

**EU-Japan Business Dialogue Round Table
Tokyo Meeting 17-18 July, 2000**

Draft Press Release

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***EU-Japan CEOs Call for Government Action
- Stress Cooperation to Promote Mutual Investment -***

TOKYO, July 18th, 2000 – Business leaders from Europe and Japan attending the EU-Japan Business Dialogue Round Table (EJBDRT) in Tokyo on July 17th and 18th, have called on their authorities to expand economic growth through the promotion of mutual investment and trade, and to establish a new paradigm in relations between the two partners.

The EJBDRT, comprising 44 leading business figures from major European and Japanese corporations (see attachment), led by Co-chairmen Viscount Etienne Davignon

(Chairman of Société Générale de Belgique) and Dr. Tadahiro Sekimoto (Chairman Emeritus of NEC Corporation), made the call in its Joint Recommendation “Developing a New Paradigm in the Business Relationship Between the EU and Japan” which will be presented to the EU-Japan summit on July 19th. The Recommendation, made on the basis of reports from six Working Parties of the EJBDR, calls for a three-level approach to generating economic expansion.

Firstly, the EJBDR recommends improvements in the business environments of the EU and Japan to develop mutual investment and trade. The first approach proposes meeting this goal through the early adoption of rules and systems conducive to current global corporate activities such as consolidated tax systems, corporate regulatory reform, a transparent regulatory environment and trade facilitation such as through Mutual Recognition Agreements (MRA).

Another of the key recommendations from the Tokyo meeting is the establishment of international rules to promote global business activities through government initiatives and support. These include support for a worldwide accounting standard (IAS) and standardised transfer pricing taxation.

The third of the three EJBDR approaches is the development of IT industries and e-commerce (electronic commerce) to build a new era economy. “Digital technologies are key to a networked society that will have a far greater than predicted impact on society”, the Recommendation reads. As a result, the EJBDR recommends the realisation of a global unified and secure e-commerce environment through government-industry cooperation, and e-commerce related policy issues must be resolved by international consensus.

In addition to its Recommendation, the EJBDR also issued a Policy Statement calling for a comprehensive new Round of the World Trade Organization (WTO).

Round Table Participants also exchanged views on the EU and Japanese economies and their relationships, including deregulation in Japan and trends in the European currency, the Euro. Other issues discussed were competitiveness and innovation in the EU and future corporate management.

Also attending were Takeo Hiranuma, Minister for International Trade and Industry; Hisamitsu Arai, Vice-Minister for International Affairs at the Ministry for International Trade and Industry, Katsuhito Asano, State Secretary for Foreign Affairs, Erkki Liikanen, European Union Commissioner for Enterprise & Information Society, and Pascal Lamy, European Union Commissioner for Trade. The Japanese government and the European Commission expressed their strong support for the Round Table as a body for effective private sector input into policies to promote trade and investment.

The next meeting of the EJDRT is scheduled for June 2001 and will be held in Brussels, Belgium.