**Statement by Kengo Sakurada, Chairman of Keizai Doyukai**
**on Agreement in Principle**
**on UK-Japan Comprehensive Economic Partnership Agreement**

1.  We sincerely welcome the UK-Japan Comprehensive Economic Partnership Agreement that was agreed in principle by the two countries. The deal allows for seamless application of the preferential tariffs secured in the EU-Japan Economic Partnership Agreement, after the post-Brexit transition period of the United Kingdom. The resultant positive impact of maintaining UK-Japan businesses will be significant. We respect efforts of all officials who worked for concluding the negotiation in such short time, under the restricted traffic between the two countries due to the coronavirus pandemic.

2.  In the area of digital trade, the Agreement incorporates prohibition of requirements for (a) transfer of information on algorithm and cryptography and (b) data localization, as well as a rule that ensures data free flow. This has made the Agreement more advanced than the EU-Japan EPA. We highly appreciate the protection of confidential corporate information and other features reflected in the Agreement, as they contribute to the improvement of environment for business activities. Japanese government and private sector must take this as an impetus for making joint efforts to remarkably expand UK-Japan business relations such as in goods and services trade.

3.  In the international community shaken by the escalation of the United States-China decoupling and the coronavirus crisis, Japan and the UK are expected to play a leading role in strengthening the rule-based free trade system, the one that the countries sharing the values of democracy and market economy are striving for. We request the government to ensure the enactment of the Agreement and support the UK to take part in CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) for which the country shows its interest. This will lead to the two countries initiating the creation of a new international economic order.

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