

**EU-Japan Business Dialogue Round Table
Tokyo Meeting, 13-14 July 2006**

Press Release

Senior executives from leading EU and Japanese companies met on 13 and 14 July 2006 in the framework of the EU-Japan Business Dialogue Round Table (BDRT). Under the co-chairmanship of Georges Jacobs, Chairman, UCB, and Yotaro Kobayashi, Chief Corporate Advisor, Fuji Xerox, the BDRT reviewed the factors affecting business cooperation between the EU and Japan, and called on the EU and Japanese Authorities to take immediate action on five priority issues.

IMMEDIATE ACTIONS

1. Developing measures to avoid double taxation and reduce the compliance costs associated with transfer price taxation;
2. Ensuring that society gains from innovations in Life Sciences and Biotechnology;
3. Fostering a partnership approach to R&D and standardisation of Information and Communication Technologies; developing an appropriate regulatory environment that fosters digital convergence, further competition and open access to both markets; and employing ICT technologies for the benefit of future generations;
4. Establishing international rules for protecting Intellectual Property Rights and combating the proliferation of counterfeit and pirated goods;
5. Promoting joint R&D projects such as bio-chemicals, bio-materials and bio-fuels.

Reviewing the recommendations it had submitted to the Authorities last year, in the context of the 10-year Action Plan for EU-Japan Cooperation, BDRT members concluded that there had been some progress on about half the recommendations. But progress was so limited that the vast majority (87 of the original 94) were resubmitted this year, making a total number of 99 recommendations in all. The BDRT repeated its previous calls for far greater efforts to improve the conditions for Foreign Direct Investment between the EU and Japan. It also proposed establishing a Working Party on Financial Services, acknowledging the increased globalisation of the Financial Services sector, the major contribution of European and Japanese firms to this globalisation and the rapid evolution of the regulatory environment.

WTO

The BDRT stressed strong support for the current round of WTO negotiations in the context of the Doha Development Agenda and underlined the importance of completing these negotiations in 2006. Participants called on the EU and Japan to demonstrate clear leadership and provide a final push towards securing a successful outcome in the months ahead.

TOWARD BROADER, DEEPER AND MORE DYNAMIC COOPERATION

BDRT members also recognised that, while such an outcome remained elusive, WTO-consistent bilateral and regional negotiations were emerging, involving Japan and the US and various Asian countries, in order to further facilitate mutual cross-border trade and investment.

Against this background, the BDRT discussed possibilities of initiating discussions between the EU and Japan on alternative forms of economic integration consistent with commitments to WTO.

The BDRT believes it would be appropriate to conduct a mid-term review of the 10-year Action Plan for EU-Japan Cooperation, taking account of recent world economic developments and the eventual outcome of the WTO Doha Development Round, and would be willing to contribute to such a review from the private sector perspective.

With a view to further strengthening the relationship, members exchanged views with the representatives from both Authorities on the outcome of the EU-Japan Summit held in April 2006. Special attention was paid to issues such as energy, global competition, market access and the regulatory environment.

LONGER-TERM PERSPECTIVE

BDRT members agreed that a long-term perspective is also important and expressed concern at the apparent institutional deficiency when faced with such global challenges, threats and issues as the new economic power of the so-called BRICs, global warming, the sharp rise in oil prices, proper use of IT, and the widening gap between the rich and the poor. The BDRT suggested that a Study Group consisting of representatives from Government, academia and the business community be formed to help create a proposal on new global mechanisms within three years.

NOTE

The BDRT met in the presence of European Commission Vice-President Verheugen (Commissioner for Enterprise & Industry), Minister Nikai (METI), Senior Vice-Minister Shiozaki (MOFA), Vice-Minister Toyama (MOFA) and Vice-Minister Furuya (MIC),

At the end of the meeting, Mr. Yotaro Kobayashi stepped down as the Japan-side Chairman and was succeeded by Mr. Tadashi Okamura, chairman of Toshiba. The next BDRT annual meeting is scheduled to take place in Brussels in summer 2007.

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