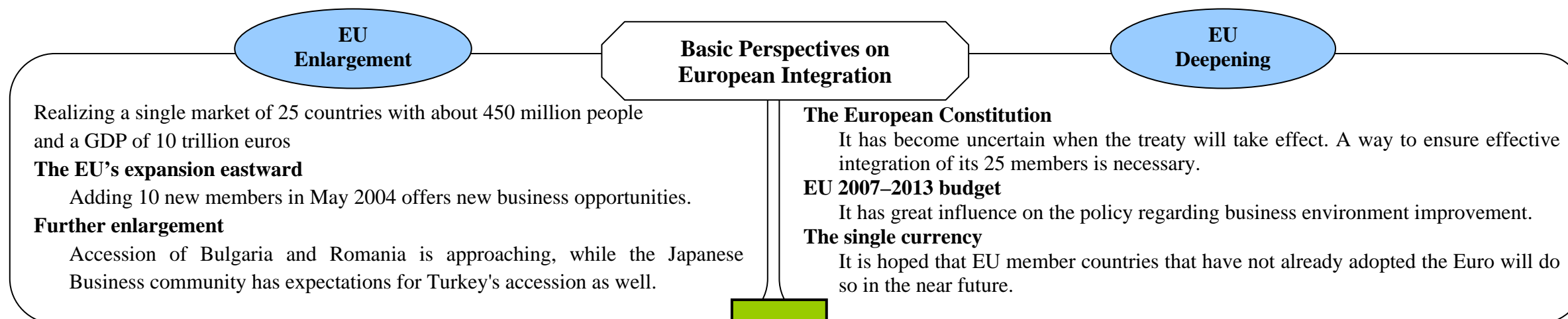


Toward a Closer and Stronger Economic Partnership between Japan and Europe

- Nippon Keidanren's Observation and Views on European Integration and the Japan-Europe Business -



Issues Needing Resolution to Promote Closer Japan-Europe Economic Ties

EU Directives and Laws of Member States

The opinions of companies within and outside the EU should be carefully heard, at the same time the economic effects of legislation should be carefully considered. It is hoped that EU member states will modify their domestic systems to appropriately reflect the directives e.g., EUCD, Societas Europaea (SE)

Environmental Policies

REACH: Environmental protection measures should not end up discriminating between entities based upon whether they are inside or outside the EU.

WEEE: Some flexibility in recycling systems is needed.

Removing Trade Barriers

The EU still maintains tariffs on major industrial products e.g., electric appliances, as high as 14%; trucks, 22%; and passenger cars, 10%. Nippon Keidanren supports the elimination or harmonization of tariffs for specific sectors in the NAMA negotiations within the WTO New Round.

International Financial Reporting Standards (IFRS)

The EU should deem Japanese accounting standards as equivalent to IFRS.

Competition Policy

Transparency in the EU decision making process and rational implementation of the Extraterritorial Application should be ensured.

Labor Market Flexibility

Promoting more flexibility in the EU labor market is desirable.

Toward a New Stage in Japan-Europe Economic Ties

Care must be taken to ensure that favorable relations do not lead to a state of inertia and deteriorate into mutual disinterest.

* Expanding the coverage of the MRA is a good example of how to strengthen economic ties.

