

# JAPAN- AUSTRALIA

## ECONOMIC PARTNERSHIP AGREEMENT



## Factsheet: Resources, Energy and Manufacturing

JAEPA provides tariff-free entry for Australia's key resources, energy and manufactured exports.

Most of Japan's imports of these products from Australia enter Japan duty-free, with most remaining tariffs to be eliminated by 2024. On full implementation of JAEPA all of Australia's current resources, energy and manufacturing exports, worth more than \$39 billion in 2017, will benefit from tariff-free entry into Japan.

### Resources and energy products

Australia's exports of resources and energy products to Japan were worth an estimated \$37 billion in 2017 and accounted for more than 78 per cent of Australia's total exports to Japan. Many of Australia's major resource exports, such as coal, iron ore and liquefied natural gas entered duty-free before JAEPA, but tariffs of up to 11.7 per cent were charged on a range of transformed energy and resource products. Under JAEPA, all tariffs on energy and mineral products will be eliminated by 2024, with most cuts having occurred on 15 January 2015 when JAEPA entered into force.

Key outcomes included:

- Tariffs of 11.7 per cent on **unwrought nickel** (unalloyed) are being phased out by 2021. Japanese imports of Australian unwrought nickel were worth \$98 million in 2017.
- Immediate elimination of tariffs up to 7.9 per cent on **non-crude petroleum oils**. Australia's exports of this product to Japan were worth \$143 million in 2017. Additionally, tariffs already set at zero for certain petroleum oil products are locked-in at that rate, providing greater certainty to Australian exporters.
- Immediate elimination of the 3.3 per cent tariff on **aluminium hydroxide**. Australia's 2017 exports of aluminium hydroxide to Japan were worth \$93 million.
- Tariffs of 6.3 per cent on **ferro-manganese** are being phased out by 2021. Japanese imports of Australian ferro-manganese were worth \$63 million in 2017.
- Immediate elimination of the 3.2 per cent tariff on **titanium dioxide**. Australia's exports of this product to Japan were worth \$20 million in 2017.

### Manufactured goods

Under JAEPA tariffs are being eliminated on Australian manufactured goods, opening up new opportunities for Australian exporters. Outcomes include:

- Elimination of tariffs on **apparel, textiles, woollen blankets and carpets**.
- Immediate elimination of tariffs of 5.2 per cent on **pearl jewellery**. Japan's imports of these products from Australia were worth \$9 million in 2017.
- Immediate elimination of tariffs on **wood products**, such as medium density fibreboard, particle board and structured laminated timber. Japanese imports of all forestry items from Australia were worth \$561 million in 2017.
- Elimination of the 6 per cent tariff on **kangaroo leather**.



- Immediate elimination of tariffs up to 4 per cent on **paints and varnishes**. Australian exports to Japan were worth \$2.5 million in 2017.
- Elimination of tariffs up to 6.5 per cent on a range of **plastic products**, most on entry into force.
- Immediate elimination of tariffs of 4 per cent on **sausage casings**. Australia's exports of these products were worth \$30 million in 2017.
- Immediate elimination of tariffs (up to 4.8 per cent) on **shaving creams, deodorants and lanolin**. Australian exports to Japan of these products were worth over \$2 million in 2017.

Duty-free access continues for: **pharmaceuticals and vitamins; automotive parts; medical instruments and apparatus; and sheep skin and cow hides**. A small number of products sensitive to Japan are excluded from tariff concessions, including some fur skin and leather footwear.