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# FACTSHEET

# EU-Japan relations and the 23rd EU-Japan Summit

# Tokyo, 29 May 2015

The European Union-Japan strategic partnership is based upon longstanding cooperation and shared fundamental values and principles such as democracy, the rule of law, human rights, good governance and a market-based economy. The 23<sup>rd</sup> bilateral EU-Japan summit will take place on 29 May in Tokyo. The EU will be represented by Donald Tusk, President of the European Council, and by Jean-Claude Juncker, President of the European Commission. Japan will be represented by Prime Minister Shinzo Abe. The High Representative of the European Union for Foreign Affairs and Security Policy / Vice-President of the Commission Federica Mogherini and European Commissioner for Trade Cecilia Malmström will also be present.

The 2015 summit in Tokyo will reaffirm the crucial importance of parallel negotiations on a truly strategic partnership agreement and an ambitious free trade agreement that is expected to stimulate growth and employment on both sides. Together, these agreements hold the potential to lift EU-Japan relations to a new strategic level.

### **Political cooperation**

Japan is a longstanding partner (first Summit in 1991), one of the EU's closest and most likeminded allies in Asia and one of its ten "strategic partners". EU-Japan relations have developed steadily, extending from trade and investment to a wide range of dialogue and cooperation in other areas, from close political cooperation to a broad spectrum of sectoral relations. The launch in April 2013 of negotiations for a Strategic Partnership Agreement covering political, global and sectoral issues and a deep and comprehensive Free Trade Agreement is opening a new era in EU-Japan relations and can be a game changer in the intensity and depth of the partnership. The EU and Japan are working on an enhanced EU-

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Japan security partnership and widened political cooperation and coordination on issues such as regional stability and security and development, including on Ukraine and Russia, in East Asian maritime areas, the Korean Peninsula, the Middle East and Africa.

## Trade

Japan is the world's fourth-largest economy. In 2014 the EU represented 10% of Japan's trade, making it Japan's third most important trade partner after China and the USA. Japan was the EU's sixth largest export market. EU exports of goods to Japan reached €53.3 billion in 2014. EU imports from Japan stood at €54.6 billion. 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, but Japan is a major investor in the EU.

At the EU-Japan Summit in 2011 the EU and Japan agreed to work towards a new framework for their bilateral relations and to explore the feasibility of a Free Trade Agreement. After a joint scoping exercise the Council authorised the Commission to start negotiations for a free trade agreement between the EU and Japan in November 2012. The negotiations were officially launched in March 2013.

The negotiations aim at concluding an agreement covering the ambitious 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. The negotiating directives by the Council foresaw parallelism between the elimination of EU duties and the elimination of non-tariff barriers in Japan. Other areas of concern for the EU are opening up of public procurement in Japan to EU businesses and the protection of geographical indications for products from specific EU regions.

This is an important free trade agreement, which could generate significant economic benefits for both partners. Ten rounds of negotiations have been held so far. The next round of negotiations will be held in Brussels in July 2015.

### Sectoral cooperation

An intricate system of sectoral dialogue and cooperation has been developed between the EU and Japan over the past decades. The two sides have concluded agreements in the fields of energy, competition, customs cooperation and mutual legal assistance.

Regular dialogues exist in the areas of macroeconomic issues, financial issues, industrial policy, employment and social affairs, transport, information and communication technology, the environment, agriculture, fisheries and maritime affairs, urban development, development policy and disaster preparedness and prevention.

### 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 critical raw materials, aeronautics and information and communications technology.

The 23<sup>rd</sup> summit will give continued political impetus to the further progress towards harnessing enhanced RTD cooperation by establishing a closer research and innovation partnership by agreeing updated areas of cooperation and addressing Japanese participation in Horizon 2020.

## EU-Japan programmes and people-to-people exchanges

Four Japanese universities are hosting EU Institutes in Tokyo, in Kobe and in Fukuoka. The Institutes promote academic cooperation and education between Japan and Europe, in the areas of European political science, law and economics, but also in fields such as environment, medicine and other science and technology-related areas. They also host regularly events open to the wider public.

Since 1994, the EU Gateway to Japan programme has enhanced trade and investment between Europe and Japan, by introducing cutting-edge technologies, design and products from EU companies to the Japanese market. The EU and the Japanese Government co-fund the EU-Japan Centre for Industrial Cooperation.

In the area of cooperation in higher education, Erasmus Mundus and its successor, Erasmus Plus, promote mobility of students and academics between European and non-European higher education institutions. Jean Monnet chairs and centres of excellence promote knowledge of and studies on European integration in Japan.

The <u>EU Film Days festival</u> in Japan is in its thirteenth year.

# History of the 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 10th 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<sup>th</sup> 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<sup>th</sup> summit on 28 May in Brussels; launch of cooperation in disaster prevention.
- 2013 Launch of negotiations for a Strategic Partnership Agreement and a Free Trade Agreement on 25 March 2013. 21<sup>st</sup> Summit on 19 November.
- 2014 22<sup>nd</sup> summit on 7 May in Brussels; launch of dialogues on cyber security and space.

For more information on EU-Japan relations: <u>http://eeas.europa.eu/japan/index\_en.htm</u>