

**FINAL**

## **THE THIRD MEETING OF THE ARAB-JAPAN DIALOGUE FORUM**

**January 8-9, 2005, Riyadh, Saudi Arabia**

### **OVERVIEW**

#### **Background**

The member of the Japan-Arab Dialogue Forum met in the shadow of the enormous tragedy that has struck Asia and the shores of east Africa as a result of the devastating Earthquake and enormous tsunami waves. Participants expressed their grief and sorrow for the victims and their condolences to the survivors of the tragic events, and pledge their solidarity and support in dealing with the results of the earthquake and the Tsunami.

The Japan-Arab Dialogue Forum was set up as an informal means to explore ideas and strengthen cooperation between Japan and the Arab world. So far two meeting of the Forum have taken place.

The first meeting was held in Tokyo, Japan, in September 2003 and discussed the following topics: (i) Post-war Iraq and the role of the international community and (ii) Socio-economic development in the Middle East.

The second meeting of the Forum was held in Alexandria, Egypt, in March 2004. The following three topics were discussed at length: (i) Cultural Dialogue; (ii) Socio-economic Development in the Arab World; and (iii) Help for the reconstruction of Iraq. The third meeting was held in Riyadh on January 8-9, 2005 and views were exchanged from a broad perspective on political, economic, and cultural issues.

The focus of the third meeting was on action and concrete results. Thus, the theme for the third meeting was chosen to be: *“From Vision to Implementation.”* Its main aim was to consolidate discussions and ideas from the previous two meetings of the Dialogue Forum. The agenda for the Riyadh meeting centered on actions identified in

the previous meetings and ways to implement them. The meeting covered topics grouped under the headings of Political, economic and cultural matters.

### **A. Political Issues**

The meeting addressed the situation in Iraq and the Palestinian situation.

#### **On Iraq:**

The political process in Iraq is reaching a critical stage as the election of January 30th approaches and all parties expect the election to proceed as scheduled. When the security situation improves it will be necessary to expedite reconstruction efforts particularly in the field of life-line infrastructure. Funding should be made available from debt reduction and new funds, and it is expected that both non-Paris Club creditor countries as well as private creditors to similarly work to reduce Iraq's debt. The situation will require careful monitoring.

In the meantime, despite the difficulties, some activities can still continue:

- It was duly noted that the medical program being implemented by Japan and Egypt was going well, and was being expanded, however, participants felt that significant expansion of humanitarian assistance requires peace and stability in Iraq. Similarly, Saudi Arabia has also provided humanitarian and medical assistance.
- Training in lifeline reconstruction activities is possible outside Iraq and in fact is taking place. But any scaling up of activities in Iraq requires peace and stability.

#### **On Palestine:**

- The participants also reviewed recent developments in the Middle East, and agreed that this was a time of important transitions. The Palestinian election was ongoing, and the prospects of a resumed peace process were still uncertain.
- The international community must make a maximum effort to support the new Palestinian leadership as it establishes a responsible system of government under the newly elected president.

- Japan has just announced that it will provide financial assistance toward the election's implementation, dispatch an observation team, and provide additional assistance of \$60 million to support the newly elected Palestinian leadership.
- From the standpoint of unified support for the new leadership, Egypt and Saudi Arabia will cooperate in providing assistance in as timely a manner as possible, and are encouraging other Arab nations to lend their support to the Palestinian Authority.

### **Conclusion:**

In addition to the above, the participants agreed to monitor ongoing developments, and a Task Group would be meeting in Egypt in February 2005 to assess the situation in both Iraq and Palestine, including the likely responses from the international community, and the potential availability of funds, and would prepare a report for the participants.

### **B. Economic Issues**

The meeting addressed issues pertaining to Japan-Arab economic cooperation, changes in economic policies in Egypt and Saudi Arabia, and additional means of improving technology transfer through training and addressing IPR questions.

#### **On Japan-Arab Economic Cooperation:**

A review of the results of the expert consultations that had taken place last October, underlined that the idea of an FTA should be pursued as one of the tools of cooperation, but that much more work was required to make it a viable proposal that could be taken to a track-1 forum.

In the meantime, there were other areas that could and should be pursued in parallel:

- To promote investment, the question of investment climate had to be addressed at a country specific level. Bilateral committees, involving business and government of both sides, are required to resolve these issues. Egypt would review the setting up of such a committee. Saudi Arabia

will use existing structures.

- Intensify efforts to contribute in this regard, making use of the existing frameworks, such as the Japan-Egypt Joint Economic Committee Meeting, the Japan-Saudi Arabia Business Council, the Japan-Saudi Joint Commission, the Japan-GCC High-Level Dialogue, and the Japan-Egypt Director General Dialogue.
- Japan took note of the Arab Industrial Strategy enunciated by the Arab Organization for Industrial Development.

### **Changes in Economic Policies**

Participants agreed that each stage of development requires reforms suitable to that stage. Japan as one of the most advanced nations is also continuously reforming its economy. Thus there is no standard package of reforms that is suitable to all countries. Thus there is a need for continuous reforms.

- Participants noted recent reform efforts in Egypt and Saudi Arabia. It was agreed that more efforts should be made to share the information about reform efforts more generally with other countries.
- It was agreed to continue exchange of experience in designing and implementing reforms.

### **Technology Transfer through Training and other means:**

- Technology transfer is one of the most important means of ensuring rapid modernization and development. It requires investments and training. In that regard, participants took note of on-going Japanese efforts in the area of training on bilateral basis.
- Japan agrees to design and launch additional appropriate programs based on needs emanating from the activities of this Forum.
- The possibilities of joint participation of industrial high-technology parks

and incubators were also explored, and the support of Japan to SMEs was duly noted. It was emphasized that Egypt and Saudi Arabia, the recipient countries of such high-technology parks would have to ensure the harmonization of a number of policies from education to research to SMEs to investment in order to increase their attractiveness and chances of potential success.

### **On IPR:**

- While recognizing the potential importance of IPR for the developing countries, there was no immediate agreement as to the most appropriate next steps. In this regard Egypt offered to conduct a study IPR issues and submit at the next meeting of the Forum. The Forum can then decide what could be the next steps.

### **C. Cultural Issues**

There was a strong consensus on the importance of strengthening mutual cultural understanding, overcoming stereotypes and enhancing appreciation of each country's culture. Japan's continued commitment to this area is appreciated. The possible areas of cooperation explored included: intensified exchanges, enhanced academic studies and a possible Japan-Arab Technical University.

### **On Intensified Exchanges:**

Participants felt that it is essential to intensify exchanges in research, media, culture, literature, tourism, exhibitions, visit, etc. In that regard it was noted:

- The enormous efforts of Japan Foundation and the Japanese cultural dialogue and exchange missions organized by in 2003 and 2004 were especially appreciated. Intensified efforts to present Arab culture and Islam in Japan should be pursued.
- Both sides agreed to further explore possible means to encourage intensification of exchanges. In this regard it was suggested that a focal point in all countries should look at this more closely and review the

current status and options to enhance it further.

### **On reciprocal Academic Studies:**

It was agreed to conduct reciprocal academic studies.

- Participants appreciated the efforts made by the Japan Foundation to start new scholarly exchange programs between Japan and the Arab countries. Both sides agreed to continue and enhance existing efforts to promote Japanese studies in the Arab World and of Arab Studies in Japan. In this regard it was suggested that a separate expert Task Group would study means to enhance such reciprocal academic studies.

### **On a Possible Japan-Arab Technical University:**

This idea was revisited by the participants who agreed that additional work is needed to flesh out this proposal in a meaningful fashion. Specifically:

- It was agreed by both sides that it is important to have shared responsibility and long-term partnership in implementing this project and construct policy frameworks advantageous to both countries.
- It was suggested that both sides study the technical possibility for establishing this university. In addition the proposal of establishing specialized technical colleges in Arab countries was discussed in the Forum and the Japanese side took note of this suggestion.

### **D. Future Directions of the Forum**

The Participants agreed that the next meeting would be in Tokyo. The possibility of expansion of its membership would be reviewed at a later date. The Task Group monitoring the Iraq and Palestine situation should present its report, and other actions identified should be pursued. The agenda for the next meeting will be formulated in the light of these developments.