



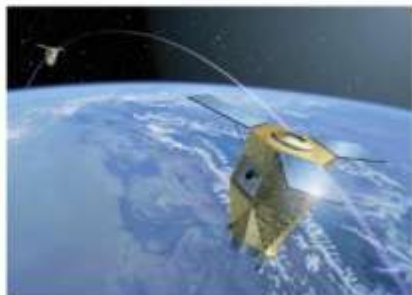
EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

DEFENCE & SECURITY

ISSUES AND RECOMMENDATIONS



PROCUREMENT



Procurement

YEARLY STATUS REPORT: Some Progress

- ❑ The EBC appreciates the Japanese Government's desire to move towards collaborative defence programmes with European governments and, in particular, commends progress in signing bilateral agreements with individual European nations.
- ❑ Fairness and transparency will be vital to ensuring that these collaborative relationships fulfil their promise to provide business opportunities for European companies.

Procurement

RECOMMENDATIONS

- ❑ Japan's Ministry of Defence (JMoD) should place more emphasis on life-cycle costs, which would significantly benefit the operation of the Self-Defence Forces. It would also provide more opportunities for European companies to participate in the Japanese defence market.
- ❑ The MoD should use NATO standards in research and development in order to promote competition and to provide valuable equipment to the Self-Defence Forces.





INDUSTRIAL PARTNERSHIP

Industrial Partnership

YEARLY STATUS REPORT: Some Progress

- ❑ Japan's ATLA (Acquisition, Technology and Logistics Agency), METI (the Ministry of Economy, Trade and Industry) and Japan-Europe industrial organisations have worked together to encourage closer dialogue between the Japanese and European defence industries.
- ❑ The revitalisation of Japan's defence industry may depend on the success of its collaboration with European companies.
- ❑ As a result of the Japanese Government's decision to support business-to-business collaboration and Japan's more flexible export control policy, the European defence and aerospace industry can now offer new opportunities to Japanese companies.

Industrial Partnership

YEARLY STATUS REPORT: Some Progress

- ❑ Further cooperation between European companies and the Japanese Government and domestic companies will be crucial if this is to continue.
- ❑ The EBC therefore hopes that enhanced cooperation will be included in Japan's National Defence Programme Guidelines and the next Medium Term Defence Programme.



Industrial Partnership

RECOMMENDATIONS

- ❑ The Japanese Ministry of Defence and each European national defence authority that has concluded an equipment/technological collaborative agreement with Japan should be mindful that the agreement is the cornerstone of present and future collaboration and integral to security collaboration, and its success is dependent on the creation of effective collaborative business.
- ❑ In March 2017, ATLA and the UK Ministry of Defence announced the implementation of a “Japan-UK collaborative study regarding the possibility of cooperation with the UK for fighter aircraft in the future”. It is vital that associated business opportunities are opened up to UK and other European companies in a fair and transparent way, to avoid this study remaining merely theoretical.





DEFENCE EXPORTS



Defence Exports

YEARLY STATUS REPORT: Some Progress

- ❑ The European defence industry accounts for a large share of the global defence market through direct/indirect sales and cooperation with foreign governments and industries.
- ❑ European defence-related companies are eager to work with the Japanese defence industry to develop new technologies, including dual use, and to cultivate new markets.
- ❑ The EBC notes, however, the possibility that any resulting business may be carried out not only in European countries but also in third-party countries, and hence measures to facilitate this must be established.



Defence Exports

RECOMMENDATION

- ❑ The Government of Japan should clarify its political policies regarding transfer to third-party countries and should either operate the three principles of defence equipment transfer in a more flexible way or revise them, to avoid their becoming an obstacle to cooperation between Japanese and European companies.

