

**Abstract of the main arguments of H.E.Mr SHIMOKAWA Makita,  
Extraordinary and Plenipotentiary Ambassador of Japan in Belgium and to  
NATO/ Ambassador in charge of External Communications in Europe  
(provisional, as of Nov. 13 2020)**

**1. Big Picture of the Japan-EU EPA / Why the Japan-EU EPA matters**

The Japan-EU EPA is a model of economic order in the 21<sup>st</sup> century, based on open and free rules and comprehensive scope. Covers 30% of world GDP and 40% of global trade. Has built-in mechanisms for effective operation (Joint Committee, 12 specialised committees, working groups). Together with Japan-EU SPA, encompassing 40 areas for dialogue and cooperation, provide broad array of permanent cooperation.

Recent EU report confirms 5.8% increase of trade in goods between the two Parties in 2019, and 16% increase for EU export of agri-food to Japan (before COVID-19).

Example of deeper cooperation = Partnership on sustainable connectivity and quality infrastructure

(Some participants in the Research Workshop on November 10<sup>th</sup> pointed out the need for alternative resources to public funding, need to identifying concrete flag ship projects and difficulty of cooperation on the grounds.)

Even not in the form of joint projects, Japan and the EU could pursue their cooperation through mutually complementary projects or through division of labor or regions. No quick fix, requires mid- to- long term efforts.

3 additional comments to make on specific areas, where there are great potential and possibilities for Japan-EU cooperation (under the EPA).

**2. Role of multilateral Framework**

(Some participants in the Research Workshop mentioned the proliferation of FTAs and erosion of multilateral framework and also pointed out that the EU itself had been hesitating to steer its way from multilateral (WTO) to bilateral (FTA).)

The bilateral/plurilateral agreements and multilateral frameworks should be mutually complemented. For this purpose, revitalization and reinforcement of the latter are necessary.

In this context, the G20 Osaka Leaders' Declaration in 2019 as well as the Joint Statement by Trade Ministers in 2017 of Japan-EU-US Trilateral Initiative conformed the importance of the reform of the WTO, which addresses

- 1) enhancing transparency and strengthen notification requirements under WTO

Agreements,

- 2) eliminating unfair market distorting and protectionist practices,
- 3) reforming dispute settlement system including its Appellate Body.

Japan can work closely with the EU on these fronts.

### **3. Digital Economy**

Mr. SUGA, Prime Minister of Japan, declared in his Policy Speech on October 28<sup>th</sup> the realization of a digitalized society and the establishment of an agency in charge of digital transformation to target delays in digitalization of administrative services.

The primordial importance of Digitalization in the economic- social aspect of human life is a lesson learned from COVID 19, together with a disruption of supply chains.

On an international front, Japan is promoting the idea of “Data Free Flow with Trust (DFFT)” which was agreed among G20 Leaders at the Osaka Summit in 2019.

- 1) Japan will contribute to improve the environment for international digital business through promoting international policy discussion, inter alia, international rule-making on trade related aspects of electronic commerce at the WTO.
- 2) It is also important to promote a multilateral regulatory cooperation for Data Security and Safety. Under the Japan-EU EPA, a cooperation framework through the Committee of Regulatory Cooperation became effective from January 2019.

### **4. Climate change**

Mr. SUGA, Prime Minister of Japan, declared in his Policy Speech “by 2050, Japan will aim to reduce greenhouse gas emissions to net-zero, that is, to realize a carbon-neutral, decarbonized society” and that “We need to adjust our mindset to a paradigm shift that proactive climate change measures bring transformation of industrial structures as well as our economy and society, leading to dynamic economic growth.”, pointing out that “the key here is revolutionary innovation.”

Japanese Climate Policy shares the same direction with European Green Deal. While the EU and Japan face common challenges such as development of innovative technology, Japan will continue to collaborate with the EU at both public and private levels.

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