

EBC E-NEWS BULLETINS

DECEMBER 2002 (No. 12)

This e-News Bulletin is available on the EBC website and printouts are displayed in the EBC office.

Please direct queries and comments to:

Alison Murray

Executive-Director, European Business Community in Japan

Sanbancho POULA Bldg. 2F, 6-7 Sanbancho, Chiyoda-ku, Tokyo 102-0075

Tel: 03-3263-6222; Fax: 03-3263-6223; E-mail: ebc@gol.com

The EBC thanks Ms. Femke Janssen for her assistance with the production of this issue of the bulletin

Happy Holidays

Another year has almost passed, and its time to reflect on our achievements for 2002. Looking back on the past year we can proudly say that this has been a successful year for the EBC, thanks to your continued support, an even higher level of activity of the EBC committees, and the efforts of EBC Chairman, Mr. Richard Collasse. In his first year as EBC Chairman, Mr. Collasse has made numerous achievements, including establishing the importance of the EBC in Japanese government circles and having a major impact on the EU-Japan Business Dialogue Roundtable, which is the annual high-level industry talks that report to the Japanese Prime Minister and EU/EC President. Most importantly for the EBC, he has succeeded in integrating the efforts and aspirations of our widely disparate shareholders and members, which is a remarkable accomplishment. As a result, the organization has grown in strength and pulled together like a team in 2002. On that note and on behalf of the EBC secretariat we would like to wish everyone best wishes for the festive season and a Happy New Year!

White Paper Launch

The EBC's White Paper, "Challenges to Growth and Investment, The EBC Report on the Japanese Business Environment", was launched on the 22nd of November at the Keidanren Hall before an audience of 300 people. H. E. Ambassador Bernhard Zepter, Head of the EC Delegation in Japan delivered the opening remarks and was followed by EBC Chairman Richard Collasse, who emphasized the need for Japan to act quickly to improve the business and investment environment in order to counteract the shift in European investment from Japan to China. H. E. Ambassador Hoiness of Denmark, which holds the EU presidency at present, also spoke in support of the EBC report and delivered the "Kampai". A panel of key-sector Committee Chairmen then made short presentations, which were both informative and amusing: the EBC Secretariat would like to thank the following speakers for their contributions:

Mr. Bernard Anquez for the Airline Committee, Dr. Gerhard Roth for the Animal Health Committee, Mr. Richard Mountford for the Asset Management Committee, Mr. Lionel Requillart for the Cosmetics Committee, Ms. Pascale Sinnaeve for the e-Commerce Committee, Mr. Andrew Mankieowic for the Food Committee, Mr. Richard Mason for the Human Resources Committee, Mr. Michael Hancock for the Legal Committee, and Mr. Pieter Stalman for the Tax Committee. The launch was closed by Mr. Fernando Valenzuela, who is the EC's Deputy Director General for External Relations and the EC's Political Director. The launch and the speakers' comments were extensively covered in the media and the EBC Chairman's photograph even appeared on the front page of the Le Monde newspaper with a long and accurate article. Thank you to everyone who assisted with this event.

The EBC would like to extend a special word of thanks to LVMH and Jardine Wines & Spirits, who generously donated an extremely large volume of delicious wine for the event.

The Year in Review

The following is a snapshot of the various activities of the EBC and its Committees over the past year.

In **February** the **EBC Tax Committee** organized a seminar on Corporate Tax Reform in Japan, which was very well attended. The committee issued a comment on consolidated taxes in **June** and recently sent a letter in **November** to Prime Minister Koizumi regarding the planned factor-based tax. The letter was subsequently distributed widely by METI in support of the views it contained. In October, the Tax Committee held a presentation for the EU Financial Counselors Group regarding Tax Reform in Japan.

In **March**, there was a luncheon, jointly organized by the International Bankers Association, the American Chamber of Commerce

and the **EBC** on Combating Terrorist Financing and Money Laundering: Japanese Government Measures.

In **May**, BLCCJ/CCIFJ member, Pascale Sinnaeve, new Chair of the **EBC e-Commerce Committee** and the Committee hosted a meeting on: e-Japan Strategy - What is the current situation? In **June** the committee organized a seminar on Change in Methods of Payment. In **September**, the committee held a joint seminar with the **EBC Telecommunications Carriers Committee** on how Japanese companies are restructuring around IT. In **December**, the e-Commerce committee held a seminar on CRM (Customer Relations Management)

In **May** the **EBC Materials Committee** met with METI to lobby for the elimination of tariffs on processed nickel products.

In **June** the **EBC Construction Committee** held an open meeting on: GOJ Measures for Market Access to the Construction Industry and Japan's Private Finance Initiatives System.

Also in **June**, the **EBC Secretariat** organized a meeting with JETRO representatives who briefed our members on GOJ efforts to promote foreign direct investment in Japan.

Still in **June** the **EBC Medical Diagnostics Committee** had its final hearing with the Office of the Trade Ombudsman (OTO) where it was confirmed that the MHLW had responded positively to an OTO directive arising from EBC hearings in 2001 to improve product approval procedures for in-vitro diagnostic products.

In **June** the **EBC Insurance Committee** delivered a joint letter with the ACCJ to the FSA recommending that bank-affiliated securities firms be allowed to sell insurance products as part of larger reforms designed to liberalize insurance distribution channels. The recommendations were subsequently accepted by the FSA and included in the reform package. The committee also sent another joint letter with the ACCJ (at the end of **November**) regarding the Policy Holder Protection Fund to government authorities asking for a commitment of public funds to the PPC (Policy Holder Protection Corporation) and a move from a pre-funded system to a post-funded system. The EBC Insurance Committee also held a joint press conference in **December** with the ACLI and the CLHIA (U.S. and Canadian insurance industry groups) and contributed to the production of a report on variable annuities.

In **July** the **EBC** hosted a breakfast with EC Trade Commissioner, Mr. Pascal Lamy. The event was extremely well attended: more than 150 people were present at the early morning meeting! Several key EBC members made short presentations on issues of concern. The event was covered extensively by the media.

Around the same time in **July**, the EBC also participated in the **EU-Japan Business Round Table Dialogue**, which was held in Tokyo. EBC Chairman, Mr. Richard Collasse, co-chaired working party 1, whose theme is improving the business and investment environment in Japan. The EBC Secretariat produced the documents for the European side of working party 1 and EBC Chairman, Richard Collasse, produced the final recommendations in collaboration with Mr. Davignon and his sherpa, Mr. Kawan. These documents along with these of the other working parties, were submitted to Prime Minister Koizumi and President Prodi. Thanks to a huge effort by EBC Chairman, Mr. Richard Collasse, the EBC is more integrally involved in the Round Table.

Also in **July** the **EBC Food Committee** was revived, with BCCJ member, Mr. Andrew Mankiewicz, as Chairman. Heading straight into action in **August**, the Food Committee met with the Ministry of Health, Labor and Welfare (MHLW). They also sent a letter requesting that specific food-additives be added to the approved food additives list. Just recently in **December**, the committee submitted public comments on a review of food and sanitation regulations.

In **September**, Chiba Prefecture in cooperation with the EBC organized a seminar where the Governor of Chiba, Ms. Akiko Domoto, and EBC Chairman, Mr. Richard Collasse, made presentations.

Also in **September**, the EBC Secretariat also organized and hosted a small breakfast with the EC Vice-President, Ms. Loyola De Palacio, who was visiting Japan. Around 10 EBC chairmen of key sectors attended the event.

In **September** the **EBC Human Resources Committee** was formed, chaired by BCCJ member, Mr. Richard Mason. There has been a substantial level of interest in this committee and the meetings are very well attended. As this is a "cross-cutting" committee, further membership from all sectors is highly welcome as the issues under discussion are those affecting almost all companies in Japan.

In the **September-to-November period**, the **EBC** produced the 2002 version of the EBC White Paper: "Challenges to Growth and Investment", in both English and Japanese. A big thank you to all the committees and Casey Sedgman, who have worked so hard to produce the white paper in such a short time. This has now become an annual event (three editions in three year!!).

In **November**, the **EBC Secretariat** organized the launch of the year 2002 EBC White Paper and as mentioned in the previous article, around 300 people attended the event. Thanks are extended to everyone who assisted with the event. Please refer to the previous article above (White Paper Launch) for details.

In **November**, the **EBC Aeronautics, Space and Defence Committee** held their annual reception for 300 industry contacts.

Still in **November**, Mr. Michael Hancock, Chairman of the **EBC Legal Services Committee** made a presentation to a Diet Committee regarding the Japanese legal system and the role of foreign legal professionals in Japan.

In **November**, the **EBC Asset Management Committee** gave a presentation to the EU Financial Counselors Group regarding challenges in the asset-management sector. The EBC Asset Management Committee also made formal comments in late **August** on the FSA's securities market reform plans.

The **EBC Medical Equipment Committee** has been holding three-hour-long meetings on a monthly basis. Since the middle of 2001, the MHLW has been working on the revision of the Pharmaceutical Affairs Law. The Medical Equipment Committee studied several official proposals and returned their opinion on many of the following issues:

1. To shorten approval periods and simplify applications for a much faster introduction of European medical equipment & devices into the Japanese market
2. Harmonization of required quality control level with EU-countries
3. Settlement of realistic "common-sense" regulation for bio-medical devices.

The **EBC Animal Health Committee** has been active in a number of different areas, most notably, that of feed-additives due to changes in the relevant legislation.

The **EBC Automobile Committee** continues to meet on a regular basis, wearing both its ACEA (European Automobile Manufacturers Association) and EBC "hats."

The **EBC Automobile Components Committee** also has met regularly, maintaining close ties with its European partner, CLEPA, and the Japanese industry associations, JAMA and JAPIA.

The **EBC Cosmetics Committee** has met regularly throughout the year and maintained close contacts with the MHLW and industry contacts. Harmonization remains one of the committee's key issues.

The **EBC Telecommunications Equipment Committee** remains highly active in a number of MPHPT technical committees and was influential in the drafting of government policy regarding the use of smart-cards.

The **EBC Telecommunications Carriers Committee** has held several meetings with key Japanese government speakers and also in **September**, the committee held a joint seminar with the **EBC e-Commerce Committee** on how Japanese companies are restructuring around IT.

In **April**, the **EBC Secretariat** briefed four representatives from the OECD about the Japanese business environment for their annual review of the Japanese economy.

The **EBC Secretariat** participated in the BLCCJ Trade Policy Seminar held in March and the BLCCJ YES- seminar in November.

The **EBC Securities and EBC Banking Committees** have met regularly and in a recent development, have gained approval from the EBC Council to merge under the name of the EBC Banking Committee. To take effect from January 2003, the committee will consist of the previous members of each committee and will be run by 2 co-chairs. The underlying rationale for the move is to strengthen the EBC's position on universal banking in Japan.

The **EBC Environmental Technology Committee** met on numerous occasions in 2002 and held several meetings with guest speakers, including Mr. Satoshi Fukasawa of the Development Bank of Japan.

The **EBC Airline Committee** has continued to lobby actively in the areas of pricing and distribution, high cost structure, and airport infrastructure.

Thanks go to the **EBC Liquor Committee, Patents, Trademarks and Licences Committee, Phytosanitary Committee and Shipping Committee** for their contributions to the EBC's lobbying activities, especially the White Paper, despite their small size.

An **EBC Motorcycle Committee** is being established and will start operating in the new year.

Spain joined the EBC Council as a fee-paying member and **Portugal** and **Greece** are very likely to join the EBC next year.

New Committee in 2003

In 2003, the EBC Secretariat will conduct an outreach to all EBC member companies and all chambers to seek members of an **EBC Retail Committee**. Any company interested in joining this committee can contact Alison Murray (ebcam@gol.com) at any time to express interest. The key factor will be the selection of a committee chairman and we would like to hear from anyone willing to take on this responsibility.

Investing in Niigata Prefecture

Mr. Lee Kato has contacted the EBC office recently, wishing to inform European companies that Niigata Prefecture just opened an office in Tokyo and would be pleased to assist any International Company wishing to locate in Niigata, especially from the European Community. This special project has the full support of the Government Offices of Japan and also the Local Business Organizations and Societies within the prefecture. Special incentives and options have been made available and will be

customized to each company depending upon the size of the facility used and the number of staff employed, many tax deductions and assistance with financial aids are also available. A letter with all the details is available at the EBC Secretariat.

Thanks for Your Support in 2002

I would like to thank all the members of the EBC for your support in 2002. We are going to need even more support of our activities in 2003 and I am sure we can count on you.

Best Wishes for the Festive Season and the New Year.

Alison Murray
Executive Director
EBC