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Broad Agreement on Japan-UK Economic Partnership Agreement

On September 11, 2020, it was announced that broad agreement has been reached in the Japan-UK Economic Partnership Agreement (EPA) negotiations. JEITA welcomes this agreement and lauds the enormous amount of effort put in by both governments to reach this point.

The COVID-19 pandemic has brought the global economy to a standstill, with international trade slowing. In addition to the slump in goods trade, the service industry too has been heavily impacted by travel restrictions. Countries are becoming increasingly introverted, and protectionism is on the rise. Times like these require us to restate the basic creed of free, fair and open trade. As such, not only will the Japan-UK EPA profit both countries greatly in the pursuit of free trade, but it will also stand as an advanced and ambitious model for other countries and regions to follow.

In particular, securing free data flows for e-commerce and banning data localization requirements as well as algorithm, source code, and encryption technology disclosure requirements as called for in the agreement will actuate the Data Free Flow with Trust (DFFT) concept produced by last year's G20 in Japan and establish the conditions for realizing Society 5.0. JEITA also welcomes the inclusion of duty-free status for electronic transmissions and other elements that will help to grow the digital economy in both Japan and the UK.

Our two countries have built up a long history of cooperation in the field of IT. We JEITA have no doubt that the Japan-UK EPA will further strengthen that relationship as an ambitious undertaking that will promote R&D cooperation and innovation and further expand corporate partnerships. We urge both governments to continue their efforts toward reaching final agreement expeditiously so as to bring the EPA into force by the start of 2021.

In addition, JEITA looks forward to early consultations between the Japanese and EU governments on adding similar language on securing free data flows and banning data localization requirements and algorithm and encryption technology disclosure requirements to the Japan-EU Economic Partnership Agreement.

The Japan-UK EPA also represents a first step toward the CPTPP participation in which the UK has expressed an interest. JEITA hopes to see accelerated consultations among parties to the CPTPP on adding more member countries.

With this as a trigger, JEITA will continue to deepen cooperation with the UK government and UK industry, making use of CEATEC 2020 Online, a comprehensive exhibition of CPS/IoT-related technologies based on the theme of "Connecting Society, Co-creating the Future."