



Mr. Karel De Gucht
Commissioner for Trade

European Commission
Rue de la Loi 200
B-1049 Brussels

25 May 2012

Dear Commissioner,

BUSINESSEUROPE has followed very closely the ongoing scoping exercise between the European Union and Japan. We understand that this work has advanced significantly and that in the coming weeks member states will be asked for a mandate to launch free-trade negotiations. BUSINESSEUROPE expects that the scoping exercise has addressed effectively all priorities identified by European industry and has set some clear objectives on the level of ambition that will have to be achieved in a potential agreement. In this regard, these objectives should be clearly translated in the mandate given to the European Commission and set the expected high level of ambition.

Non-tariff barriers (NTBs) are of particular concern to European companies, as together with regulatory divergence and different buying habits they are the major obstacles to EU-Japan trade. BUSINESSEUROPE welcomes the Commission's efforts so far to obtain clear roadmaps for the elimination of NTBs within reasonable timeframes. When moving forward, it is crucial that negotiations are based on clear commitments by both parties. Hence, the Japanese government needs to show clear and proven commitments on removing the non-tariff barriers that have been identified during the scoping exercise. We acknowledge that certain steps have been taken by the Japanese Government regarding regulatory and institutional reform. However, we are disappointed that to date none of the identified barriers has been effectively removed. The same applies for public procurement, which has clearly been identified as one of the key non-trade barriers and where little progress has been witnessed. Certain barriers should be removed before negotiations start, as a sign of good-will that Japan is indeed willing to open its market to competition from Europe.

Enhancing free trade between the European Union and Japan could bring benefits provided that Japan agrees to grant comparable and effective market access to European companies on the Japanese market.

Yours sincerely,

Philippe de Buck