

Public Consultation on the future of EU Japan trade and economic relations

Q1

What should be the objectives and priorities of the future EU- Japan trade and economic relationship? How should the EU pursue these objectives?

A1

Concluding high-level EIA that go beyond regulatory dialogue and economic and trade cooperation not just with newly-emerging economies where markets are expected to expand but also with key strategic partners will contribute substantially to the EU 2020 growth strategy. In this context, Japan and the EU share the challenge of realizing early conclusion of an EIA to expand trade and investment on both sides. A legally-binding economic agreement needs to be formed as soon as possible between Japan and the EU, and leaders should take the opportunity of the Japan-EU Summit scheduled for next spring to agree to launch negotiations.

Concluding an EIA that addresses high tariffs and improvements to NTMs in a well-balanced manner will improve market access for both Japan and the EU.

Q2

How could the effectiveness of regulatory and trade dialogue/cooperation between EU and Japan be improved?

A2

Simply continuing with dialogue such as the Japan-EU Regulatory Reform Dialogue will be insufficient to bring about regulatory reform and the elimination of other non-tariff barriers, and little progress can be expected. Further, when it comes to regulatory reform that is subject to strong opposition from vested interests, political leadership becomes vital, and this is where we need new, legally-binding bilateral frameworks and agreements. More specifically, advancing negotiations on an EU-Japan EIA with more comprehensive coverage than an FTA should offer solutions for EU firms in terms of differences in regulations and standards that are currently burdening their business.

Q6

Are you concerned by tariffs or measures of equivalent effect in your field of activity?

Y/N

A6 Y

If yes, how should the EU address these tariff barriers with Japan?

A6-2

The EU still has high tariffs in place for AV-related products, and we want to see these eliminated or reduced. Maintaining high tariffs ultimately prevents EU consumers and industry from enjoying the benefits of the latest technology, or means that they can only do so at great expense. Eliminating such tariff barriers will require the early conclusion of a legally binding agreement. Parts tariff exemptions (for LCD modules) should be continued to ensure procurement flexibility.

We remain concerned at the arbitrary classification of products covered under the

Information Technology Agreement (ITA) and the uncertainty this causes as to whether tariffs might be levied on traditionally tariff-free products.

Q9

Should the EU increase cooperation with Japan with a view to further simplifying and accelerating customs procedures? Y/N

A9 Y

If yes, what should be the EU priorities for the years to come?

A9-2

To ensure that actions such as tariff classification changes or implementation of anti-dumping measures, for example, do not escalate into unnecessary conflicts, intergovernmental consultation mechanisms should be introduced such as mandatory intergovernmental confirmation and notification prior to said actions. In the case of tariff classification reviews, systems should be set in place to observe opportunities for industry to give its views on trends in technological innovation and prevent authorities from taking unilateral measures (a prior confirmation system, etc.). For anti-dumping, we request that prior intergovernmental consultation be made mandatory. A system is needed to prevent investigations being launched on the basis of suits with slim grounds.

Q10

Are you concerned by problems of protection and enforcement of IPR in Japan in your field of activity? Y/N

A10 Y

If yes, please explain, including specific areas or issues to be addressed.

A10-2

We wish to see improved operation of patent application systems in the EU, as well as the international harmonization of patent systems.

European Patent Office (EPO) patent examinations have tended to be slow. We are very hopeful that the Patent Prosecution Highway (PPH) launched by the Japan Patent Office and the EPO on 29 January 2010 will reduce examination times. The PPH should cut patent examination times, improve examination quality and ensure the stability of rights which can be obtained in both Japan and the EU.

Q11

Should the EU increase cooperation with Japan with a view to improving the protection and enforcement of certain intellectual property rights?

A11 Y

If yes, what should be the EU priorities for the years to come?

A11-2

Strengthening and accelerating innovation and addressing climate change will require promoting proper protection for intellectual property rights and the smooth utilization of such rights. Japan and the EU should boost their cooperation to this end, prioritizing the following issues in particular:

- More efficient anti-counterfeiting measures, stronger enforcement, early implementation of the Anti-Counterfeiting Trade Agreement (ACTA)
- Faster patent examinations
- Improvement of copyright utilization consent methods and levy reduction and

elimination

Q14b

Do you consider that there is a need for the EU to contribute to facilitating EU direct investment in Japan? Y/N

A14b Y

Q16a

Are there fields (anti-trust/mergers/liberalization/state aid) where the EU should seek to increase cooperation with Japan with a view to pushing for the removal of non-tariff barriers in Japan?

anti-trust	Y/N	Y
mergers	Y/N	
liberalization	Y/N	
state aid	Y/N	

Q18

In which ways could EU-Japan multilateral cooperation be enhanced in the coming years?

A18

The IT and electronics industry has global operations from R&D through to design, production, sales and service. Consequently, it is absolutely critical for the industry to secure truly global supply chains and production networks free from trade and investment barriers at all stages.

In recent years, the most cutting-edge IT products are being treated as outside the scope of the ITA, or else their treatment under the ITA remains uncertain. As noted in Paragraph 5 of the ITA annex on modalities and product coverage, the EU, Japan and other ITA members anticipated technological innovation back in 1996 when the ITA was concluded and called for product coverage to be updated in the WTO on an ongoing basis. The EU and Japan should work together to propel forward actions in this regard.

Q19

How could the EU and Japan seek to better integrate sustainable development considerations in their discussions on the various topics relevant to their trade and economic relations, from trade in natural resources to technical regulations and standards for goods and from investment to government procurement, among other issues?

A19

In terms of how trade policy can contribute to environment policy, we hope to see the EU move proactively on trade liberalization for environmental goods and services (EGS) as a policy tool meriting positive consideration. As with products creating alternative energies, the contribution of energy-saving products to reducing CO₂ emissions should be properly recognized.

As for trade in natural resources, Japan and the EU should work together to lobby countries with resources to abolish export regulations, as well as providing the necessary technological support to promote greater efficiency and redress environmental problems in relation to resource extraction.

Q20

What are the likely environmental effects – both positive and negative – that you expect to emerge in the context of an enhanced EU-Japan Trade Cooperation? Which issues would require specific attention?

A20

Japan and the EU can help to reduce CO₂ emissions by working together toward early liberalization in EGS trade in the WTO Doha Round, building systems with an eco-friendly focus, including the elimination of tariffs for energy-saving products, and otherwise promoting initiatives to reduce the environmental burden.

Q21

In your field of activity, do you think that the employment situation in the EU could be affected, positively or negatively in the context of an enhanced EU-Japan Trade Cooperation?

A21

The Japanese IT and electronics industry has engaged amicably for many years in a wide range of business activities in the EU, and has in fact created jobs through a substantial amount of direct investment. We are currently extremely concerned that the EU's conclusion of an FTA with Korea could cause a relative reduction of the competitiveness of Japanese firms' production bases in Europe.

Because the Japanese IT and electronics industry has built its European production bases into its global supply chains, it is absolutely critical to the industry that the EU maintain an undistorted trade and investment structure that is equally open to all countries. This is also consistent with the interests of related EU firms (parts industries, supporting industries) and with maintaining employment.

Q23

Your comments.

A23

We hope to see Japan and the EU deepen their reciprocal relationship by concluding a multi-faceted EIA that achieves a good balance of high tariff reduction and improvement in NTMs and that includes mechanisms for Japan and the EU to work together to address environmental issues and promote innovation.

Once the Japan-EU EIA has been concluded, a Subcommittee on Improvement of the Business Environment and other committees should be established and mechanisms created to ensure that Japan and the EU can always consult promptly on business-related issues and implement countermeasures.

It is important to engage in appropriate maintenance of technology standards in line with technological progress. We oppose deliberate limitation of the number of institutions that can formulate international standards because of the possibility that this could hamper innovation.