



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

RETAIL & WHOLESALE

ISSUES AND RECOMMENDATIONS

A low-angle, upward-looking photograph of several tall skyscrapers against a clear blue sky. The buildings are made of glass and steel, with many windows visible. The perspective makes the buildings appear to converge towards the top of the frame.

PROHIBITIVE IMPORT, TESTING & CERTIFICATION PROCEDURES

Prohibitive Import, Testing and Certification Procedures

YEARLY STATUS REPORT: Some Progress

- ❑ To the detriment of trade, the Government of Japan continues to insist on applying unique national rules and regulations to many products that have already met European / international standards.
- ❑ The EBC therefore welcomes the implementation of a positive list system for utensils, containers and packaging (UCP) and the opportunity this offers to increase consumer choice in at least this area.

Prohibitive Import, Testing and Certification Procedures

RECOMMENDATIONS

- ❑ MHLW is working on details of the positive list system for implementation. The EBC expects Japan to study the UCP import process in the EU, where the positive list system is already implemented, in order to establish a flexible framework that minimises the heavy burden that importers currently bear.
- ❑ Japan should accept inclusion of common non-SI units on measuring devices when SI units are also used.
- ❑ Japan should simplify its *Denan* Law, avoid introducing further unique Japanese requirements and make certain that detailed information on standards and their application are readily available in English.

Labelling

YEARLY STATUS REPORT: Slight Progress

- ☐ The Household Goods Quality Labelling Act was finally revised in March 2017, but its requirements remain too detailed and inflexible for retailers and labels too complex for consumers.

RECOMMENDATION

- ☐ The Labelling Act should be reformed to aid the consumer in understanding the product and to introduce flexibility for the retailer.



SHOE QUOTA



Shoe Quota

YEARLY STATUS REPORT: Progress

- ☐ With the implementation of the EPA, shoe quotas will be eliminated.
- ☐ In the meantime, management of such quotas is not transparent and allocations are not always awarded to real importers of shoes, leading to significant market distortions.

RECOMMENDATION

- ☐ Until the EPA enters into force, METI should monitor the system, reject applications from entities not trading shoes, release their quotas, and implement stricter penalties for infringements.



LIMITATIONS ON SELLING LIQUOR VIA TELECOMMUNICATION CHANNELS

Limitations on Selling Liquor Via Telecommunication Channels

YEARLY STATUS REPORT: No Progress

- ☐ The retail sale of liquor across prefectural borders via any telecommunication channel (including the internet) is restricted.
- ☐ Furthermore, grandfathering old licences is unfair to new entrants.

RECOMMENDATIONS

- ☐ Japan should abolish the telecommunication channel limitation within the liquor retail licence system.
- ☐ Japan should stop the practice of grandfathering licences.



COMPETITION LAW/ ANTI-TRUST LEGISLATION



Competition Law/Anti-Trust Legislation

YEARLY STATUS REPORT: No Progress

- ☐ Japanese Competition Law includes recognition of “market power” with minor shares in vertical restraint, and “superior bargaining power” irrespective of dependence, which differs from global practice.
- ☐ The Subcontractor Law lacks bright-line rules, and “yellow card” infringement notices lack explanation.

RECOMMENDATIONS

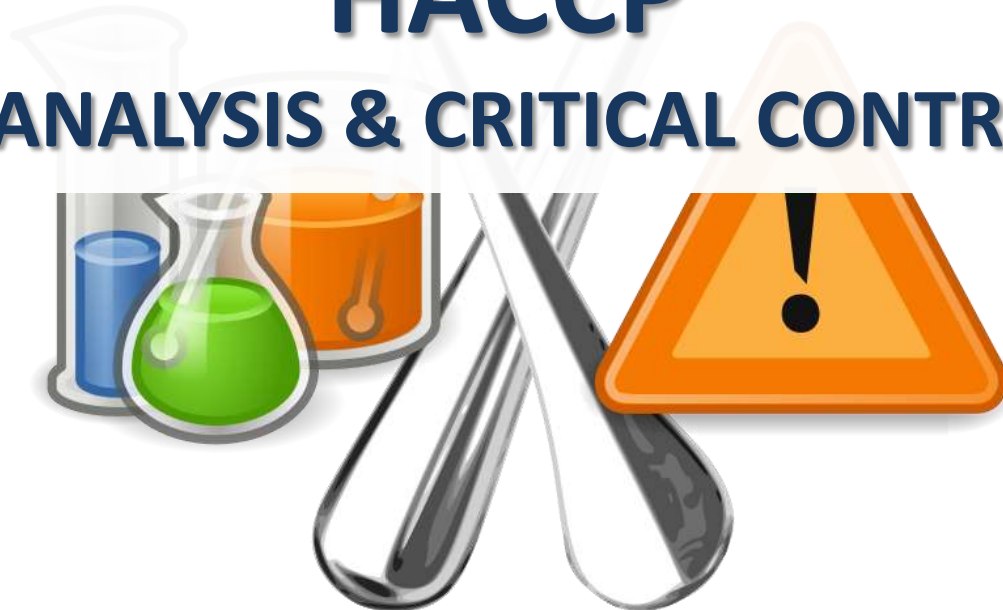
- ☐ Japanese Competition Law/Subcontractor Law should be harmonised with global practices.
- ☐ The “yellow card” system, which is not transparent and lacks both a legal basis and bright-line rules, should be abolished.





UNCLEAR IMPLEMENTATION OF HACCP

(HAZARD ANALYSIS & CRITICAL CONTROL POINT)



Unclear Implementation of HACCP (Hazard Analysis & Critical Control Point)

YEARLY STATUS REPORT: No Progress

- ☐ HACCP has been implemented in many countries, including the EU Member States.
- ☐ It is now a Japanese policy target but the timeline is unclear, creating uncertainty in the retail and wholesale industry.

RECOMMENDATION

- ☐ Japan should clearly state the scope, timeline and steps that will be taken toward complete implementation.