

JBCE's message for the future relationship between the EU and the UK

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Japan Business Council in Europe (JBCE) is a leading organisation representing the interest of almost 80 multinational companies of Japanese origins in Europe. Japanese companies have invested €250 Billion and created 440 000 jobs in Europe. JBCE has a strong stake in the future of Europe and is committed to continued prosperity and stability across the continent. As a responsible corporate citizen, JBCE and its member companies have consistently and constructively contributed to EU public policy and as the process of the UK's exit from the EU progresses, we will play our part in helping to ensure that the prosperity of the EU and the UK is maintained.

JBCE respects the will of the British people to leave the EU and are hopeful that a mutually beneficial relationship can be secured. An open trading relationship is in the interests of both parties and whatever the final agreement we hope that the strong links between the EU and the UK will be preserved. Securing this open relationship will be of paramount importance to building an attractive and stable business environment which supports continued development and future growth.

To this end, JBCE would like to underline firstly that it is crucial to ensure an open market between the EU and the UK. It will be vital to businesses operating across Europe to avoid tariff and non-tariff barriers to trade. Avoiding the rules of origin conditions, ensuring the freedom for the provisions of services and finding an agreement on the movement of people between the two regions will be critical in maintaining economic competitiveness in Europe in the context of far-reaching and complex supply chains. Continued access to R&D funds for companies operating in both the EU and the UK is also important and should be maintained.

In addition to maintaining an open market between the EU and the UK, it is vital that the EU and the UK continue to lead the free trade system and fully exploit its advantages to stimulate business in Europe. In this regard, JBCE also strongly supports reaching the earliest possible conclusion to the EU-Japan Free Trade Agreement (FTA) / Economic Partnership Agreement (EPA).

Secondly, maintaining an appropriate degree of harmonisation of the regulations and standards between the EU and the UK is crucial for businesses and consumer protection.

Any lack of harmonisation creates disruption and additional burdens for companies, who need to comply with norms in both the EU and the UK. Common rules, which pave the way for more flexibility in business operations, including on the cross-border transfer of capital and data, and the restructuring of organizations among associated companies, are vital to the efficiency and optimisation of business operations.

Thirdly, it is appreciated that negotiations between the EU and the UK will be held openly and transparently. This would reduce uncertainty and minimise the possible negative impacts of the UK's exit from the EU on the European economy. JBCE asks the EU and the UK to maintain the dialogue with all stakeholders, including businesses, on a regular basis. This will allow businesses to have a clear understanding of the negotiations, the transition process and the future direction. Consideration of transitional measures, as well as an appropriate transitional period, would be helpful in order to mitigate disruption and impacts on businesses.

On September 2nd, 2016, the Japanese Government published a document entitled "Japan's Message to the United Kingdom and the European Union". The requests set out in this document include those made by companies of Japanese origins in Europe. JBCE is fully aligned with this message and believes that the EU and the UK will carefully consider these requests in the coming negotiation.

JBCE has been contributing to policy making in the EU including the UK since its establishment in 1999, providing expertise based on the knowledge of member companies of Japanese origin in Europe. JBCE is fully prepared to work with the EU and the UK in order to contribute to a strong future relationship between the two regions and ensure a business friendly environment, guaranteeing future prosperity.