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Joint Statement by ESF and JSN on conclusion of an ambitious EU-Japan EPA

The European Services Forum (ESF) and the Japan Services Network (JSN) speak for the services sectors in their respective countries, particularly in matters of international trade and investment.

The European Union and Japan have an important two ways trade of services volume of more than US\$ 45 Bio in 2015. Export of services represents 33% of total EU exports to Japan and 20.6% of total Japan exports to the EU in terms of balance of payment. Furthermore, when we look at the evolution of the services value added of exports, services represent globally 39.1% of exports of EU goods, and 33.1% of exports of Japanese goods, which means that around 30 to 40 percent of exports of the trade in goods volume between EU and Japan (US\$ +115 Bio) is in fact services around the goods.

Trade in services is a very strong element in the competitiveness of the European and Japanese economy. We hope that an ambitious package for services related aspects in the EU-Japan Economic and Partnership Agreement will further enhance it by opening sector specific markets and providing legal certainty to traders and investors through binding rules and commitments in both territories.

ESF and JSN have supported the on-going bilateral trade negotiations between the European Union and Japan since their inception in April 2013. As we are confident that the negotiations for the EU-Japan EPA are reaching the final stage, we would like to call on both parties to move forward the negotiations in a constructive manner and make all efforts necessary to swiftly conclude an ambitious and balanced agreement.

We support the focus by the negotiators on key issues such as all types of tariffs and non-tariff measures, but would like to remind the crucial importance of services in terms of trade as well as in terms of investment, public procurement and domestic regulation.

With importance for the whole cross border trade in services and beyond, we would like to reiterate the call we made recently in the framework of the Trade in Services Agreement negotiations on the crucial issue of cross border data flows. Digitally enabled services through flow of data across borders has become the life blood of all trade, including between EU and Japan. Since TiSA has been put on hold in the recent weeks, we should strive to mutually ensure the free cross border transfer of data including personal information between EU and Japan, while protecting personal information, under the EU General Data Protection Regulation adopted in April 2016 as part of the Digital Single Market initiative and the amended Japan's Act on the Protection of Personal Information. Japan and the EU have indeed strong data privacy regimes and this should also be an opportunity to set the rules between two like-minded most developed countries' block to ban forced data localisation requirements.

In the current difficult political circumstances surrounding trade deals, ESF and JSN call on the EU and Japan negotiators to deliver a strong positive signal that trade policy remains an important tool for the creation of more jobs and economic opportunity in both markets.

Contacts:

ESF: Pascal Kerneis (p.kerneis@esf.be - +32 476321027)

JSN: Kiyomi Kasai (trade@keidanren.or.jp - +81(03)6741-0603)