

Symposium on EU-Japan Relations
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1. The importance of Japan-EU relations from the perspective of industry

Until now, the governments of Japan and the European Union have engaged in EU-Japan Governmental Dialogue regarding EU-Japan Regulatory Reform Dialogue as a way to maintain and develop our business environment. They have also held discussions on legal frameworks for cooperation towards concluding agreements in a number of fields, including MRA, tariffs and non-tariff barriers.

However, some negotiations have experienced delays, and there are some areas where I am concerned to see things moving more slowly than I would like. This is particularly so with regard to dialogue on economic cooperation.

At the same time, a long hard look at the economic relationship between Japan and Europe will probably show that a decline in mutual interest, the result of the rise to greater prominence of the emerging markets.

In circumstances such as these, I believe that it is strategically significant for industry in Japan to coordinate with the EU, as we are partners who share very similar values.

2. Ideal Japan-EU economic relationship for the next 10 years

2-1 Japan's new growth strategy and EU 2020 strategy

With the motto of "Toward a Radiant Japan", the government of Japan formulated a New Growth Strategy in December last year.

Cooperation between the public and private sectors is being promoted in order to trigger strategic measures for innovation in such areas as the environment and lifestyle innovation. Technological development and the creation of jobs and demand are also integral parts of this strategy.

I believe that the EU 2020 policy drawn up last year by the EU is heading in the same direction as Japan's new growth strategy. As developed economies, I think that both Japan and the UE need to make extra efforts towards enhancing their respective growth strategies in order to become global forerunners.

2-2 A new Japan-EU relationship from 2011 with the Action Plan for EU-Japan Cooperation

The Action Plan for EU-Japan Cooperation will be revised in 2011.

As representatives of industrialized nations, and to contribute to shaping the economic relationship between Japan and the EU, the members of BRT will use this year's meeting, scheduled for April 19 and 20, as a forum for compiling recommendations for the Action Plan for EU-Japan Cooperation. We will deliver these recommendations to both governments.

Our recommendations have not yet been finalized, however recommendations to the EU-Japan Summit Meeting that reflect the perceptions from industry in Japan can be summarized as follows.

1. Sharing of fundamental values

We view the European Union and Japan as sharing the same fundamental values of democracy and the rule of law, and believe that endeavoring to bolster comprehensive, multi-tiered relations will further our economic union.

Furthermore, with regard to the already mentioned growth strategies of Japan and the EU, Japan believes that, in order to aim to improve competitiveness, free and open competition is absolutely necessary for Japan-EU bilateral growth.

2. Strategic innovation

Global warming is an issue that not only Japan and the EU but the whole world must tackle. Japan and the EU must lead the way globally through cooperation and furthering efforts to realize the world's best energy saving standards and a low carbon society.

For this to be achieved, Japan and the EU must engage in active dialogue on standardization, regulation and the cultivation of new and innovative fields of technology.

Japan and the EU must utilize their globally advanced levels of science and technology to lead the world in Strategies for International Standardization – which is vital for innovation and the development of new industries.

In tandem with strategies for international standardization, the further pursuit of cooperation between Japan and the EU in cutting-edge fields will realize the creation of markets and employment in new technologies and new business domains. Moreover, economic collaboration between Japan and the European Union must be advanced as a means to accelerate the emergence of these opportunities.

3. Concrete measures

So, from the perspective of the next ten years or so, what must industry do to achieve an ideal Japan-EU relationship?

The answer is clear: it is vital that we cooperate in cutting-edge fields, in new technologies and in new industries.

First of all, those industries that vigorously carry out innovation based on the utilization of ITC and the development of environmental technologies, in order to shape a recycling-oriented, low carbon society, will become increasingly crucial to future measures related global warming and sustainable development.

These challenges will also play a key role in realizing a recycling-oriented, low carbon society.

Secondly, if Japan and the EU are to achieve sustainable development, we must not only promote innovation in new technologies. The creation of new demand is also an important factor.

Right now is the perfect time for companies to generate innovative ideas for the purpose of creating new demand.

Innovation drives a wide range of fields, whether it be electronics, medicine, pharmaceuticals or ICT, and each field can be of benefit to the goal of realizing renewable energy sources and a recycling-oriented and low carbon society.

I contend that innovation carried out in a spirit of international collaboration will serve to accelerate the creation of new demand.

Thirdly, in order to further promote such global cooperation, fair rules for international trade and other scenarios must be enacted.

To maximize the benefits of economic cooperation between Japan and the EU, a comprehensive package that removes or curtails tariffs and non-tariff barriers must be pursued in a well balanced and integrated manner. Ideally, this should be the focus of a positive dialogue between both governments from here on. For the EU, the cooperative economic relationship it enjoys with Japan will serve as a means to deepen its ties with the high growth potential economies of Asia. This relationship will also provide a beneficial tool for forging a stable business environment in Asia, in line with international rules and grounded in the rule of law.

My fourth point is the importance of cooperation between industrial clusters.

At present, Japan together with Europe, is promoting cluster policies as part of its regional revitalization strategy. In my opinion, cooperation in this area is also of great importance and much hangs on international exchanges between clusters and revitalization among regional clusters.

In addition, the formation of clusters has been strengthened through technical exchanges and joint research activities in a wide range of fields, such as biotech, medicine, pharmaceuticals, food and automobiles. There have already been a number of cases where interaction between Japanese and European clusters has produced results.

Moving forward, we must not only continue to promote exchange between clusters, but cooperate even

further with exchanges of information on best practices garnered from such successful cases of cooperation.

4. Conclusion

That concludes my comments on the importance of Japan-EU relations from an industry perspective, the ideal Japan-EU economic relationship for the next 10 years, and concrete measures for attaining an ideal Japan-EU relationship.

If we are to achieve further development in the future, Japan and the EU need to promote innovation and boost their global competitiveness. It is vital that we both make clear to the rest of the world that we are adamantly opposed to protectionist policies that drag down our competitive edge.

It is my belief that sustainable development and the creation of new demand will come about through rules to secure fair trade.

At the 2008 EU-Japan BRT, a joint report was presented on the feasibility of an Economic Integration Agreement. It proposed that the recommendations from both parties be subject to high-level scrutiny by the authorities of Japan and the EU.

Unfortunately, the current situation is that there has been no progress on negotiations that involve the non-tariff barrier issue.

From the view point of strengthening the competitiveness of industry in Japan and the EU, Japanese industry recognizes the importance not just of debates over tariffs, but discussions that consider non-tariff barriers.

Accordingly, I think industries in Japan and the EU, working through the BRT, must commence joint research with one another and request that these issues be brought up for discussion at this spring's EU-Japan Summit Meeting.

Thank you