 4) and chemical products (9,7% of all) includes artificial graphite and packaged medicaments. Polish export to Japan ranks 13<sup>th</sup> among all EU countries (including UK). However, among countries, that joined the EU after 2004 Poland ranks 2<sup>nd</sup> - *with* slightly lower export value than Hungary (circa 1bln USD on 2017).



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### Why it matters for Poland?

Especially important for (the key Polish sectors in terms of export value to Japan is that [Japan has lifted 85% of tariffs on agricultural goods](#). Complete tariff liberalization on chocolate (which is number 3 among Polish exported foodstuffs to Japan ) will be in force for up to 10 years (after 2018). It must be mentioned, that cooperation in the field of agriculture has been covered in chapter 19 of EUJEPa and was one of the most debated part of the agreement. Also, [Polish manufacturers of chemical products should benefit from EUJEPa](#), because this sector was included among several others such as textiles and jewelry, where Japan decided to abolish duties. There is also a well-functioning [EU-Japan Centre for Industrial Cooperation](#), which (among other tasks) provides assistance on EUJEPa and could cooperate with government officials as well as with a private sector. Besides, Polish SEZs should profit from the specific provisions of the agreement contained in [Chapter 8 Trade in services, investment liberalization and electronic commerce](#), and [Chapter 20 of the EUJEPa](#) dedicated to small-medium enterprises (SMEs).