DG GROW

EU-Japan Business Round Table-18th Annual meeting Deputy Director General Anti Peltomäki Tokyo, 20 April 2016

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

Room, time: Hotel New Otani - Tokyo-

Participants: BRT Members, Japanese authorities (METI, MOFA, MIC), A. Peltomäki,

Name of main contact person:

Telephone number
Directorate/Unit:A/4

BRIEFING NOTE

Scene setter/Context of the meeting:

The EU-Japan Business Round Table (BRT) was established in its current form in 1999 to foster communication between the Japanese and European industries. Its members are senior executives from some 50 leading European and Japanese companies. Its main objectives are to submit recommendations to the Japanese and European Authorities so as to help develop trade and investment between the EU and Japan, and to encourage industrial cooperation in fields of common interest such as innovation, climate change, or industrial standards. The BRT strongly support the ongoing FTA/EPA negotiations.

During the joint session with the authorities (EU and Japanese) you will deliver a speech of about 10 minutes along with three Japanese speakers from Ministry of Economy, Trade and Industry (METI) (Vice Minister, name TBC), Ministry Of Foreign Affairs (MOFA) (Ambassador Haneda, chief negotiator for the FTA negotiations) and Ministry of Internal affairs and Communications (Mr Yasuo Sakamoto), EU Ambassador Isticioaia-Budura (or Deputy Head of the Delegation, Mr J. Hatwell) and P. Duponteil (Head of the Far East unit –DG Trade).



Mr Bregier will be replaced by Mr Eric Schulz, President Civil Large Engines of Rolls-Royce (not present at the 18th annual meeting).

Objective of the meeting:

This year the annual meeting will concentrate on 3 main topics: EU-Japan Regulatory Cooperation, Circular Economy, Investment environment in the EU and Japan.

SPEECH

Dear Ambassadors, Vice-Minister, Chairmen, Ladies and Gentlemen

Once again it is a great pleasure meeting you at the occasion of your 18th annual meeting.

Today, I would like to tell you what DG GROW (the Commission's Directorate General in charge of the Internal market, Industry, Entrepreneurship and SMEs) is doing with its Japanese interlocutors in the fields of Regulatory cooperation and Industrial Policy.

Regulatory Cooperation

Last year the Regulatory Cooperation Joint Document was signed between METI and DG GROW. We are convinced that it is a solid basis for strengthening the regulatory cooperation between these two administrations, and beyond, between Japanese and EU stakeholders.

This initiative complements the ongoing successful process of resolution of the non-tariff barriers in the framework of the FTA/EPA negotiations.

This being said,

A successful outcome of the EPA/FTA negotiations requires focus on three main objectives:

- o First, tackling market access issues for goods, services and public procurement, in an effective way;
- o Second, establishing a solid basis to enhance compatibility between the EU and Japanese regulatory regimes; and
- o Third, contributing to the development of global trade rules in areas such as intellectual property, environment or competition.

I would like to focus on one of the most distinctive elements of our regulatory cooperation: the ambition to bring down unnecessary regulatory barriers and costs as well as to initiate a wider influence.

Diverging regulations or duplicative requirements still too often create unnecessary barriers and costs for companies, with particularly damaging effects on SMEs.

Hence the ambitious objective to progressively reduce or prevent unnecessary barriers to our bilateral trade caused by different regulations.

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, including health, safety, consumer protection or the environment.

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.

Regulatory barriers: what are we aiming for?

- The first goal is to aim at <u>more compatible regulations in the future</u>. It is clear that enhanced cooperation in emerging or unregulated areas offers the highest prospects for achieving results. This is for instance what we ambition to achieve in the field of robotics.
- The second objective is to <u>enhance cooperation to avoid technical barriers to trade.</u> We should give a real push to our cooperation on standardisation issues including through a strengthened cooperation in the framework of international standard setting organisations (e.g. ISO or IEC).
- A third, equally important objective is to <u>limit the impact of existing regulatory differences</u>. The proposals made by different industry sectors indicate that there is scope for achieving greater compatibility, in many cases without changing basic legislation, through cooperation between regulators. Their ideas show that there can be no 'one size fits all' approach to enhancing regulatory compatibility.
- For instance, a dialogue has already taken place on chemicals information systems.
- There have been positive discussions and exchange of valuable information on the chemicals risk assessment of both Japan and the EU.
- Topics have also included emerging issues such as Endocrine Disruptors and nanomaterials.
- In the motor vehicle sector, the existing cooperation for the achievement of the IWVTA (International Whole Vehicle Type Approval) in the UNECE (United Nations Economic Commission for Europe) framework can still be further enhanced.
- I have to be fair and honest: increasing regulatory compatibility will certainly not be an easy task. We will need strong political support at the highest level on both sides, creative thinking and close collaboration between all parties, including regulators and industry.
- We must recognise that regulatory cooperation is different from a traditional trade negotiation: it is not about political trade-offs, it is about working together to achieve common goals.

Industrial Policy

Let me turn now to our industrial policy dialogue between DG GROW and METI.

Next Friday we will have our 19th Dialogue and we have a substantial agenda as we intend to exchange views about, to name a few:

- Addressing the global overcapacity
- Circular economy and Resource Efficiency
- Investment and Industrial technology cooperation

Global overcapacity

We believe it would be valuable that the EU and Japan further intensify their cooperation on steel and other sectors characterized by global (Chinese) overcapacity.

We are indeed particularly concerned about the levels of overcapacity in the steel sector in China and the impact this is having on trade flows.

We believe the only lasting solution is to look at the root causes of the overcapacity problem, including trade distortive subsidisation and non-market driven financing of state owned enterprises.

Circular economy

We are very pleased with the emphasis of the Japanese presidency on resource efficiency in the G7 and we are awaiting further details on the tentative "Toyama Framework on Material Cycle".

We believe that it is important to continue to work on sharing policy experience and to develop the economic evidence and knowledge base on this policy.

We also welcome the Japanese focus on including resource efficiency and the 3Rs (Reduce, reuse, recycle) into development policy and the outreach towards non-G7 countries in this context especially regarding the key contribution this could make towards reducing marine litter.

To become successful, resource efficiency policies must not be confined to the environmental policy, but need to be integrated into overall economic and industrial policy in G7 countries.

Wider involvement of our industries will be key to that purpose.

<u>Investment and Industrial technology cooperation</u>

Starting a policy learning exchange about innovative measures for investment-friendly regulation and administration will be beneficial for the investment environment of Japanese companies in the EU and of EU companies in Japan.

A domain of special interest in this regard is innovation-friendly regulation.

Dear Ambassadors, Vice-Minister, BRT members, ladies and gentlemen, as you can see, we have a lot on our plate but I am confident that the excellent relationship between

the EU and Japan, and the support of the BRT will contribute to a successful outcome of our shared ambitions.

Background

CV Fabrice Bregier

Fabrice Brégier was appointed President and Chief Executive Officer (CEO) of Airbus on the 1st of June 2012. He is a member of the Airbus Group Executive Committee.

He started his career in 1983 as a test engineer at the Creys-Malville nuclear power station, becoming sales manager for Péchiney (Japan) in 1984. In 1986, he joined the DRIRE Alsace (Ministry of Industry) and was then appointed Director of Economic and Financial Affairs within the Ministry of Agriculture in 1989.

Having been Advisor to several French Ministers, Brégier joined Matra Défense in 1993 as Chairman of the Apache MAW GIE (co-operation with Dasa) and Chairman of the Eurodrone GIE (with STN-Atlas). In 1996, he was appointed Director of Stand-Off activities (Apache, Scalp EG/Storm Shadow) in what had become Matra BAe Dynamics. In 1998, Brégier became CEO of Matra BAe Dynamics. He was appointed CEO of MBDA, the leading European missile systems company that was created in 2001 by Aerospatiale-Matra, British Aerospace and Finmeccanica. In 2003, Fabrice Brégier became President and CEO of the Eurocopter Group – now Airbus Helicopters – and was appointed Head of the Division in June 2005.

Mr. Brégier was appointed Airbus Chief Operating Officer (COO) in October 2006. As a Member of the EADS – now Airbus Group – Executive Committee, he was commissioned by Louis Gallois to improve the overall operational performance of the Group. At Airbus his responsibilities included the company's wide-ranging restructuring and change programme "Power8", the Executive Committee functions Operations, Engineering and Procurement, and the A350 XWB programme.

Mr. Brégier graduated from the Ecole Polytechnique in 1980 and from the Ecole des Mines. He was born in 1961 in Dijon, France.

- CV Kazuo Tsukuda

Senior Corporate Advisor, Mitsubishi Heavy Industries Ltd.

Mr. Kazuo Tsukuda has been Senior Corporate Advisor at Mitsubishi Heavy Industries Ltd. since April 1, 2013.

Mr. Tsukuda served as President and Chief Executive Officer at Mitsubishi Heavy Industries Ltd. since June 2003.

He served as Managing Director at Mitsubishi Heavy Industries Ltd since April 2002 and its Head of Nagoya Machinery Works since June 1999, Senior General Manager of Industrial Machinery Division since April 2000 and Head of Global Strategic Planning & Operations Headquarters since April 2002.

Mr. Tsukuda served as the Chairman at Mitsubishi Heavy Industries Ltd. since April 2008 and its Director since June 1999 until March 2013. He has been a Director of Mitsubishi Corporation since June 2008. He has been a Director of Mitsubishi Research Institute, Inc. since December 17, 2010.

- EU-Japan Business Round Table

EU-side members



Mr.
Fabrice
BRÉGIER
Co-Chairman of the Round Table
President & CEO
Airbus S.A.S.

Mr. Jean-Marc Senior Vice-President - International

DE ROYERE Air Liquide

Mr. Frédéric President and Managing Director

PATALAGOÏTY AREVA Japan Co. Ltd.

Mr. Stéphane Chairman & CEO ISRAËL Arianespace

Mr. Sanjeev Member of the Board of Executive Directors

GANDHI BASF SE

Mr. Hans- President, Representative Director & Senior Bayer Representative

Dieter for Japan

HAUSNER Bayer Holding Ltd.

Mr. Jean Director and Chairman of the Board of Directors

LEMIERRE BNP Paribas

Mr. Emmanuel Executive Vice-President, European & Institutional Affairs

FOREST Bouygues Group

Mr. Markus Director General

BEYRER BUSINESSEUROPE

Dr. Mark President **PLEŠKO** Cosylab d.d.

Mr. Eckart Vice President External Affairs

VON KLAEDEN Daimler AG

Mr. Asger Deputy Chairman of the Board

KROGSGAARD Danish Crown A/S

Mr. Philippe Executive Vice President of Global Affairs & Communities

FORESTIER Dassault Systèmes

Mr Danny Chairman

RISBERG European Business Council (EBC) in Japan

Mr. Frédéric Chairman of the Executive Board

SANCHEZ Fives Group

Mr. Seán Chairman & CEO O'DRISCOLL Glen Dimplex

Mr. Philippe Chairman and CEO

WAHL La Poste

Mr. Ralf Representative Director, Chairman and President

ANNASENTZ Merck Ltd. Japan

Mr. Duco CEO

DELGORGE Mie Project

Mr. Danny CEO

CHOLLEY

RISBERG Philips Electronics Japan Ltd.

Mr. Eric President - Civil Aerospace

SCHULZ Rolls-Royce

Mr. Francis Representative Director of Saint-Gobain Japan and President of

MAG-Isover Co., Ltd.

Saint-Gobain

Mr. Junichi President and CEO

OBATA Siemens K.K.

Mr Nikolaus Group Representative for Japan

BOLTZE ThyssenKrupp AG

Mr. Sven Executive Vice-President & Representative Director

STEIN Volkswagen Group Japan KK

Japan-side members



Mr.
Kazuo
TSUKUDA
Co-Chairman of the Round Table
Senior Executive Adviser
MITSUBISHI HEAVY INDUSTRIES, Ltd.

Mr. Norio Senior Corporate Advisor **YAMAGUCHI** AJINOMOTO Co., Inc.

Mr. Yoji Senior Advisor to the Board, Former Chairman

OHASHI ANA HOLDINGS INC.

Mr. Osamu Chairman and CEO

NAGAYAMA CHUGAI PHARMACEUTICAL Co., Ltd.

Mr. Masahiro Vice Chairman Corporate Executive Officer

KOEZUKA FUJITSU Ltd.

Mr. Shinji Senior Advisor

FUKUKAWA Global Industrial & Social Progress Research Institute

Mr. Hidehito President

MURATO Japan Business Council in Europe (JBCE)

Mr. Hiroshi Advisor

KIMURA JAPAN TOBACCO, Inc.

Mr. Yuzaburo Honorary CEO and Chairman of the Board of Directors

MOGI KIKKOMAN Corporation

Mr. Yoshiaki President and CEO

FUJIMORI LIXIL Group Corporation

Mr. Michihiko Vice Chairman

OTA Marubeni Corporation

Mr. Takeo Senior Advisor

INOKUCHI Mitsui Sumitomo Insurance Co.,Ltd.

Mr. Hideichi Senior Executive Vice President

OKADA NEC Corporation

Mr. Hideo Executive Advisor

SUZUKI NIPPON STEEL & SUMITOMO METAL Corporation

Mr. Satoshi Director and Chairman of the Board of Directors
MIURA NIPPON TELEGRAPH & TELEPHONE Corporation

Mr. Hitoshi Senior Vice President KAWAGUCHI NISSAN MOTOR Co., Ltd.

Mr. Tetsu Group COO / Deputy President

OZAKI NOMURA Holdings, Inc / Nomura Securities, Co., Ltd.

Mr. Masayuki Vice Chairman of the Board **MATSUSHITA** PANASONIC Corporation

Mr. Honorary Chairman Yoshiharu SHISEIDO Co., Ltd.

FUKUHARA

Mr. Kyohei Chairman of the Board of Directors

TAKAHASHI SHOWA DENKO K.K.

Mr. Kazuo Director, Representative Corporate Executive Officer, President and

HIRAI CEC

SONY Corporation

Mr. Hiromasa Counselor

YONEKURA SUMITOMO CHEMICAL Co., Ltd.

Mr. Kazuo Chairman of the Board of Directors

OHMORI SUMITOMO Corporation

Mr. Koji Director and Corporate Adviser

NAKAO TERUMO Corporation

Mr. Akihiro President and Chief Operating Officer

NIKKAKU TORAY Industries, Inc.

Mr. Tadashi Adviser to the Board OKAMURA TOSHIBA Corporation

- Terms of reference of the Business Round Table

Terms of Reference for the EU-Japan Business Round Table

A. Objectives

- The EU-Japan Business Round Table (BRT) is the forum for an ongoing dialogue between business leaders of Japan and the European Union on key issues of common concern to business, exploring how to promote improved conditions for competitiveness and a barrier-free market.
- 2. Building on its internal dialogue, the BRT develops joint recommendations on how to enhance prospects for innovation, cooperation, trade, investment, and sustainable economic growth. The BRT presents these joint recommendations as a proactive input to the Japanese and European Union authorities (represented by the European Commission and the Government of Japan, hereinafter referred to as "the Authorities").
- 3. Members of the BRT commit to:
 - (a) Jointly discuss the key regulatory, policy and other issues of common concern to business in the European Union and Japan and how these could be addressed;
 - (b) Jointly identify areas where EU-Japan industrial and business cooperation should be deepened and enhanced;
 - (c) Jointly develop and agree appropriate recommendations to the Authorities on regulatory reforms and/or other policy initiatives;
 - (d) Review progress on the take-up and implementation of BRT recommendations by the Authorities.
 - (e) Improve cross-cultural awareness and deepen mutual understanding of the business and administrative cultures of both sides.
- 4. The work of the BRT is predicated on the understanding that there is high-level political commitment from the Authorities in the European Union and Japan to embrace its input and address its recommendations.

B. Membership

Members

- 1. The BRT is composed of individual Members from leading companies and relevant horizontal organisations in Japan or the European Union and operating both in Japan and Europe. Members must be either Heads or Board Level Executives or Senior Members of their company's European or Japanese organisation. To be eligible for membership, an individual must demonstrate strong interest in developing EU-Japan business relations, and be able to speak for their company and commit their company to BRT activities.
- If a Member leaves his/her company, the BRT membership will be deemed to transfer automatically to his/her successor in the company, provided that person fulfils the criteria set out in section B-1 above.
- The formal Annual Meeting of the BRT is open to Members and alternates of a position higher or comparable within their organisations. Others will only be accepted in exceptional circumstances and where approved by the Co-Chairs.
- 4. New Members are proposed by one or more of the existing Members, for consideration by both Co-Chairs. Subject to the Co-Chairs' joint approval, the new membership will be confirmed in writing by the Secretariat to the existing BRT Members and to the new Member, and will take effect on the day of the notification to the new Member.





5. Each Member may nominate an official executive assistant ("sherpa") to act as a contact point for preparatory work for the BRT and as his/her representative in preparatory meetings. The "sherpa" is expected to attend the Annual Meeting as an observer, in order to provide support to his/her Member. Any associated costs must be met by the Member's own organisation.

C. Structure and Operation

Co-Chairs

- 1. The BRT has two Co-Chairs, from the EU and Japan respectively. The successor of a Co-Chair is drawn from the existing Membership of his/her side of the BRT, proposed by the outgoing Co-Chair after consultation with the Secretariat, and approved by all his/her side's Members. Each side may also elect a Deputy Co-Chair from amongst the Members, to assume the functions of Co-Chair should the latter be unavailable.
- 2. Each Co-Chair may serve for a period of two years with possibility of renewal once.
- 3. Jointly, the Co-Chairs:
 - (a) Recruit Members to the BRT and agree upon the composition of the BRT;
 - (b) Draft and agree the BRT's annual programme of meetings and activities;
 - (c) Draft and agree the agenda for the BRT's meetings (see section D-2 below);
 - (d) Agree proposals for Working Parties (see point 3 of "Working Parties" below);
 - (e) Act as final authority on any other issues to be considered by the BRT;
 - (f) Act as final authority on the BRT joint recommendations;
 - (g) Submit, in their joint names, the BRT joint recommendations to the Authorities;
 - (h) Represent and speak on behalf of the BRT to the media and in other fora (a privilege from which all other Members are excluded);
 - (i) Liaise with the European and Japanese Authorities at the highest political level on the follow-up to the BRT recommendations;
 - (j) If appropriate, draft and agree upon a budget and annual accounts for submission to the BRT.
- 4. The Co-Chairs are individually responsible for briefing the Members on their side on key developments; advising them of proposed actions; consulting them prior to taking significant decisions; and keeping them informed on the results and consequences.

Working Parties

- In order to further the objectives outlined in section A above, the BRT establishes Working Parties to prepare and follow up both the discussions at BRT meetings and BRT joint recommendations.
- 2. Working Parties address regulatory and policy issues of common concern to business in both the European Union and Japan, where BRT input in the form of recommendations to the Authorities on regulatory reforms and/or other policy initiatives will add value.
- Any Member can make a proposal for a new Working Party. The proposal must have the support of both the Co-Chairs, who must check that it will be backed by at least one Member from each side.



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D. Meetings

General

- In order to attain the objectives outlined in section A above, the BRT holds an Annual Meeting, alternately in the EU and Japan, the purpose of which is for Members
 - to consider the draft reports and proposed recommendations prepared and presented in the Meeting by the Working Parties;
 - to discuss and agree joint recommendations prepared by the Working Parties (see "Decision Making" below) for subsequent submission to the Authorities;
 - to discuss other business issues on the agenda;
 - to address any other internal matters (including confirmation of new Members);
 - to agree any press communications for publication on the day of the Meeting.
- The BRT Co-Chairs jointly develop and agree the agenda for the Annual Meeting, in consultation with the Working Parties and the Members on their respective sides.
- 3. The BRT Co-Chairs chair the BRT meetings. The EU-side Chair presides over meetings held in Europe and the Japanese-side Chair presides over meetings held in Japan.

Follow-up to Meetings

- The wording of the BRT joint recommendations is finalised by the two Co-Chairs on the basis of text provided by the Working Parties, and discussed in the Annual Meeting. The draft wording is submitted to all Members before the end of the Meeting for their approval, with the Co-Chairs acting as the final authority (see section C - Co-Chairs - 3(f) above).
- 2. The final joint recommendations are submitted to the Authorities by the Co-Chairs on behalf of the BRT's Members.
- 3. On the basis of the Authorities' Progress Reports, the Working Parties evaluate to what extent the BRT recommendations have been followed. Their evaluations are incorporated in the document bearing the BRT's final joint recommendations (see 2. above).

E. Secretariat

The EU-Japan Centre for Industrial Cooperation acts as Secretariat to the BRT. Representatives of the Secretariat attend all Annual, preparatory and extraordinary Meetings. The Secretariat is responsible for:

- 1. Managing administrative matters relating to the running of the BRT, such as:
 - (a) preparation of Annual Meetings;
 - (b) arranging logistics for these Meetings including proposing a suitable location for the annual meetings taking into account the wishes of the hosting Co-Chair, practical considerations and the Centre's budgetary resources. (Whilst the Secretariat will endeavour to assist with block bookings, etc., individual companies will remain responsible for ensuring suitable arrangements have been made for their own participants);
 - (c) assembling the final joint recommendations for approval by all Members during the Annual Meeting (see section D-1 above);
 - (d) following up on Annual Meetings, including the production of an official report to be made available to all Members after each Annual Meeting;
 - (e) providing administrative and other support to the Co-Chairs' sherpas, including contact with Members and sherpas.

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- Providing public communication and information on the BRT, by maintaining a standalone BRT website with all official documents.
- Undertaking other tasks and activities as requested by the BRT in order to further the objectives outlined in section A above.

F. Languages

- 1. The BRT's official languages are English and Japanese.
- The language of BRT documents including Recommendations adopted at BRT meetings is English. Tentative Japanese translations may be made available for convenience.

G. Financial Basis

- 1. The BRT is non-profit-making and currently does not charge for membership.
- 2. The costs of running the BRT Secretariat and arranging the BRT's Annual Meetings are the subject of grants by the Authorities to the EU-Japan Centre for Industrial Cooperation.
- Any additional costs, including costs associated with individual company participation in BRT meetings (flights, hotel accommodation, additional interpretation and administrative facilities, other meals, etc.) will be met by the companies involved.
- Should the BRT itself generate or spend money, it shall agree a formal auditing procedure.
- Should the Authorities at any time withdraw their financial support for the BRT, the BRT will consider continuing to fulfil the Objective set out in section A above on a selffinancing basis.
- 6. These Terms of Reference may be amended by the BRT.

The BRT and the Secretariat, with the support of the Authorities, agree, each to the extent to which they are concerned, to take the measures necessary to implement this Decision.

This Decision shall enter into force on 17 April 2013.

For the EU-Japan Business Round Table,

