

**BDI**Bundesverband der
Deutschen Industrie e.V.**Keidanren**

Japan Business Federation

Promotion of Data Utilization

BDI and KEIDANREN Call for Cooperation between German and Japanese Governments to Promote Data Utilization

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Germany is Japan's top European trading partner, and Japan is Germany's second-largest Asian trading partner, which demonstrates the strong economic ties between our two countries. Given this relationship, it is worthwhile for both governments to collaborate in a wide range of policy fields.

The "Industrie 4.0" concept in Germany and "Society 5.0" in Japan are both future-oriented strategies based on the utilization of advanced technology. To reap the benefits of digitalization in Germany and Japan, the Federation of German Industries (BDI) and the Japan Business Federation (Keidanren) call on both governments to ensure efficient cooperation on digital matters.

To achieve "Industrie 4.0" and "Society 5.0" and thereby ensure sustainable economic growth in both Germany and Japan, it is crucial to ensure the free flow of data across borders. Therefore, BDI and Keidanren urge the German and Japanese governments to take the lead in the global rule-making process and discussions on international harmonization to ensure cross-border flows of personal and industrial data.

Bearing in mind the G20 declaration "A Roadmap for Digitalisation: Policies for a Digital Future" adopted at the G20 Digital Economy Ministerial Conference in Düsseldorf on 7 April 2017, BDI and Keidanren identified three areas in which joint efforts should be made by the governments of Germany and Japan to promote secure and safe data utilization.

1. Smooth Two-way Transfer of Personal Data between the EU and Japan

We appreciate the commitment made by the European Union and the Japanese government in Tokyo on 17 July 2018 to enhance the transfer of data between EU member states and Japan.¹ BDI and Keidanren ask that both governments complete the necessary internal procedures required to operate this framework for smooth two-way data transfers between Japan and EU by autumn 2018, as agreed, rather than prolonging the process unnecessarily. Implementation of the agreement will create the world's largest area of safe data flows. Promoting high standards of privacy when facilitating cross-border trade is crucial to ensuring economic growth while maintaining public support for the digital transformation of our societies and economies.

¹ Joint Statement by Haruhi Kumazawa, Commissioner of the Personal Information Protection Commission of Japan and Vera Jourova, Commissioner for Justice, Consumers and Gender Equality of the European Commission, Tokyo, 17 July 2018

2. Advancing the Digital Economy²

The advancement of the digital economy requires the free flow of data across borders. Therefore, BDI and Keidanren call on both governments to urge any country that has adopted compulsory data localization requirements to ease or abolish them.

Additionally, we encourage the two governments to share best practices regarding the utilization of data in various industrial sectors. We regard such an exchange of knowledge as useful to promoting the digital economy in both countries.³

3. Strengthening International Cooperation in the Field of Cybersecurity⁴

Ensuring a high level of cybersecurity is crucial to advancing the digital economy on a global scale and gaining public acceptance of the digital transformation of society. Since cybercrime transcends borders, it is vital to facilitate international cooperation in ensuring the security and safety of cyberspace.

Cyberattacks have caused not only leakage of data relating to personal information, intellectual property, confidential information, and financial assets, but also serious damage to societies, including disrupted services and system dysfunction. Thus our governments should enhance their relationship in the field of cybersecurity, for example by establishing a high-level dialogue for knowledge-sharing on cybersecurity threats and best practices.

Since the development of the digital economy has facilitated the flow of data across borders, steps should be taken to foster sustained multi-stakeholder dialogue on the shape of a balanced international framework. BDI and Keidanren will continue to exchange views on various digital issues, such as cross-border data flows and cybersecurity, in order to lead multilateral talks.

² Relevant to Section 6 of the Roadmap for Digitalisation: Policies for a Digital Future, headed "Encourage continued development of the IoT and the digitalisation of production."

³ For example, in the construction machinery sector, operational information on machinery working all over the world is collected, and analysis results are efficiently reflected in productivity improvements and operational and product modifications.

⁴ Relevant to Section 8 of the Roadmap for Digitalisation: Policies for a Digital Future, headed "Strengthen trust in the digital economy."