



EU-Japan Business Round Table
Tokyo Meeting, 19-20 April 2010
“EU-Japan business: gearing up for the next decade”

1. Introduction

The EU-Japan Business Round Table, a forum of some 50 Japanese and European business leaders, met in Tokyo on 19 and 20 April 2010 under the co-chairmanship of Messrs. Tadashi Okamura (Toshiba) and Jean-Yves Le Gall (Arianespace).

On this occasion, the EU-Japan Business Round Table agreed this set of recommendations, to be handed over to Prime Minister Yukio Hatoyama, President Herman Van Rompuy and President José Manuel Barroso at the official residence of the Prime Minister of Japan in Tokyo.

The recommendations first and foremost address the future of the EU-Japan economic relationship after the “2001-2011 EU-Japan Action Plan” elapses next year. Beyond this, business leaders discussed economic cooperation in the area of innovation, the establishment of global standards on financial assets, and industrial and R&D initiatives to tackle climate change. The five working parties of the Business Round Table presented specific recommendations.

A discussion also took place on the take-up by governments in the EU and Japan of Business Round Table recommendations over the past ten years, and how to take advantage of processes leading to change so as to maximize the effect of future recommendations. Business leaders exchanged opinions on concrete goals for the future and the membership structure.

This year’s meeting of the Business Round Table saw Mr Okamura step down as Japan-side co-chairman. The BRT Members expressed their appreciation for Mr Okamura’s leadership over the past four years and his efforts to strengthen the relationship between the EU and Japan. Mr Hiromasa Yonekura, Chairman of Sumitomo Chemical Corporation Ltd was unanimously welcomed as the successor to Mr. Okamura.

2. Overall Priorities

Emerging nations, such as the BRICs, have an increasing economic and political weight in world affairs. Considering that the EU and Japan not only represent 40% of world GDP, but also share similar interests and are facing the same challenges, BRT business leaders are convinced that EU-Japan cooperation is increasingly important to ensure that their interests are taken into account in global initiatives to foster the world economic recovery after the recent financial and industrial crisis, as well as global action to address climate change.

Business leaders urged both sides' authorities to strengthen their cooperation framework and develop a more effective and efficient relationship, aiming for high levels of economic growth while supporting the development of emerging economies and acting as a driving force behind the world economy.

To this effect, the BRT input into the future of the EU-Japan economic relationship after the "2001-2011 EU-Japan Action Plan" elapses next year, underlines that the EU and Japan now tend to prioritise matters other than their relationship, at the political level and also at the business, industrial and academic levels. **The EU-Japan Business Round Table urges authorities to "reset" the EU-Japan bilateral relations by establishing the right framework**, and making the EU-Japan strategic partnership a reality in the economic sector in order to enhance trade and investment.

At the EU-Japan Summit in May 2009, it was agreed that EU and Japan would focus on a few specific non-tariff issues expected to bring concrete outcomes, in a mutually beneficial way in a short period, utilising existing mechanisms and to review progress at the latest at the Summit in 2010. The Round Table recommends that, if it is concluded at the Summit that sufficient progress has been made towards effective solution and implementation of these issues, the EU and Japanese Authorities should discuss with all stakeholders whether a binding trade and investment agreement would be able to deliver where current dialogues have not.

More specifically, the Business Round Table recommends that both authorities start negotiations on a balanced and mutually beneficial bilateral agreement, as soon as the EU and Japanese Authorities agree that the right conditions are met, in order to promote an ambitious expansion of trade and investment between the EU and Japan.

The Round Table also urged authorities to address the challenges posed by climate change and by the fast-growing demand for energy, raw materials and food resulting in harmful supply shortages. Finally, it urged them to promote cooperation in industrial research and development, as well as joint programmes enhancing EU-Japan cooperation in next-generation technologies.

3. Immediate Action Items – Requests to the EU and Japanese authorities

Working Party (A)

- Strengthening the EU-Japan relationship
- Recommends that both authorities start negotiations on a balanced and mutually beneficial bilateral agreement, as soon as the EU and Japanese Authorities agree that the right conditions are met, in order to promote an ambitious expansion of trade and investment between the EU and Japan.
- Support the WTO Doha Development Agenda
- Support WTO efforts to prevent the closing of world markets and cooperate towards the successful conclusion of the Doha Round by end 2010.
- Apply international standards and enhance co-operation in the promotion of new global standards
- Adopt international product standards and take the lead in promoting new international standards where needed. Mutually recognize products certified under similar and equivalent product standards and cooperate in efforts to harmonize regulations and systems where possible.
- Support timely development of business
- Facilitate the movement of workers between the EU and Japan. Promote international frameworks enabling secure movement of data within business organizations.
- Integrated approach for CO2 reduction and Better Regulation

Working party (B)

- General: Formulate concrete action plans for the Japan's "New Growth Strategies" focusing on LS & BT fields as well as a new strategy for promotion of R&D and faster applications in LS & BT.
- HealthCare: Map out a "Grand design" of a nationwide database electronically integrating individual health/medical records as a basic for Japan's health policy to increase quality and efficiency of healthcare as well as to accelerate innovation in medical and pharmaceutical fields.
- HealthCare: Improve the pharmaceutical business environment by proceeding regulatory harmonization and further extension of "Mutual Recognition Agreement" in order to avoid redundant inspections of manufacturing facilities (GMP for injectable drugs) and establishing more competitive pricing systems to promote innovations.
- Plant Protection & Biotechnology: Enhance international cooperation in development of plants with new beneficial traits / promotion of industry & academia cooperation and shorten review times for new applications/ registrations and promote higher food self-sufficiency of Japan.

- Animal Health: Introduce a 1-1-1 concept of all animal health products, further harmonize the regulatory requirements for product registration, shorten review times and recognize the GMP certification for veterinary products.
- Industrial Biotechnology: To enhance the global competitiveness of the bio-based economy through increase cooperation between the EU and Japan.

Working party(C)

- Information and Communication Technologies (ICT) can contribute significantly to achieving a Low-Carbon Society. Governments should support the development of common metrics for GHG reductions and should play the role of a facilitator e.g. regarding the dialogue between the ICT sector and other sectors. In order to accelerate the investment in Smart grid, authorities should foster smart meter roll-out e.g. by starting the dialogue with industry for harmonization of smart meter features.
- ICT industry should play a strategic role in economic policy in order to overcome the economic crisis.. Thus, ICT strategy should be consistent with governments' growth strategy. Governments should create regulatory and economic incentives for the utilization of NGN. Governments' support is also expected for facilitating the use of cloud computing, cooperation with regard to R&D, standardization and international harmonization of regulations
- Furthermore, to realize growth driven by ICT, The Round Table recommends the application of reduced VAT to eBooks and the maintenance and joint review of the WTO' s Information Technology Agreement (ITA), which has led to economic growth.

Working party(D)

- While we agree that financial reforms based on the G20 Summit common principles need to proceed, we wish to point out that careful balance between innovativeness and regulation must be struck, and that the characteristics of each county and region should be fully considered.
- We support the trends towards accounting standard convergence and the enhancement of standard setter's governance. We wish to point out that the view of a company's management is also important when setting standards. Changes in accounting standards have impact on corporate activities and thus on the economy.
- Removal of double taxation is still an important issue and it is important to ensure an arena for wide-ranging dialogues between the tax authorities. We also believe that the transparent and fair taxation are extremely important for global companies, and thus hope that transparent and fair tax reform and its execution are continued.

Working party(E)

- **Global warming and water problems**
Japan and the EU need to intensify cooperation on water problems as one of the most important issues relating to global warming and climate change. EU and Japan should establish common EU-Japan venues for joint development of contributions towards international cooperation, assignation and mechanisms.

- **Fossil Energy and Raw Materials**
Japan and EU need to identify actions to be taken in international fora such as OECD, and promote a coherent set of rules on a access to raw materials. Japan and EU need to promote a level of playing field for access to raw materials through their respective policies.

- **Promote specific cooperation in industrial and research development**
Joint programs enhancing Japan-EU research projects on next-generation technologies and solutions should be designed in cooperation between Japan and EU academia and the private sector.

- **Continuous cooperation on global warming**
Japan and EU need to accelerate dialogue on global warming. The finale agreement built on the Copenhagen Accord must include all major emitters with verifiable commitments that establish a level playing field.