The European Union and Japan are like-minded global partners and major economies sharing common values and principles. Their 21st summit will take place on 25 March in Tokyo. The EU will be represented by Herman Van Rompuy, President of the European Council, and by José Manuel Barroso, President of the European Commission. Japan will be represented by Prime Minister Shinzo Abe.

The summit will mark a major upgrade of EU-Japan relations by officially launching negotiations for a truly strategic framework agreement to develop a wide ranging political, economic and social cooperation and an ambitious free trade agreement that is expected to stimulate growth and employment on both sides. The first negotiations on both agreements are to start in mid-April.

At the summit, leaders are expected to discuss:

**EU-Japan political and economic relations.** Economic developments and the political situation in both partner countries will be discussed as well as the negotiations for a strategic framework agreement and a free trade agreement. Leaders will also give impetus for further progress in sectoral cooperation, including in the area of energy, research and innovation, disaster management and development cooperation.

**Regional issues,** such as recent developments in the EU’s and Japan's respective neighbourhoods will be on the agenda. In this context, the Iranian nuclear programme, the situation in the Korean peninsula, Syria and the Sahel/Mali will be discussed. The EU will reaffirm its views on the need for a peaceful resolution of conflicts in accordance with international law.

**Global challenges,** in particular the global economic situation and the G20 process. Japan and the EU account for around 30% of global output and thus have a major contribution to world economic stability to make. For the EU, economic growth and financial stability go hand in hand, in line with G20 commitments. Leaders will also talk about development cooperation, climate change and crisis responses, including counter-terrorism and cyber security.

A joint press statement is expected to be issued at the end of the summit.
Trade

Japan is the world's third-largest economy and trade has long been the predominant focus of EU-Japan relations. In 2011, the EU represented 11% of Japan's trade, making Japan its third most important trade partner. Japan was the EU's seventh largest export market and EU exports to Japan reached €49 billion in 2011. In 2011, EU imports from Japan stood at €69 billion. The EU has a recurrent trade deficit with Japan (€20 billion in 2011). The EU remains Japan’s third largest destination for exports and Japan’s second largest source of imports after China. Foreign direct investments (including from the EU) are still low in Japan when compared to other industrialised economies.

On 29 November 2012, the Council authorised the opening of negotiations for a deep and comprehensive free trade agreement between the EU and Japan. This could boost Europe's economy by 0.6% to 0.8% of its GDP; EU exports to Japan could increase by 32.7% while Japanese exports to the EU could increase by 23.5%. As a result of the agreement, 420,000 jobs could be created only in the EU.

The negotiations will aim at concluding an agreement covering the progressive and reciprocal liberalisation of trade in goods, services and investment, as well as rules on trade-related issues and the elimination of non-tariff barriers, based on the shared understanding of the scope and level of ambition defined in the scoping exercise. Given the importance that the elimination of non-tariff barriers has for achieving a level playing field for European businesses on the Japanese market, the negotiating directives by the Council foresee parallelism between the elimination of EU duties and of non-tariff barriers in Japan. They also authorise the suspension of the negotiations after one year, if Japan does not live up to its commitments on removing non-tariff barriers. To protect sensitive European sectors, there is a safeguard clause.

Political cooperation

Over time, the EU-Japan relationship has expanded significantly beyond the economic arena. The negotiation of a strategic framework agreement is set to pursue this upgrading of political relations. It is intended to reinforce political dialogue, affirm shared values and deepen sectoral cooperation and coordination in addressing global and regional challenges. It is to cover cooperation in a wide range of policies, including foreign and security policy, development cooperation, economic issues, sustainable development, justice, freedom and security, research and innovation as well as education and culture.

Both the EU and Japan are global actors and are seeking to cooperate closely on a wide range of political and global issues. They are both strongly committed to multilateralism and are important players on global governance, climate change, development cooperation. The two sides already have a political dialogue covering the full range of foreign and security policy.

Research and innovation

Japan is one of the most innovative countries in the world. An agreement on cooperation in science and technology, in force since March 2011, is the foundation for cooperation between the EU and Japan in this area. Priority areas for reinforced cooperation include active and healthy ageing, low carbon technologies and new materials.

In the current seventh framework programme, 63 proposals involving 79 Japanese participants have been selected for funding. The most active areas include information and communication technology, materials, environment and health.
Disaster preparedness

At the last summit, it was agreed to launch cooperation in disaster prevention, preparedness and response. This time, letters will formally be exchanged between the Commission and the Japanese ministry of land, infrastructure, transport and tourism shortly before the summit. Both parties will exchange information and best practices concerning governance frameworks, risk assessment and coordination of disaster response regarding major natural disasters and the integration of climate change adaptation into disaster management policy.

The cooperation builds on the EU support provided during the triple disaster in Japan in 2011. 400 tonnes of in-kind assistance were delivered as well as €17 million in aid, which included food, shelter, care and relief for thousands of Japanese people affected by the earthquake and tsunami.

History of EU-Japan relationship

1959  Accreditation of Japan's first representative to the European Communities
1974  Establishment of the delegation of the European Communities in Tokyo
1991  First bilateral summit in the Hague
      Adoption of a joint declaration on relations between the European Community and its member states and Japan, decision to intensify dialogue and strengthen partnership, including by holding annual summits
2001  10\textsuperscript{th} summit in Brussels
      Adoption of the EU-Japan action plan “Shaping our common future”, including four major objectives i.e. promoting peace and security; strengthening the economic and trade partnership utilising the dynamism of globalisation for the benefit of all; coping with global and societal challenges; and bringing together people and cultures
2006  Agreement for cooperation in the peaceful uses of nuclear energy
2009  Agreement on science and technology cooperation (entered into force 29/3/2011)
      Agreement on mutual legal assistance in criminal matters (entered into force 2/1/2011)
2010  19\textsuperscript{th} summit in Tokyo on 28 April; decision to set up a high-level group to identify options for the comprehensive strengthening of all aspects of Japan-EU relations and defining the framework for implementing it
      Upgrading of EC delegation in Tokyo to European Union delegation in line with Lisbon Treaty
2011  20\textsuperscript{th} summit on 28 May in Brussels