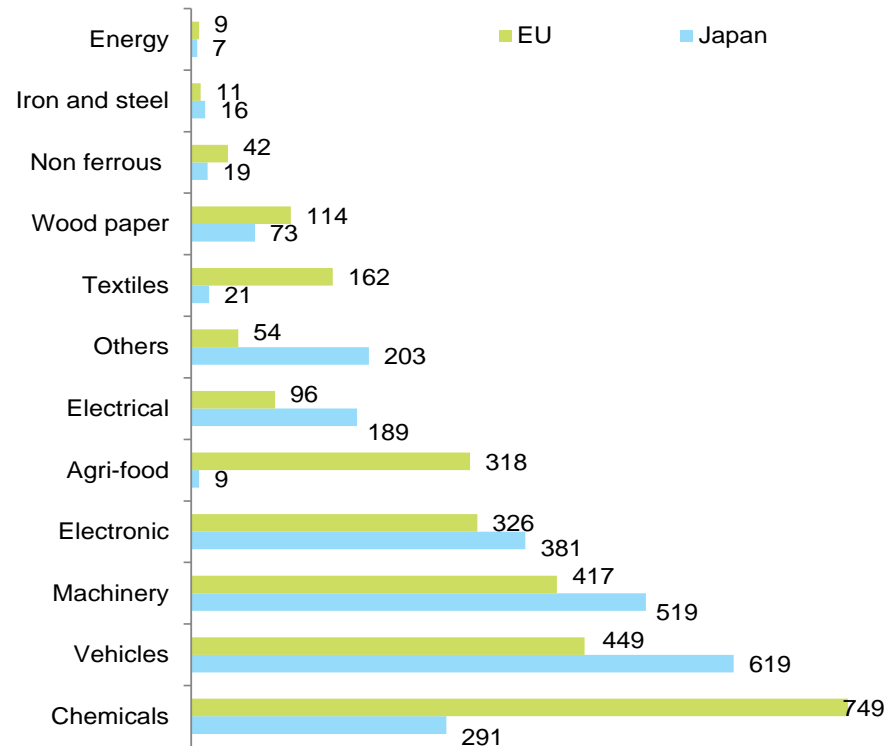


JAPAN-EU ECONOMIC PARTNERSHIP AGREEMENT: A 5 BILLION EURO TRADE DEAL (EVERY YEAR!)



Forecasted annual export gains in million EUR from the Japan-EU Free Trade Agreement



N.B. Our calculation assumes for 2019-2020

- An average growth of +7% of EUR denominated Japanese exports to the EU; +4% for EU exports to Japan
- An exchange rate of 131 EUR/JPY on average
- A cut of -2.6pp of EU average tariffs against Japan; and of -2.7pp of Japanese average tariffs against the EU

- The Free Trade Agreement between the EU and Japan (Japan-EU Economic Partnership Agreement) is expected to enter into force on February 1st 2019.
- The new partnership would create a free trading area that covers 600mn people, around 30% of global GDP and 40% of global trade of goods and services.
- This Free Trade Agreement will represent +EUR2.7bn of additional exports per year for EU exporters to Japan, and +EUR2.3bn for Japanese companies exporting to the EU
- The top 5 sectors which are expected to win most are chemicals, vehicles, machinery, electronic and agri-food.