

Commissioner Cecilia Malmström
European Commission
Rue de la Loi, 200 1049 Brussels Belgium

Trade Minister Hiroshige Seko
Foreign Minister Taro Kono
Cabinet Secretariat
1-6-1 Nagata-cho, Chiyoda-ku, Tokyo 100 - 8968, Japan

Ref: BEUC-X-2017-093

05 September 2017

Subject: Consumers in Japan and Europe want guarantees for a positive trade agreement

Dear Commissioner Malmström,
Dear Minister Seko,
Dear Minister Kono,

Consumers Union of Japan and The European Consumer Organisation (BEUC) would like to provide input on the EU-Japan trade agreement. The technical negotiations between Japan and the EU are about to start and the final agreement will cover a broad range of economic sectors and inevitably affect consumers. This phase provides the opportunity for both sides to demonstrate that trade can deliver to consumers.

Place consumers at the heart of the agreement

A trade agreement is not only about getting better market access for companies. It is also about delivering real benefits to consumers while ensuring they are protected. Unfortunately, the benefits for consumers are not yet clear. This is because consumer benefits have not been placed at the heart of the agreement at the early stages of the process. For this to happen, we recommend applying the checklist in attachment to the entire agreement.

Better involve consumer organisations Modern trade agreements like the EU-Japan Economic Partnership Agreement are supposed to be designed for all, including consumers. For this to happen, consumer organisations must be involved in the negotiations phase and beyond. If properly involved in the negotiating and implementing processes, consumer organisations can provide constructive input and contribute to a deal which benefits consumers. We call on you to explicitly mention consumer organisations as stakeholders in the article on the domestic advisory group of the Chapter for Trade and Sustainable Development.

Refrain from including an investor to State dispute settlement

Investor to State Dispute Settlement (ISDS) systems have proven harmful to consumers and the public interest in the past, as foreign investors have used them to challenge and undermine consumer protections. Despite some improvements proposed by the EU with the

Investment Court System and the idea of creating a multilateral court, there are high risks for consumers. Foreign investors will still be able to threaten governments with lawsuits for compensation when governments, for example, adopt ambitious laws that protect consumers. This could deter governments from introducing new protections and lead to a regulatory chill. Moreover, we need to see empirical evidence of the need for such a system between the EU and Japan which would only protect investors and keep foreign direct investment flowing. Therefore, our organisations call on you to refrain from introducing such systems in the final agreement.

Ensure better food

This trade agreement should improve food labelling rules so that Japanese consumers have at least the same level of information as consumers in Europe. This is especially the case for food additives, the right to know what foods are genetically modified or not, and which foods contain, consist of or are obtained from GMOs. Country of origin labels should be encouraged as they provide consumers with the right to know where food is coming from.

Make sure regulatory dialogue benefits and protects consumers

Dialogue between EU and Japanese regulators should have the firm objective to enhance consumer welfare. These regulatory exchanges must remain voluntary. However, a trade agreement is not the place to define guidelines on good regulatory practices, notably as Governments want to protect their right to regulate.

Transparency must continue

Transparency is a precondition for people to trust trade agreements. We welcomed the publication of the agreed texts on the EU side by the time of the political conclusion. To restore consumer trust in trade deals, we urgently call on both sides to publish their negotiating positions, texts, including consolidated versions, and communicate better on the content of the future agreement during this technical phase. In particular, the agreed texts must be translated into Japanese and published as soon as possible.

We trust that you will take our views into account and we remain at your disposal for further discussion.

Yours sincerely,

Monique Goyens
Director General
European Consumer Organisation

Ono Kazuoki & Amagasa Keisuke
Co-chairpersons
Consumers Union of Japan