



## 27th Annual Meeting of the EU-Japan Business Round Table

16 April 2026, Brussels

### JOINT RECOMMENDATIONS

The EU and Japan must now accelerate joint action to respond to the rapidly deteriorating global security and economic environment, stay firm in their values, and defend their interests, with renewed commitment to partnerships. Their steadfast commitment to partnerships based on shared values, resulting in shared progress, will continue to provide stability and outlast the challenges posed by the current geopolitical environment.

Since the last EU-Japan Business Round Table (“BRT”) Annual Meeting, adverse developments in our external environment have significantly accelerated. The EU and Japan have long been among the strongest proponents and beneficiaries of an open and equitable trade order. They are strong supporters of efficient, open, and increasingly sustainable global supply chains, international development and multilateral collaboration on sustainability. In a world relapsing into geopolitical competition among great powers, trusted partners such as the EU and Japan are more important than ever – helping each other navigate the challenges of trade protectionism, economic volatility, and a rapidly changing industrial landscape. This places a special responsibility on both partners. Benefitting since 2019 from their Economic Partnership Agreement (EPA) and Strategic Partnership Agreement (SPA), and dozens of sectorial partnerships, the EU and Japan share the quality of playing and prioritising the long game.

In this context, the 27th Annual Meeting of the EU-Japan Business Round Table took place in Brussels and addressed some of the most pressing industrial and economic topics impacting our business relationships: ‘Global Trade’, ‘Economic Security’, ‘Industrial Competitiveness’, as well as other issues of common interest. It was an in-person meeting, designed to encourage discussion and facilitate an invigorating exchange of ideas between the Authorities from Japan and the EU, and private sector representatives, making it a significant and meaningful event. The meeting was co-chaired by Mr Jeremy Grossas, Representative Director & President of Merck Biopharma Japan, and Dr. Nobuhiro Endo, Executive Advisor of NEC Corporation.

It is our privilege to submit these recommendations from the BRT members to the leaders of the European Commission and the Government of Japan.

## **GLOBAL TRADE:**

### **The EU and Japan have a common interest in ensuring equitable trade in a fragmenting world**

*Global order and multilateralism continue to be the basis of international cooperation. The EU and Japan share a common responsibility as leading powers committed to peace, multilateralism, and international law as foundational principles for the development of international affairs. However, the BRT acknowledges the changing reality and the adoption of a more protective approach to international trade and cooperation. The BRT is therefore ready to provide its economic and business expertise to the pragmatic approach adopted by the EU and Japanese Authorities in response to this harsh geopolitical context which requires safeguarding of their respective and joint interests.*

#### *1. A rules-based world trade order ensures fair and equitable trade.*

The BRT welcomes the EU and Japan's continued commitment to the World Trade Organization (WTO) and its rules as the centrepiece for free, fair, and predictable trade relationships for mutual benefit. While reform of the WTO is needed, disregard of WTO rules and commitments by major powers is eroding the basis for the beneficial growth in international commerce achieved over the past decades.

The EU and Japan should continue to advocate for robust multilateralism, international cooperation and openness to trade with like-minded partners and set this as a priority and the standard for global discussion.

#### *2. Global and bilateral partnerships on equal footing grow in importance.*

The EU and Japan should build and deepen multilateral and bilateral free trade agreements (FTAs) – such as the EPA under which trade has grown 20% in just five years – to offset new trade barriers. The EU and Japan must remain committed to the EPA and continue ensuring that bilateral trade and investment relations are based on non-discrimination.

The BRT welcomes the continued cooperation of both the EU and Japan with emerging economies through the conclusion of new FTAs. The BRT would expect opportunities to arise from a future collaboration between the EU and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and would encourage further advances on this topic.

The BRT views the Japan International Cooperation Agency's (JICA) South-South and Triangular Cooperation and the EU's Global Gateway frameworks as relevant instruments for win-win economic development and cooperation opportunities, which should be expanded to develop and access new markets. The EU and Japanese Authorities should work together on developing novel partnerships with the Global South and share best practices and networks between EU and Japanese approaches, for example through complementary joint EU-Japan private-sector development initiatives, and through case-by-case association of Japan with Team Europe in Global Gateway programmes or an association of EU countries with JICA's tri-/quadrilateral partnerships.

## **ECONOMIC SECURITY:**

### **The EU and Japan share a strong interest in mitigating economic disruption**

*The rapidly evolving global order is placing increasing pressure on economies and business operations, elevating resilience, sovereignty, and defence as the new priorities. Against this backdrop, the EU and Japan should work closely to promote, protect, partner, and prepare in the field of Economic Security. This shared commitment was reaffirmed in 2025 at the High-Level Economic Dialogue and at the EU-Japan Summit.*

- 1. Resilient and diversified supply chains are the backbone of Economic Security. This falls in line with G7 principles of transparency, diversification, security, sustainability, trustworthiness, and reliability.*

The BRT welcomes the development of policies by the EU and Japan to enhance economic security and looks forward to the further development, implementation and coordination of policies, where possible to support industries and strengthen the resilience of the supply chain between EU and Japanese partners. This should include strengthening cooperation between EU and Japanese competition authorities and industrial policy authorities with a view to fostering a common understanding of economic security and competition policy at the international level.

The BRT welcomes the EU and Japan's aims to diversify supply chains with a focus on critical raw materials and minerals, reduce dependencies on single suppliers, and increase resilience against disruptions. The BRT recommends the rapid execution and prioritisation of supply chain complementarities through sectorial pilots and supply chain task forces and could contribute as a facilitator for companies and as a strategic partner to Authorities. Such pilots should target the most critical sectors such as rare earth and non-iron metals, products along the biomanufacturing value chain, and advanced industrial manufacturing equipment.

The BRT welcomes the conclusion of a [Memorandum of Understanding \(MOU\)](#) to strengthen cooperation across the battery value chain, viewing it as one of the concrete business outcomes of enhanced Japan–EU industrial cooperation, following the joint commitment by EU and Japanese leaders in Tokyo in July 2025 to reinforce supply chain resilience, diversify critical minerals value chains, and safeguard emerging technologies. The BRT would welcome and further support more industry partnerships between the EU and Japan in the field of strategic technologies, with concrete business projects for cross-investment along the value chain, as well as shared supply networks instruments to fill respective gaps in supply chains.

The BRT recommends that the EU and Japanese Authorities strengthen their sovereignty over essential supplies (e.g., through the EU Critical Medicines Act) as well as strategic reserves to further increase the resilience of supply chains, such as for minerals, rare earth metals, biomanufactured products (e.g., biological medicines) and semiconductor materials.

The BRT recommends increasing use of joint promotion of technologies, and when relevant and concretely implementable, the use of pooled procurement, to build attractive markets for critical products and technologies.

The EU and Japan should partner to deploy circular and renewable technologies to decrease their dependence on raw materials and energy imports, as well as promote their own industries in strategic sectors such as semiconductors, healthcare, and bioeconomy.

*2. Cyber-, digital, and data security have become indispensable. Under the current geoeconomic shifts, critical infrastructure such as in energy, communications, finance and transport, require more protection.*

As foreseen in the Digital Partnership, the EU and Japan should invest in sovereign digital technologies to reduce unhealthy dependencies and to promote safety and security in connectivity, digital identities, cloud and semiconductor technologies.

The BRT welcomes closer cooperation in these fields as well as on the competition and safety of digital platforms, cybersecurity, and digital services – notably for public services.

The EU and Japan should share best practices on infrastructure resilience, diversification and protection, and mitigate vulnerabilities. The BRT advocates the installation of a direct submarine cable link between Japan and the EU.

*3. Technological indispensability serves as a key source of leverage in international trade relations. Innovation that creates leadership in future critical technologies creates a competitive advantage in Economic Security.*

The EU and Japan should assess, expand and leverage their technology leadership to prevent export barriers from being imposed on technologies or raw materials from other countries, by listing for example, critical technologies which can be used to exert counterpressure against weaponisation of goods, services, and technology.

The EU and Japan should wherever possible prefer proportional, transparent, and coordinated measures, coupled with bridgebuilding and partnerships, to minimise retaliation.

## **INDUSTRIAL COMPETITIVENESS:**

### **The EU and Japan have a joint interest in shaping their future strategic industrial policy**

*Industrial competitiveness in a changing world is a key concern for Japan and the EU, which face similar challenges and opportunities, as both are equipped with a strong and mature industrial base, world-class research and talent, while experiencing slowing economic growth, an innovation gap, and burdensome cost and regulatory structures. The BRT welcomes the initiatives taken by the EU and Japanese Authorities, most notably the Economic Partnership Agreement, the Digital Partnership, and the Green Alliance and, more recently, the EU-Japan Competitiveness Alliance.*

#### *1. Innovation is the key driver of technological progress and hence competitiveness.*

The EU and Japan should prioritise public investment in R&D for deep technologies, dual-use technologies, and their transfer from research to commercialisation to catch up with other leading markets.

The BRT welcomes the efforts to further collaborate (e.g., Japan's commendable association to Horizon Europe), and to close the commercialisation gap (e.g., by public-private partnerships, cross-border investment in deep-tech startups and scaleups as envisioned by the European Innovation Council (EIC)). The EU and Japan need to accelerate efforts to advance concrete cooperation through Horizon Europe to harness complementarity among their respective innovation ecosystems. To this end, the BRT eagerly anticipates the rapid implementation of the association agreement reached in December 2025, as well as increased, concrete opportunities for Japanese companies and researchers from universities and research institutions to directly participate in Horizon Europe projects on cutting-edge innovation including digital, green, and security technologies.

The EU and Japan must make it a priority to localise and strengthen IP in the EU and Japan, ensure a fair valorisation and rapid market access for novel products and services,

in order to increase the attractiveness of innovation. In this context, the BRT expects further positive developments for innovation policy from upcoming acts such as the EU Innovation Act, EU Biotech Act, and EU Chips Act 2.0, and relevant Japanese policies and measures.

The EU and Japan should further incentivise R&D, innovation, and entrepreneurship and facilitate collaboration, including cooperation among companies and start-ups, which would support the European Commission's Startup and Scaleup Strategy and METI's Startup and New Business Promotion.

*2. Active, ambitious and targeted industrial policy has become vital to global competitiveness.*

The EU and Japan should double down on their competitive advantage in strategic sectors (e.g., electronics for Japan and precision machinery for EU) while further strengthening and industrialising new frontier technologies that are indispensable for their competitiveness, resilience and sovereignty, namely bio and health technologies, semiconductors, clean technology, and dual-use technologies.

The BRT views the development of the EU-Japan Competitiveness Alliance, combined with investment mechanisms and collaboration between innovation agencies, as essential for the EU and Japan to remain competitive in the field of technology over the coming decades. In this context, the EU and Japan should advance industrial cooperation through the Competitiveness Alliance, by which they can showcase the importance of supply chain cooperation among trusted partners that have common values and support open, fair, and reciprocal access to markets.

Closer collaboration between the EU and Japan should include developing secure and reliable lead markets, including through common criteria for non-price factors for strategic products in public procurement, and ensuring fair market access based on trusted partnership and reciprocity, without compromising private enterprises' international competitiveness and freedom to operate. This approach should extend to sectors such as steel, critical minerals, batteries, robotics, biotech and biomanufacturing (e.g., sufficient domestic bioreactor capacity), where global overcapacity has created market distortions, while avoiding measures that could hinder the development of each other's industries. In this regard, the Industrial Accelerator Act (IAA) will for instance be a significant opportunity to strengthen competitiveness and economic security while creating synergies between EU and Japanese industries. At the same time, the BRT believes it is important that policies aimed at strengthening industrial competitiveness and economic security show consideration to trusted partner countries for all sectors involved.

In addition, the EU and Japan should deepen cooperation among their competition authorities by strengthening their dialogues on competition to ensure fair competition responsive to evolving markets and innovation, with a view to harmonising policies between the two partners.

The BRT welcomes the convening of the Japan–EU Defence Industry Dialogue within the framework of the Japan–EU Competitiveness Alliance. Recognising that future engagement will be informed by the outcomes of the Defence Industry Dialogue to be held immediately following the BRT Annual Meeting, the BRT expresses its intention to continue supporting, as part of the Japan–EU Competitiveness Alliance, efforts to advance Japan–EU cooperation in the defence industry, as appropriate.

*3. Regulatory complexity increases cost and time to market, creating a burden for business.*

While the BRT acknowledges the EU simplification Omnibus initiatives as positive first steps, it considers that further action would be beneficial. The BRT urges the EU to adopt complementary simplification measures with faster implementation and wider systematic impact. The EU 28th Regime demonstrates the potential of such an approach by significantly simplifying the regulatory environment for startups and SMEs.

The BRT fully supports the Single Market Strategy and Roadmap, which will simplify and harmonise the work of all companies operating in the EU, and calls on EU and Member States Authorities to demonstrate a greater sense of urgency in reducing all EU internal barriers, and making concrete progress towards a Savings and Investment Union.

The EU and Japan should take initial steps to recognise mutually certain regulations and standards in order to simplify market access and facilitate trade with a view to competitiveness, particularly in the areas of cybersecurity and digital identities. The Japan-EU Mutual Recognition Agreement on standards certification for telecommunications showcases a pilot and could be rapidly evaluated for other sectors (e.g., pharmaceuticals, biotechnology, AI, and semiconductors).

The BRT recommends regulatory simplification based on following impact-focused key performance indicators (KPIs) – e.g., time to market, clinical trial approvals – rather than on merely cutting the number of legislative acts symbolically. To ensure that regulatory simplification remains aligned with practical needs and maintains regulatory quality, it should be informed by sound evidence throughout the policy cycle and structured and inclusive stakeholder dialogue, in which the BRT would be ready to contribute the joint perspective of EU and Japanese businesses. The BRT calls for policies aimed at enhancing industrial competitiveness to ensure regulatory predictability and avoid excessive burdens in compliance requirements.

4. *Digitalisation and keeping up with AI are imperative to competitiveness today. Joint efforts such as the EU-Japan digital partnership are key to jointly advance the digitalisation of industrial value chains.*

The BRT welcomes the interoperability of digital formats (e.g. digital product passports) that increase efficiency and data security.

The EU and Japan should prioritise public funding and incentivise private investment in the design and implementation of their own or joint AI technology and infrastructure, thus reducing dependencies. The BRT recognises the innovative power of public procurement.

The EU and Japan should join forces to develop AI-based products and services that leverage technology leadership such as in the fields of robotics and physical AI.

## **Conclusion**

The EU-Japan BRT 2026 recommendations underscore the critical need for deeper collaboration between the EU and Japan in an era of unprecedented geopolitical and economic transformation. By strengthening their partnership across global trade, economic security, and industrial competitiveness, both partners can navigate the challenges of protectionism, supply chain vulnerabilities, and regulatory complexity while maintaining their commitment to multilateralism and shared values. The BRT stands ready to support the European Commission and the Government of Japan in implementing these recommendations, confident that the EU-Japan partnership – even against the backdrop of an increasingly uncertain international landscape – will continue to provide stability and prosperity for businesses, citizens, and the global community.