

19th Annual meeting of the EU-Japan Business Round Table
Speech by Antti Peltomäki
Brussels, 11th July 2017

Name of the Director who has cleared the material: E.Mamer

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Room, time: Palais d'Egmont- Arenberg Room- 14h30

Participants: [REDACTED], METI and MOFA representatives, BRT members

Name of main contact person: [REDACTED]

Directorate/Unit: A/4

SPEECH

Scene setter/Context of the meeting:

This year the BRT takes place at a very particular juncture i.e. just after the conclusion of the FTA negotiations. This is something which was long awaited by the BRT's members and will likely dominate the debates.

High representatives of the Commission will participate in the BRT meetings i.e. VP. Katainen, C. Malmström and likely VP Ansip. On the Japanese side, the Minister in charge of Economy, Trade and Industry (METI), [REDACTED] will attend part of the meeting.

This is also the first meeting under the chairmanship of [REDACTED] [REDACTED] – Civil Aerospace) from Rolls-Royce on the EU side.

L. Evans has also been invited and will speak for 5 minutes during the cocktail.

The three key messages:

1. The conclusion of the FTA negotiations between two important developed economic entities sends a very positive signal to those who oppose globalisation and would like to go back to protectionism.
2. A smart regulatory cooperation could harness globalisation making it more inclusive and addressing strategic issues such as international standardisation.
3. The FTA will provide an institutional base for enhancing regulatory cooperation.

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Table***

Speech by Antti Peltomäki

Brussels, 11th July 2017***Introduction***

Ladies and Gentlemen,

I would like to thank the Business Round Table for the invitation to participate in the Joint session with the authorities .

Thanks also for the opportunity given to me to share with you DG GROW's ambitions after the conclusion of the FTA/EPA negotiations.

Trade agreements in the EU are nowadays subject at the same time to increasing expectations and scrutiny from both the legislator and the civil society.

The conclusion in principle of the FTA/EPA which should soon achieve high economic value, benefit our citizens, our workers, our enterprises and create economic growth and jobs is therefore very positive news.

I would like today, once more to have an exchange of views about the importance of the regulatory cooperation.

We should provide our industries with a proper policy environment and render our economies more competitive in the face of a fast and sometimes hostile changing global environment."

We already have established a regulatory cooperation between the EU and Japan and we should make it as

productive as possible to create a favourable international regulatory environment.

This should be possible in the new context created by the FTA/EPA.

Indeed, the FTA/EPA will provide an institutional base for enhancing regulatory cooperation without putting into question what we have already put in place.

The recognition of the importance of the regulatory cooperation has effectively started even before the launching of the FTA/EPA negotiations in 2011 with the scoping exercise.

Then a Regulatory Cooperation Joint Paper was signed between DG GROW and METI in March 2015 and provided the basis for cooperation in some selected areas. We are today on the point to conclude the Regulatory Cooperation Chapter in the FTA/EPA.

Certainly, the regulatory cooperation will be carried out within certain boundaries to strike the right balance between bilateral regulatory cooperation, on one hand, and legitimate public policy objectives on the other hand.

The chapter contains provisions which explicitly safeguard those objectives:

- None of the provisions of the Chapter will affect the right of either EU or Japan to define or regulate their own levels of protection in pursuit of public policy objectives or to provide services of general interest.

- The regulatory authorities and measures of EU Member States are explicitly excluded from the scope of the Chapter. The Chapter will apply only to the European Commission being the EU regulatory authority.

It will cover EU regulatory measures such as regulations, directives with effect on trade and investment, as well as measures of general applicability.

Our ambition is to foster good regulatory practices such as early information, public consultations, impact assessment, and retrospective evaluation.

Each party will have the possibility to propose a regulatory cooperation activity including on behalf of stakeholders from the private sector.

Our ambition is also to allow for the establishment of a solid basis to enhance compatibility between the EU and Japan regulatory regimes.

This can be done on the basis of common principles, guidelines or code of conduct, mutual recognition of equivalent rules to avoid unnecessary duplication or additional regulatory requirements.

We also aim at bringing down unnecessary regulatory barriers and costs as well as to initiate a wider influence through cooperation and coordination in international fora.

The challenge is to find ways to enhance the compatibility of our regulatory regimes while preserving each other's right to protect legitimate public interests.

Indeed, each side will retain its regulatory independence and the capacity to achieve the levels of health, safety, environmental or consumer protection that it deems appropriate.

But there is definitely room for achieving greater regulatory compatibility and reducing the cost of regulatory differences through stronger cooperation.

This is where we can make real savings for our businesses, and in fact our respective systems are not that far apart.

The Chapter also foresees a mechanism for exchange of information on planned or existing regulatory measures that affect or may affect bilateral trade or investment.

The EU-Japan regulatory cooperation we foresee is voluntary: it is only possible if both Parties identify a common interest and express willingness to cooperate like we currently do.

And I do hope that both sides will profit of the renewed potential this cooperation offers.

The Regulatory Cooperation Chapter will also help identify areas in which our regulators could cooperate in the future. This will help us tackle new common challenges in our evolving societies.

This will help us, as I said before, to develop common positions in order to confront the challenges present in the global business environment.

Finally, I would like to thank the members of the Business Round Table for their useful and well informed

recommendations which have and will continue to inspire our work.