

EU Special

Steadfast support for global unity

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AMBASSADOR OF THE EUROPEAN UNION
TO JAPAN



It is with great pleasure that I address the readers of The Japan Times on Europe Day. The day marks the presentation on May 9, 1950, of the Schuman Declaration, which proposed the creation of a European coal and steel community that would evolve into the European Union. Five years after the end of World War II, the plan sought to make war between the great powers of a conflict-weary Europe impossible; the rest, as they say, is history.

Today, the EU is a symbol of peace. It is a unique economic and political union that has not only helped bring stability and prosperity to Europe but has now become a serious actor on the global stage, working to foster security, democracy, fundamental freedoms, rule of law and social justice at the international level. As such, we have a

great deal in common with our strategic partner, Japan.

Today, the EU is a leading global power — the world's largest economy and trading bloc, and the top trading partner for 80 countries. The EU and its member states together provide more in development cooperation and humanitarian aid than the rest of the world combined.

How did we do it? After war and devastation, Europe prospered by embracing common values, reconciliation and integration into a multilateral, rules-based international system. This is the environment we need to continue to thrive. To our regret, we now find that we also need to fight to preserve it.

The principles of multilateral cooperation and respect for the rules that govern our international system are now facing the risk of being undermined. Protectionism and a geopolitical view of international relations are on the rise again. At home, with democracy a fundamental pillar of the EU, we have to address concerns over the health and viability of democratic processes.

In this environment, it has become fashionable to talk about the internal divisions

in the EU. Yes, it is not always easy to agree among our member states. But make no mistake — the EU is ready to fight this fight and is even more determined to stand up for global, collaborative efforts to find solutions to global challenges. While the current multilateral system — or, for that matter, our domestic political systems — may not be perfect, the EU approach is to reform and improve, never to dismantle. Moreover, the EU is displaying strong unity in these endeavors.

Let me give some examples. The EU remains a strong supporter of global architecture for disarmament and non-proliferation. This is why the EU supports and will continue to support the nuclear deal with Iran. Iran has, as confirmed by the International Atomic Energy Agency multiple times, continued to implement its nuclear-related commitments. We are also contributing toward a complete, verifiable and irreversible denuclearization of the Korean Peninsula. The EU has imposed the toughest sanctions on North Korea and at the same time has kept channels open to encourage dialogue.

The EU is also a security player on the world stage. The EU approach to security and defense is through cooperation, investing in partnerships and deploying its trademark soft power — such as economic support, protection of human rights and promoting the empowerment of young people and women — while adding a credible hard power component. It currently has 16 military and civilian missions and operations on three continents as part of its Common Security and Defence Policy. These include missions in Ukraine, Mali and Somalia, and operations such as counterpiracy efforts off the coast of Somalia, where Japan's Self-Defense Forces are active alongside EU ships.

Closer to home, for nearly three years now, the EU has been dealing with the Brexit issue. I am sad to see a member of the EU family leave, but the EU institutions and the remaining 27 member states respect the

decision of the United Kingdom's citizens. However, let's soften the impact on our citizens and partners as much as possible. The EU is committed to ensuring an orderly Brexit based on the withdrawal agreement and to forge a forward-looking future partnership with the U.K. At the same time, the 27 member states have rallied around our key objective to protect the integrity and strength of the EU.

As the world's largest single market, the EU is a flag bearer for free, fair and rules-based trade. We have reiterated this position many times and in many contexts, ranging from calling for reform of the World Trade Organization, rejecting moves toward managed trade and working to secure a level playing field with key trading partners, notably China. We also recognize the economic potential that can be gained through the prudent utilization of data. But the privacy of citizens must be sufficiently protected. Therefore, we have strengthened our data protection framework accordingly.

Europe is also at the forefront of efforts to tackle the global challenges facing us all, such as action to fight climate change and delivering on the United Nations Sustainable Development Goals by 2030.

Of course, we cannot change the world alone — and, I am pleased to note, we are not alone. In all the previously mentioned fields, the EU and Japan are strong, like-minded partners. This year marks a milestone in our bilateral relations, with the February entry into force of a wide-ranging economic partnership agreement (EPA) and provisional application of a strategic partnership agreement (SPA). These two pacts elevate our friendship to a new, strategic level, and we must seize the opportunities they present.

We already see very promising areas for bilateral cooperation such as "connectivity," where we strive to link Europe and Asia through various strands ranging from infrastructure projects to activities with a people-to-people dimension, such as collaboration



Above: Foreign Minister Taro Kono and European Union High Representative for Foreign Affairs and Security Policy Federica Mogherini in Singapore in August. **Left:** The European Higher Education Fair held in Tokyo last May. EUROPEAN UNION / YASUHIKO SHIMAZU, EUROPEAN UNION



European Commission Vice President Jyrki Katainen (left) at the World Circular Economy Forum 2018 in Yokohama in October. NICOLAS DATICHE, EUROPEAN UNION

in education, research and innovation, culture and tourism.

Regarding the latter, everyone is invited to join in a diversity of activities. The EU delegation together with member states has for many years worked on such events as the European Higher Education Fair, which this year takes place in Osaka and Tokyo on May 18 and 19, and EU Film Days, which will be held in the cities of Tokyo, Kyoto, Hiroshima and Fukuoka (dates vary, with the Tokyo event held from May 31 to June 27). We also organize annual visits of EU and EU member state ambassadors and diplomats to high schools across Japan under the "EU Comes to Your School" project. Furthermore, Europe and Japan have strengthened their partnership under such initiatives as

Horizon 2020, the EU's framework program for research and innovation that offers nearly €80 billion of funding over seven years (2014 to 2020).

As EU ambassador, I am honored to acknowledge that Europe and the EU have many friends in Japan and look forward to continuing our excellent cooperation. It is particularly fortuitous that the year in which the EPA and SPA have broken new ground is the one when Japan presides over the G20. The EU will actively support Japan in the various ministerial meetings and the Osaka G20 summit in June. I am convinced that closer ties between us can bring peace, prosperity and tangible benefits — not only to our citizens but also to people around the world.





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Trade pact lauded as ‘victory’

The economic partnership agreement (EPA) between the European Union and Japan, which entered into force on Feb. 1, created a marketplace with 635 million people that comprises almost one-third of global gross domestic product. It is the biggest trade deal negotiated by the EU and will help bring the people of Europe and Japan closer together than ever before.

While it is still in its early days and more time is needed to accurately assess the EPA's impact on trade flows, preliminary data does indicate that the seeds have been sown for an increase in trade between these two economies. For example, EU producers looking to increase exports to Japan are seeing promising signs in the area of agricultural goods that include wine, cheese and pork. Meanwhile, Japanese exports of car parts to Europe have also increased.

The EU believes that this trade pact with Japan will be a real success story. Not only does the agreement look at market access issues by removing tariffs on goods, but it also includes a chapter on trade and sustainable development, contains specific elements to help spread the benefits to small and mid-sized businesses and locks in commitments under the Paris agreement on climate. It also provides for mutual protection of geographical indications, helping ensure that consumers on both sides can purchase quality products with confidence.

The EPA is a victory for producers and consumers in Europe and Japan, and it sends a clear signal to the rest of the world



European Council President Donald Tusk, Prime Minister Shinzo Abe and European Commission President Jean-Claude Juncker hold up the signed versions of the economic partnership agreement and the strategic partnership agreement in Tokyo last July. ETIENNE ANSOTTE, EUROPEAN UNION

that these two like-minded partners are committed to preserving and promoting an open, fair and rules-based trade regime. The EU believes this is particularly crucial at a time when many in the world are looking inward and considering tariff hikes or protectionist measures.

There is criticism — not entirely unfounded — that the benefits of the postwar multilateral order have not been distributed equally. With the rise of globalization and increases in both the number and diversity of countries participating

in the global economy, it has become increasingly difficult to find consensus and deal with worldwide challenges. This has often led to disgruntlement and antipathy toward the status quo.

However, the EU believes in the positive power of a global market economy and multilateral cooperation. Trade can, in fact, help correct disparities and be a tool that brings people out of poverty. Free trade among its members was one of the EU's founding principles because open trade is a fundamental economic freedom. Its removal would damage a critical part of open democracy.

Throughout the course of human history, people have been trading with each other — from stones and cowry shells to spices and cloth and cars and aircraft — and through these interactions, they developed relationships, as well as making contacts with whom ideas were shared and exchanged. These in turn helped them to better understand the wider world and to see how cooperation could bring mutual benefits.

“Make people work together, show them that beyond differences and geographical boundaries, there lies a common interest,” said French political and economic adviser Jean Monnet, one of the chief engineers of European unity. While his message at the time may have been political, this thinking also applies to the EU's approach to international trade — a strategy it is happy to share with like-minded partners such as Japan.

This text was provided by the Delegation of the European Union to Japan.



European Union Ambassador Patricia Flor (third from right) and Japanese dignitaries break open sake barrels at a ceremony marking the entry into force of the EU-Japan economic partnership agreement on Feb. 1. YASUHIKO SHIMAZU, EUROPEAN UNION

High hopes for EPA-related areas

MICHAEL MROCZEK
CHAIRMAN, EUROPEAN BUSINESS COUNCIL IN JAPAN (EBC)



As newly elected chairman of the European Business Council in Japan (EBC), I would like to express my heartfelt gratitude to The Japan Times for this ongoing opportunity to address its readers on Europe Day, which marks the 69th anniversary of the signing of the Schuman Declaration on May 9, 1950, regarded by many as the starting point of European integration.

The EBC is the trade policy arm of the European national Chambers of Commerce in Japan; since 1972, it has been working to improve the trade and investment environment for European companies in this country. Some 350 executives of more than 200 companies participate directly in one or more of the EBC's industry committees, which cover a wide variety of economic sectors and help European business to grow in Japan.

2019 will be remembered as a most exciting year with regards to Europe-Japan relations, thanks to the EU-Japan economic partnership agreement (EPA) that entered into force on Feb. 1. Europe has now two distinct trade agreements with Japan — the Switzerland-Japan free trade agreement and the EU-Japan EPA. Both reflect a “vision” of growth and freedom of trade in goods and services and strongly link two economic areas that together cover one-third of what is produced on our planet.

The importance of the EPA to both European Union and Japanese business is enormous. From an EU perspective,

it is aimed at boosting exports in sectors such as food products, clothing and shoes, pharmaceuticals, medical devices, vehicles and machinery. The result will be increased growth and more jobs, not only in companies that already have a presence in Japan, but also in those entering this market for the first time thanks to the EPA. The benefits will be felt across the EU and Japanese economies and significantly, among consumers, who will enjoy a wider selection of competitively priced quality products.

In addition to trade, the effects of the EPA on the general business environment will improve efficiency and safety not only regarding goods and services, but also in areas such as intellectual property rights and personal data management. These are greater public concerns in view of the great importance of e-commerce and internet-based services.

The EBC greatly appreciates the hard work on both sides to reach this point. We are proud of the contribution we have been able to make to the process in offering insights and information from our own experience. We are keen to continue our support since, in the end, an agreement is only as good as its implementation. For EU business, this means that tariff reduction and removal must be continuously monitored, in addition to the lifting of current nontariff barriers and the move toward higher integration of standards. Similarly, public procurement markets must become open and accessible, and geographical indications and intellectual property must be respected. For this purpose, the EBC and its committees dedicate significant time and resources to monitor EPA implementation.

However, the work of the EBC does not end with the EPA; a significant number of issues hindering EU business in Japan lie outside the scope of the agreement. Some

of these issues are specific to the EU, but many affect all companies, domestic and foreign, and ultimately restrict consumer choice and inflate costs. The EBC will, therefore, continue to highlight them and make practical recommendations for how they should be resolved. The EBC does want to emphasize this message — a great portion of our recommendations will benefit companies and consumers, independent of nationality. EBC work is made possible by the continuing support of its stakeholders, in particular the European national chambers of commerce, their corporate members who have also joined the EBC, and other business organizations in Japan. Together with the Delegation of the European Union to Japan and the European national embassies in Tokyo, who consistently offer their unique insight and guidance, we are working toward the success of European business in Japan and, in general, to have more of a European presence in this country.

The EU and Japan are now working steadily to achieve similar goals regarding trade policies and greater harmonization of their societies. The EBC is convinced that with the EPA, the EU and Japan have entered into a new partnership that will promote increased trade and integration not only in financial terms, but also as two open economies that believe in free trade. This is very much needed in the current global environment where more inward-looking policies prevail. We look forward to taking the next steps in this new partnership.

The EU Special contents were compiled in collaboration with the Delegation of the European Union to Japan and the European Business Council in Japan. The views expressed here do not necessarily reflect those of the newspaper.