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EU-Japan trade deal to be signed: data protection secured, further clarity needed on other issues

A trade deal between the EU and Japan will be signed in Tokyo tomorrow (17 July). Consumer groups welcome that rules on data flows – which could risk undoing EU efforts to protect people’s personal data – have been excluded from the deal. However, two issues – that of using an investor protection court and the formulation of consumer benefits – remain unclear at this stage.

It is positive that the EU has not made concessions on data protection. A trend in recent years has been to talk about regulating data flows, including personal data, through trade agreements. For consumers, this is very risky as it turns data protection laws into a bargaining chip.

The deal also excludes the controversial investor protection court, but unfortunately not yet permanently. Additional negotiations on it are ongoing as part of a parallel ‘investment deal’. This could still see it inserted into the EU-Japan economic partnership.

The issue with this court is that it would allow investors to sue the EU, or its Member States, if they consider a new consumer protection law to pose risks to their investments. There is no need for such court, when both Europe and Japan have well-developed and functioning legal systems.

Another unclear situation exists regarding the benefits consumers might get from the trade deal. At this stage, there is only a reference on the need to inform travellers better about mobile roaming tariffs.

Monique Goyens, Director General of BEUC, commented:

“The EU-Japan deal for the moment avoids major threats to consumer protection. But this is not yet set in stone. The EU and Japan must rule out the adoption of parallel legal systems which could harpoon consumer protection laws.”

“Looking ahead, we urge the EU and Japan to work together to pin down clear consumer benefits. This would compensate a lack of political will to make the deal deliver to consumers. While the countries should definitely inform travellers better about mobile roaming tariffs, why not step it up? For example, EU consumers who face difficulties when shopping online with a Japan-based store must be able to receive assistance or, where needed, redress.”

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