



23rd Annual Meeting of the EU-Japan Business Round Table

4 November 2021, Brussels

“The EU & Japan together – leading the way for a more digital and greener future”

JOINT RECOMMENDATIONS

The 23rd Annual Meeting of the EU-Japan Business Round Table (“BRT”) took place in Brussels and via a web conference with Members and Authority participants joining the meeting physically at the Palais d’Egmont in Brussels or connecting remotely. The BRT’s 76 Members, led by Philippe Wahl, Chairman and CEO of Le Groupe La Poste and Masaki Sakuyama, Senior Corporate Advisor of Mitsubishi Electric Corporation, represent a broad range of sectors¹.

BRIEF YEAR-IN-REVIEW

This year’s Annual Meeting² had been preceded by an active year for the BRT, with one initiative being its “Statement by the BRT co-Chairs on the outcome of the Summit”³ (on the occasion of the EU-Japan Summit held on 27 May 2021) in which the BRT welcomed the opportunity to voice its strong message that it is aligned with the Summit’s goals, with the BRT looking to further foster resilient green and digital economies, promote small and medium enterprises (SMEs) and calling for greater EU-Japan coordination in multilateral forums, among other notable points.

In addition, for the first time, the BRT held a Joint Sherpa Meeting on 15 September at which Sherpas and a number of Principal Members from the EU- and Japan-sides met remotely to discuss and establish some of the themes and topics that were incorporated into this year’s Annual Meeting programme.

2021 BRT ANNUAL MEETING THEMES

Considering the main challenges faced at the global level in this period of recovery from the COVID-19 pandemic, and being ready to embrace the momentum created by the COP26, as well as taking into account the “EU-Japan Summit 2021 Joint Statement”⁴, this year’s BRT Annual Meeting focused on current and future themes of mutually recognised importance with sessions dedicated to:

DIGITAL – Digital transformation and EU-Japan Digital Partnership

GREEN – The EU-Japan Green Alliance

TRADE & REGULATORY – EU-Japan industry, trade, and regulatory cooperation

In a change from previous Annual Meetings, there was also a special session on the “Potential for Trilateral Industrial Cooperation in Green Growth” involving – in another first for the BRT – the EU, Japan, and USA.

¹ <https://www.eu-japan-brt.eu/brt-members>

² Documents from the annual meeting can be found at <https://www.eu-japan-brt.eu/annual-meeting-2021>

³ https://www.eu-japan-brt.eu/sites/eu-japan-brt.eu/files/brt_ejs2021_final_en.pdf

⁴ <https://www.consilium.europa.eu/media/49922/eu-japan-summit-may-2021-statement.pdf>

2021 BRT JOINT RECOMMENDATIONS

Within the scope of **DIGITAL**, the BRT:

- Recommends that “Data Free Flow with Trust” (DFFT) becomes one of the key pillars to promote free and safe cross-border data flow, and contribute to the development of secure 6G infrastructures, and recognises that sustainable digital innovation should go hand-in-hand with the green and inclusive transformation.
- Is strongly encouraged by the EU’s proposal for an EU-Japan Digital Partnership to enhance EU-Japan cooperation, notably in standards, regulations, edge computing, 5G and beyond, cybersecurity, semiconductors, and artificial intelligence (AI).
- Commits to driving digital transformation to the benefit of society through continuous cooperation, including supporting the efforts of EU and Japanese Authorities to promote global standards and comprehensive approaches to digital technologies and policies.

Within the scope of **GREEN**, the BRT:

- Endorses the ‘transition to green’ aiming at realising a ‘carbon neutral’ or ‘zero emissions’ society, along with fostering circular economies and clean, sustainable, and comfortable Smart Cities. Moreover, the BRT strongly supports the launch of the EU-Japan Green Alliance⁵ and its emphasis on deepening cooperation on energy transitions, environmental protection, sustainable finance, and facilitating energy transitions in third countries.
- Supports the further implementation of the EU-Japan EPA which, after more than two years, has already been delivering concrete results underlining that EU-Japan bilateral trade is an essential part of the global economic recovery. This implementation should also positively reflect on the EU and Japan’s shared ambitions and objectives of targeting carbon neutrality by 2050; and it takes into account the EU’s objective of reducing CO₂ emissions by at least 55% by 2030 (compared to 1990).
- In the context of the on-going COP26, the BRT underscores the determination of its members to actively contribute to enhancing global initiatives for addressing and mitigating the detrimental effects of climate change, as well as the effects of natural disasters, and calls on the EU and Japan to work with other countries to ensure an ambitious outcome to the current COP26 negotiations.

Within the scope of **TRADE & REGULATORY**, the BRT:

- Emphasises the importance of underpinning the green transition through innovation and calls for stronger cooperation between the EU and Japan in the battery, hydrogen, off-shore wind energy, bio-economy, and healthcare sectors, for example.
- Encourages EU and Japan trade negotiators to work actively towards successful and ambitious WTO plurilateral rules on e-commerce.
- Underscores the importance of strengthening regulatory convergence in the circular economy, and intellectual property, with the development of new EU-Japan or global standards to facilitate the digital and green transitions.
- Encourages both the EU and Japan to be active in supporting multilateral rules on facilitating trade in health products in the WTO.
- Calls for a revival of multilateralism, with greater EU-Japan coordination in multilateral forums; WTO reform; and the development of free trade initiatives. The BRT also supports the strengthening of the WTO by collaborating with economic organisations in Europe and Asia-Pacific.
- Calls for leveraging the strength and innovation of SMEs for the sake of greater engagement and contribution of the EU and Japan business communities.

⁵ <https://www.consilium.europa.eu/media/49932/eu-japan-green-alliance-may-2021.pdf>

- Considers that EU-Japan business cooperation in third countries, supported by the Partnership on Sustainable Connectivity and Quality Infrastructure between the European Union and Japan⁶, can be strengthened based on an effective dialogue with local partners to understand their needs and realising such opportunities through concrete initiatives.

WORKING PARTY RECOMMENDATION HIGHLIGHTS

The BRT also endorses the Recommendations to the Authorities prepared by the BRT's four Working Parties.

The full sets of recommendations from Working Parties (WP) are available as separate sets of recommendations, while key, overarching points that each WP would like to highlight are the following:

(WP1) Trade Relations; Investment and Regulatory Cooperation; Financial Services, Accounting and Taxation:

- Reinforce the negotiating pillar of the WTO to disseminate the benefits of global value chains and support multilateral rules on facilitating trade including health products.
- Enhance regulatory cooperation to eliminate barriers to trade and investment and specially focus on sanitary and phytosanitary (SPS) issues and promoting harmonisation to achieve the various carbon neutrality goals.
- Immediately start negotiations to allow short- and long-term businesspeople to travel between the EU and Japan and if it is not possible, make certain that essential personnel, such as top management and specialists can enter the regions.

(WP2) Life Sciences & Biotechnology, Healthcare and Well-Being:

- Support the research and development of diagnoses, treatments, and vaccines for COVID-19 and related diseases, coordinately promote collaborative actions of industry, academia, and government to accelerate the developments and authorisations, and provide appropriate compensation and protection schemes for those treated and providing treatments.
- Continuously review the current pricing system for pharmaceuticals to strengthen the reward for innovation, thereby maintaining incentives for companies to develop new drugs and bringing them rapidly to patients in Japan to meet their needs, without delay from key EU countries.
- Drive bioeconomy strategy forward for economic growth and realisation of a sustainable, recycling-oriented bioeconomy society, through close communication and continuous exchanges between the EU and Japan and harmonisation of regulations applied for the use of innovative technologies.

(WP3) Digital Innovation & Mobility:

- Agree on a text facilitating the free flow of data between the EU and Japan, in the next EU-Japan EPA review and cooperate at WTO e-commerce negotiations to modernise digital trade rules.
- Support development and deployment of human centric and trusted AI applications to protect fundamental rights of citizens.
- Strengthen strategic R&D cooperation in Horizon Europe's digital programme and the Sixth Science, Technology and Innovation Basic Plan.

(WP4) Environment & Sustainable Development:

- Towards achieving an ambitious target for a decarbonised society, continue to act proactively as global leaders to mitigate climate change. Use mitigation as an enabler for realising economic growth and the expansion of employment opportunities and find technologically and economically viable options and take a flexible approach with a reasonable and realistic transition period.

⁶ https://eeas.europa.eu/headquarters/headquarters-homepage/68018/partnership-sustainable-connectivity-and-quality-infrastructure-between-european-union-and_en

- Avoid the pursuit of resource efficiency through exceedingly regulatory approaches, which could inhibit innovation and economic growth, but rather use promotion through voluntary efforts by stakeholders with associated incentives.
- Address with utmost priority the development and implementation of secure, safe, resilient, and high-quality city infrastructures as well as the services associated and continuously promote the functional improvement of local cities/rural areas and the distribution of functions along with the development of urban cities. Accelerate the optimisation of city management through trusted City as a Service, and data-driven solutions.

FURTHER ASPECTS FOR STRENGTHENING THE EU-JAPAN PARTNERSHIP

The BRT:

- Embraces all efforts by the EU and Japan to coordinate the development and dissemination of COVID-19 vaccines and treatments, exchange on increased preparedness for future pandemics, enhance e-health, and ensure mutual recognition of COVID-19 vaccination certificates for the smooth flow of business operations in the EU, Japan, and globally.
- Notes the critical importance of strengthening supply chain resilience, economic security, and the need for global action to ensure uninterrupted trade; including essential services such as transport and logistics, and movement of essential services providers in support of smooth trade flows. In view of the industrial and economic importance of the current semiconductor shortage, to cite one sector for example, the BRT calls for EU-Japan cooperation on enhancing semiconductor supply chains. Where progress at a global level may be difficult, the BRT calls on the EU and Japan to work with likeminded countries.
- Believes that it is important that EU and Japanese companies are able to provide vital services, and that staff, including top management and specialists can travel between, and within, both the EU and Japan while adhering to public health protocols, guidelines, and regulations. The BRT calls on the EU and Japanese authorities to consider an action plan on how to deal with future pandemics, including minimising travel restrictions.