

Economy and growth from the Asian states' perspective

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Michał Piechowicz

The EU–Japan business relations and forms of representation of Japanese corporations interests in the European Union

Introduction – European lobbying from business perspective

The European Union's institutional system, characterized by the lack of one center of power and a high degree of complexity, creates a particularly favorable environment for the development of transnational interest groups. This system has contributed to the emergence of so-called multi-level governance¹, the essence of which is participation in governing a variety of private actors, who cooperate with institutions mentioned in the Treaties and with the Member States. In such decision making processes pressure groups play an important role the same as other representants of interests, who influences the process and co-determine the legislation of the European Union. Therefore, the EU appears to be a political agora with rules of open and transparent competition between multiple stakeholders.

For the business sphere and transnational corporations it is important that the concept of competition in the economy evolutionary

¹ Kurczewska U., *Lobbying i grupy interesu w Unii Europejskiej [Lobbying and interest groups in the European Union]*, Warsaw 2011, p. 62–64.

moves beyond the purely competitive aspect of market rules. Companies needs to focus not only on their natural competitors but also on other interest groups in the vast space of existing socio-economic surrounding. What is more, they also need to pay attention to the sector in which they operate. The market of goods and services is extended to the field of interests².

The EU–Japan relations

The very beginning of official relations between Japan and the three European Communities are the late fifties of the XX century. In 1959 Japan's Ambassador in Belgium was accredited as Japan's first Representative to the Communities. However it took approximately 15 years to establish the Delegation of the European Communities in Tokyo which was finally settled in 1974. It is worth to mention that an important aspect of mutual cooperation was a foundation of the EC-Japan Centre for Industrial Cooperation in 1987. Beginning from nineties of the XX century is a period of over a dozen summits and ministerial meetings which aimed in rapprochement of business negotiations, which were also strengthened by creating the EU-Japan Business Dialogue Roundtable. Over that time EU and Japan signed *Mutual Recognition Agreement (MRA)* in 2001, *EU and Japan Competition Agreement* in 2003, *Agreement for Cooperation in the Peaceful Uses of Nuclear Energy*³ in 2006, *Agreement on Science and Technology Cooperation*⁴ in 2009, *Agreement on Mutual Legal Assistance in Criminal Matters*⁵ in 2011 and finally starting from 2013 we face a new

² Sławik A., *Lobbying w strategiach przedsiębiorstw [Lobbying strategies of enterprises]*, Cracow 2009, p. 10.

³ *Agreement for Cooperation in the Peaceful Uses of Nuclear Energy*, OJ 2007 L 32/65, <http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=5281> [access date: 22.06.2013].

⁴ *Agreement on Science and Technology Cooperation*, OJ 2011 L90/2, http://ec.europa.eu/research/iscp/pdf/agreement_japan.pdf#view=fit&pagemode=none [access date: 22.06.2013].

⁵ *Agreement on Mutual Legal Assistance in Criminal Matters*, OJ 2010 L 39/20,

round of negotiations announced by Herman van Rompuy, Jose Manuel Barroso and Prime Minister Shinzo Abe for an agreement covering political and sectorial cooperation the same as a free trade⁶.

Nowadays Globalisation has confronted Europe and Japan with many of the same challenges. Both are developed economies, coping with a fundamental shift in the global economic landscape. However the reemergence of India and China is shaking the world in Europe the same as re-shaping the Japanese business reality. Japan, like the EU, has had to adjust to a world of rapid economic change. Both European and Japanese companies nowadays face greater economic competition, but they also benefited from huge new opportunities and growing global markets⁷. Such similarities bring closer both approaches and are a stimulus for increased cooperation in the sphere of the international trade and investments.

Nevertheless, less than a decade ago, Japan was the second biggest foreign market for EU exports, but now it has slipped to sixth. To change that the Japanese government myopic focus on Asia is seemingly changing, while in Brussels Japan is finally beginning to emerge from China's shadow. The ongoing negotiations on an EU-Japan economic integration agreement (EIA) goes far beyond traditional free trade agreements (FTA) to not just remove tariffs but to integrate and harmonize the rules regulating business⁸. Alternatives, like an EU-Japan economic partnership council, sector agreements, or a free trade agreement (FTA), would be too limited in their scope and ability to deliver results⁹.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:039:0020:0035:EN:PDF> [access date: 22.06.2013].

⁶ See: Delegation of the European Union to Japan, <http://www.euinjapan.jp/en/relation/chronology/> [access date: 22.06.2013].

⁷ Mandelson P. [EU Trade Commissioner], *Unfinished Globalisation: Investment and the EU-Japan relationship*, http://europa.eu/rapid/press-release_SPEECH-08-210_en.pdf [access date: 1.07.2013].

⁸ Ford G., *EU-Japan Trade – Missing the Boat?*, "The Parliament Magazine" 2011, no. 323, p. 18.

⁹ Kullberg T., *Opportunity knocks*, "The Parliament Magazine" 2011, No. 323, p. 35.

EU TRADE WITH MAIN PARTNERS (2012)

The Major Imports Partners				The Major Exports Partners				The Major Trade Partners			
Rk	Partners	Mio euro	%	Rk	Partners	Mio euro	%	Rk	Partners	Mio euro	%
Extra EU27				Extra EU27				Extra EU27			
		1,791,727	100.0%			1,686,774	100.0%			3,478,501	100.0%
1	China	289,915	16.2%	1	United States	291,880	17.3%	1	United States	497,658	14.3%
2	Russia	213,212	11.9%	2	China	143,874	8.5%	2	China	433,789	12.5%
3	United States	205,778	11.5%	3	Switzerland	133,341	7.9%	3	Russia	336,474	9.7%
4	Switzerland	104,544	5.8%	4	Russia	123,262	7.3%	4	Switzerland	237,885	6.8%
5	Norway	100,437	5.6%	5	Turkey	75,172	4.5%	5	Norway	150,258	4.3%
6	Japan	63,813	3.6%	6	Japan	55,490	3.3%	6	Turkey	122,961	3.5%
7	Turkey	47,789	2.7%	7	Norway	49,821	3.0%	7	Japan	119,303	3.4%
8	South Korea	37,861	2.1%	8	Brazil	39,595	2.3%	8	Brazil	76,685	2.2%
9	India	37,295	2.1%	9	India	38,468	2.3%	9	India	75,764	2.2%
10	Brazil	37,090	2.1%	10	South Korea	37,763	2.2%	10	South Korea	75,624	2.2%

Source: *China-EU Bilateral Trade and Trade with the World*, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf [access date: 30.06.2013].

A recent stud conducted for the European Commission points to huge untapped potential in the EU-Japan trade relationships. Removing tariffs and non-tariffs barriers (NTBs) could increase EU exports to Japan by more than 70 per cent and Japanese exports to the EU by more than 60 per cent. These findings support the long-standing call for an economic integration agreement (EIA) that incorporates all aspects of trade in goods and services, including regulations, harmonization of standards, mutual acceptance of market authorizations, government procurement, investment rules, capital and currency markets, competition policy, human resources, intellectual property, and cooperation in areas such as energy and the environment.

The EU-Japan EIA might be the largest bilateral accord ever attempted in the history, between the largest and one of the largest economies in the world, covering almost one third of global GDP¹⁰.

Investments

It is worth mentioning that the process of economic integration influences the patterns of foreign direct investment through the impact

¹⁰ Lee-Makiyama H., *EU-Japan FTAs and the crisis in the European car industry* [in:] *European Centre For International Political Economy Policy Briefs*, no. 02/2012, http://www.ecipe.org/media/publication_pdfs/PB201102.pdf [access date: 2.07.2013].

it exerts on the configuration of ownership, internalisation and locational advantages which in turn determine how a firm penetrates into foreign markets. It was important to examine how the creation of a single European market alters the locational advantages of producing in Europe and strengthens the ownership specific advantages of the EU firms. In this aspect it is quite important to mention the relative strength of Japanese firms in exploiting the locational advantages of European production by looking at their technological and organisational capacities¹¹.

Promoting investment flows between the two economies is increasing at the forefront to the EU-Japan relationship. More investment is of mutual interest of both sides. The EU benefits from an open Japanese economy with which European companies can trade smoothly and where they can easily establish branches or subsidiaries to develop their business activities. For Japan, Foreign Direct Investment (FDI) plays a crucial role in boosting its economy. As reflected by the data on FDI¹², Japan runs a substantial investment deficit with the EU. This implies that the level of EU investment in Japan is below that of investments in other strategic partner countries. It is

¹¹ Yannopoulos G.N., *The effect of Single Market on the Pattern of Japanese Investment*, "National Institute Economic Review" 1990, Vol. 134, No. 1, p. 93–98.

¹² The outward FDI flow from the EU to Japan grew by €1.1 bn in 2009; shrank by €-1.7 bn in 2010 before recovering to €2.4bn in 2011. The inward FDI flow to the EU from Japan displayed a similar pattern as it grew by €5.9bn in 2009; by €2.9bn in 2010, before increasing to €12.1 bn in 2011. As a result, the EU's FDI flow surplus was sustained, and more than doubled from €-4.6bn 2010 to €-9.7 bn in 2011. In terms of FDI stock, the historically accumulated investment positions, the total investment made by the EU in Japan grew from €81.2bn in 2009 to €85.8 bn in 2011. Conversely, in the corresponding period, the stock of Japanese investments in the EU grew from €126.8 bn to €144.2 bn. In terms of the EU-Japan investment balance, the EU continued to have a negative balance which increased from €-45 bn in 2009 to €-58.4 bn in 2011. Comparing the relative importance of FDI to the overall economy, in 2011, direct investment stocks outside the EU measured 53.7% of GDP, whereas the corresponding figure for Japan was 16.4%. Investment stocks present in the EU measured 43% of GDP, but only 3.8% for Japan. Similarly, in 2011, FDI outflows from the EU measured 3.1% of GDP, whereas the corresponding figure for Japan was 1.9%. On the other hand, FDI inflows to the EU measured 2.4% of GDP, while the figure was negative for Japan.

worth mentioning, that following the financial and economic crisis, international Foreign Direct Investments globally decreased significantly. Comparing to this background, EU-Japan FDI as the yearly amount of direct investment flows, fared relatively well in the period 2009 to 2011¹³.

Science and technology relations

Japan is a very important actor in science, technology and generally the whole research and development (R&D) sphere of business and industry. The European Commission recognizes the importance of strengthening cooperation with Japan in these fields. *The EU 7th Framework Programme for Research*¹⁴, proposed the funding for exchanges of fellows between the EU and Japan, and that for cooperative research projects. These mechanisms enable companies, universities and scientists from Japan to work closer with their European counterparts¹⁵.

In the context of the December 2001 *Action Plan for EU-Japan cooperation*¹⁶, both the EU and Japan recognize that Science and Technology are key elements for enhancing competitiveness as well

¹³ See: Delegation of the European Union to Japan, <http://www.euinjapan.jp/en/relation/trade/current/investment/> [access date: 23.06.2013].

¹⁴ *Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007–2013)*, OJ 2006 L 412, p.1–43, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006D1982:EN:NOT> [Access date: 5.07.2013]; *Council Decision 969/2006/EC of 18 December 2006 concerning the Seventh Framework Programme of the European Atomic Energy Community (Euratom) or nuclear research and training activities (2007–11)*, OJ 2006 L 391, p. 19–27, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006D0969:EN:NOT> [access date: 5.07.2013].

¹⁵ *The EU 7th Framework Programme for Research*, http://europa.eu/legislation_summaries/energy/european_energy_policy/i23022_en.htm [access data: 23.06.2013].

¹⁶ See: *An Action Plan for EU-Japan cooperation*, http://eeas.europa.eu/japan/docs/actionplan2001_en.pdf [access data: 23.06.2013].

as for a sustainable economic and social development. EU-Japan cooperation can help address major scientific, industrial and societal issues and be of mutual benefit to both societies¹⁷.

Forms of representation of Japanese interest to the EU

The number of Japanese firms in Brussels has increased since the creation of the European Single Market. At the same time, large European firms have become autonomous political actors and harmonized their lobbying patterns, creating a distinctive business-government relationship in the EU. Yet, it still remains to be examined whether Japanese firms are able to utilize their political options and conform to the new EU lobbying style, which features firms' direct participation within the policymaking process¹⁸.

What is more, the study of EU lobbying has typically treated large multinational firms as homogenous groups, which increasingly harmonize their political behaviour at EU level. In contrast since the mid-1990s with the creation of the European Single Market and abolition of several trade measures such as voluntary export restraints, in studying the persistence of national characteristics in firms' lobbying strategies, Japanese firms have begun to generate more political capital and credibility in the European Union. But it still remains to be examined whether Japanese firms are able to utilize their political options and conform to the EU lobbying style, which features firms' direct anticipation within the policymaking process¹⁹.

However, Japanese firms on the EU level face two sequential decisions: whether to lobby individually or collectively and whether to use information or financial incentives as their instruments. In Japan firms mainly represent their interests collectively, using financial

¹⁷ See: Delegation of the European Union to Japan, <http://www.euinjapan.jp/en/relation/science/> [access data: 23.06.2013].

¹⁸ Hamada Y., *Japanese firms in the EU: Europeanization of lobbying strategies and enduring national characteristics*, London 2007, p. 3.

¹⁹ *Ibidem*, p. 7.

incentive instruments, whereas in the EU large firms prefer individual lobbying based on information instruments. If Japanese firms have fully adjusted to the EU policymaking process, they should demonstrate the same preferences for the set of lobbying strategies as European firms, as indicated by the existing theories of lobbying. It is justified to explore the mechanism of the Europeanization of the Japanese lobbying by focusing on these two choices that firms make in order to participate in the policymaking process. In other words, it is still uncertain whether the Western concept of elite pluralism²⁰ could be applied to the Japanese firms as a non-European actor. In some aspects they have adopted to the EU policymaking process by focusing on two aspects of their lobbying strategies: forms of interest representation and accurate instruments. The other is to identify the opportunities and constraints that make up the institutional logic of Japanese firms in choosing a particular lobbying strategy. Examination of their points will allow the opportunity to clarify and assess the persistence of national business-government characteristics within Japanese lobbying in the EU²¹.

Generally, one of the broadest conclusions of the studies on varying national business lobbying traditions is that EU politics does affect the ways in which national groups relate to their governments and organize themselves at EU level, although some national political traditions may continue to matter to some extent. Many existing studies treat large firms as increasingly becoming European regardless of their nationality, and claim, that within the single European market, firms have harmonized their lobbying activity and become

²⁰ See: Bouven P., *A comparative Study of Business Lobbying in the European Parliament, the European Commission and the Council of Ministers*, MPIfG Discussion Paper 02/7, Köln 2002, p. 25, http://www.mpifg.de/pu/mpifg_dp/dp02-7.pdf [access date: 6.07.2011]; Mazey S., Richardson J., *Interest Groups and EU-policy Making: Organisational Logic and Venue Shopping*, [in:] *European-Union: Power and Policy Making*, Richardson J. (ed.), London/New York 2001, p. 217–237; Eising R., *Clientelism, Committees, Pluralism and Protest in the European Union: Matching Patterns?*, [in:] *Interest Group Politics in Europe*, Beyers J., Eising R., Maloney W.A. (ed.), London–New York 2009, p. 64–68.

²¹ Hamada Y., *op.cit.*, p. 8.

pan-European political actors. The consequence of increasing direct lobbying strategies among firms has been the creeping institutionalization of forum style politics and the creation of issue networks that have harmonized firm' lobbying patterns at the EU level.

However, although many Japanese firms have been recognized as some of the largest in industries such as electronics and automobiles, not much Japanese lobbying has been observed and few studies examine whether, and if so how have, Japanese firms re-structured their political organization and developed credibility to adjust to the EU policymaking process. Most studies of Japanese business have concentrated on state-level negotiations, FDI and their management system in the EU market. There has been little research on the effect on institutional conditions that make up the logic of Japanese firms to choose particular modes of lobbying in the EU. While EU policies affect the ways in which business interests relate to their governments or EU institutions, it is not clear as what are the conditions that determine the degree on transformation of Japanese firms as non-European actors.

Needless to say, they have no Member State to champion their concerns in the Council of Ministers and are not used to direct lobbying, due to the traditional Japanese business-government relationship. Japanese business interests are traditionally and institutionally intertwined with the policymakers, leading to a lack of direct lobbying among firms²². Japanese politics is often seen by the elitist perspective, which is based on the concept of tripartite power elites composed of the leaders of the ruling party, bureaucracy and structurally organized business²³. According to this perspective, these three major groups comprise a regular and effective alliance and control decision-making on major issues, although it emphasizes bureaucra-

²² Ibidem, p. 11.

²³ See: Ito T., *Structural Construction of Japanese Politics as an Alternative to Structural Reform*, "Electronic Journal of Contemporary Japanese Studies" 2005, No. 2, <http://www.japanesestudies.org.uk/discussionpapers/2005/Ito.html> [access date: 2.03.2011].

cy rather than other political or economic leaders. While the Western pluralist assumption claiming that policymaking is carried out in free competition among various actors is still clearly hindered by the elite groups and hierarchically organizes social structure. Under such conditions, business associations traditionally dominate the business lobbying scene²⁴.

From existing observations, the development of Japanese business lobbying in the EU can be roughly divided into two stages: from the mid-1980s to 1993 (pre-Treaty of European Union) and from 1994 to the present day (post-TUE). The first period of Japanese lobbying is largely characterized by the EU-Japan trade disputes, strong initiatives of Japanese Ministries and low associability and autonomy of firms, while the second period features expanding EU regulatory competencies, and firms' growing awareness and efforts to blend into the European corporate landscape. This transformation of Japanese lobbying in the EU indicates that Japanese firms' strategies have become Europeanized to some extent and highlights their political capacities to learn and adjust to the hosting political environment²⁵.

Organisations focused on representation of Japanese interest to the EU

For a better integration of Japanese business into the decision-making process on the Brussels forum and for making its presence more visible in the political and economic environment of the EU institutions, there are organizations whose purpose is to promote Japanese interest within the EU and increase effectiveness of representation of their interests.

The greatest example is the *EU-Japan Centre for Industrial Cooperation* established in 1987 which is recognized as an unique venture between the European Commission and the Japanese Govern-

²⁴ Hamada Y., op.cit., p. 12.

²⁵ Ibidem.

ment. It is a non-profit organization aimed at promoting all forms of industrial, trade and investment cooperation at the same time as improving EU and Japanese companies competitiveness and cooperation by facilitating exchanges of experience and know-how between EU and Japanese businesses. The EU-Japan Centre have offices both in Tokyo and Brussels and has become an effective bridge between European and Japanese business people and developed a valuable policy analysis capacity on industrial and other public policies having an impact on business in the EU and Japan.

The *EU-Japan Business Round Table* (BRT) was created in 1999 and is made up of around 50 CEOs/senior executives from leading EU and Japanese firms and meets once a year to review the factors affecting all aspects of business cooperation between the EU and Japan²⁶. BRT is the forum of an ongoing dialogue between business leaders on key issues of common concern especially in promoting improved conditions for competitiveness and a barrier-free market²⁷.

The BRT Annual Meeting concludes with the submission of detailed Recommendations to the EU and Japanese Authorities on how they can promote trade, particularly focusing on recommendations for regulatory reform. Each year, the Japanese Government and European Commission submit Progress Reports outlining how they have enacted the Recommendations submitted at the previous BRT Annual Meeting. EU Commissioners, Japanese Government Ministers and senior civil servants always attend the Round Table, to give oral reports and take part in a Q&A session.

The work of the BRT is prepared by the Round Table's working parties. Currently there are working parties on: "Multilateral & Bilateral Trade Relations, Investment and Regulatory Cooperation", "Life Sciences & Biotechnology; Healthcare & Well-Being", "Innovation; Information & Communication Technologies", "Financial Services;

²⁶ <http://www.eu-japan.eu/business-roundtable> [access date: 1.07.2013].

²⁷ *Terms of reference for the EU-Japan Round Table*, p.1, http://www.eu-japan-brt.eu/system/files/terms_reference_april13.pdf [access date: 1.07.2013].

Accounting & Taxation", "Energy, Environment and Sustainable Development". New ones are created in response to need²⁸.

The BRT is composed of individual Members from leading companies and relevant horizontal organisations in Japan or the EU and operating both in Japan and Europe. Members must be either Heads or Board Level Executives or Senior Members of their company's European or Japanese organisation. To be eligible for membership, an individual must demonstrate strong interest in developing EU-Japan business relations, and be able to speak for their company and commit their company to BRT activities.

New Members are proposed by one or more of the existing Members, for consideration by both Co-Chairs²⁹. Subject to the Co-Chairs' joint approval, the new membership will be confirmed in writing by the Secretariat. It is also worth to add, that each Member may nominate an official executive assistant (sherpa) to act as a contact point for preparatory work for the BRT and as his/her representative in preparatory meetings. Sherpa is expected to attend the Annual Meeting as an observer, in order to provide support to his/her Member. Any associated costs must be met by the Member's own organisation³⁰.

It is also worth mentioning about the *Japan Business Council in Europe*³¹ (JBCE) which was established in 1999. It is a European organisation representing companies of Japanese parentage operating in Europe. The mission of JBCE is to contribute to European Public Policy. JBCE membership currently consists of around 60 multinational companies and covers a wide range of industry sectors, including air-conditioning, automotive, chemicals, consumer electronics,

²⁸ *EU Japan Centre for Industrial Cooperation*, <http://www.eu-japan.eu/business-roundtable> [access date: 1.07.2013].

²⁹ The BRT has two Co-Chairs, from the EU and Japan respectively.

³⁰ *Terms of reference for the EU-Japan Round Table*, p. 2, http://www.eu-japan-brt.eu/system/files/terms_reference_april13.pdf [aAccess date: 1.07.2013].

³¹ http://www.jbce.org/cms_documents/%28E%29.010613.pdf [access date: 2.07.2013].

engineering, industrial machinery, information and communication technology, medical equipment, photo and imaging equipment.

JBCE takes an active role in enhancing the understanding of Japanese companies and their business in Europe and to put forward the views of its members on legislative issues currently under debate and on the public policies issues which will shape the years to come³².

JBCE provides with occasions for collecting information, exchanging views with other members, networking with EU institutions, expressing views on various public policies in the EU. Organisation issues exclusive reports for members:

- Environmental monitoring updates (weekly)
- Monthly recap of EU and Member States monitoring for environmental updates
- Monitoring report on automotive policy in Europe (bi-monthly)

JBCE not only reports on European policy updates, answers questions and provides its members with a brief analysis on environmental policies, but also encourages members to join its events, offering opportunities where members' businesses and activities can appeal to EU policy-makers including European Commission, MEPs same as Member States³³.

Similar role is played by the *Japan Electronics and Information Technology Industries Association* (JEITA) who's objective is to promote the healthy manufacturing, international trade and consumption of electronics products and components in order to contribute to the overall development of the electronics and information technology (IT) industries, and thereby further Japan's economic development and cultural prosperity. It provides statistics, all other kinds of data and is a platform where business information is transferred.

³² *Japan Business Council in Europe*, http://www.jbce.org/cms/about_jbce/about_jbce.aspx [access date: 2.07.2013].

³³ *Ibidem*, http://www.jbce.org/cms/about_jbce/member_benefits.aspx [access date: 1.07.2013].

It is also necessary to mention about the *Japan Automobile Manufacturers Association* (JAMA) established in 1967. It is a non-profit industry association which comprises Japan's fourteen manufacturers of passenger cars, trucks, buses and motorcycles. Its organization today is the result of the merger in May 2002 of the *Japan Motor Industrial Federation* (JMIF) and the *Japan Automobile Industry Employers' Association* (JAIEA).

Automobile manufacturing integrates many supporting industries, and its use is the focus of a wide range of related industries. Directly or indirectly, roughly 9% of Japan's working population is involved in auto industry-related work. Auto production furthermore accounts for 16% of the total value of Japan's manufacturing shipments and for 37% of the value of the machinery industries' combined shipments. The automotive industry is thus one of the Japanese economy's core industrial sectors. The globalization of auto manufacturing also contributes significantly to local and national economies around the world.

JAMA works to support the sound development of Japan's automobile industry and to contribute to social and economic welfare. As directions in auto manufacturing increasingly influence the world we live in, JAMA takes its role and mission ever more seriously, on the road to sustainable mobility³⁴.

JAMA's internal organization has been structured for optimum operational efficiency. Under its General Assembly, Board of Directors and Executive Committee, JAMA's eleven general committees, three special vehicle committees and the Tokyo Motor Show Committee are each entrusted with their own research, development and promotional activities. Nine departments and offices carry out the administrative tasks supporting the activities of the respective committees. JAMA also has overseas offices in North America and Asia. For the necessity of this article, the vital activity is played by the Euro-

³⁴ *Japan Automobiles Manufacturers Association*, <http://www.jama-english.jp/about/intro.html> [access date: 2.07.2013].

pean Office which takes an important role in representing Japanese manufacturers interest to the EU institution³⁵.

An important unit in enhancing trade relations is the *Japan External Trade Organization* (JETRO) which is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential. It supports its members with reports concerning standards, regulations, market conditions the same as Japanese trade and investment statistics.

Conclusion

As a summary, It is necessary to notice, that the EU and Japan are co working in strengthening their economic relation ship. The greatest example is an economic integration agreement which is currently discussed. It should be also emphasized that the representation of economic interests at the EU level is very different from understanding the phenomenon at national level. To take an active role in the EU decision making process Japanese companies need to adjust to the conditions existing in the surrounding of the EU institution which are created by Member States. At the same time it is vital to remember that Japanese corporations and all forms of interests representation don't have a Member State or politicians within the EU institution to support its demands during long-drawn negotiations. This is why we observe an important role of business associations and economic organizations established to strengthen mutual relations and involve Japanese interests into the EU debate platforms.

Summary

This article relates to economic relations between the EU and Japan. We find there a brief history of relationships, the importance of both entities in mutual trade and the impact of the economic crisis on direct investments. In this aspect we will be able to reveal the essence of an effective way of representing the interests of Japanese corporations in the EU as a third country which has no representatives in the EU institutions involved in decision-making process. Thus, an important aspect will be to identify organizations and associations whose goal is to promote Japanese interests on the Brussels forum. This aspect will be analyze because of differences in the perception of lobbying at European/supranational level and Japanese national lobbying style.

Keywords: The European Union, lobbying, interest groups, Japan, international trade, business associations

³⁵ Ibidem, <http://www.jama-english.jp/about/org.html> [access date: 2.07.2013].