



EU-Japan Business Round Table

Press Release

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The EU-Japan Business Round Table (BRT), a forum of around 50 European and Japanese business leaders, co-chaired by Messrs. Jean-Yves Le Gall (Chairman & CEO of Arianespace) and Hiromasa Yonekura (Chairman of Sumitomo Chemical Co., Ltd.), issued today a joint statement towards an EU-Japan FTA/EPA, including recommendations to the Authorities and business organisations of both sides on the on-going scoping process.

The Statement is attached.

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Background

The EU-Japan Business Round Table (BRT) was created in 1999 to foster communications between Japanese and European industries. Its members are senior executives from around 50 leading European and Japanese companies. Its main objective is to submit recommendations to Japanese and European authorities in order to develop trade and investment between the EU and Japan, and to encourage industrial cooperation on issues of common interest, such as innovation, climate change, or industrial standards.

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JOINT STATEMENT TOWARDS AN EU-JAPAN FTA/EPA

The EU and Japan are major economies with common values such as business based on fair and open competition and the rule of law. They have been seeking ways to build closer economic ties and enhance bilateral trade and investment to levels better fit for two highly advanced economies. As both strive to overcome global financial instability, create new demand and employment, promote innovation, and achieve stronger and sustainable growth, and as Japan also strives to recover from the Great East Japan Earthquake that struck in March 2011, it is critical that they succeed in further strengthening their bilateral relationship.

At the 20th EU-Japan Summit held in Brussels on 28 May 2011, Summit leaders agreed to start the process for the negotiation of a deep and comprehensive Free Trade Agreement (FTA) / Economic Partnership Agreement (EPA), addressing all issues of shared interest to both sides including tariffs, non-tariff measures, services, investment, intellectual property rights, competition and public procurement. Summit leaders decided, to this end, that the two sides would start discussions with a view to defining the scope and level of ambition of this negotiation through a "scoping". In parallel with this, the European Commission would seek a mandate to negotiate on the basis of a successful scoping.

The EU-Japan Business Round Table (BRT) has long called upon both sides' Authorities to start negotiations on a balanced and mutually beneficial bilateral agreement, as soon as the right conditions are met, in order to promote an ambitious development of bilateral trade and investment. The BRT welcomes the 28 May agreement as a significant step in that direction. The BRT wishes for a balanced and mutually beneficial FTA/EPA to enable the development of truly fair and open markets and release the potential for a huge increase of bilateral business.

The scoping work now underway between the Authorities of both sides is crucial. It will clarify precise market opening intentions and make it possible to ascertain that the right conditions for the launch of a negotiation are met. In the scoping process, the Authorities should work to leave no room for misunderstanding, lest the outcome of the scoping could fail to live up to the expectations of business.

With so much at stake, the industries of both sides have an important role to play in supporting the Authorities in this work. In particular, non-tariff barriers (NTBs) will be one of the highest priority issues of the scoping process. The industries of both sides have already shown their intention to spare no effort supporting the Authorities in identifying them precisely. Wherever possible they should also identify issues bilaterally, on a sectoral basis, and propose solutions.

Having considered the above, the BRT hereby issues the following Recommendations to the Authorities and the business organisations of the EU and Japan.

RECOMMENDATIONS ON SCOPING

Scope

The BRT supports the decision taken at the Summit that an EU-Japan FTA/EPA should address all issues of shared interest to both sides including tariffs, non-tariff measures, services, investment, intellectual property rights, competition and public procurement. All sectors of business interest should be covered. In addition, the BRT expects an EU-Japan FTA/EPA to enhance wide-ranging cooperation between European and Japanese business, for example in the development of new technologies and in relation to third countries.

The BRT recommends identifying clear and precise negotiable areas with enough legal, regulatory and other details to allow for a full understanding of what a negotiation may lead to in terms of potential business improvement.

Level of ambition

In keeping with the high level of ambition shown at the Summit, the BRT recommends that the EU and Japan consider removing all the commercially significant obstacles to trade and investment in all areas of shared interest.

Schedule

The BRT believes that the scoping process should produce a credible, clear and comprehensive roadmap for the elimination, in a limited and reasonable time frame, of barriers to business in all areas of shared interest.

At the same time, the BRT recommends that the scoping itself should be successfully completed as early as possible.

Official commitment

The BRT requests that the negotiators of the EU and Japan be fully supported by their respective administrations and benefit from the full political backing required to achieve the deep and comprehensive FTA/EPA that the Summit leaders agreed to seek.

Industry involvement

Any negotiations should be conducted in full transparency and close cooperation with the business community. The BRT welcomes the willingness of business organisations of both sides to support the Authorities in the scoping process and help develop the conditions to promote an ambitious development of bilateral trade and investment. Support in identifying precisely the laws, regulations and practices that are often regarded as NTBs by one side is invaluable. Wherever possible without slowing down the process the business organisations of both sides should also discuss NTBs bilaterally on the basis of an adequate understanding of each other's interests and concerns and work out on a sectoral basis concrete and realistic solutions to be jointly proposed to the Authorities, by taking full account of the EU-Japan economic relationship as well as the global economy. In addition, the BRT encourages the EU and Japanese Authorities and industry to work together to create common industrial and service standards that would allow a closer integration of the two markets.

The BRT calls on the Authorities of both sides to accept and endorse their industries' input as reflecting the true business and economic interests of the EU and Japan.

Towards a more dynamic and mutually beneficial bilateral relationship

The BRT emphasizes the historic opportunity that the conclusion of a deep and comprehensive agreement between the EU and Japan would represent for fostering new business opportunities for both the EU and Japan.

In order for mutually beneficial negotiations to be launched, the EU and Japan must be ready to identify solutions that would effectively open up their markets to allow more competition in all sectors of their economies and facilitate more cooperation between European and Japanese businesses. The BRT urges the EU and Japanese Authorities and business not to lose sight of the huge potential benefits that could be derived from a balanced and comprehensive EU-Japan FTA/EPA. The scoping should lead to an outcome that would ensure that any formal negotiation of an FTA/EPA would produce an agreement that is fair and that does not confer a disproportionate benefit on either side.

Accordingly the BRT expects the EU and Japanese Authorities to show their willingness to make all-out efforts to achieve a mutually beneficial and comprehensive agreement. The BRT also calls for business organisations of the EU and Japan to cooperate bilaterally and with the Authorities to tackle obstacles together.