

Keynote speech by Commissioner Elżbieta Bieńkowska

EU-Japan Business Round table, Tokyo, 20 April 2016

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Main messages of speech:

1. *EU and Japan need to work together to promote more jobs and more growth in an open world.*
2. *In the EU, we are doing our best to improve the business environment, set an ambitious agenda for our circular economy and tackle the overcapacity problem in the steel sector.*
3. *We can do more together, especially by finalising the FTA.*

The key tweetable lines of the speech:

1. *There are many people who say that we should all shut our markets and shut our borders. This has one major design flaw. It doesn't work. (139)*
2. *Every effort on both sides should be made to speed up the process and reach a comprehensive and balanced FTA agreement. (122)*

EU and Japan, same challenges, common agenda

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Introduction

Minister, Vice-Ministers, Chairmen, Ladies and Gentlemen,

It is a pleasure to be here in Tokyo.

I am sorry that I was unable to join you last year in Brussels.

I want to start by saying how much I value the work that you do.

You don't just promote engagement and cooperation between Japan and the EU.

You also act as a bridge for that engagement, exploring new ways of moving forward.

And you have a valuable policy voice, helping both sides improve our policies and regulations.

That voice is much needed right now.

Around the world, employment, growth and investment are too low.

In all continents, there are many people who offer simplistic and appealing solutions.

They say that we should all shut our markets and shut our borders.

This solution has one major design flaw.

It doesn't work.

It has never worked.

Indeed, it would make things worse.

Fewer jobs, more misery.

So we need voices like yours, pointing out the flaws in those arguments and working with us to find solutions.

The European Commission is a partner to you in this.

We are doing everything we can to promote more jobs and more growth in an open world.

Today, I will give you three examples of areas currently very high on our respective agendas.

First, improving the business environment and creating more opportunities.

Second, the benefits from a strong circular economy.

And third, how to deal with global overcapacity in energy-intensive materials and especially steel.

Improving the business environment

Let me start with the business environment.

In Europe, we are addressing this across our work.

We are making it easier for our digital businesses.

We are cutting red tape through our Better Regulation agenda.

And we are making it easier for our businesses to access finance.

But a special focus is on improving our Single Market.

We have done a lot already but we need to do more.

The EU Single Market already offers opportunities for professionals and businesses.

And greater choice and lower prices for consumers.

But many Single Market rules

- are not known,
- are not properly implemented
- or are jeopardised by unjustified barriers.

I know that this is important for you.

Improvements in the Single Market will make EU more attractive for Japanese investors.

And I know your priorities.

"Intellectual property rights, Consumer empowerment, Services, Networks, The digital single market, Taxation, Business environment."

Last autumn, the Commission published its new Single Market Strategy.

We put an emphasis on three things:

- Creating more opportunities;
- Modernising; and
- Delivery

I do not have time to list everything that we are doing.

So let me focus on three things that I think are of interest to you.

First, we will propose a services passport to reduce the burden on companies looking to offer services cross-border.

There are still too many strict regulatory requirements in many Member States such as on shareholding rules.

So we will simplify procedures.

This will help businesses such as yours.

Second, we are consolidating and modernising our intellectual property framework.

There are three key actions that we have announced:

- Addressing uncertainties over the introduction of the Unitary Patent;
- Making it easier for SMEs to protect their intellectual investments;
- And reviewing the IPR enforcement framework to take a "follow the money" approach.

Again, this will help businesses such as yours.

Third, we are putting much greater focus on implementation and delivery.

That means working with national governments to make sure that laws are implemented and enforced correctly.

It means making sure that our citizens and businesses are more aware of their rights and able to enforce them.

And it means more effective monitoring and surveillance under existing laws.

All this will help businesses such as yours.

The circular economy

Ladies and gentlemen, we don't just need a good business environment.

We also need to plan for the future.

And part of that is making better use of our natural resources in the circular economy.

We have a lot to learn from Japan.

Japanese recycling rates are extraordinary: the country recycles 98 per cent of its metals.

Japan's appliance recycling laws ensure that the great majority of electrical and electronic products are recycled, compared with 30–40 per cent in Europe.

Many of these materials go back into the manufacture of the same type of products.

Some parts of European industry have also been doing it for a long time.

However, it is not happening everywhere.

So last year, we launched our Circular Economy package.

We identified over 50 concrete actions aimed at improving framework conditions for doing business and for investing.

From the competitiveness angle, let me highlight three important aspects.

Firstly, the Single Market needs to work for a circular economy.

So, for instance, we will propose options to ensure that our waste, products and chemicals policies interact better.

And we will launch work to develop quality and measurement standards for secondary raw materials.

Secondly, we will promote best practices and improve our raw materials information system.

Making better use of our secondary raw materials helps to increase security of supply.

Finally, we want to address bottlenecks and barriers in specific sectors.

So for instance, we will develop a strategy for plastics in the Circular Economy, a report on critical raw materials and voluntary guidelines to boost high-value recycling in the construction sector.

And we plan to make the circular economy agenda part of our international cooperation.

We need to think and act together with our partners like Japan.

Global overcapacity

Ladies and gentlemen, as well as planning for the future, we need to deal with the problems in the present.

And one of the hottest issues is steel.

We recently adopted a strategy setting out how the European steel sector can overcome its short-term and long-term challenges.

The sector faces serious challenges fuelled by global overcapacity, a dramatic increase of exports and an unprecedented wave of unfair trading practices.

Part of what we do will be domestic.

We are looking at how we can ensure greater investment in the sector.

Our European Fund for Strategic Investments will help.

As will the work I have outlined on the Circular Economy.

And we are addressing the issue of reskilling our workers.

But we also need to address the trade dimension.

We are determined to get rid of the distortions that some countries impose.

You know which ones I am referring to.

So we will make more intensive use of EU trade defence instruments.

And we will work with our major partners who face the same challenges.

We are talking to our main partners as well as in relevant international fora such as the OECD and the WTO.

We all need a coherent and consistent approach in our relations with China.

I would like to thank Japan for their constructive and responsive approach.

Conclusion: we need to make progress on trade

But honourable ministers, chairmen, ladies and gentlemen, the EU and Japan can do even more together.

Japan is an important partner for the EU.

It is a highly developed economy and a major global trader and investor.

If we can work together effectively on the basis of open markets, our economies will gain, our businesses will gain, and our consumers will gain.

The Free Trade Agreement that we are negotiating will stimulate growth on both sides.

I know that the Business Roundtable agrees and supports this.

In your recommendations for 2016, you called for progress.

You called for political intervention to break the deadlocks.

I agree.

That is why I am here in Tokyo.

We need to make progress on market access for goods.

We need to make progress on procurement.

We need to make progress on automotive.

This can be done.

We just need to push on.

Every effort on both sides should be made to speed up the process and reach a comprehensive and balanced agreement.

That is the best way to silence those who call for closed markets and closed borders.

Thank You