



Bulgarian-Japanese
Economic Council

Priorities of the Bulgarian-Japanese Economic Council (BJEC) regarding the EU-Japan EPA and EU-Japan SPA



Sofia, May 10th, 2019

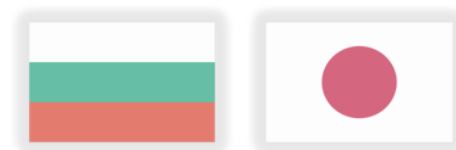
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Main focus

- » Business Perspectives after ratification of EU-Japan EPA/SPA
- » ICT and Digital Transformation
- » Environmental, Demographic and Societal challenges
- » The Economic Partnership Agreement
- » The Strategic Partnership Agreement

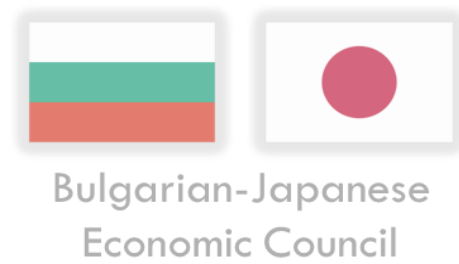


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EU-Japan EPA

- » The EU-Japan Economic Partnership Agreement represents an economic arrangement between the European Union and Japan that eliminates barriers to the free movement of goods, services, and investment.
- » The EPA will have an effect on the elimination of customs duties, agriculture and food products, geographical indications, industrial products, non-tariff barriers, technical barriers to trade, etc.
- » The EPA was ratified by the European Parliament and the Japanese Diet in 2018 and entered into force as of February 1st, 2019.

EU-Japan SPA



- » In July 2018 the EU and Japan signed a binding Strategic Partnership Agreement (SPA) – to come into force following ratification by all Member States – along with the Economic Partnership Agreement (EPA), negotiated in parallel.
- » The SPA represents a framework, strengthening the overall partnership, by promoting political and sectoral cooperation and joint actions in more than 40 areas of common interest.
- » Much of the SPA will be provisionally applied as of February 1st, 2019 - the date on which the EPA enters into force.

Priorities of BJEC in 2019

- » Providing support for doing business to Bulgarian and Japanese investors and entrepreneurs
- » Fostering bilateral initiatives in the spheres of education, entrepreneurship, competitiveness and the use of new technologies in business (more than 28 representatives of Bulgarian SMEs participated in EU-Japan Centre and AOTS trainings)
- » Facilitating the cooperation among public and private initiatives for implementing EU-Japan EPA and EU-Japan SPA, participation in business forums and round tables
- » The new realities demand new skills



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Business perspectives

- › Circular Economy package – participation in Yokohama Oct.2018 and EPA/Society 5.0 seminar in Tokyo, Nov.2018
- › Specific key technologies EIT Health, Climate
- › More than 300 Bulgarian companies are already trading with Japan.

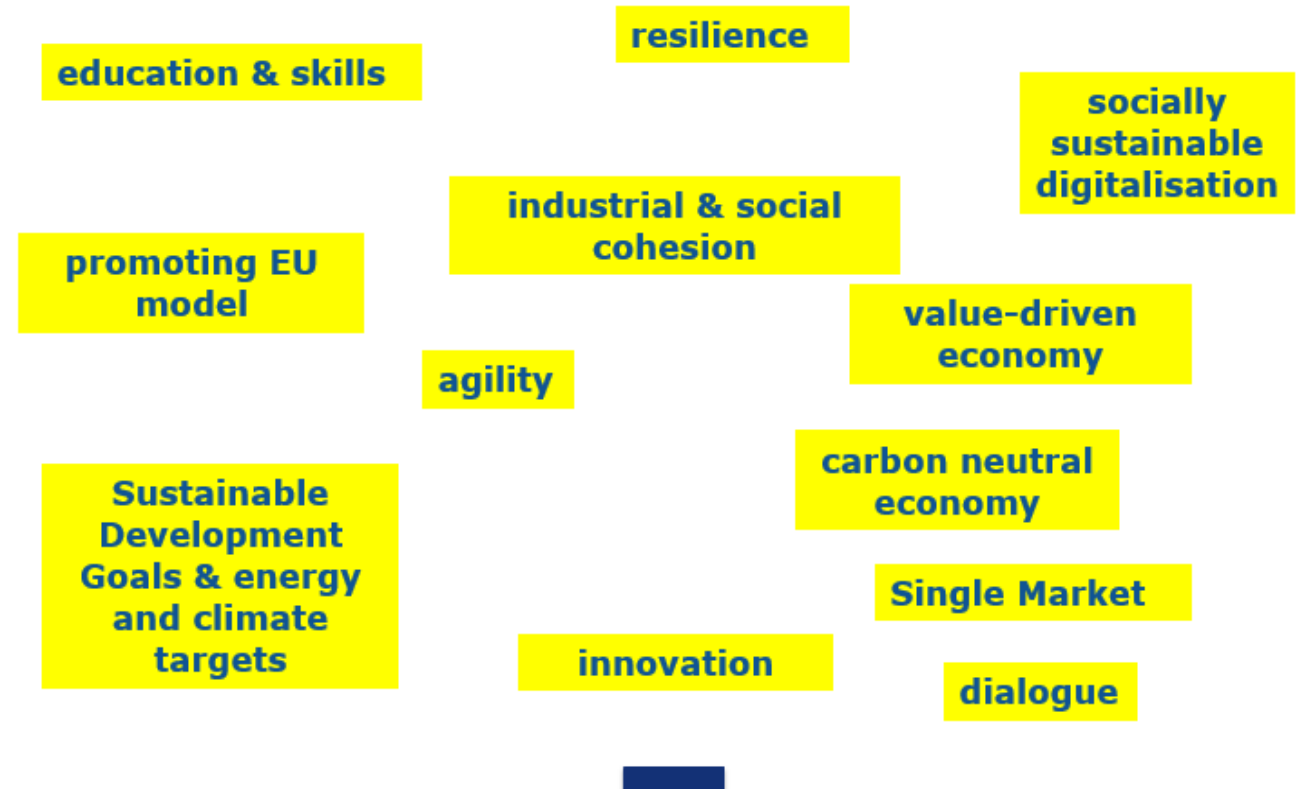
The vision for European industry 2030

Three pillars within the EU Single Market:

- » Transition to a low carbon and circular economy to reach the climate targets
- » Promotion of an educated, skilled and resilient workforce
- » Research and Innovation



1. Vision 2030

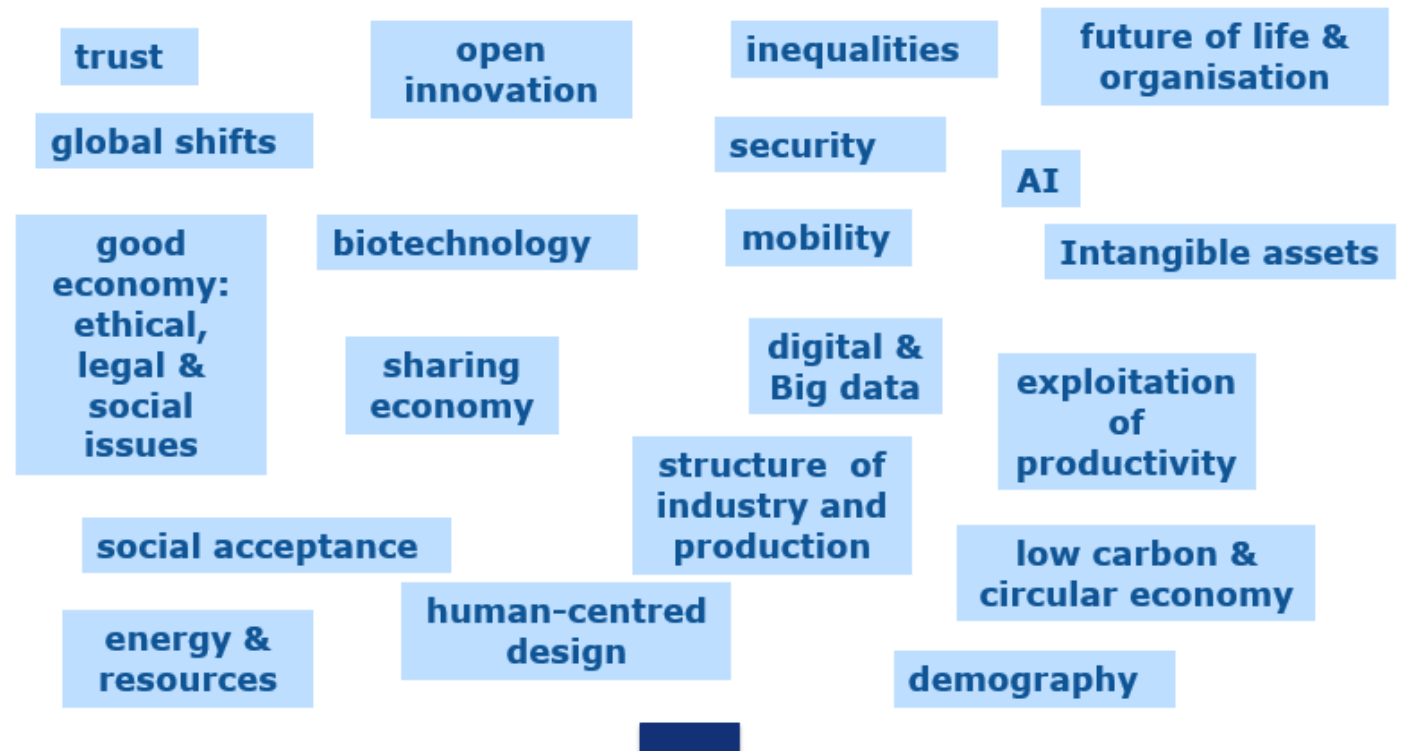


Challenges, trends and strategies

- » Digital transformation and Big data AI
- » Climate change and social acceptance
- » Low carbon and circular economy
- » Mobility and migration
- » Society 5.0
- » Ageing population across Europe



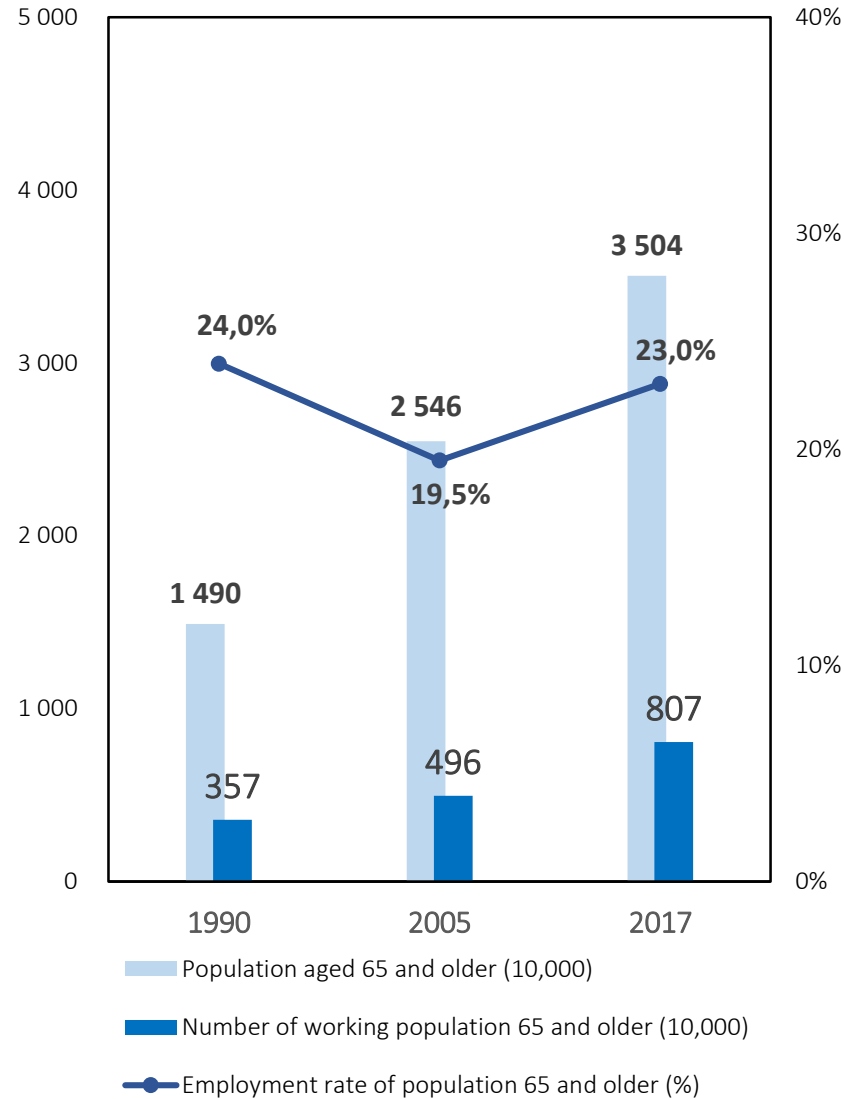
2. Trends towards 2030: opportunities & threats



Trends in Employment of the Aged and International Comparison

Trends in Employment of the Aged in Japan

(10,000 people)



(Source) MIC: Labor Force Survey (Basic Tabulation)

International Comparison of the Employment Rate of those between 65 and 69 (%)



(Source) JILPT Databook of International Labour Statistics (2018)

(Note) Values from 2016



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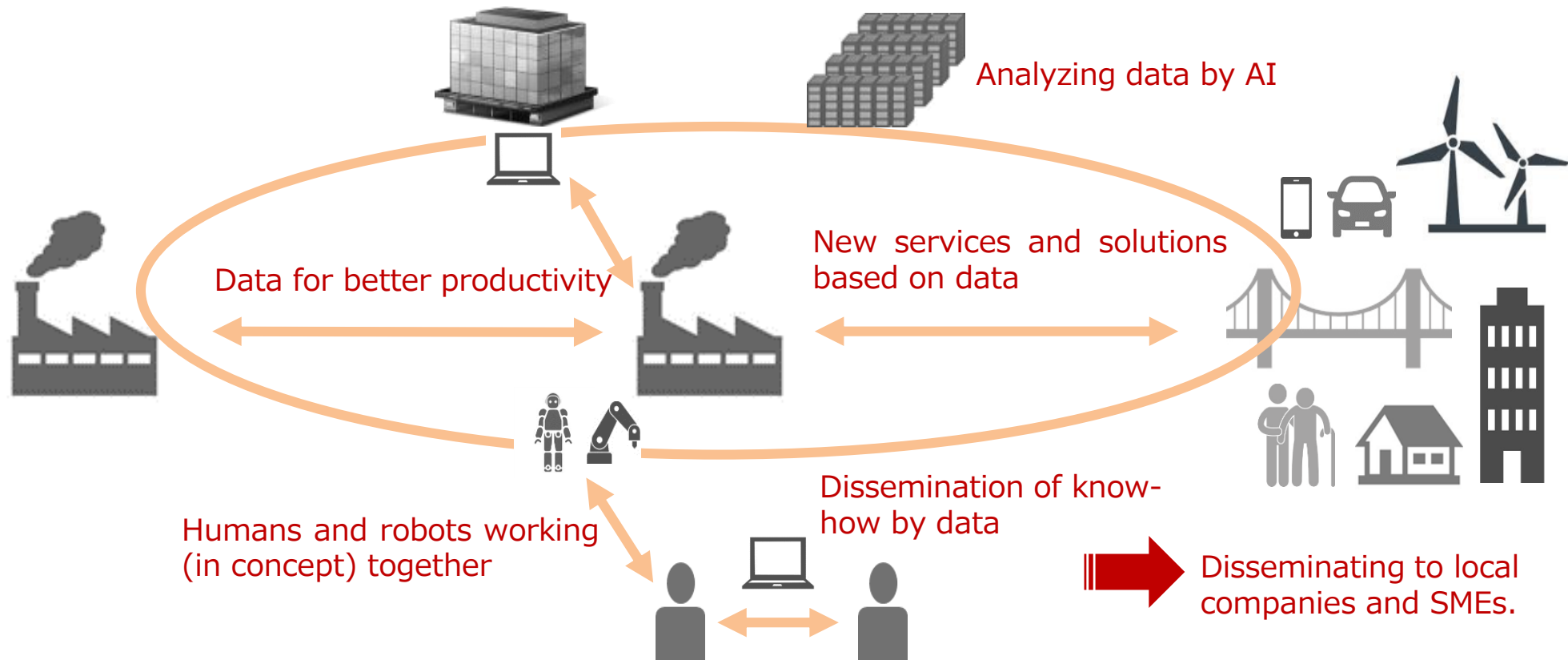
Digital transformation

- » Data and digitalization interfere more and more drastically with our everyday lives and business processes (**Industry 4.0**)
- » Rapid development of revolutionary technologies such as digitization and artificial intelligence, demographic changes and the transition towards a low-carbon and circular economy
- » Megatrends leading to fundamental societal transformation,
The digital transformation could be seen in:
 - Internet of things (IoT)
 - Artificial Intelligence (AI)
 - Robotics
 - Distributed Ledger Technology
(blockchain, crypto currencies => Malta example)

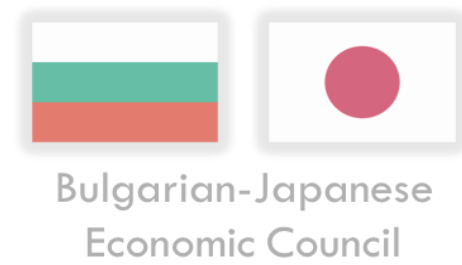
Connected Industries (SME Chapter in EPA)

Future goals

Connecting data and using data efficiently will encourage innovation, better productivity and dissemination of technology.



In focus: success stories of Japanese corporate investment in Bulgaria



- » BJEC Contribution to Yazaki corporation – success story (automotive industry)
- » Corporate investment in start-ups: Sushi factory (Plovdiv), Sumitomo (Moto PHOE), IT Sector, etc.
- » The Japanese developer SEGA is moving its quality assurance operations from London to Sofia. The Sega Development Services office in Sofia is planned to become operational in June 2020.

Gary Dale, president and COO of SEGA Europe:

"Bulgaria is a European leader for IT development, home to regional offices for some of the most renowned tech outfits in the world including IBM and Hewlett Packard and has a history of technological accomplishment and innovation".

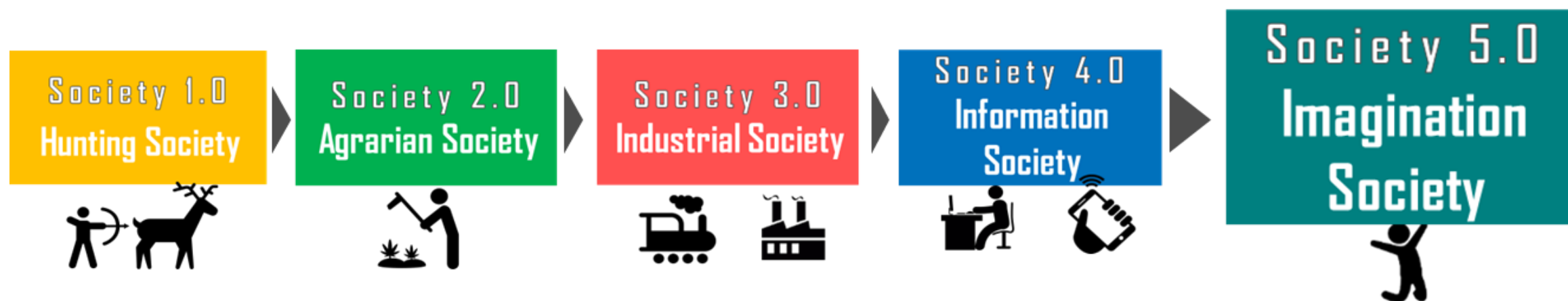
Source: Gamesindustry.biz



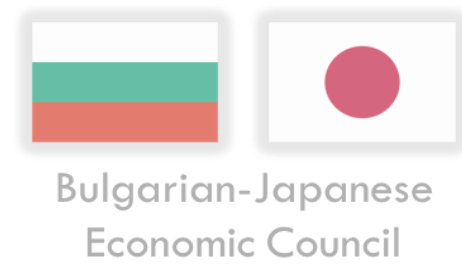
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Beyond Industry 4.0 → Society 5.0

Society 5.0 – the Japanese Concept



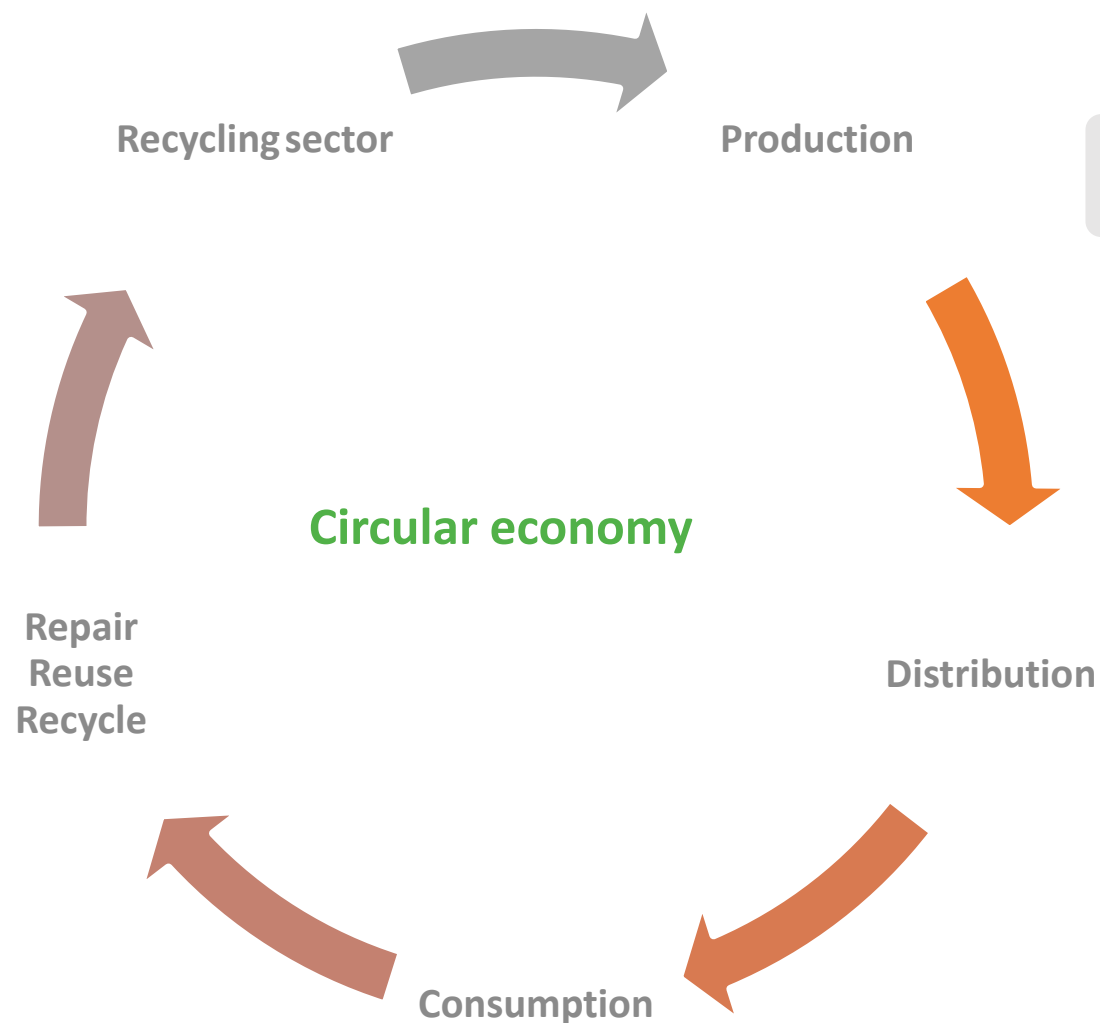
BJEC and JBEC support EU Circular Economy Action Plan



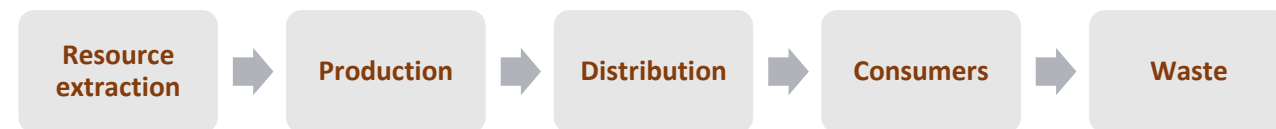
- » The EU Circular Economy Package was adopted in December 2015 simultaneously to the signature of the Paris Agreement on Climate Change, under the auspices of United Nations Framework Convention on Climate Change (UNFCCC).
- » It involves structural and technological changes, needed for the sustainability of the economy to 2030 and beyond.
- » The EU Circular Economy Action plan requires the deployment of new technologies, processes, services, business models and behaviours.
- » The European Commission organised forums in Brussels and worldwide, including a Combined Circular Economy mission to Japan and Indonesia (22-26 October 2018).



Circular Economy vs. Linear Economy

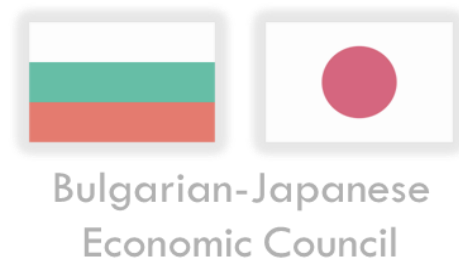


Linear economy



- Circular economy means a zero waste programme.
- Circular economy also means reuse of electronic goods, reducing waste-to-incineration, decarbonisation of transport and new waste-to-energy technological approaches.
- According to the International Energy Agency, improved energy efficiency in buildings, industrial processes, and transportation could reduce by one third the world's energy needs in 2050, and help control global emissions of greenhouse gases.
- But most of all, circular economy means societal engagement, collaborative regulations, common standards and incentives for consumers and manufacturers for implementation of INDUSTRY 4.0

Access to Finance for single and joint projects of SMEs



» Program for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)

https://ec.europa.eu/growth/access-to-finance_en

» ERASMUS+ Programme (Education, Culture and Sports)

https://ec.europa.eu/programmes/erasmus-plus/node_en

» LIFE Programme (Environmental projects)

<https://ec.europa.eu/easme/en/life>

» HORIZON 2020

» <https://ec.europa.eu/programmes/horizon2020/en/>