

UK and Japan sign historic free trade agreement

The UK-Japan Comprehensive Economic Partnership Agreement (CEPA) will be signed by International Trade Secretary Liz Truss and Japan's Foreign Minister Motegi Toshimitsu in Tokyo later today (Friday 23 October).

The British-shaped deal is the first agreement that the UK has secured that goes beyond the existing EU deal, with enhancements in areas such as digital and data, financial services, food and drink, and creative industries.

It brings together two of the world's most technologically advanced nations, placing the UK at the forefront of shaping new global standards on digital trade.

Benefits include:

- Cutting-edge digital & data provisions that go far beyond the EU-Japan deal, including enabling free flow of data, a commitment to uphold the principles of net neutrality and a ban on unjustified data localisation that will prevent British businesses from having the extra cost of setting up servers in Japan.
- Supporting UK car and rail manufacturing jobs at major investors in the UK like Nissan and Hitachi through reduced tariffs on parts coming from Japan, streamlined regulatory procedures and greater legal certainty for their operations.
- Strong tariff reductions on key agricultural products like pork, beef and salmon will benefit farmers and food exporters.
- A boost for UK brands with protections for more iconic UK agricultural products, from just seven under the terms of the EU-Japan deal to potentially over 70, including English sparkling wine, Scotch beef and Welsh lamb.
- British consumers to benefit from cheaper, high-quality Japanese goods – from udon noodles to Bluefin tuna and Kobe beef.

This deal could boost trade between the UK and Japan by over £15 billion and drive economic growth in the long run, benefiting all parts of the country and Scotland, London and the East Midlands in particular. The signing of this FTA, and its subsequent ratification, will not only strengthen the UK economy but also help us to build back better from Covid-19.

Today's signing of the agreement also signals Japan's strong commitment to supporting the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), one of the world's biggest free trade areas, covering 13% of the global economy in 2018 and more than £110bn of trade in 2019.

International Trade Secretary, Liz Truss said:

Today is a landmark moment for Britain. It shows what we can do as an independent trading nation, as we secure modern and bespoke provisions in areas like tech and services that are critical to the future of our country and the reshaping of our economy.

Trade is a powerful way to deliver the things people really care about. At its heart, this deal is about creating opportunity and prosperity for all parts of our United Kingdom and driving the economic growth we need to overcome the challenges of coronavirus.

The agreement also has a much wider strategic significance. It opens a clear pathway to membership of the Comprehensive Trans-Pacific Partnership – which will open new opportunities for British business and boost our economic security – and strengthens ties with a like-minded democracy, key ally and major investor in Britain.

Dame Carolyn Fairbairn, CBI Director-General, said:

The signing of the UK's first independent trade agreement is a milestone for our economy and will be welcomed by businesses in many sectors.

This deal has the potential to support jobs across the country through lifting British farming exports and supporting our manufacturing and services sectors. Consumers will also benefit through greater choice.

Ultimately, trade is a powerful lever of economic growth. The CBI and its members will now work with government to take full advantage of the opportunities and ensure the benefits are felt in all parts of the UK.

The UK stands firm in trade negotiations to ensure any future trade deals

protect our NHS and maintain all existing protections for our high standards of food safety and animal welfare.

Once signed, the final agreement text will then be laid in Parliament for 21 sitting days for scrutiny under the Constitutional Reform and Governance (CRaG) Act. The government will also publish a full report on the agreement, providing an explanation of the CEPA, including any significant differences or enhancements between the UK-Japan CEPA and the EU-Japan Agreement.