

Building the Japan-U.S. Economic Relationship in a New Era

A Proposal

by the 2016 Study Group on Japan-U.S. Economy 【Executive Summary】

The 2016 Study Group on Japan-U.S. Economy

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Starting in September, the 2016 Study Group on Japan-U.S. Economic Relationship has held a series of focused and candid discussions on how to revitalize and deepen the Japan-U.S. economic relationship. In these discussions, the Study Group took account of the current state of global economy and of the Japan-U.S. bilateral economic relationship, while bearing in mind the remarks President-elect Mr. Donald Trump made on economic policies during his election campaign.

The Study Group conducted its discussions against the backdrop of the following focal points: “what kind of Japan-U.S. economic relationship we should pursue in order for Japan to grow and prosper”; and “how Japan and the U.S. should work together in order for both Japan and the United States to grow and prosper, as well as how Japan and the U.S. should continue playing a leading role in the Asia Pacific region for the region’s growth and prosperity.” The discussions led to a proposal consisting of the following four pillars. The Study Group hereby submits the proposal to the Minister for Foreign Affairs of Japan.

Pillar I: The Need for Further Promotion and Deepening of the Japan-U.S. Economic Relationship and for Promotion of Cooperation Based on This Relationship

Even after the U.S. Presidential election, we still witness views expressing concern about free trade or those harboring inward-looking sentiments. However, free trade and investment is the source of growth and prosperity for both Japan and the U.S. We therefore need to maintain our efforts in promoting trade and investment with a view to building a Japan-U.S. economic relationship in a new era.

In making such efforts, we propose the following ten specific areas as those where both Japan and the U.S. ought to advance their efforts together on the foundation of the bilateral relationship, while sufficiently responding to the trends the current global economic situation presents and the needs the world we live in commands.

- (1) Infrastructure
- (2) Cooperation in the development of cutting-edge technologies in a manner Japan and the U.S. would be able to play a leading role
- (3) Energy
- (4) Sharing of various challenges and knowledge in fostering an economy in which every person can play an active role
- (5) Promotion of balanced financial supervision by the governments
- (6) Joint research on methodologies and analytical tools employed for economic statistics
- (7) Advancing reciprocal inward investment and people-to-people exchanges including promotion of tourists
- (8) Japan-U.S. cooperation in leading China towards becoming a responsible partner in the international community
- (9) Global environment and climate change
- (10) Global health and medicine

Pillar II: The Need to Promote Multilevel Dialogue That Is in Line With the Japan-U.S. Cooperation in a New Era

Since cooperation between Japan and the U.S. in a New Era covers broad and various areas, the two countries should build a framework for multilevel and inclusive dialogue. This dialogue should include engagement and participation of various stakeholders, such as those from private companies, local governments including state governments, universities, research institutions, think tanks, experts from NGOs, and Congressional or Diet members.

Pillar III: The Need to Exercise Japan-U.S. Leadership towards Advancing Free Trade

Standing on the importance of making efforts towards an early entry into force of the TPP Agreement, Prime Minister Abe and President Obama should exercise their leadership in realizing an early entry into force of the Agreement. Along with such efforts, Japan and the U.S. should also engage in the consideration of the way forward on our future, while following the developments in the lame-duck session of the U.S. Congress.

【Expecting an Early Approval of the TPP Agreement in the Diet】

Considering the economic and strategic significance of the TPP Agreement, the Government of Japan should continue making its utmost effort in leading and completing the domestic procedures for gaining Diet approval of the Agreement.

【Expecting an Approval of the TPP Agreement in the Lame-Duck Session of the U.S. Congress】

We strongly hope that President Obama exercises his strong leadership in having TPP Agreement approved by the Congress, in spite of a circumstance that warrants no predictability or optimism in the lame-duck session of the U.S. Congress.

【Engaging the U.S. Public Opinion Through Engaging Various Players】

By actively cooperating with the U.S. Government in its effort to mobilize public opinion, Japan, as a major partner that promotes the TPP Agreement, should actively seek to have its voice heard through such means as: public announcements made by the Embassy of Japan or Consulates General of Japan, or directly reaching out to members of Congress including those in the bipartisan Congressional group “Japan Caucus,” or State Governors, etc.

Pillar IV: The Need to Advance a Strategic Public-Private Partnership

【Building a New Partnership between the Government and Private Sector】

The Governments of Japan and the U.S. should enhance public-private dialogue in order to develop means to make best use of Japanese companies’ command of public attention and influence in strengthening the Japan-U.S. relationship and to deal with various challenges.

【The Governments’ Support for Activities of Private Companies】

At the same time, the Governments of Japan should make an utmost use of existing networks

(Provisional translation)

such as the Embassy and Consulates General, so as to support Japanese companies in the U.S. in developing their businesses in a facilitating and stable manner, as well as in their efforts to resolve various challenges that they are facing.

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