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POSITION PAPER

Japan Business Council in Europe

23 January 2026

JBCE POSITION PAPER ON THE REVISION OF THE PUBLIC PROCUREMENT DIRECTIVES

INTRODUCTION

The Japan Business Council in Europe (JBCE) welcomes the opportunity to provide its feedback on the revision of the Public Procurement directives as part of the Call for Evidence[1] launched on 3 November 2025.

Indeed, while acknowledging the strategic imperative of the European Union (EU) to secure its own competitiveness and economic security agenda, JBCE has been actively promoting since Spring 2025[2] a 'Made with Common Values' approach as an alternative to a 'Made in EU' proposal. This approach would enable the EU to achieve its objectives while respecting its commitments towards its trade partners, including Japan[3].

As a cross-sectoral organisation, JBCE also wishes to highlight a few concerns related to the functioning of public procurement schemes throughout the EU.

KEY MESSAGES

- Introducing 'Made in EU' requirements risks running counterproductive to the objectives of the revision.
- Instead, the revision should introduce innovative non-price criteria that can fulfil the EU's ambitious goals in competitiveness, economic security and the twin transitions.
- Simplification and harmonisation of rules should be conducted while:
  - keeping international commitments in mind,
  - accounting for difficulties faced by non-EU economic operators (language/response and credit information requirements),
  - and coordinating with partners such as Japan who are also undergoing public procurement revision efforts.

[1] Call for Evidence - EU public procurement rules – revision
[2] JBCE op-ed – Parliament Magazine supplement on EU-Japan relations
[3] JBCE Position Paper on the Concept of 'Made with Common Values'

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1. JBCE's position on 'Made in EU' requirements

Japan is one of the EU's key strategic partners, with strong commitments under their Strategic Partnership and Economic Partnership Agreements (SPA and EPA). As JBCE, we therefore support the EU's strategic objectives and believe that Japanese companies can contribute to their achievement. However, the introduction of the 'Made in Europe' criteria or 'European preference' in public procurement could pose significant challenges for Japanese companies present in Europe and with a global footprint.

JBCE would also like to draw attention to the complexity of modern industrial value chains. Products manufactured, assembled or distributed in the EU frequently rely on globally sourced inputs, while at the same time generating substantial economic value within the Union in terms of employment, investment and industrial capacity. Overly rigid or formalistic definitions of 'Made in Europe' risk failing to capture this economic reality and could inadvertently exclude suppliers that are deeply embedded in the European industrial ecosystem, potentially reducing competition in public procurement procedures, without necessarily delivering additional resilience or security benefits.

If EU preferencing requirements were to be introduced at a larger scale, European companies that are Japanese group companies would risk exclusion, and this would strongly discourage foreign investment in European companies.

JBCE would also like to underscore that the input provided at this time is based on limited knowledge of what the proposal would concretely entail, as proposals such as the Industrial Accelerator Act (IAA) that foresee EU preferencing conditions have yet to be adopted and there are no clear definitions of what such requirements would entail in practice. JBCE stands ready to provide further input following the release of the IAA. Furthermore, as the introduction of 'EU preference' criteria is envisaged foremost within "strategic sectors", a clear definition of what constitutes a strategic sector and anticipated areas should be disclosed in advance, to allow for proper impact assessment of companies of such a restriction.

Shifting geopolitics leads the EU to strengthen ties with like-minded partners – Japan being one. Let's make sure this priority is reflected holistically in various initiatives, including public procurement which is crucial for building resilient supply chains. A strictly 'Made in Europe' approach is a worst-case scenario. Before considering such requirements, a thorough impact assessment would need to be carried out across sectors and JBCE stands ready to support the European Commission in this exercise. Indeed, balancing the risks of supply chain disruptions and increased costs with the anticipated benefits should be ensured through in-depth market analysis. In these assessments, we invite the European Commission to also consider the impact that Made with Common Values would have instead.

2. A 'Made with Common Values' approach for an open and competitive EU

JBCE proposes an overall 'Made with Common Values' framework that includes:

- Developing additional mutual recognition frameworks with Free Trade Agreements (FTAs)/ EPAs partners to ensure compatible technical requirements in key strategic sectors.
- Cooperating in supply-chain management and diversification with Japan and other FTA/EPA partners. For example, certain third-country facilities could also be treated favourably if they meet criteria equivalent to those applied to EU-based sites and supply parts or products to the EU in an economically reasonable manner.
- Strengthening and implementing concrete initiatives through existing EU-Japan platforms (Alliances, Memorandums of Understanding, Dialogues) and enabling new channels for cooperation to enable the EU-Japan relation's potential fully.
- **JBCE's 'Made with Common Values' non-price criteria recommendations.**

JBCE proposes the following non-exhaustive and aspirational set of non-price criteria to strengthen public procurement:

Circularity
- Ensure recyclability and easy repair of products
- Product made of used products or some of their contents

Supply chain resilience
- Diversification
- Transparency
- Trustworthiness
- Reliability

Responsible business conduct
- Sustainability due diligence
- Environmental sustainability
- Respect for human rights

Cybersecurity
- EU-Japan Digital Partnership
- Cybersecurity plan

Data security
- Based on the EU-Japan data adequacy decision

Alignment with international standards and agreements
- United Nations (ex: UN guiding principles, Paris Agreement)
- OECD (ex: MNE guidelines)
- WTO (ex: GPA)

Flexibility of the proposal
- Innovation
- Adaptability over the lifecycle of the procurement

- **Sustainable and energy-efficient industrial practices**
- **Energy system integration**
- **Quality of the goods and services**
- **Fitness for purpose of the proposal**
- **Potential supplier's relevant experience and performance history**

- ***Illustration for green public procurement:***

To manage the so-called 'green premium' costs associated with sustainability and economic security, both Japan and the EU should integrate non-price elements into industrial policy, public procurement and R&D support.

The use of green public procurement requirements should be encouraged and support a broad range of circular solutions. We therefore recommend that the revision of the Public Procurement Directives further incentivise clear and dedicated green public procurement criteria that recognise circular options such as, for example, refurbish and remanufacturing, in order to better support the circular economy.

3. Reducing administrative burden through harmonising intra and extra-EU rules

- ***Central database***

Currently, the Tenders Electronic Daily (TED) serves as a central database for publishing calls for tenders at EU level. However, each Member State (MS) also has its own portal dedicated to public procurement, which often impose different language and response requirements. It would be helpful if these requirements could be harmonised at EU level, or at least if responses could be submitted in English in addition to the local language.

Furthermore, legal procedures, laws, definitions and requirements vary from MS to MS. While this is understandable given the differences between the MS, greater harmonisation within the EU could simplify these processes.

- ***Credit information***

Some portals require companies to input their credit information. For businesses located in the EU, this information is usually readily available in databases, making the process relatively straightforward. However, for companies outside the EU, obtaining certification from authorities or notaries can be time-consuming, delaying the bidding process. While credit information is undoubtedly important, it would be helpful to consider ensuring that non-European companies are not unduly disadvantaged.

- ***Alignment with the ongoing reform of (Digital) Public Procurement in Japan***

We recommend that the European Commission systematically leverage all existing institutional and policy dialogue channels between the European Union and Japan to initiate a dedicated and structured exchange on the parallel reform processes of public procurement frameworks. This should include, on the EU side, the revision of the EU Public Procurement Directives, and, on the Japanese side, the ongoing reform and digital transformation of public procurement systems.

Such a focused dialogue would enable both parties to compare regulatory approaches, identify areas of convergence and divergence, and work towards greater alignment on key elements, including but not limited to common rules, procedural practices, legal definitions, technical standards, and digital procurement architectures. Particular attention should be paid to issues related to e-procurement, data interoperability, transparency, access for foreign economic operators, sustainability criteria, and the use of digital tools across the full procurement lifecycle.

Early and proactive coordination in these areas would help ensure that the revised EU Public Procurement Directive and Japan's evolving digital procurement framework are mutually compatible and forward-looking. This preparatory work would contribute to making both public procurement systems more future-proof, resilient, and adaptable to technological change, while significantly enhancing their interoperability. In turn, this would facilitate cross-border participation by suppliers, reduce administrative burdens, and strengthen the overall EU–Japan economic partnership.

- ***Alignment with international standards***

We believe that it is essential that the revision of the Public Procurement Directives complies with WTO rules, notably the Agreement on Government Procurement to which both the EU and Japan are parties, by committing to ensure open, fair and transparent conditions of competition.

ABOUT JBCE

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of over 110 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, pharmaceuticals, textiles, and glass products.

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