



Briefing | European Business Summit: EU-Japan EPA

Dods - Debate Summary

25/05/2018

Source: European Business Summit

Subject: Roundtable: EU-Japan EPA – A View from Industries and Future Cooperation

Date: May 24, 2018

On May 24, the European Business Summit held a roundtable on the recent EPA signed between the European Union and Japan. Various representatives from both Japanese and European industries gave their views and opinions on the EPA. Generally, all present agreed that the EPA will be beneficial for European and Japanese companies and will lead to more profitability and closer cooperation. Most speakers cautioned that what has been approved on paper now needs to be implemented. They hoped that this would happen as soon as possible. Please find a summary of the exchange below.

Moderator Silke Wettach, EU-correspondent, WirtschaftsWoche, started the round table by saying that the EU-Japan Economic Partnership Agreement will have an important impact for industries from both the EU and Japan before introducing the speakers.

Yasukazu Irino, Executive Vice-President, Japan External Trade Organization (JETO) started his presentation by stating that the EU-Japan EPA will soon go on to accelerate free trade between Japan and European countries. The agreement has been negotiated in accordance to promote attractiveness of European market in Japan and vice-versa and he noted that this has been a huge success.

He explained that JETO is an organization that represents Japan's businesses abroad and that he was here to give the views and perspectives from Japanese industries. For JETO the EU-Japan EPA will be a catalyst to expand EU-Japan trade and this is beneficial for Japanese companies for whom the European market is an important one. He also highlighted the opportunities for European companies in the Japanese market and the advantages of the Japanese market. The EPA would also enhance business exchanges and will provide more aid for Japanese and European start-ups. The speaker hoped that Japanese and European start-ups would be able to work closer together to create new innovations.

Finally, the EPA will have an important impact on Japanese food exports to Europe he said, with an anticipated increase in Japanese exports including sake (Japanese alcoholic beverage), green teas, and other Japanese products.

Luisa Santos, Director of International Relations, BusinessEurope, stressed that it was important now to translate into reality what has been approved on paper. It is about ensuring that the fruitful dialogue that led to the agreement can continue and be positive for businesses.

She argued that the more agreements there are, the more it is important to ensure companies understand the potential of EPAs and take full advantage of them.

Shinichiro Oka, Director General, Japan Automobile Manufacturers Association (JAMA), said that JAMA is an industry association of Japanese automobile makers which represents all the major Japanese car

makers. Today JAMA-associated companies operate 14 production facilities in the EU and employ over 161,000 employees across the European Union.

The speaker also mentioned that JAMA and the European Automobile Manufacturers' Association (ACEA) have worked together on a number of issues of common interest across the EU and Japan. The EU-Japan EPA will facilitate the harmonization of regulations/mutual recognizing of certification under the 1958 agreement, he argued.

Challenges ahead cannot be solved by one country or region and the EU and Japan should work together to find common solutions. The EU-Japan EPA will serve as a robust framework for this. He concluded that he was anticipating the earliest implementation of the EU-Japan agreement.

Nicolas Erb, European Affairs Director, Alstom, said that Alstom's customers are mainly public entities. He also noted that he hoped that the EU-Japan EPA will come into force shortly and stressed that the agreement had many benefits for European businesses.

Frans Hoorelbeke, Chairman, Board of Directors of Daikin Europe, argued that having negotiated something is one thing but the execution of the agreement is more important. He said that Daikin is an air conditioning company and highlighted importance of energy efficiency and the need to reduce the impact of our carbon footprint.

He noted a couple of impacts the EU-Japan EPA will have. First, it will reduce customs tariffs. 6% of Daikin Europe's sales volume is sourced from Japan. A 2,7% reduction in customs duties will lead to savings of 2 million euros, he said. Second, there will be more rapid customs flows. Shorter transit times and increased flexibility is important for businesses. Third, there will be better protection of intellectual property rights from the EU and Japan. Finally, the EPA will also align sustainable development as a goal for both the EU and Japan. Better market interchangeability of products will lead to opportunities to export more goods to Japan.

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