

Joint Statement

Brussels/Tokyo, 22 April 2008

EU-Japan Summit: Time to make a move

EUROCHAMBRES, the Association of European Chambers of Commerce and Industry, and the European Business Council (EBC), the trade policy arm of the 18 European national chambers of commerce and business associations in Japan, jointly call for Japanese and EU leaders to take the opportunity of the EU-Japan summit this week to move ahead in bringing the EU and Japan closer together.

Together, Japan and the EU account for nearly 40% of global GDP. Trade between these two countries is substantial with Japan ranking as the EU's fifth largest export market and the EU being Japan's second largest export market. The magnitude of both markets and the significant trade clearly show the potential benefits both markets stand to gain from a more open and transparent business environment.

Despite progress reached through the bilateral co-operation schemes conceived in the ten year EU-Japan Action plan signed in 2001, non-tariff barriers to trade still prevent European companies from fully benefiting from the Japanese market. EUROCHAMBRES and the EBC therefore call upon the authorities to use the summit to consider a new economic integration model for EU – Japan relations in parallel to the negotiations taking place at multilateral level. Such an integration model could breach the regulatory divergence between both markets and provide practical solutions to global challenges such as environmental and intellectual property protection. In particular, we request the authorities to ensure that the following issues are raised during their meetings this week.

Trade

The EU and Japan should facilitate market access through mutual recognition of product certification or, where feasible, harmonisation of product standards. This is particularly important for small and medium size enterprises (SMEs), which

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suffer greatly from the current heavy administrative burden. EUROCHAMBRES and EBC welcome the signing of the Agreement on Co-operation and Mutual Administrative Assistance in Customs Matters between Japan and the EU at the beginning of this year as a positive step, but urge both governments to seek a new approach to facilitating trade based on regulatory convergence.

Investment environment

The EU and Japan should also take this opportunity to reinforce efforts to promote a healthy investment environment. Legal uncertainty for subsidiaries of EU companies in Japan, and tax rules in merger schemes should be addressed urgently. In addition, measures to improve corporate governance standards should be discussed with the goal of promoting more EU investments to Japan, where FDI still represents less than 3% of GDP.

Procurement

Fair and equal treatment of EU companies in the Japanese procurement market is essential. EUROCHAMBRES and EBC ask the authorities to decisively address the lack of openness and transparency in government procurement in Japan as a way to promote more EU – Japan trade.

The continued need to support EU companies, and particularly SMEs, in their trade and investment relations with Japan is clear. In this respect, programmes such as the “Executive Training Programme Japan” offer a positive signal towards European business in the globalisation process.

Executive Training Programme in Japan and Korea (ETP)

ETP Japan and Korea – promoted in Europe by EUROCHAMBRES and a dedicated network of Chambers of Commerce and in Japan by the EBC – is an intensive professional development programme for EU executives eager to succeed in the Japanese (or Korean) markets. The programme offers EU managers the opportunity to receive a 3-month training in leading EU universities and to spend 9 months in Japan or Korea, including an internship in a local company. Since 1979 around 1000 EU executives have joined ETP, being able to understand the Japanese business culture, speaking Japanese language and to effectively develop business in Japan.

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About the EBC:

The European Business Council (EBC) is the trade policy arm of the 18 European national chambers of commerce and business associations in Japan. Established in 1972, the EBC works to improve the trade and investment environment for European companies in Japan. The EBC currently represents more than 3,000 local European companies and individuals who are members of their national chambers of commerce. Some 350 of these companies participate directly in the EBC's 29 sector-based committees.

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About EUROCHAMBRES:

EUROCHAMBRES is the Association of European Chambers of Commerce and Industry. Based in Brussels since 1958, it represents over 19 million enterprises in Europe through members in 45 countries and a European network of 2,000 regional and local Chambers.

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