

JBCE STATEMENT ON THE EUROPEAN RECOVERY PLAN

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We are facing an unprecedented global crisis, with countries having to take brave and often difficult decisions to protect their citizens. As some European countries approach their deconfinement, it is time to think about how to recover from this crisis and how to adapt current European initiatives to the post-coronavirus period. In this respect, Japan Business Council in Europe (JBCE) and its members strongly support an EU-led COVID-19 recovery plan.

Europe's response must be ambitious and ensure the safeguarding and recovery of the European economy. Moreover, coordination not only at the EU level but also at the global level will prevent a potentially damaging fragmentation of economic responses. To make a success of the recovery plan, JBCE would like to emphasize the importance of the following three actions in the recovery plan:

1. Timely implementation of the European Recovery Plan

JBCE welcomes the Commission's determination to carry forward a coordinated and proactive European response to this crisis. JBCE also acknowledges and applauds the Commission's efforts in drafting the recovery plan and adapting the Multiannual Financial Framework (MFF) within such a short deadline. In order to respond effectively and quickly to the current crisis, the Commission, the Parliament and the Member States must implement the recovery plan as soon as possible and uphold a strong commitment to delivering comprehensive support for the EU economy.

JBCE recommends that the recovery plan be implemented in a two-fold approach. First, the recovery plan should support the private sector, as today's investments will lay the foundations of tomorrow's growth. Effective guarantees through grants and loans should be provided to safeguard companies' business continuity, protect their investments, and ensure liquidity in the market. Second, given the scale of the current economic crisis, JBCE advocates for the recovery plan that safeguards employment, helping companies to retain expertise and skillsets within their business. This will boost Europe's economic growth while protecting its citizens and human capital.

Lastly, in light of the lingering uncertainties in the current coronavirus crisis, JBCE calls upon the European institutions to remain flexible and ready to take bolder measures if necessary.

2. A long-term commitment to the EU's green and digital strategies

In parallel with the above measures, JBCE underlines the importance of implementing the EU's pre-crisis mid- and long-term strategies to achieve a sustainable recovery. In this respect, JBCE welcomes the decision of policymakers to maintain the green transition and digital transformation as core elements of the recovery plan. This strong commitment will provide businesses the required certainty to foster sustainable and resilient growth in Europe.

On the green transition, JBCE recommends safeguarding the European research and innovation environment in order to incentivise green innovation, including post-coronavirus solutions. Several measures can be implemented promptly, such as tax incentives and subsidies for research and innovation, as well as large R&I programmes like 'Horizon Europe'. Furthermore, considering the surge in the uptake of various technologies triggered by COVID-19 crisis, JBCE advocates for larger investments in the digital transformation of our economies, including in infrastructure, business processes and in upskilling Europe's workforce.

3. Promote free and fair trade in addition to resilient global supply chains

The current crisis and pandemic have revealed underlying vulnerabilities in the EU supply chains. In this context, the recovery plan will pursue a model of 'open strategic autonomy', highlighting the necessity to diversify and strengthen EU supply chains.

JBCE believes that the EU's 'open strategic autonomy' should not translate into self-sufficiency but rather seek to strike the right balance between a Europe that is open to trade and a Europe that protects its people and companies.

JBCE will contribute to creating more resilient and strengthened EU supply chains. In practice, this means working with like-minded partners, within and outside EU markets, like the JBCE. Indeed, all JBCE members are present in Europe, with both production and R&D facilities in the EU, and therefore remain a privileged partner for European companies and supply chains. Moreover, both should continue to work together to achieve a more sustainable and digitally oriented growth.

Whilst JBCE supports the EU's endeavour, it also believes that the latter must preserve an open EU market.

JBCE therefore invites EU leaders to acknowledge that international cooperation and free and fair trade including multilateral and bilateral trade agreements must remain the core of the EU's trade policy, through which Europe remains a continent committed to open markets and reciprocity.