



Newsletter October 2008

EBC Chairman Election

The process of electing a new chairman of the EBC has started. The dead-line for replies is set to December 17, 60 days after the announcement as prescribed in the EBC constitution. Chambers of Commerce are, however, encouraged to cast their vote at an early stage to, if possible, enable an announcement of the result at the combined year-end BOG and EOB meeting on December 4.

Brain-storming in Brussels

Six EBC committee chairmen attended a brain-storming session on future EU-Japan Economic relation on October 1 in Brussels, on the invitation from the European Commission. Participants report that the discussions were conducted in a very positive spirit. The EBC chairman stayed on in Brussels for meetings with a number of key EBC partners. The large number of high-level meetings with the Commission and Industry Organisations bear witness to an increased awareness in Brussels on the importance of the EBC and Japan.

Thank you buffet lunch for Richard Collasse

Richard Collasse has served as the Chairman of the ECB for an extraordinary period of seven years. Because of his exceptional service to the EBC we will hold a buffet lunch on November 4 to give every member of the ECB and its stakeholders a chance to thank Richard in person. An entry fee of 8,000 yen will be charged to cover the event and a small gift.

New trade Commissioner

New EU Commissioner for Trade Baroness Ashton was endorsed by the European Parliament on October 22. In the preceding hearings, the Commissioner elect expressed her commitment to an EU—Japan Economic Integration Scheme. The EBC Chairman, has sent a congratulatory letter to the new Commissioner with wishes of a continued good working relationship between the EBC and the European Commission.

EBC White Paper

The White Paper has now been sent to the printer's. Japanese translations will soon be distributed to EBC committee chairmen for final check and approval. The EBC would like to take the opportunity to thank all EBC committee members for the great work, without you we would never have a report to present to the Japanese government. The White Paper will be officially made public during a luncheon at Hotel Okura on November 26.

"Economic Integration: The New Reform Paradigm"

Year 2008 White Paper launch

Venue: The Hotel Okura, (Akebono Room, 1st floor)

Time: 12.00—2.00 pm, Tuesday November 26, 2008

Fee: 10,000 at the door, includes lunch and a copy of the White Paper (en/jp)

<http://www.okura.com/tokyo/info/image/map/accessmap.pdf>

Reply by: COB, November 21, 2008

Breaking the deadlock through healthy policy competition

In autumn 2006, newly elected Prime Minister, Shinzo Abe, kick-started the work of the Council for Economic and Fiscal Policies. The results were impressive: much needed debate on taxation, substantial liberalisation of international airfares, and bold proposals for reforming firewall restrictions in the Financial Services sector – all initiatives eagerly awaited by the EBC. However, progress since then has been minimal. The LDP's defeat in the Upper House elections last year, leaving them in command of only the Lower House, led to political deadlock, with a low-intensity war between the ruling and opposition parties, effectively obstructing the policy making process. The past few weeks have seen a temporary cease-fire, as the opposition tried to pave the way for a general election by allowing the Government to pass bills through Parliament relatively smoothly and so finish the current parliamentary session. However, the announcement this week by PM Aso that Parliament is not likely to be dissolved in the immediate future will no doubt return the DPJ to their guns.

Internal polls carried out by the LDP at the beginning of October predicted they would win a mere 241 seats together with Komeito, just one seat away from losing their majority in the Lower House. The figures have scarcely improved since. Yet, despite the immediate demands of the financial crisis and current low approval ratings, it seems clear that postponing the election will only make matters worse for the PM. We are, therefore, for the first time in over a decade, facing the real possibility of a shift in power in Japan. Though the policy platforms of the LDP and DPJ are not that different - both are, for example, likely to propose public funding to jump-start the economy - there are clear signs of policy competition developing. The DPJ's focus on financing reforms by dismantling special accounts outside the general state budget has, for instance, forced the LDP into acknowledging both the existence of such accounts and the need to reform the system that underpins them, which essentially serves vested interests and boosts the power of individual Ministries. Even if the election, now predicted to take place late December or late January, does not result in changed majorities, the ruling coalition is set to lose its super majority, which one way or the other will lead to re-alignment between the parties. However distant it might seem now, Japan is heading for political upheaval. Let's hope the competition is over good, not bad, policies.

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Event Calendar

November 2:
BCCJ: 60th anniversary reception at the Tokyo Race Course

November 3:
GCCIJ: International Business Seminars: Innovative Thinking

November 4:
EBC: Thank you lunch buffet for Mr Richard Collasse

November 7:
FCCJ/SCCJ: Stora Enso Golf Cup

November 13:
IJCC: "The Northern Ireland Peace Process"

November 20:
ICCJ: Gala dinner & concert 2008

November 20:
SCCJ: Business luncheon with Mr Akira Ariyoshi, IMF

November 26:
EBC: Launch of the White Paper, Hotel Okura

November 27:
GCCIJ: Luncheon Meeting: From Crisis to Opportunity—Japan in the New Global Economic Order

November 28:
SCCIJ: Swiss Christmas

For details on these events refer to the Event Calendar on the EBC website :
<http://www.ebc-jp.com/>