

EXECUTIVE SUMMARY

On 18 October 2019, the Japan Business Council in Europe (JBCE) organised a conference, entitled “EU-Japan Cooperation in the Digital Age: Opportunities for Transforming Societies”. The event took place as part of [CEATEC 2019](#) (Combined Exhibition of Advanced Technologies) in Makuhari messe, Japan.

JBCE hosted the conference with the support of the European Commission (DG CONNECT), the Japanese Ministry of Economy, Trade and Industry (METI) and Ministry of Internal Affairs and Communications (MIC).



The largest free trade area in the world was created with the entry into force of the EU-Japan Economic Partnership Agreement (EPA) on 1 February 2019. The EPA brings countless societal and economic benefits to both the EU and Japan that are set to be enhanced through digital technologies and data flows, analysis and use (i.e. digital economy).

With this in mind, JBCE decided to organise a high-level conference to discuss how strategic cooperation on the data economy, emerging technologies and global solutions will take the EU-Japan relationship to the next level and create new business opportunities in both jurisdictions.

The conference attracted more than 100 participants, drawn from both European and Japanese industry and government. Participants heard from a number of esteemed speakers, including Director-General for International Affairs at the Minister’s Secretariat (METI) Mr Tetsuro Fukunaga, and Adviser for Digital Single Market International Outreach within DG CONNECT at the European Commission Mr Tonnie de Koster.

Panel discussions centred around EU-Japan cooperation on “emerging technologies and data economy” and “global solutions for a dynamic and thriving digital economy: EU-Japan cooperation on digital standardisation”.

Key takeaways from the conference:

- **Public Policy cooperation for Data economy** in areas of data management, security, governance, availability and usability are fundamental to the development of new technologies.
- **Regulatory Cooperation** is key in the facilitation of cross-border trade, development of solutions to global challenges and improvement in the quality of citizens’ lives. G2B stakeholder platforms are positive tools to consider and promote in support of effective regulatory cooperation.
- **R&D&I Cooperation through joint efforts and investments** is essential in the swift development and application of new technologies, particularly in the “standardization work” undertaken in the “creation and development phase” of new high-tech solutions.
- **Standardisation cooperation based on an open, industry-driven and multi-stakeholder approach** is essential for the success and market take-up of new technologies.

Following these takeaways, JBCE will issue a statement of recommendations for the EU-Japan ICT strategies workshop.

Event organized with the support of



CONFERENCE SUMMARY

Opening remarks - Mr Lars Brückner, JBCE Vice Chairman



JBCE Vice Chairman Mr Lars Brückner opened the conference by providing participants with some background of JBCE, highlighting its work on both the EU-Japan Economic Partnership Agreement (EPA)/Free trade Agreement (FTA) and the adequacy decision between the EU and Japan.

He also outlined the priorities of JBCE’s Digital Innovation Committee, including the EU-Japan framework on data flows beyond the adequacy decision, data issues and emerging technologies, which were the core themes of the conference. Throughout the event, JBCE supported and actively sought to enhance strategic cooperation in the areas of digital technologies and digital policies, whilst carrying digital topics and discussions into sectors beyond ICT.

Keynote speech 1 - Mr Tetsuro Fukunaga, Director-General for International Affairs Minister’s Secretariat, METI – “Opportunities and challenges in Digital Age”

Mr Fukunaga delivered a keynote speech entitled “G20 Osaka and beyond – Addressing opportunities and challenges in Digital Age.” He introduced Japan’s digital vision including Society 5.0 and data governance innovation, noting that both Society 5.0 and its key component “Cyber-Physical Integration” require healthy data governance innovation to secure digital transformation and reconcile the regulatory gap among nations. Further acknowledging that challenges would be dealt with through the Data Free Flow with Trust (DFFT) system addressed by Japan’s PM Abe as part of the “Osaka Track” (a process that promotes international rule making on trade related aspects of E-commerce within the WTO) launched at G20 Osaka Summit in June 2019 and “trust building” between nations. He invited JBCE and industry to engage in the development of the DFFT system touching upon key events such as the OECD Global Forum on Trade that took place in Paris in October 2019 and the OECD Governance Innovation Forum set to take place in Paris in January 2020.



Keynote speech 2 - Mr Tonnie de Koster, Adviser for Digital Single Market International Outreach, DG CONNECT, European Commission – “The priorities for the European digital strategy”



Mr de Koster also delivered a keynote speech entitled “The priorities for the European digital strategy”. He outlined the work that the EU began four years ago on its Digital Single Market (DSM) to prepare for the digital transformation and enable digital technologies in the European economy. He further detailed the DSM initiative, which encompasses 30 measures including 24 legislative measures, of which 23 have been adopted, including on the free flow of non-personal data, geo-blocking in cross-border e-Commerce, copyright review, 5G action plan, the telecoms code, cybersecurity certification framework, platform to business Regulation, AI ethical guidelines (which will become a legislative initiative when the incoming Commission takes

office), blockchain and Horizon2020. The protection of both personal data and privacy are essential elements of all these measures. He further emphasised that the EU-Japan EPA creates business opportunities, with the digital sphere

being integral to these opportunities. As a result of the close relationship between the EU and Japan, particularly through the dialogue with METI and MIC, both the EU and Japan have found inspiration in one another, which has proven essential to regulatory cooperation that facilitates industry to develop new cross-border business. He also emphasised the importance of dialogue between the public and commercial spheres, as an opportunity to learn from industry standardisation bodies and other stakeholders and adopt legislations on that basis. The next stakeholders' dialogue will be held on 11 Dec 2019 in Tokyo.

The EU-Japan cooperation standing on the platform of EPA/SPA and the adequacy decision are very much inspired as like-minded partners.

Panel Discussion 1: “Emerging technologies and Data Economy”

Special Address

- *Mr Taro Shimada, Corporate Vice President, Chief Digital Officer, Toshiba*

Mr Shimada gave a special address to set the scene for the panel discussion. After providing a background of the Japan-Germany Joint Statement on IoT/Industry 4.0 and EU-Japan Cooperation, he introduced Toshiba's products on IoT related services including ifLink, which allows anyone to use IoT easily.

Speakers

- *Mr Tetsuro Fukunaga, Director-General for International Affairs Minister's Secretariat, METI*
- *Mr Tonnie de Koster, Adviser for Digital Single Market International Outreach, DG CONNECT, European Commission*
- *Mr Taro Shimada, Corporate Vice President, Chief Digital Officer, Toshiba*
- *Mr Daichi Iwata, Director of Digital Integration Division, NEC*
- *Mr Motohiko Sato, Senior Manager, Policy & Regulatory Analysis Section, Public Policy Office, Rakuten*

Moderator

- *Mr Marco Canton, Chair of Digital Innovation committee, JBCE.*



Panellists concurred that both Europe and Japan need to speed up and address the challenges of new emerging technologies to transform them into real opportunities for citizens. Japan has developed a Society 5.0 framework strategy and the EU has made digital technologies a priority of the incoming Commission. Moreover, speakers stressed that the benefits of digital technologies for society are clear and new solutions need to be developed on the basis of strong values, certifications and global standards (interoperability). Governments also need to create multi-stakeholder approaches and consultations for evidence-based policymaking before regulating in order to listen to all voices and ensure the most appropriate regulatory frameworks are devised for business and citizens. The need for flexible legislation was also highlighted to adapt to the speed of new technologies.

One example highlighted was the Human Centric AI concept shared during the last G7 meeting. Furthermore, the EU and Japan have also signed an important agreement this year for cooperation on R&D. The EU has also published the AI Ethics Guidelines with the help of a high-level group. Companies are now being asked to comment on these Guidelines and checklist. Japan is looking very closely to what the EU is doing on AI and has positively welcomed the Ethic Guidelines and overall approach being developed by the EU.

Also noted was the essential nature of EU-Japan cooperation in ensuring data flows between the two jurisdictions that also enables many business opportunities. Privacy was also commented as a key principle that is now regulated by both the EU and Japan, who align in respect for the same principles and standards. Moreover, speakers stressed that new technologies will work only if high quality data is available. Therefore, the free flow of data on the basis of trust is promoted by Japan and supported by the EU.

Trust was elaborated on as a key driver that needs to be supported by both governments and companies to develop new commercial opportunities. New approaches such as the governance of innovation and data governance are notably well embedded into Society 5.0. Governments were noted as having a key role to stimulate market growth and allow cross-border business to flourish. GDPR was referred to as an example of how a strong Regulation can become a good driver for new Business Models and opportunities for companies.

Furthermore, blockchain was cited as an example of data management that could meet many requirements such as privacy and security of data. Companies are investing a lot in research on this for example in digital identity. Blockchain can ensure data access control, claim and management to data owners and this could be revolutionary to allow new solutions to flourish by ensuring the respect and protection of personal data. The INATBA (International Association for Trusted Blockchain Applications) is a great example of how an industry led process can ensure cooperation with governments, coordinate possible actions and initiatives and create a platform for dialogue with regulators and stakeholders.

There are notably a lot of applications for public services that are possible through Blockchain Technology. Public-Private Partnerships are key frameworks of cooperation that can help Companies and Governments in co-investing and creating trust by understanding each other and co-creating their investment strategies.

Policies and initiatives for Digital Skills are also important to our transforming societies in order to provide new generations with the ability to meet the new labour Market opportunities and allow our economies to grow.

Panel Discussion 2: “Global solutions for a dynamic and thriving digital economy: EU-Japan cooperation on digital standardisation”

Speakers

- *Dr Stefan Kramer, First Counsellor for Science, Innovation, Digital and other EU Policies, Delegation of the EU to Japan*
- *Mr Mitsuhiro Hishida, Deputy Director-General, International Economic Affairs Division Global Strategy Bureau, MIC*
- *Mr Yoshio Honda, Chair of Telecommunications Equipment Committee, European Business Council in Japan (EBC)*
- *Mr Adrian Scrase, CTO, European Telecommunications Standards Institute (ETSI)*
- *Mr Yoshihiko Enomoto, Country Standards Leader, IBM Japan, Ltd.*

Moderator

- *Mr Antoine Larpin, Vice chair of Digital Innovation committee, JBCE*

Panellists of the second panel agreed that standardisation facilitates the adoption of emerging technologies and that standardisation processes have evolved over the last years to be more integrated into R&D activities, reflective of broader stakeholder interests and better consider the end customer. Standard setting organisations and policymakers are thus adapting to new ways of working and developing standards. Panellists highlighted the key features of successful standard setting: open and consensual, voluntary, industry-lead, and follow a multi-stakeholder approach.



It was also agreed that one country cannot do it alone and that international cooperation and scale are essential for market success. In this context, 3G technology standardisation was presented as a prime example of successful cooperation between the EU and Japan, which also holds the potential as a driver for other markets. In other words, EU-Japan cooperation does not only benefit these two territories but can also become a driver for global standardisation.

In relation to new technologies, panellists referred to several key areas that stand to be benefitted from international standardisation. This long list includes: 5G, smart cities, the free flow of data, AI, big data, IoT, cloud computing, cybersecurity & data technologies, railway communications, private mobile radio, automotive, broadcasting, etc.

In conclusion, the panellists highlighted that the EU and Japan have the capability to drive the global standardisation agenda as strategic partners. For standardisation efforts to be successful, it is required to have an open and industry driven process, scale (mass markets create economies of scale), a community of interest that spreads beyond standards writing, trust between participants, and good timing with respect to technology development (incl. to avoid vendor lock-in). Many of these issues are expected to be discussed at the next EU-Japan ICT dialogue to be held in Tokyo in December 2019.

Keynote remarks 3 - Dr Stefan Kramer, First Counsellor for Science, Innovation, Digital and other EU Policies, Delegation of the EU to Japan –“Outlook for EU/Japan cooperation”



Dr Kramer summarised the conference through a forward-looking address entitled “Outlook for EU/Japan cooperation”. He deduced that from discussion throughout the event, it is clear that digital technologies represent fundamental changes to the operation of business and policymakers have to be more proactive to anticipate and adjust to the new challenges of a fast-changing environment. In the both panel discussions, priority areas such as IoT and 5G were drawn upon as areas where both the EU and Japan should dive deep through specific and concrete measures for cooperation in order to avoid friction or conflict in policymaking. In terms of the free flow of personal data,

Dr Kramer called for the EU and Japan to create the largest area for the protected transfer of personal data in the world through an adequacy decision. But there are enormous challenges to be discussed to integrate other countries in the framework facilitating interoperability at a global level because not all countries have the same level of strict standards and regulations as the EU and Japan.

Furthermore, ‘trust’ as addressed by Japan in the G20 is equal to the human-centric approach adopted by the EU as an overarching principle and alongside concrete actions are the foundations for future cooperation between the EU and Japan.

Closing remarks - Mr Toyokazu Nagamune, Secretary General, JBCE

In his closing remarks, Mr Nagamune emphasized the importance of digital technologies for businesses and the value of the digital sphere that is set to overcome oil and gas in the future due to its unpredictable power and its potential to change the world. Therefore, collaboration between the EU and Japan as like-minded partners is very important to facilitate use of data and upgrade businesses through the use of emerging technologies. Japan could potentially cooperate with the EU on standards and regulations because the EU is a regulatory power whose rules are often exported to the global level.

He also took up “A European Green Deal” and “A Europe fit for the digital age” from among President-elect von der Leyen’s 6 priorities as important issues for JBCE and introduced next steps of each JBCE committee. In the Digital Innovation Committee, emerging technologies (5G, AI, Blockchain and IoT), data flows, privacy and cybersecurity have all been prioritised. JBCE’s role in the coming 5 or 10 years will become more important. JBCE will support further collaboration in several areas between the EU and Japan.



ABOUT JBCE

Created in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of 88 multinational companies of Japanese parentage active in Europe.

Our members operate across a wide range of sectors including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, railway, textiles and glass products.

Building a new era of cooperation between the European Union (EU) and Japan is at the core of our activities, organised under several committees focusing on: Corporate Policy, Corporate Social Responsibility, Digital Innovation, Environment & Energy, Standards and Conformity, and Trade.