

Brussels, 15 January 2010

Response to the European Commission's
'CONSULTATION ON THE FUTURE "EU 2020" STRATEGY'

Dear Sir or Madam,

We, Japan Business Council in Europe (JBCE), welcome the opportunity to be able to give comments on the Commission Working Document 'CONSULTATION ON THE FUTURE "EU 2020" STRATEGY'. We are, as the organisation representing Japanese businesses in Europe, active in contributing to the public policy of the EU.

For our members who are far from insignificant players on the European Market, EU2020 will be a key strategic document because it will shape the business environment in Europe over the coming 10 years and beyond.

General comments

We welcome the Commission's EU 2020 strategy with its three main objectives, i.e. creating value through knowledge; empowering people in inclusive societies; and creating a competitive, connected and greener economy.

As stated in the working document, in the world of economic interdependence, the activities of global businesses constitute an important factor in the competitiveness of European economy.

For global businesses, a level playing field within the Single Market is of key importance.

Furthermore, for global businesses to flourish, the regulatory environment should, as much as possible, be consistent throughout the world. Therefore, international coordination of regulatory policies and close cooperation amongst governmental and other institutions involved in policy-making process is important for us.

We believe that a policy with social objectives such as environmental policy and social policy cannot be formed independently from economic and industrial policy. It is important to achieve synergy between these different policies. For example, in order to realise more energy efficient economy, innovative and competitive products and processes provided by industries will be essential not only in the manufacturing sector but also in the transport and household sectors. It goes without saying that sustainable social infrastructures for the aging society such as social security systems depend on the business activities that create growth and jobs.

We recognise strong similarities between the Commission's objectives and business objectives of our member companies, which are commonly promoted under CSR (corporate social responsibility). We therefore believe that CSR could make a strategic as well as practical contribution to EU 2020. We, JBCE and our member companies, are prepared to contribute to the sustainable competitiveness of European economy through a proactive participation in discussions on shaping European CSR policy.

We also believe that a policy in every area should encourage experimentation and make successful experiments a source for further growth. Global businesses could play a key role as they tend to lead the way in launching experimental measures that promote economic competitiveness as well as the well-being of society at large.

It is therefore important to keep economic implication and competitiveness in mind when making policy. As global companies operating in Europe, we are ready to contribute to the formulation of such policies.

On 'Creating a competitive, connected and greener economy'

We would appreciate a fresh approach to industrial policy as it would improve the business environment. The policy making process in this field should be open and reflect the views of businesses and organisations inside and outside the EU.

To realise a competitive, connected and greener economy, encouraging business activities to improve energy efficiency is essential. In this context, the Energy Action Plan, currently under review, would play an important role. The action plan should be open to international stakeholders,

Japanese businesses, which are among the global leaders in this area, to give a significant contribution towards achieving the objectives of the plan.

In forming and implementing targeted regulation and other policy means, the concept of 'better regulation' should always be applied. Consistent and proper implementation of the New Legislative Framework is of great importance. Furthermore, the EU should take account of international harmonisation of policies and lead such harmonisation activities.

ICT is one of the main drivers of growth – both within the sector itself as well as a main driver for modernisation in other sectors. As a good example of its contribution, The ICT for Energy Efficiency Forum could play an important role in achieving this objective.

CSR could be a great instigator of growth and competitiveness if such non-financial considerations are well integrated into value-making process of the companies. From this viewpoint, we fully support the European Commission's voluntary and non-prescriptive approach to CSR, including developing a disclosure framework for an improved and meaningful company-stakeholder dialogue on environment, social and governance (ESG) performance."

On 'Fully exploiting the Single Market'

We agree that the Single Market is the basis for growth within the EU. First of all, the EU should reinforce its efforts to remove the remaining obstacles fully functioning Single Market. To facilitate reorganisation in a socially acceptable way, it will be important, for example, to facilitate the movement of intra-corporate transferee, introduce a deferral of taxation on unrealised goodwill transfer within the EU resulting from reorganisation, allow off-setting of losses against profits and realise CCCTB. Furthermore, a truly uniform intellectual property regime in the EU is much desired.

On 'Setting EU2020 in a global context'

Global harmonisation of regulatory environment as well as growth in international trade and investment would be a key contributor to the realisation of the objectives of EU2020. As developed economies such as the EU and Japan share common values and challenges in this regard, they are natural key strategic partners. The EU and Japan should conclude an

Economic Integration Agreement in order to facilitate cooperation in tackling common challenges.

The negotiation of a Free Trade Agreement with ASEAN that constitute a key part in the global supply chain should also be expedited.

In creating value by basing growth on knowledge, the EU should pursue this objective in a transparent and internationally open manner. Open innovation and interacting knowledge is the key concept. The recently signed Science & Technology Cooperation Agreement, as well as the mutual cooperation between the EU and Japan should be a driver to enhance cooperation in achieving this objective.

We would like to thank you for this opportunity to contribute to the making of EU2020.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Furukawa', written in a cursive style.

Japan Business Council in Europe

The Japan Business Council in Europe was established in 1999 as the representative organisation of Japanese companies operating in the European Union. Our membership consists of 60 leading multinational corporations that are active across a wide range of sectors, including air-conditioning, automotive, chemicals, consumer electronics, engineering, industrial machinery, information and communication technology, medical equipment, photo and imaging equipment.

The key goal of the JBCE is to contribute to EU public policy in a positive and constructive way. In doing this, we can draw upon the expertise and experience of our member companies.

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