

**EU-Japan Business Dialogue Round Table
Brussels Meeting 27-28 May 2003**

Press Release

***“New Challenges for Sustaining Growth and Competitiveness:
Promoting Mutual Investment
and
Securing Benefits from EU Enlargement”***

Brussels, 28 May 2003 – On 27 and 28 May the Annual Meeting of the EU-Japan Business Dialogue Round Table (EJBDRT) brought together in Brussels business leaders from 42 large companies (see below for full list), with the participation of the Japanese and EU authorities, under the co-chairmanship of Viscount Etienne Davignon and Mr. Yotaro Kobayashi.

The representatives of the Japanese Government were Mr. Tetsuro Yano, Senior Vice-Minister for Foreign Affairs (MOFA), Mr. Kouya Nishikawa, Parliamentary Secretary for Economy, Trade & Industry (METI) and Mr. Shinichi Nabekura, Vice-Minister for Policy Coordination, Ministry of Public Management, Home Affairs, Posts & Telecommunications (MPHPT), and from the European Commission there was Commissioner Liikanen, as well as senior officials from Directorates-General for Enterprise, Trade, External Relations and Economic & Financial Affairs.

This participation of official representatives contributed to a valuable discussion on the progress of the implementation of the Recommendations made last year by the EJBDRT with a view to an accelerated strengthening of bilateral economic relations – such as those envisaged by the 10-Year Action Plan signed in 2001 between Japan and the European Union.

These Recommendations are designed to strengthen the EU-Japan business relationship. The EU and Japan are facing a new stage and should aim for a growth cycle, in which reforms in domestic markets promote further trade and foreign investment.

Generally speaking, it was noted that important progress had been made and that the new conditions would in principle enable an intensification of trade exchanges. But all the potentialities are still far from being realised, and the opening-up of markets and their transparency are far from being achieved. Only in this way will the benefits of increased trade and investment be realised. Hence the reason why this year the participants drew up new Recommendations, while reiterating certain priority requests.

This year's recommendations highlight the following:

1. Investment – call for FDI Agreement

In response to the “Japan-EU Initiative on Investment” released in the EU-Japan Summit in May, the EJBDRT adopted a new proposal to ask the EU and Japan to negotiate a formal “FDI Agreement”, through which the two-way flow of investment could be expanded by fully utilizing the potentialities.

2. EU Enlargement

The participants believed that the Enlargement of the EU offered new opportunities to Japanese businesses and considered as positive the initiative of the Commission to organize in the autumn of 2003 a special seminar on this subject for Japanese companies. On the other hand, Japanese members expressed that all efforts should be made, while taking account of WTO rules, in order to avoid that Enlargement hamper Japanese traders and investors' activities in the acceding countries.

They stressed the importance of ensuring that the Enlargement would benefit both EU and Japan.

3. New Business Opportunity

The participants are convinced that creating conditions necessary to encourage the development and growth of broadband services will play an important role in achieving an Information Society, which is the goal of e-Japan/e-Europe initiatives. The EJBDRT notably urges the European Institutions, the EU Member States and the Japanese Government to have pro-active strategies for broadband. Life sciences and biotechnology have been taken up for the first time by the EJBDRT. To start the activity, it was agreed that a joint symposium would be held to share information on the strategy in both the EU and Japan, which were made public in 2002.

4. Sustainable Development

For the first time, the EJBDRT took up the subject of corporate social responsibility and environment issues, which are of increasing importance for future business and society. The participants agreed to have a continuous dialogue and try to find a benchmark in formulating corporate social responsibility.

On the environment subject, with regard to climate change, the necessity to establish a global approach based on a common rule in which all countries, including the US and developing countries participate, in order to ensure the effectiveness of measures to address global climate change was reaffirmed

It was stressed that the recycling policy, such as in the “Waste Electrical & Electronic Equipment” and “Restriction of Hazardous Substances” Directives, should be harmonized in the two regions, and the Japanese participants expressed concerns on the proposal of the new regulation for chemical products by the EU.

The Members also affirm that it is necessary to diversify energy resources by carbon-neutral energy such as biomass and hydrogen for the realisation of sustainable society. The diversification of energy resources will lead not only to reduction of CO₂ but to creation of new industries and employment.

5. Corporate Social Responsibility

Corporate Social Responsibility is taking on increasing importance for European and Japanese companies. The subject was addressed for the first time, and will become a regular feature of the Round Table.

6. Life Sciences and Biotechnology

Biotechnology has a huge potential to offer solutions with regard to an aging population, the ongoing growth of the world population and sustainability in the interest of future generations. The Members therefore decided to form a Working Party for the area of Life Sciences and Biotechnology in order to help to resolve the existing conflict between these opportunities and the current regulatory framework and negative public perception which is hampering progress in this field.

The participants urged the both Japanese Government and the EU to take strong initiatives to recover their respective economy.

The next meeting of the EJBDR is scheduled for summer 2004 and will be held in Tokyo.

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