

The EU-Japan Business Dialogue Round Table.

Press Release (Brussels, October 8, 1999)

The **EU-Japan Business Dialogue Round Table** took place from 7 to 8 October 1999 at the **Head Office of Société Générale de Belgique, Brussels**. The aim of the EUJBDRT is to enhance mutual understanding between the industries of the EU and Japan, and to make effective policy recommendations on trade and investment issues to the European Commission and to the Japanese government.

It is jointly chaired by **Viscount Etienne Davignon**, Chairman of Société Générale de Belgique and **Dr. Tadahiro Sekimoto**, former Chairman of NEC. The Round Table is composed of top executives from major corporations in Japan and Europe.

Check [the list of members of EU-Japan Business Dialogue Round Table](#).

Mr. Romano Prodi, President of the European Commission, and Commissioners Erkki Liikanen of Enterprise & Information Society and Pascal Lamy of Trade, Mr. Hisamitsu Arai, Vice-Minister for International Affairs, METI, and Mr. Takayuki Kimura, Ambassador of the Japanese Mission to the EU, attended part of the meeting and exchanged views with the participants. The European Commission and the Japanese government thereby expressed their strong support for the Round Table, which should provide effective and broad-based private sector input into policies to promote trade and investment.

The following wide range of issues facing both EU and Japan businesses were discussed. A work programme was approved for the next year.

1. The current state and prospects of the EU and Japanese economies.

Participants discussed the consequences for businesses of the introduction of the euro, the enlargement of the EU and the latest measures announced by the Japanese government in the field of economic structural reform. They emphasised the importance of ensuring a more open and transparent environment for trade and investment and a strengthened effort to accelerate the deregulation process.

2. The world financial crisis and its counter-measures.

Lively discussions took place between the Members, concerning the world financial crisis, and the measures envisaged in order to stabilise the world financial system in the future.

3. Creating an open environment for trade and foreign investment.

A spirited debate took place concerning the promotion of flows of trade and investment in both directions and based on actual business cases. The Japanese side pointed out issues such as the double payment of pension-plan premiums, both in the EU and Japan, and non-unified taxation within the EU. The EU side drew attention to issues such as the lack of transparency in accounting systems and in competition regulations in Japan, the lack of incentives offered to new businesses, Japan's high-cost environment and the lack of labour mobility. The participants generally consider that foreign direct investment is beneficial to the host country. The working group will study the issues and prepare recommendations for both governments.

4. Accounting issues and taxation.

Following the recent world trend of harmonisation to an international accounting standard, issues related to the EU and Japanese accounting systems were discussed. Concerning taxation, Members exchanged views on the current status and future direction of taxation reform in the EU and Japan. The working group will further study the issues identified at this time and will make recommendations in due course.

5. International standardisation.

An animated exchange took place concerning the subject of international standardisation. The participants stressed the need for a standard-friendly regulatory environment, the alignment of national and regional standards to international standards as well as for closer cooperation between Europe and Japan in order to increase the transparency of transposition and use of international standards. They agreed to coordinate the views of European and Japanese industries on world-wide standards such as the next generation mobile communications system IMT 2000 and for other new advanced communication technologies, among others in order to get a favourable outcome at the next World Radio Communications Conference in the year 2000 in Istanbul. The meeting also supported the policy that the essential patents should be declared before standards are approved and be licensed under reasonable terms and conditions.

6. Mutual Recognition Agreement (MRA).

The swift conclusion of MRA agreements between Japan and the EU would bring important benefits to consumers, by making available on the market new products without having to repeat costly, lengthy and often useless procedures. It would benefit industry by reducing costs and promoting bilateral trade. The Working Group identified a number of requirements which the Agreement must meet in order to be beneficial for the industry of both countries. The Agreement should, for instance, provide real market access based on the recognition of conformity certificates delivered by the other party and should encompass all levels of government regulation. The negotiations have been lengthy and should be concluded as soon as possible. Besides, both sides are invited to adapt their internal conformity assessment systems and the respective legislation in order to ensure full and early implementation of the Agreement. Governments are invited to consider the possibility of including further sectors in the MRA, such as medical devices. The Working Group will continue to monitor the negotiation process and will evaluate the results achieved in due course. It will also endeavour to identify further sectors for inclusion in the Agreement.

7. Electronic Commerce.

Obstacles to the development of electronic commerce and the progress of issues covered in last year's Round Table joint statement were considered. The Working Group took stock of the substantial work achieved in the legal and regulatory areas and stressed the need to address, simultaneously, the emerging economic, business and competitiveness challenges of the digital economy. They reiterated their commitment to credible, effective self-regulation and establishment of consumer confidence in close cooperation with public authorities. They agreed on the need to seek agreement, in the framework of the new Round Negotiations, on simplifying the regulation of electronic commerce. They also expressed their support of and full participation in the work being done at the Global Business Dialogue on electronic commerce. It also recognised the potential benefits to international trade flows that could arise from EU-Japanese cooperation.

The next meeting will be held in Tokyo in July 2000, with the intention of making policy recommendations in time for the next EU-Japan Summit.