



22nd Annual Meeting of the EU-Japan Business Round Table

JOINT RECOMMENDATIONS

“The EU & Japan – A New Way Forward”

5 November 2020, Tokyo

The 22nd Annual Meeting of the EU-Japan Business Round Table (BRT) took place via a web conference with Members and Authority participants gathering at the Tokyo Kaikan and in the Paris headquarters of Le Groupe La Poste, as well as connecting remotely. The BRT's fifty-six Members, led by Masaki Sakuyama, Chairman of Mitsubishi Electric Corporation, and Philippe Wahl, Chairman and CEO of Le Groupe La Poste, represent a broad range of sectors¹.

This year's Annual Meeting, held under significantly changed economic and social environments, offered the BRT an opportunity to examine its role within the complexities of the on-going COVID-19 pandemic by facilitating the continuity of the business relationships and exchange of perspectives between its Members and the EU and Japanese Authorities.

2020 BRT ANNUAL MEETING THEMES

Building on the BRT's Position Paper “On the current COVID-19 pandemic”² released on 25 May, as well as taking into account the “Japan-EU Leaders' Video Teleconference Meeting” held the following day³, this year's BRT Annual Meeting focused on current and future aspects with sessions dedicated to:

- EPA WATCH – *Taking stock and highlighting the success of the EU-Japan EPA*
- CALL TO ACTION – *Raising awareness of new challenges and taking advantage of the EPA under the new normal of the COVID-19 pandemic*
- LOOKING TO THE FUTURE – *Evolution of the BRT*

Within the scope of these themes, the BRT makes the following recommendations and declarations:

- Welcomes all efforts by the EU and Japan to **coordinate the development of vaccines and treatments**, discuss preparedness for future pandemics, to ensure smooth flow of trade in essential goods and services related to crucial healthcare products, strengthen e-health with digital connectivity through public and private initiatives;
- Calls for **strengthening coordination within G7, G20, WTO and other multilateral forums** to address initiatives for the recovery of healthcare, economic, and trade systems to ensure that global supply chains are maintained; and supports the framework and statement of the “Osaka Track” launched at last year's G20 Summit and signed by Japan, EU, and other countries, for promoting free and trusted cross-border data flow with international rules for better protection of personal information, intellectual property, and cybersecurity under the concept of “**Data Free Flow with Trust (DFFT)**”;
- Supports the EU and Japan's respective **economic stimulus packages**, and encourages a continuous implementation of the EU-Japan EPA and SPA to accelerate digital transformations, green transition, and open innovation for the economic recovery and support of SMEs, in particular;
- Calls for strengthened **EU-Japan business cooperation – including SMEs – in third countries** by leveraging: the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure⁴; the EIB's agreements⁵ with JICA and JBIC on the co-financing of joint EU-Japan projects; the EIB's

¹ <https://www.eu-japan-brt.eu/brt-members>

² https://www.eu-japan-brt.eu/system/files/pastmeetings/2020/BRTcoronavirus_final_EN_20200525.pdf

³ https://www.mofa.go.jp/erp/ep/page4e_001066.html

⁴ <https://www.mofa.go.jp/files/000521432.pdf>

⁵ <https://www.eib.org/en/press/news/eib-expands-partnership-with-japan> and

<https://www.eib.org/en/press/all/2018-264-eib-new-cooperation-with-the-japan-bank-for-international-cooperation-jbic-and-with-the-nippon-export-and-investment-insurance-nexi>

Memorandum of Understanding (MoU) with NEXI⁶ on trade insurance to cover risks involved in overseas transactions; and,

- Commits to reflect on forward-looking, post-coronavirus pandemic strategies within the EU and Japan's business communities that foster opportunities with a renewed focus on the Paris Agreement and the United Nations' Sustainable Development Goals (SDGs) that remain crucial and effective tools and aims.

EXPANDING ON ASPECTS OF HOW THE EU-JAPAN CAN WORK TOGETHER

In line with the BRT's Position Paper of 25 May, the following are additional considerations with which the BRT could help mitigate the healthcare and economic consequences of the current and future pandemics:

- Urges healthcare stakeholders, governments, and research institutions in the EU and Japan to share, coordinate, and harmonise knowledge and resources to realise novel therapeutics, including the use of artificial intelligence (AI), for the development of COVID-19 vaccines;
- Calls on relevant governments and agencies of the EU and Japan to address the logistical aspects of the import and export of medicines and medical devices, as well as critical, related services;
- Regards the greater use of digital technologies, such as Internet of Things (IoT) and AI, as critical to realising efficiency and safety gains across industries, and encourages collaboration between the EU and Japan to develop new platforms and tools such as innovative ETL (Extract/Transform/Load) tools development;
- Views that stimulating investment and maintaining support for innovation will enable the mobility of people, capital, goods, and services for the sake of restarting, and promoting economic growth; and,
- Calls for cooperation in autonomous mobility and electric vehicles to be reinforced.

WORKING PARTY RECOMMENDATION HIGHLIGHTS

The BRT also endorses the Recommendations to the Authorities prepared by the BRT's Working Parties

The full sets of recommendations from the four working parties are available separately⁷. Each working party has emphasised three of its recommendations:

(WP1) Trade Relations; Investment and Regulatory Cooperation; Financial Services, Accounting and Taxation:

- Defend the centrality of the WTO as the guardian of the multilateral trading system and continue to promote free trade in the face of rising protectionism;
- Improve the operation of documents screening and approval process in order to facilitate usage of preferential tariffs, and enable the retrospective application of the EPA in cases where origin has been established; and,
- Enhance bilateral discussions on how to limit the impact on business with regard to travel restrictions under COVID-19, while accelerating the resumption of international travel, as well as drafting an action plan on how to deal with future pandemics with focus on travel restrictions.

(WP2) Life Sciences & Biotechnology, Healthcare and Well-Being:

- Support the research and development of diagnosis, treatments and vaccines for the new type of coronavirus and related diseases and co-ordinately promote collaborative actions of companies and/or academia to accelerate their developments, provide appropriate compensation and protection scheme for those treated and providing treatments;
- Continuously review the current pricing system for pharmaceuticals to strengthen the reward for innovation, thereby maintaining an incentive for companies to develop new drugs and bringing them rapidly to meet patients' needs in Japan; and,
- Keep refining the system of using Health Technology Assessment and Cost Effectiveness Analysis (CEA) for pharmaceuticals, and refrain from using CEA in making reimbursement decisions.

(WP3) Digital Innovation & Mobility:

- Enhance cooperation between both authorities and take an international leadership for digital transformation;

⁶ <https://www.nexi.go.jp/en/topics/newsrelease/2018102205.html>

⁷ <https://www.eu-japan-brt.eu/annual-meeting-2020>

- Work with industry and like-minded governments to craft a balanced approach to data flows in trade agreements and international frameworks that guarantees a high level of data protection and allows data to flow freely across borders; and,
- Support and encourage development and deployment of human centric and trusted AI applications to protect fundamental rights of citizens. Enhance an open and transparent dialogue with citizens of all generations and segments to avoid misunderstanding and reveal the great potential of AI.

(WP4) Environment & Sustainable Development:

- Ensure that the measures to mitigate for global warming will NOT lead to stagnation of corporate investments in R&D and capital, to protectionist trade, and to shifting of innovation. Find technologically and economically viable options and take a flexible approach toward achieving an ambitious target for decarbonised society;
- Facilitate international collaboration among governments, financial market participants, and companies, implement effective mechanisms that are applicable across national borders throughout the entire value chain for sustainable finance; and,
- Promote policies to introduce and utilise innovative digital technologies for realising a sustainable society and take leadership and strive to strengthen DFFT. Promote utilisation of AI by putting the highest priority on compliance with relevant laws and regulations in each country/area and on respect for human rights. To accelerate safe, secure, and sustainable urban development through policies and promotion above.

BUILDING ON THE EU-JAPAN PUBLIC-PRIVATE PARTNERSHIP IN TIMES OF OPPORTUNITY, CRISIS, AND CHALLENGES

The Annual Meeting also enabled the BRT to discuss and focus on the following industrial mega trends and opportunities for Japan and the EU, and wishes to bring to attention:

- **EU-Japan EPA** – the first year’s results were broadly positive, with the EPA continuing to be key to rebuilding, and growing, our business sectors and economies at large;
- **Digital economy, green and sustainable transitions** – regulatory cooperation and new standards are needed to empower the economies of the EU and Japan where game-changing digital economies, and green and sustainable recoveries, are crucial aspects to enabling both of our economies to remain competitive against disparate global economic, financial, and social environments;
- **Challenges across economic and geopolitical spectrums** – the EU and Japan have yet more to gain by working together to grow their economic relationship, and by aligning their mutual interests to find “a new way forward” in the face of disruptions and challenges across economic and geopolitical spectrum.
- **Continuity of the business environment and supply chains** – The BRT welcomes the signing of the UK-Japan CEPA⁸. At the same time, the BRT strongly hopes that the evolving relationship between the EU and the UK will ensure the continuity of mutually beneficial business environments and supply chains for Japanese, EU, and UK companies.

In closing, the co-Chairmen of the BRT, on behalf of their Members would like to extend their warmest appreciation to the EU and Japanese Authorities for the Authorities’ time and input at the Annual Meeting, as well as for the invaluable opportunity to present these recommendations and declarations.

⁸ <https://www.gov.uk/government/news/uk-and-japan-sign-free-trade-agreement>