

EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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EC COMMISSION RECEIVES VISIT FROM PRESIDENT OF JAPANESE FEDERATION OF INDUSTRIES

The President of the Japanese Federation of Industries (Keidanren) Toshiro Doko and a delegation of Japanese industrialists met with members of the EC Commission and other EC officials today in Brussels.

Both sides reviewed commercial relations between the European Economic Community and Japan. The Commission expressed deep concern about the Community's mounting deficit, estimated at \$4 billion in 1976, on trade with Japan. The Commission also remarked that Japanese penetration of the Community market has been overly concentrated in certain sectors, like steel, cars, electronic products, and ball bearings. The Commission also stressed that an orderly and gradual way had to be found to reduce Europe's and Japan's shipbuilding capacity.

The Commission said that Europe's exports to Japan had to be increased fast to improve the trade balance. The Commission also noted Japan's recent initiatives in this direction, for example for cars and pharmaceuticals, where the Japanese authorities agreed to accept results of product tests done in Europe.

Mr. Doko recognized both parties' responsibilities in seeking solutions to the problems discussed. He promised the Keidanren's cooperation in seeking to improve the trade balance.