

<b>Publication</b>	Jiji Press
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<b>Title</b>	<i>EU-Japan Economic Pact Sought to Overcome Financial Crisis</i>

A European business lobby on Wednesday urged Japan to strike an economic integration pact with the European Union to help them overcome the global financial crisis.

“Trade is suffering, not just because of the current crisis, but also due to the failure of leading economies” to promote reforms, said Richard Collasse, chairman of the European Business Council in Japan.

Given that the proportion of the value of trade between Japan and Europe to global gross domestic product stood as high as 40 pct in 2006, “such an agreement has the potential to boost trade and investment,” said Collasse, also president of Chanel K.K.

An economic integration pact is necessary for Japan also because it will reduce the effects of a strong yen on profits of major Japanese exporters and the stock market, he told an EBC meeting to release its annual report for the business environment in Japan.

Under the proposed bilateral pact, free markets for goods and services will be established based on mutually acceptable rules and regulations, Collasse said, adding that the EU and Japan can offer a template for broader agreements on the global stage.

The aim of the agreement is to promote economic partnership through such measures as the elimination of tariffs as well as the standardization of regulations for financial businesses, intellectual property rights, the environment and other fields.

The EBC, for example, is proposing that financial institutions be allowed to fully integrate their services and operations in the EU and Japan in order to promote capital flows.