

## **Business calls for speedy ratification of the EU-Japan Free Trade Agreement**

The European and Japanese business communities, representing companies of all sizes, hereby jointly express their strong support for the EU-Japan Free Trade Agreement and call on the European Parliament to ensure a speedy ratification process.

The EU-Japan FTA comprises a third of global GDP and is a once in a generation opportunity to unlock economic growth, create jobs and enhance rules-based trade at a time when protectionism surfaces around the world. Trade in goods and services between Japan and the European Union (EU) amounts to more than 150 billion euro per year, and exports between our two regions are projected to increase by 34% for the EU and 29% for Japan, while the total increase as a percentage of trade with the world is 4% for the EU and 6% for Japan. The agreement will remove most tariffs, non-tariff measures, enhance market access and public procurement, protect geographical indications and intellectual property rights, and facilitate services and investment flows.

For the first time in an EU FTA, there is also a chapter for small and medium-sized enterprises (SMEs), which commits both sides to proactively offer information and create SME contact points to help companies who seek access to each other's market. This should help those companies with resource constraints and for whom internationalisation can present a number of extra challenges, to maximise benefits from this FTA.

Citizens and consumers also stand to benefit greatly from this agreement. For the EU, every 1 billion euro in trade supports 15 000 jobs across the Union. For Japan the benefits will likely be proportionate. The more we can enlarge our common pie, the more of it we can share among ourselves. The elimination of tariffs will save consumers and importers 1 billion euro per year, and for specific products the savings are substantial.

The free trade agreement will level the playing field between European and Japanese companies, and allow them to make use of their comparative advantages and specialised knowledge to offer better products and services at cheaper prices. Better rules on intellectual property protection, including the recognition of geographical indications, equal opportunities to bid for government contracts, and rules on how to deal with competition issues all help to stimulate trade and encourage investment in each other's economies.

The agreement will be a next step in a race to the top – an opportunity to set standards in new product areas and to converge global trade rules around a high level of ambition. After all, our shared interests mean that we can jointly oppose protectionism, the erosion of standards, and unfair trade practices. Through regulatory cooperation between our governments, we can furthermore preserve future gains from this agreement and encourage other trading partners to rise up to our level. And we can ensure that in areas of shared interest, we will regulate in a way that enhances rather than inhibits our economic potential without limiting public policy choices.

We therefore urge the European Parliament to proceed with the ratification process as quickly as possible, to ensure that the companies, workers, and citizens of our two economies benefit from this agreement as soon as possible.