



## **Time for an EU-Japan EIA** **Joint Statement**

13th May 2011

**KEIDANREN (Japan Business Federation) representing the Japanese business community, the Europe-based trade associations, DIGITALEUROPE, EUROCHAMBRES and EUROCOMMERCE, and the EUROPEAN BUSINESS COUNCIL IN JAPAN (EBC) jointly call upon EU and Japanese leaders to launch negotiations for an EU-Japan EIA (Economic Integration Agreement) at the EU-Japan Summit this month.**

Pursuant to the agreement at last year's Japan-EU Summit in Tokyo, the European Commission and the Government of Japan have been conducting a joint examination into ways to comprehensively strengthen and integrate the Japan-EU economic relationship. Both leaders will decide on the appropriate next steps based on the outcome and the options identified by the examination at the Summit meeting later this month. The decision will be taken at a time when EU-Japan relations stand at a junction. Two different paths lie ahead of us at the upcoming Summit.

One path is to fail in laying the foundation to secure a level playing field in our trade and economic relations, thereby failing to develop the huge untapped trade potential, which if unleashed, could make an enormous contribution to the welfare of both economies. At the same time, this failure could undermine our present business relationship. The recent disaster in Japan and its subsequent disruptions of the global production system have revealed the complex interdependence of our respective supply chains and business relationships.

The other path is to agree to launch negotiations for a comprehensive and ambitious Economic Integration Agreement (EIA) that will enhance industry competitiveness in both regions through improved market access and regulatory coherence, leading to a positive increase in employment. Moreover, we share many common values and have high levels of technological capability on which we can cooperate to build our promising future. The path to be chosen is obvious.

We are encouraged by recent political messages signaled by both sides. The Government of Japan decided on 9th November last year as the "Basic Policy on Comprehensive Economic Partnerships" that it would open up the country and press ahead with fundamental domestic reforms in order to strengthen Japan's competitiveness. Furthermore, it has expressed its willingness and intention to include action on non-tariff measures and government procurement in official EIA negotiations with the EU. The European Council concluded on 24-25 March that the forthcoming EU-Japan summit must be used to strengthen the relationship and bring forward our common agenda, including through the potential launch of negotiations for an FTA.

Although the conclusions of the European Council are on the basis that Japan is willing to tackle, inter alia, the issue of non-tariff barriers and restrictions on public procurement, we believe that progress can only be secured through intense negotiations based on binding commitments from both sides.

The EU and Japan should not fail to transform the current political momentum into action. The time has come to sign an agreement to launch negotiations for an EIA.

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