



PRESS RELEASE
12 November 2007

Economic Integration – A New Approach to Reform: The EBC Report on the Japanese Business Environment 2007

November 21, 2007 – The European Business Council in Japan (EBC) released today its annual report on the Japanese Business Environment entitled “Economic Integration, a new approach to reform”. The EBC urges Japan and the EU to initiate discussions on a comprehensive Economic Integration Agreement (EIA) that will eliminate all barriers to trade between the second and third largest economies in the world.

The call for a new approach comes as the Government of Japan has lost sense of direction and momentum in regulatory reforms. Recent political turmoil and a general feeling of reform fatigue have stalled many of the ambitious and important reforms and foreign direct investment programs initiated by the Koizumi and Abe cabinets. Despite a consensus on the need for wide-ranging reforms in sectors such as healthcare and financial services, the EBC believes reforms undertaken this far have been largely corrective measures, tailored to help domestic industry and Government to overcome previous shortcomings rather than providing a clear vision for the future

EBC Chairman, Richard Collasse, stressed that *“although Prime Minister Abe pledged to continue the structural reforms of his predecessor, and Prime Minister Fukuda has renewed the commitment to a reform agenda, Japan continues to have the lowest levels of import penetration and stock of inward FDI relative to GDP among OECD countries and has yet to present a concrete plan to improve the situation! Working together with the EU, Japan could take an active part in creating de-facto global standards that other trading partners would eventually have to follow. Doing so would constitute a much more positive and forward looking approach to economic reform, than the defensive approach to globalisation taken by Japan this far.*

In the report the EBC urges the governments of EU and Japan to build on the success of the integrated European single market by extending free flow of products, services, capital and people also to Japan. This would include mutual recognition of products standards, mutually accepted principles for the service industry as well as common competition, procurement, IPR, and environmental rules. A trade agreement between the second and third largest economies in the world, together accounting for 40% of Global GDP is likely to not only boost trade but also set the stage for more comprehensive multilateral agreements.

The report consists of 31 chapters, written by expert committees, providing a yearly assessment of regulatory developments and progress achieved in each sector of the industry. Each chapter consists of concrete recommendations for further regulatory reform with a section on prospects for an economic integration agreement with Europe.

About the EBC:

The European Business Council (EBC) is the trade policy arm of the 18 European national chambers of commerce and business associations in Japan. Established in 1972, the EBC works to improve the trade and investment environment for European companies in Japan. The EBC currently represents more than 3,000 local European companies and individuals who are members of their national chambers of commerce. Approximately 350 of these companies participate directly in the EBC’s 29 sector-based committees.

For more information, please contact:
Mr. Jakob Edberg, EBC Policy Director
Tel: +81-3-3263-6222 E-mail: ebc@gol.com