Overview of Economic Diplomacy

The global economy continues to be robust and the overall resilience of emerging markets has been strengthened, but on the other hand, major risks, such as financial weakness and geopolitical concerns, are partially manifested in some emerging economies. Under such circumstances, in order to dispel market unrest and develop a free and fair economic order, it is necessary to continue monitoring market trends and support strong, sustainable, balanced, and inclusive growth. Japan will contribute to this as a member of the G7 and the G20, and as the world’s second largest developed economy.

Japan’s prosperity is based on maintaining and strengthening the free and open international economic system, which also leads to the stability and growth of the global economy. With this in mind, Japan has promoted the Japan-EU Economic Partnership Agreement (EPA), the Trans-Pacific Partnership Agreement (TPP12), and the Regional Comprehensive Economic Partnership (RCEP). As a result, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11) entered into force on December 30, and the Japan-EU EPA also entered into force on February 1, 2019. We can say that 2018 is a year in which Japan’s efforts thus far have gradually come to fruition. We will steadily implement these agreements and proceed with negotiations on the conclusion of a comprehensive, balanced, and high-quality agreement on RCEP and other agreements.

Japan has advanced initiatives with the aim of further accelerating the promotion of economic diplomacy as one of the priority areas of Japan’s diplomacy, centered around the following three aspects: (1) rule-making to bolster free and open global economic systems by promoting the various economic agreements as described above; (2) supporting the overseas business expansion of Japanese companies through promotion of public-private partnerships; and (3) promoting resources diplomacy along with inward investment toward Japan.

Rule-Making to Bolster Free and Open Global Economic Systems

(1) Promotion of Economic Partnerships

Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs) help capture the vitality of the growing market overseas and strengthen the basis of the Japanese economy, through measures such as the reduction or elimination of tariffs on goods as well as barriers on trade in services, and through rule-making for trade and investment. The Government of Japan has signed and brought into force 18 EPAs with 21 economies to date. The FTA ratio in Japan’s trade
### Current Status of EPA/FTA Negotiations, etc.

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The ratio of trade value with countries which have FTAs already signed or entered into force with Japan to the total trade value was 51.6% at the end of December 2018, will be 85.8% when including the trade amount of economies with which Japan is currently negotiating EPAs. 11 countries signed the TPP11 Agreement in March 2018, and it entered into force on December 30. In addition, active and tireless negotiations spanning many long years have also borne fruit, as exemplified by the signing of the Japan-EU EPA in July 2018, and its entry into force on February 1, 2019.

Japan, as a champion of free trade, will work toward the steady implementation of the Japan-
EU EPA and the steady implementation and expansion of the TPP11 Agreement and will continue to promote global trade liberalization through negotiations of other EPAs.

**A Multilateral Agreements**

**(A) TPP11 Agreement**

The TPP11 Agreement is an effort to establish new trade and investment rules in a wide range of areas, including tariffs, services, investments, intellectual property, and state-owned enterprises in the fast-growing Asia-Pacific region. It will provide Japanese companies an opportunity to be more active in markets overseas and will be a major driving force for the economic growth in Japan. Furthermore, the strengthening of the rule of law in economic terms with countries that share fundamental values through the TPP11 Agreement has strategic significance that contributes to Japan’s security and to stability in the Asia-Pacific region.

The 12 countries of Japan, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Viet Nam signed the TPP12 Agreement in February 2016, but the U.S. announced its withdrawal from the TPP12 Agreement in 2017. As such, in order to bring about the early realization of TPP as soon as possible among the 11 countries, Japan proactively led the discussions. As a result, at the TPP Ministerial Meeting held in Da Nang, Viet Nam in November 2017, the Ministers agreed to move forward with the TPP11 Agreement among 11 countries, by incorporating the articles of the original TPP12 Agreement drawn up by the 12 countries into the new TPP11 Agreement, while exceptionally suspending the application of certain articles (agreement in principle). Later, in March 2018, the TPP11 Agreement was signed in Santiago, Chile. Japan completed domestic procedures second, following Mexico, and in July notified New Zealand, which is designated as the Depositary of the Agreement, of the completion of its domestic procedures. Subsequently, as a result of Japan’s active efforts in pushing the countries which have yet to complete its domestic procedures, the six parties required for the Agreement to enter into force completed the necessary procedures, and the Agreement entered into force on December 30 of the same year, based on Article 3 of the TPP11 Agreement.

Amidst the spread of protectionist sentiments around the world, this sends a strong message of promoting free trade from Japan to the world and is a major step toward extending free, fair, and modern trade and investment rules in the Asia-Pacific region. Japan will continue to lead discussions in the implementation and expansion of the TPP11 Agreement, through the hosting of the 1st TPP Commission at ministerial level in January 2019, and other measures.

**(B) Japan-EU EPA**

Japan shares fundamental values with the EU, which is one of Japan’s most important partners in terms of trade and investment. In March 2013, Japan launched negotiations with the EU for an EPA. In July 2017, after four years and four months of the negotiations, an agreement was reached in principle and later in that year, in December, the negotiations were finalized. In the first half of 2018, work was carried out intensively to finalize the text and on July 17, 2018 at the EU-Japan Summit Meeting, the agreement was signed by Prime Minister Abe, European Council President Tusk and European Commission President Juncker. The agreement had originally been scheduled to be signed in Brussels where the EU is headquartered. However, due to the heavy rain disaster which shook western Japan, Prime Minister Abe’s visit to Europe was canceled so that he could stay in Japan to put all possible rescue measures in place. Considering the urgency, European Council President Tusk and European Commission President Juncker changed their respective schedule in a short time and travelled to Japan. Thus, the signing ceremony took place successfully in Tokyo.
After the signing, Japan and the EU quickly embarked on preparing for certain domestic procedures with a view to bringing the agreement into force at an early stage. In September 2018, members of the International Trade Commission, who are responsible for deliberating the agreement before European Parliament, visited Japan to meet with Foreign Minister Kono and Special Adviser to the Prime Minister Miyakoshi, among others. It was confirmed at this meeting that the agreement had not only economic significance but also great strategic importance, and that they should continue to cooperate for an early approval and entry into force of the agreement. Later in 2018, Japan and the EU further confirmed to cooperate for the purpose of an early entry into force of the Japan-EU EPA at the Japan-EU Summit Meeting held at the Asia-Europe Meeting (ASEM) in October and at the Japan-EU Summit Meeting during the G20 Summit in Argentina in December. Consequently, the Japanese Diet approved the Agreement during the extraordinary session in the autumn, while the EU completed its procedures in the same year. In December, Japan and the EU notified each other of the completion of their respective domestic procedures. On February 1, 2019, the agreement entered into force.

(C) Regional Comprehensive Economic Partnership (RCEP)

The RCEP is a pillar of East Asian economic integration, aimed at realizing the establishment of an integrated economic zone that covers approximately half of the world population, and about 30% of the world’s gross domestic product (GDP) and total trade amount. Since the launch
of negotiations in May 2013, the Association of Southeast Asian Nations (ASEAN) member states and their FTA partner states (six countries, namely Japan, China, the ROK, Australia, New Zealand and India) have been working together to advance negotiations toward a comprehensive and high-level agreement in areas that include trade in goods, trade in services, investment, competition, rules of origin, intellectual property, electronic commerce, and customs procedures and trade facilitation. As of December 2018, 14 ministerial meetings and 24 rounds of negotiations have been held. At the 2nd RCEP Summit held in November 2018, coinciding with the ASEAN Summit, the leaders of RCEP negotiating countries issued the “Joint Leaders’ Statement on the Regional Comprehensive Economic Partnership (RCEP) Negotiations.” This Joint Leaders’ Statement welcomed the substantial progress made in RCEP negotiations in 2018 and expressed their determination to conclude a modern, comprehensive, high quality, and mutually beneficial RCEP in 2019.

(D) Japan-China-ROK FTA

The Japan-China-ROK FTA is a negotiation with Japan’s major trading partners: China and the ROK. The negotiations were launched in March 2013, and 14 rounds of negotiations were held by December 2018. The three countries have been engaged in discussions over a wide range of areas including trade in goods, investment, trade in services, competition, intellectual property and electronic commerce, with the shared objective of pursuing a comprehensive, high quality, and mutually beneficial FTA.

(E) Free Trade Area of the Asia-Pacific (FTAAP) Concept

Regarding eventual realization of the FTAAP, discussions are being held at Asia-Pacific Economic Cooperation (APEC) on next-generation trade and investment issues that need to be addressed, and capacity building programs mainly for developing economies are being implemented.

While the 2018 APEC Economic Leaders’ Meeting in Papua New Guinea welcomed the progress made in implementing the Lima Declaration on the FTAAP adopted at the 2016 APEC Economic Leaders’ Meeting, further progress was sought to enhance the ability of APEC economies (countries and regions) to participate in high quality, comprehensive free trade agreements in the future, and officials were instructed to report progress to leaders in 2020.

Following 2017, Japan held a workshop on competition policy in 2018 in order to build capacity for developing economies, and discussions were conducted to identify desirable and optional elements that are essential to future competition chapter in FTAs/EPAs.

The fact that the TPP11 Agreement entered into force in 2018, and the progress in negotiations toward the early conclusion of the high quality RCEP Agreement can be regarded as significant from the viewpoint of achieving a comprehensive and high quality FTAAP.

3 Bilateral Agreements and Other Agreements

(Arranged in Chronological Order According to the Time at which Negotiations Started)

(A) Republic of Korea (ROK)

Japan and Korea are the third largest trading partners with each other. Based on the recognition that EPA negotiations with the ROK will provide both countries with a stable economic framework and bring about mutual benefits for the future, both countries launched negotiations in 2003 but they have been suspended since 2004.

(B) Gulf Cooperation Council (GCC)

For Japan, the GCC member states (the six countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) constitute one of the most important regions as an oil and gas supplier and, a market for exporting infrastructure and others. The Japan-GCC FTA negotiations were launched in 2006 to reinforce economic ties with GCC member states, but they have been suspended
since 2009 on the grounds of the GCC side. Japan has been calling for an early resumption of the negotiations with the aim of further strengthening economic ties with the GCC.

(C) ASEAN

The ASEAN-JAPAN Comprehensive Economic Partnership (AJCEP), concluded with 10 ASEAN countries, is Japan’s first multilateral EPA. Since the launch of negotiations in 2005, based on the agreement between the Leaders in 2004, 11 formal negotiations have been conducted, and the conclusion of negotiations was confirmed among the Leaders in 2007. Since 2008, the Agreement has entered into force in each participating country. The Leaders confirmed the conclusion of negotiations on trade in services and investment, which started in 2010, with the former ending in 2015 and the later concluding in 2016. After that, various legal and technical confirmations and adjustments were made to the text, with the aim for the signing and entry into force of the agreement in 2019.

(D) Canada

In 2012, Japan launched EPA negotiations with Canada, with which Japan shares fundamental values and has a complementary economic relationship. Seven rounds of negotiation meetings had been held by November 2014, in order to achieve an EPA that can contribute to the stable supply of energy, minerals and foodstuffs to Japan.

(E) Colombia

In 2012, Japan started EPA negotiations with Colombia, a country rich in resources and that has accomplished a high economic growth rate. By December 2015, 13 rounds of negotiations had been held.

(F) Turkey

Japan agreed to launch EPA negotiations with Turkey, a country with high economic potential, which promotes an open economy, at the Japan-Turkey Summit Meeting in 2014, and began negotiations the same year. 12 rounds of negotiations had been held by the end of December 2018 and negotiations are accelerating.

Existing EPAs

The existing EPAs contain provisions concerning the joint committee, which is a body that discusses the implementation of the agreements, and a process to review the agreements after a certain period of time since their entry into force. In addition, a variety of consultations are being held in order to smoothly implement the existing EPAs.

Movement of Natural Persons

In accordance with the EPAs, Japan has been accepting candidates for nurses and certified careworkers from Indonesia, the Philippines and Viet Nam. In 2018, 329 Indonesians (31 nurses and 298 careworkers), 322 Filipinos (40 nurses and 282 careworkers), and 219 Vietnamese (26 nurses and 193 careworkers) were accepted into Japan. In 2018, 78 nurses (29 Indonesians, 31 Filipinos, and 18 Vietnamese) and 213 careworkers (62 Indonesians, 62 Filipinos, and 89 Vietnamese) passed the national examination.

Investment Treaties / Tax Conventions / Agreements on Social Security

(A) Investment Treaties

Investment treaties constitute an important legal basis to promote investments, by stipulating the protection of investors and their investment property, enhancement of transparency in regulations, expansion of investment opportunities, procedures for investment dispute settlement, etc. In order to promote the improvement of the investment environment overseas and to attract foreign investment to the Japanese market, Japan has actively engaged in concluding investment treaties.

In 2018, investment treaties were signed with Armenia in February, the United Arab Emirates
in April, Jordan in November, and Argentina in December. As of the end of December 2018, there are currently 42 investment-related treaties that have entered into force (29 investment treaties and 13 EPAs), and six (four investment treaties and two EPAs) that have been signed but not yet entered into force, bringing the total to 48, covering 76 economies. Including investment-related treaties that are currently under negotiation, they will cover 93 economies, and around 94% of Japan’s direct investments overseas (as of the end of December 2018)\(^1\).

The “Action plan aiming to facilitate an investment environment through promoting the conclusion of investment-related treaties” was formulated in May 2016. It stipulated the goal to sign and enact investment-related treaties with 100 economies by 2020. Japan aims to actively advance investment-related treaties with resource producing countries such as the Middle East, Africa, and Latin America in order to achieve the Action Plan’s goals. The Middle East is a major supplier of energy resources for Japan. In addition to abundant resources and promising markets, Africa has shown high economic growth rates in recent years. Many countries in Central and South America share fundamental values, such as Mexico, Chile, and Peru, with which Japan cooperated to promote the TPP11 Agreement, and their economic relationship with Japan is further deepening. Japan will continue to actively advance investment-related treaties from the perspective of incorporating the growth of emerging economies through overseas investment and attracting foreign investment into the Japanese market.

(B) Tax Conventions

Tax conventions are intended to eliminate international double taxation in cross-border economic activities (e.g., to reduce or exempt withholding taxes imposed on investment income such as dividends, etc.), or to prevent tax evasion or avoidance, and provides an important legal basis for promoting sound investment and economic exchanges between two countries. Japan is actively working in line with the government’s policy that “The Government will expand tax treaty networks, both in terms of quality and quantity, that are necessary for supporting sound overseas business expansion of Japanese companies, through concluding new treaties with countries/regions where investment relations with Japan are expected to develop, as well as amending existing treaties.” (“Growth Strategy 2018” (Cabinet decision, June 15, 2018))

In 2018, the tax convention with Lithuania (August), the tax convention with Estonia (September), the new tax convention\(^2\) with Russia (October), the new tax convention with Austria (October), the tax convention with Iceland (October), the amendments to the agreement for the exchange of tax information with the Bahamas (December), and the new tax convention with Denmark (December) came into force. Deposition of an acceptance letter (September) was made for the “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting” (Convention to Implement Measures to Prevent BEPS). Additionally, a new tax convention with Spain (October), a tax convention with Croatia (October), and a tax convention with Colombia (December) were signed. Furthermore, negotiations on the conclusion of a tax convention with Ecuador (September), a tax convention with Argentina (December) and a tax convention with Jamaica (December) have reached substantial agreement. As of the end of 2018, Japan has signed 74 tax conventions, etc., which apply to 127 economies.

\(^1\) “Regional balance of Direct Investment (Assets),” Ministry of Finance (All regions) (As of the end of 2017)
\(^2\) The new tax convention is to completely revise the existing tax convention.
### Current Status of Investment Related Treaties

#### Status of Negotiations on Investment Related Treaties (*)
- **In force:** 43 (29 investment treaties and 14 EPAs)
- **Signed but have yet to enter into force:** 5 (4 investment treaties and 1 EPA)
- **Under negotiation:** 24 (19 investment treaties and 5 EPAs)

If these treaties enter into force, 94 countries and regions are covered.

#### In force (excluding treaties that have ended)

**Investment treaties**
1. Egypt (1978)
4. Turkey (1993)
5. Hong Kong (1997)

**EPA/FTA including investment chapters**
1. AJCEP**
2. Canada
3. Japan-China-ROK

**Under negotiation**

**Investment treaties**
1. Angola
2. Algeria
3. Qatar
4. Ghana
5. Morocco
6. Tanzania
7. Cote d’Ivoire
8. Bahrain
9. Turkmenistan
10. Georgia

**EPA/FTA including investment chapters**
1. AJCEP**
2. Canada
3. Japan-China-ROK
4. RCEP***
5. Turkey

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**Signed but have yet to enter into force**
- TPP (signed in February 2016 and approved by the Diet) (EPA)*
- Armenia (signed in February 2018 and approved by the Diet)*
- United Arab Emirates (signed in April 2018, not yet approved by the Diet)
- Jordan (signed in November 2018, not yet approved by the Diet)
- Argentina (signed in December 2018, not yet approved by the Diet)*
- AJCEP* **TPP: TRANS-PACIFIC PARTNERSHIP**

Note: Japan has a Japan-Taiwan Private Investment arrangement based on liberalization in 2011.

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**As of February 2019**
(C) Agreements on Social Security

The purpose of agreements on social security is to resolve the issues of double payment of social security insurance premiums and no refund of annuity insurance. It is expected to facilitate people-to-people exchange and strengthen further bilateral relations including economic exchanges, by reducing the burden on Japanese companies and citizens working overseas. The total number of countries that have concluded or signed such agreements with Japan now stands at 21 as of the end of 2018. In addition, in 2018, Japan held negotiations for new agreements with Sweden, Viet Nam, and Finland.

(2) Initiatives with International Organizations (WTO, OECD, etc.)

A World Trade Organization (WTO)

(A) Features

Japan has achieved its present prosperity as the largest beneficiary of the free trade system. The WTO is the core of the multilateral trading system, and its functions act for (1) a place for negotiations for trade liberalization and rule formation, (2) monitoring the implementation status of the WTO Agreement by the Members, and (3) operation of a system to settle trade disputes among Members in accordance with the WTO Agreement.

(B) Development after the 11th WTO Ministerial Conference

At the 11th WTO Ministerial Meeting (MC11) in December 2017, in addition to deciding on a work plan for fishery subsidies, etc., under Japan’s initiative, one result was that 71 WTO Members, including the U.S., the EU, and many developing country Members, joined to issue a joint statement saying that they will undertake exploratory work for future WTO negotiations on the trade-related aspects of e-commerce. On the other hand, it did not lead to the issuance of a Ministerial Declaration by all participating Members, once again showing the difficulty of unanimous agreement at the WTO.

At the informal Swiss government-sponsored ministerial meeting held at Davos in January 2018, about one month after MC11, Parliamentary Vice-Minister for Foreign Affairs Okamoto, who attended on behalf of Japan, and other countries voiced opinions that MC11’s results are not entirely satisfactory and that there is room for improvement in the way in which work is conducted at the WTO. At the informal ministerial meeting held in March in Delhi, under the Indian government’s initiative to promote frank opinion exchanges at the ministerial level, Parliamentary Vice-Minister for Foreign Affairs Okamoto and other WTO Members spoke on the importance of flexibility when engaging in negotiations and discussions, and on the need to improve WTO functions. In addition, on the problems with regard to trade and development, many Members brought up the importance of flexible responses, such as not treating all developing countries uniformly, but handling each country according to differences in its economic scale and development level.

Continuing at the informal ministerial meeting in Paris in May, there were frank discussions on how to proceed with negotiations at the WTO in the future and how to strengthen the WTO system. Minister of Economy, Trade and Industry Seko and Parliamentary Vice-Minister for Foreign Affairs Okamoto from Japan attended, advocating for how important it is to work on updating and

3 The dispute settlement system is positioned as a pillar that gives the WTO system stability and predictability. If a dispute is not resolved through the consultations process the dispute settlement procedures provide for, the disputing member may refer the disputed measure at issue to a panel for addressing, inter alia, the consistency of the measures concerned with the WTO Agreements. A party dissatisfied with a finding by the panel may appeal to the Appellate Body to contest the panel’s findings. Since the establishment of the WTO in 1995 through to December 6, 2018, Japan was involved as a party in 40 out of 572 disputes (the number of cases for which requests for consultation were made). The Appellate Body is composed of seven Members and the term of Members is four years (Members may be reappointed once). To date, three Japanese nationals have served as Appellate Body Members.
strengthening WTO rules so that they conform to today’s economy, for the work toward better functioning of the WTO such as the enhancement of performance monitoring functions through compliance with and enhancement of reporting obligations and solutions of issues with the WTO dispute settlement system through discussions.

(C) WTO Reform Debate
While the WTO’s roles are being debated, 20 years have passed since the establishment of the WTO, and there is a growing sense of crisis among the Members that the WTO may not be sufficiently adapting to structural changes even though the state of the world economy has changed significantly due to the rise of emerging countries and the digitization of the economy. Coupled with the problem that the selection process for the Appellate Body Members of the WTO dispute settlement system has not been started, there is growing awareness and momentum among Members regarding the need for WTO reform and modernization. For example, the Charlevoix G7 Summit Communiqué released in June states that “We commit to modernize the WTO to make it more fair as soon as possible.” There are various opinions and proposals from Members on which functions of the WTO should be reformed. The discussions are mainly about (1) enhancement of the agreement performance monitoring function, (2) reform of the dispute settlement system, and (3) revitalization of the negotiation function.

Japan also actively contributes to the maintenance and strengthening of the multilateral trading system through WTO reform, and there was agreement among leaders of the U.S. (September), the EU (October), China (October), etc. to proceed with the WTO reform discussions. At the 4th Trilateral Meeting of the Trade Ministers of the U.S., Japan, and the European Union held in September, it was agreed that the three countries and regions would make joint proposals for WTO reform. Furthermore, State Minister of Economy, Trade and Industry Seki and Parliamentary Vice-Minister for Foreign Affairs Tsuji attended the Ottawa Ministerial on WTO Reform, hosted by the Canadian Government in October, and contributed to discussions regarding reform, considering the most effective responses according to the nature of each individual problem, and pointing out that it is important to take an approach of first doing what is feasible to implement. As for individual issues, they actively contributed to discussions regarding, for example, (1) a proposal on strengthening transparency and reporting in November together with the U.S., the EU, etc., (2) leading discussions with Australia, Singapore, etc. in efforts to create new rules in the field of e-commerce, and (3) reform of the dispute settlement system.

In December, the G20 Leaders’ Declaration at the G20 Buenos Aires Summit stated that “We therefore support the necessary reform of the WTO to improve its functioning” and decided to confirm progress at the G20 Osaka Summit under Japan’s Presidency.

(D) Visit by WTO Director-General Azevêdo to Japan
While WTO reform discussions are intensifying, WTO Director-General Azevêdo visited Japan from November 7 to 8. Japan’s active promotion of a free and fair rule-based trading system and its active contribution to the maintenance and strengthening of a multilateral trading system
through WTO reform were conveyed to Director-General Azevêdo through a courtesy call to Prime Minister Abe and a dinner with Foreign Minister Kono. In response to this, Director-General Azevêdo expressed his appreciation for the role that Japan plays in maintaining and strengthening the multilateral trading system and, bearing in mind that Japan will be acting as the Presidency of the G20 in 2019, expressed that he wanted to further cooperate with Japan.

(E) Dispute Settlement in International Trade

The WTO dispute settlement system is a quasi-judicial system among WTO Members for resolving disputes regarding the WTO Agreements in accordance with the dispute settlement procedures. It serves as a pillar in providing security and predictability to the WTO system. Japan has been involved as a party in the following cases:

The Republic of Korea (ROK)’s import bans on Japanese fishery products: A panel was established in September 2015. In February 2018, a panel report finding the ROK’s measures are inconsistent with the WTO Agreement was circulated. In April 2018, the ROK, dissatisfied with the panel’s report, appealed to the Appellate Body. The Appellate Body proceedings are currently under way.

Brazil’s measures concerning taxation: A panel was established in September 2015. In August 2017, a panel report that found inconsistencies of Brazil’s measures with the WTO Agreement was circulated. In September 2017, Brazil, dissatisfied with the panel’s report, appealed to the Appellate Body. The Appellate Body proceedings are currently under way.

The Republic of Korea (ROK)’s safeguard measures on imports of certain steel products: A panel was established in April 2017. In November 2018, a panel report that found inconsistencies of India’s measures with the WTO Agreement was circulated. India, dissatisfied with the panel’s report, appealed to the Appellate Body in December 2018. The Appellate Body proceedings are currently under way.

The Republic of Korea (ROK)’s anti-dumping duties measures for stainless steel bars produced in Japan: A panel was established in September 2018. The panel’s proceedings are currently under way.

India’s safeguard measures on imports of certain steel products: In December 2018, Japan held bilateral talks with the ROK under the WTO Agreement.

Organization for Economic Co-operation and Development (OECD)

(A) Features

The OECD is the “world’s largest think tank” covering a wide range of economic and social fields such as macro economy, trade and investment, agriculture, industry, environment, science and technology. The OECD makes policy recommendations and forms international norms including through discussions at relevant committees. Japan acceded to the OECD in 1964 as the first non-European and non-American country. Since then, Japan has been actively engaged in the OECD initiatives through discussions at relevant committees as well as through contributions in terms of financial and human resources.
(B) Visit by OECD Secretary-General Gurria to Japan

During the visit by Secretary-General Gurria to Japan in April 2018, he had meetings with Prime Minister Abe, Foreign Minister Kono, and other high-level officials. They reaffirmed the importance of maintaining and strengthening the multilateral trading system, as well as the importance of the future membership of Southeast Asian countries. They also affirmed cooperation toward the 2019 G20, of which Japan was to be its presidency. Secretary-General Gurria also attended the Seminar on Promoting Quality Infrastructure and emphasized the importance of promoting cooperation with Japan for spreading international standards on high quality infrastructure.

(C) The 2018 OECD Ministerial Council Meeting

The OECD Ministerial Council Meeting (MCM) was held in May, chaired by France and under the theme of “Reshaping the foundations of multilateralism.” At the MCM, Japan emphasized fighting protectionism, the importance of maintaining and strengthening free and open trade and investment, and developing quality infrastructure with open and fair access. Japan contributed to discussions in the OECD, as exemplified by the incorporation of its views into the outcome documents. Additionally, the membership of Lithuania and Colombia was decided, and Thailand's Country Program 4 was officially launched. Furthermore, the member countries expressed their expectations for the G20 in 2019, confirming the importance of the collaboration between the OECD and the G20.

(D) Initiatives in Various Sectors

For the issue of steel excess capacity, following the G20 Summit held in Hangzhou, China in 2016, the Global Forum on Steel Excess Capacity (GFSEC) was established with the participation of China, which accounts for approximately half of the global production volume of crude steel. The Forum adopted a report summarizing concrete policy solutions at the 1st Ministerial Meeting in November 2017 (Berlin, Germany), and then in September 2018 at the 2nd Ministerial Meeting (Paris, France), and compiled a report on the achievements that each country had made. Since December 2018, Japan, as the Presidency of the G20, has assumed the role of Chair of the Forum, exerting strong leadership toward and playing an active role for resolving this issue.

Furthermore, regarding excessive tax avoidance strategies, by multinational enterprises, the “Base Erosion and Profit Shifting (BEPS) Project” was launched in 2012. The BEPS Final Reports were released in 2015. Based on the report, in November 2016, the Multinational Convention to Implement Tax Treaty Related Measures to prevent BEPS was adopted. 67 countries and jurisdictions, including Japan, signed the Convention in June 2017, and in July 2018, the Convention came into effect for the five countries which had in advance deposited letters of acceptance. As of December 2018, 83 countries/jurisdictions have signed, and 17 countries/jurisdictions have concluded. The Convention came into force for Japan on January 1, 2019 after deposition of an instrument of acceptance in September 2018.

(E) Strengthening Relations with Asia

In view of the growing importance of Southeast Asia as a center for the growth of the global economy, OECD places importance on strengthening relations with the region. At the first Ministerial Conference of the Southeast Asia Regional Programme, held in Tokyo in March 2018, discussions regarding “connectivity” and inclusive “participation” (human resource development, education and skills, gender, small and medium size enterprises, etc.) were held under the theme of

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4 A framework to support specific non-member countries to participate in OECD standards and practices in strategic areas in the medium- and long-term, based on the development plans of each target country.
“Inclusive ASEAN.” From Japan, Foreign Minister Kono attended and stressed Japan’s determination to promote cooperation through this program in view of future OECD membership from Southeast Asia.

(F) Contributions in Terms of Financial and Human Resources

Japan was the second largest financial contributor to the OECD after the U.S. in 2017, covering 9.37% of the OECD’s mandatory contributions (Part I Budget). Moreover, Japanese nationals have successively served as the Deputy Secretary General (currently Deputy Secretary-General Masamichi Kono), the second-highest position at the OECD Secretariat. Japan and Germany are the largest contributors (2018) to the OECD Development Centre and a Japanese national has been serving as a Deputy Director (Deputy Director Naoko Ueda) of the centre. As described above, Japan supports the OECD through contributions in terms of financial and human resources.

(3) Initiatives in International Meetings (G7 and G20 Summits, APEC, etc.)

A G7 and G20

G7 and G20 Summits continue to play an essential role in providing an opportunity to show Japan’s own efforts to the international community and to form a global economic order desirable for Japan.

(A) G7 Charlevoix Summit (Canada)

In the context of the deepening interdependence of the global economy, anxiety and dissatisfaction with regards to globalization are giving rise to the temptation toward protectionist movements, sometimes causing conflicts of interest between countries, the G7 Charlevoix Summit, held in June 2018, confirmed the promotion of a rule-based international order, continuation of fighting against protectionism, and the importance of the rule-based international trading system, and agreed on various measures to promote level playing field. Prime Minister Abe strongly urged the G7, which shares universal values as a driving force in the international community, to play an even more important role and lead discussions on trade, innovation and employment, and North Korea.

① Regarding trade, there were discussions mainly on free and fair trade, improvement of WTO functions, and market-distorting measures such as non-tariff barriers and industrial subsidies.

② Regarding innovation and employment, the leaders shared an awareness of the problem of how to achieve sustainable and inclusive growth while the new technology advances.

③ Regarding the situation surrounding North Korea, Prime Minister Abe led the discussions and the leaders agreed on the necessity to achieve complete, verifiable and irreversible dismantlement (CVID) of all of its weapons of mass destruction (WMD), ballistic missiles, as well as its related facilities by North Korea, to call for full implementation of relevant United Nations Security Council Resolutions (UNSCRs) by North Korea to this end, and to urge North Korea to take concrete actions. Moreover, support was expressed to Prime Minister Abe’s call for understanding and cooperation toward an immediate resolution of the abductions issue, the most important issue of all.

④ Regarding gender, cross-disciplinary discussions including the perspective of gender were
Japan is hosting the G20 Summit for the first time on June 28 to 29, 2019. This Special Feature introduces what the G20 is and what Japan’s priority issues are ahead of the G20 Osaka Summit.

The G20 Summit is officially known as the Summit on Financial Markets and the World Economy. It is an international meeting held annually with participation by leaders of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Republic of South Africa, Russia, Saudi Arabia, Turkey, the UK, the U.S., and the EU. Besides the G20 leaders, heads of invited guest countries and representatives of invited guest international organizations also participate in the Summit every year.

The host country of the G20 Summit leads the group over the course of one year from December through the following November as the G20 presidency. The G20 presidency also organizes relevant ministerial and working group meetings.

The G20 has aimed to promote the strong growth of the global economy as the “premier forum for international economic cooperation,” representing more than 80% of the global GDP. As globalization progresses and various issues become more intricately intertwined, the recent G20 Summits have focused not only on macroeconomy and trade, but also on a wide range of global issues which have an immense impact on the global economy, such as development, climate change and energy, health, counter-terrorism, as well as migration and refugees. The G20 has sought to realize an inclusive and sustainable world through its contributions toward resolving these global issues.

At the G20 Osaka Summit, Japan is determined to lead global economic growth by promoting free trade and innovation, achieving both economic growth and reduction of disparities, and contributing to the development agenda and other global issues with the SDGs at its core. Through these efforts, Japan seeks to realize and promote a free and open, inclusive and sustainable society.

In addition, we will lead discussions on the supply of global commons for realizing global growth such as quality infrastructure and global health. As the presidency, we will exert strong leadership in discussions aimed toward resolving global issues such as climate change and ocean plastic waste.

Furthermore, we will discuss how to address the digital economy from an institutional perspective and issues that arise from an aging society. We will introduce Japan’s efforts, including the productivity revolution amid a “Society 5.0” era, toward achieving a society where all individuals are actively engaged.

There will be many delegations and journalists from all over the world who will be visiting Japan on the occasion of the Osaka Summit and these ministerial meetings. We will take this as an opportunity to exhibit Japan’s “Omotenashi” spirit (hospitality) and introduce the unique aspects and attractiveness of Japan and the host cities to the world.
conducted on all topics, and gender mainstreaming was further accelerated following the G7 Ise-Shima Summit, etc.

⑤ Regarding climate change, these were discussions that it is important for the international community to advance the realization of a low-carbon society, in addition to emissions reductions, and that these are not negative for the economy but could go along with growth. In addition the view was presented that they intend to cooperate toward implementation of the Paris Agreement and realization of a circular economy.

⑥ Regarding the ocean, active exchanges of opinions were held on the topic of building resilient coasts, strengthening the health of the oceans, and addressing ocean plastic waste. Prime Minister Abe insisted that the knowledge accumulated about disaster risk reduction be used for the people of the world, and that it is necessary to cope with marine debris as a global issue, including developing countries.

(B) G20 Buenos Aires Summit (Argentina)

At the G20 Buenos Aires Summit, held from November to December 2018 and under the main theme of “Building Consensus for Fair and Sustainable Development,” the leaders held frank exchanges of views and the Buenos Aires Leaders’ Declaration was adopted in the face of risks such as the growing tension in trade relations and the vulnerability of emerging economies.

In adopting the Buenos Aires Leaders’ Declaration, Japan led the discussion among leaders as the Lead Speaker at the retreat and the session on global economy, and spoke in all sessions. Through the summit meetings and preparatory meetings with each country, Japan as the following G20 presidency had been actively engaged in coordinating different positions and views within the G20 based on the flow of the discussion, and contributed significantly to sending the G20’s unified strong message through adopting the Leaders’ Declaration.

The main points in the Leaders’ Declaration were as follows:

① Work together to improve a rules-based international order.

② Recognize the contribution that the multilateral trading system has made and support the necessary reform of the WTO. Confirm progress at the 2019 G20 Osaka Summit. Also, call on all members to implement the Global Forum on Steel Excess Capacity (GFSEC) recommendations and commitments (e.g., removal of market-distorting support measures).

③ Support the free flow of information and continue to work on AI and other emerging technologies.

④ Look forward to progress in 2019 on quality infrastructure. Take steps to address debt vulnerabilities in low income countries and work toward enhancing debt transparency and sustainability.

⑤ Promote women’s empowerment by reducing gender differences in labor participation rates and expanding participation in science, technology, engineering, and mathematics (STEM) fields.

⑥ Work on addressing anti-microbial resistance (AMR), realizing Universal Health Coverage (UHC), and strengthening capacities for response to public health emergencies.

At the closing session, Prime Minister Abe

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5 A session in which only G20 members and Spanish leaders participated.
assumed the G20 presidency from President Macri of Argentina, and stated his enthusiasm to discuss simultaneously achieving economic growth and addressing disparities, promoting the realization of an inclusive and sustainable future society, advancing the discussion toward a human-centered society in which all stakeholders play an active role by utilizing AI, etc., and in addition his desire to discuss quality infrastructure, global health, climate change, marine plastics, etc.

B Asia-Pacific Economic Cooperation (APEC)

APEC is a framework of economic cooperation in which 21 economies (countries and regions) in the Asia-Pacific region participate. The Asia-Pacific region is the “world’s growth center”, accounting for about 40% of the world’s population, about 50% of trade volume, and about 60% of GDP. APEC, in order to liberalize and facilitate trade and investment in the region, conducts activities such as promoting regional economic integration, implementing high-quality growth strategies, and enhancing economic and technical cooperation. The Asia-Pacific region, which thrives by liberalizing trade and investment and strengthening connectivity in accordance with international rules, is the core of the “Free and Open Indo-Pacific” that Japan has been promoting. Japan’s contributions to APEC’s development are of great significance to Japan’s own economic growth and development and to the overseas expansion of Japanese companies.

In 2018, Papua New Guinea chaired APEC for the first time, and the 26th APEC Economic Leaders’ Meeting was held from November 17 to 18 in its capital, Port Moresby. At the Meeting, under the overall theme of “Harnessing Inclusive Opportunities, Embracing the Digital Future,” there were discussions on the three priorities of (1) increasing connectivity and deepening regional economic integration, (2) promoting sustainable and inclusive growth, and (3) strengthening inclusive growth through structural reform. Prime Minister Abe attended the meeting and regarded the TPP11 Agreement as the basis of 21st-century rules for trade and investment, and stated that he would aim for early conclusion of the RCEP. He also emphasized the importance of the multilateral trading system with the WTO at its center, and pointed out that the WTO reform should be supported by APEC. In this way, ahead of Japan’s presidency of the G20 in 2019 and as a standard-
Have you heard of the APEC Business Advisory Committee (ABAC)? ABAC is APEC’s only official private advisory group, composed of representatives from the business world nominated by the leaders of the 21 economies (countries and regions) participating in APEC. In Japan, there are three members¹ including myself, who were nominated by Prime Minister Abe. ABAC discusses priority business challenges at four meetings a year and submits policy recommendations to APEC leaders each year. In 2018, we deepened the discussion on the theme “Digitization and Innovation” at the meetings held in New Zealand, Japan, Malaysia and Papua New Guinea.

By obtaining widespread support from the Government of Japan, economic organizations, and relevant companies, the conference held in Japan in April 2018 was the first to be held in Tokyo in 11 years, with more than 200 people attending.

On this occasion, working in cooperation with East Japan Railway Company, we guided the ABAC members to the Tokyo Shinkansen (bullet train) Rolling Stock Center and Tokyo Station, and had a tour of shinkansen vehicles. The Ministry of Land, Infrastructure, Transport and Tourism gave an explanation of the shinkansen system’s safety, reliability, life-cycle cost, and contribution to economic development. It was an opportunity to gain a better understanding of Japan’s high-quality infrastructure. After that, with Mitsubishi Estate Co., Ltd., we provided a tour of the Marunouchi area, and introduced initiatives of public-private partnership for sustainable development.

In addition, at the “Women’s Luncheon (Lunch Session on Women’s Economic Participation)” hosted by the economy (country and region) where the conference was held, Minister in charge of Women’s Empowerment Seiko Noda introduced the efforts and results of promoting gender equality and women’s empowerment in Japan. In the panel discussion that followed, which explored the theme of “women’s empowerment in STEM²,” we had Vice Chair of the Board of Councilors at Keidanren Haruno Yoshida, astronaut Naoko Yamazaki, co-founder of H2L Inc. Emi Tamaki and Head of the OECD Tokyo Centre Yumi Murakami conducting active discussions on the proliferation of role models and the encouragement of male cooperation. This event attracted interest from committee members of economies (countries and regions) who face issues in women’s active participation in this area, while Japan’s efforts were highly praised too.

Every fall at the APEC Economic Leaders’ Meeting, ABAC members are given the opportunity to propose policies directly to the heads of each economy (country and region) during the ABAC Dialogue with APEC Leaders. In 2018, the Economic Leaders’ Meeting took place in Papua New Guinea, the chair economy. As the facilitator for Prime Minister Abe, I attended along with a group of leaders from countries that included Malaysia, Singapore, and Mexico, and exchanged views on supporting the multilateral trade system and developing policies for the digital age.

We intend to continue to cooperate with the Government of Japan, economic organizations, and relevant businesses to make policy recommendations for boosting Japanese industry.

¹ ABAC Japan members: Hideaki Omiya, Chairman of the Board of Mitsubishi Heavy Industries, Ltd., Motomu Takahashi, Counselor at Mitsui & Co., Ltd., and Nobuhide Hayashi, Chairman of Mizuho Bank, Ltd. Alternate member: Koji Hasegawa, Executive Corporate Adviser at Mitsubishi Heavy Industries, Ltd. (as of December 2018, order of appointment).
² Science, Technology, Engineering, Mathematics
Note: All job titles are as of the time this column was written.
bearer of free trade, he declared that Japan would actively contribute to the prosperity and stability of the Asia-Pacific region, which is the “world’s growth center.” Furthermore, emphasizing the importance of promoting quality infrastructure for enhancing connectivity, Japan, as a proponent of the “Free and Open Indo-Pacific” and organizer of the Pacific Islands Leaders Meeting (PALM), announced that it would secure and strengthen Japan’s presence in the Asia-Pacific region.

In the process of drafting of the Leaders’ Declaration, there was no convergence of views on issues such as on support for the multilateral trading system and the fight against protectionism, the 26th APEC Economic Leaders’ Meeting was the first time since 1993 that a Leaders’ Declaration was not adopted, and the Chair’s Statement was issued reflecting the Chair’s assessment of the prevailing views of all APEC economies. Nonetheless, the Chair’s statement, issued on November 23 includes Japan’s priorities such as the contributions made by the multilateral trading system, improving the functioning of the WTO, advancing a free, fair, and open trade, and quality infrastructure.

Chile will host APEC in 2019.

(4) Intellectual Property

Strengthening the protections of intellectual property is extremely important for the promotion of technological innovation, and eventually for the development of the economy. Japan has actively participated in multilateral consultations, such as APEC, the WTO (TRIPS Council), and the World Intellectual Property Organization (WIPO), and is working to develop an environment to ensure that Japanese intellectual property is appropriately protected and utilized overseas. As part of that, in October 2018, Japan deposited its instrument of accession for the “Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled” to the WIPO, and the Treaty came into force in Japan in January 2019. For EPAs as well, Japan strives to establish regulations on intellectual property rights and thereby to ensure the adequate and effective protection of intellectual property. The Japan-EU EPA came into force on February 1, 2019, and the TPP11 came into force on December 30, 2018, and both incorporate contents on further promotion of the protection and use of intellectual property. Moreover, MOFA, for the purpose of rapidly and efficiently providing assistance for Japanese companies that have suffered from counterfeit and pirated goods, appoints Intellectual Property Officers at almost all of the diplomatic missions overseas, so that they can advise Japanese companies and make inquiries with or requests to their counterpart governments. Japan is also engaged in efforts to improve the capacity of government employees in developing countries to counter the spread of counterfeit and pirated goods, and to strengthen the protection of intellectual property, such as by dispatching experts through the Japan International Cooperation Agency (JICA).
(1) Promotion of Japanese Companies’ Overseas Business Expansion by the Ministry of Foreign Affairs (MOFA) and Accompanying Diplomatic Missions Overseas

The number of branches for Japanese companies holding overseas branches has increased in recent years, reaching 75,531 as of October 2017. One of the reasons behind this is that many Japanese companies, which underpin the economic development of Japan, have embarked more actively than ever before on expansion overseas, with the aim of further cultivating foreign markets. To incorporate vigorous economic growth abroad, mainly in Asia, into the Japanese economy, support for Japanese companies by the Government has become more important.

In light of this situation, MOFA is actively engaged, alongside the diplomatic missions overseas, in supporting Japanese companies in their efforts to expand their businesses overseas. At the diplomatic missions overseas, all staff, including those responsible for Japanese business support, provide Japanese companies with information, and lobby foreign governments under the leadership of ambassadors and consuls-general, with the aim of providing meticulous and specific support that corresponds with the conditions in the respective regions, and under the motto of being an “open and responsive government office.” They also offer information through seminars and consultations, etc. about local legal systems. In FY2018, these were provided at 18 diplomatic missions in 11 countries, with a focus on Asia.

Among the activities implemented at diplomatic missions overseas, in addition to consultations about business problems, the promotion and publicity of the “Japan Brand” for products, technologies, services, and agricultural, forestry, and fishery products by Japanese companies at receptions to celebrate the Emperor’s birthday and various other events and exhibitions, also forms an important part of their support for Japanese companies. They actively offer the embassies and official residences of the Ambassadors as publicity and advertising spaces for Japanese companies to hold product exhibitions or local governments to hold local products exhibitions and food-tasting events, as spaces for conducting seminars on business expansion, and as spaces for exchanges with local companies and the relevant organizations. A wide range of publicity activities are being implemented, from countries that already have a strong affinity with Japan, to countries that have not had much contact with Japan until now.

From the perspective of public-private cooperation and support for companies, it is important not only to support Japanese businesses which are seeking to expand their businesses overseas, but also to support those which already have business interests overseas. In June 2016, the UK held a national referendum on whether to remain or leave the EU, and on March 29, 2019, Britain was to leave the EU. As actions taken by the UK and the EU and the results of their negotiations could have a significant impact on Japanese businesses and the global economy, the Government of Japan launched the Government Task-force regarding the Withdrawal of the UK from the EU, chaired by

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7 MOFA “The Statistics on the Japanese Nationals Residing Overseas”

8 The Government Task Force regarding the Withdrawal of the UK from the EU, chaired by Deputy Chief Cabinet Secretary Hagiuda, was established in July 2016. It compiled concerns and requests of the business community, especially Japanese businesses operating in Europe, through the relevant Ministries and Agencies (the Cabinet Office, Financial Services Agency, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, and the Personal Information Protection Commission Secretariat); 11 meetings (including opinion exchanges with businesses) have so far been held (the 1st meeting was held on July 27, 2016, the 2nd on August 18, the 3rd on September 2, the 4th on January 19, 2017, the 5th on March 30, the 6th on August 28, the 7th on December 18, the 8th on March 26, 2018, and opinion exchanges with businesses on May 29, the 9th on September 12, and the 10th on November 26).
the Deputy Chief Cabinet Secretary, in July 2016. Information was consolidated across all sectors of the government, and Japan’s message to the UK and the EU was summarized at the third meeting of the Task-force, and efforts have been made to urge the UK and the EU to work on the issue. The Task-force has held 12 meetings so far and in May 2018 conducted an exchange of views, based on the withdrawal negotiations between the UK and the EU, between business people associated with the food, pharmaceutical, electrical and electronic, automotive, railway, nuclear power, telecommunication, finance, and information industries.

(2) Promotion of Overseas Business Expansion of Japanese Infrastructure System

In order to respond to infrastructure demands mainly in emerging countries and promote infrastructure exports by Japanese companies, a “Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation,” consisting of relevant cabinet ministers with the Chief Cabinet Secretary serving as chair, was established in 2013 and a total of 41 meetings have been held (as of February 2019). In addition to discussions on the revisions to and follow-ups of the annual “Strategy for Exporting Infrastructure Systems,” discussions are also held on issues in the respective fields as well as issues in specific regions such as Central Asia and the Caucasus and soft infrastructure (35th meeting) and disaster prevention (40th meeting).

The first edition of the Infrastructure System Export Strategy was drawn up in May 2013, and the revised edition for 2018, in addition to strengthening the competitiveness of Japanese companies, taking into account international contributions from quality infrastructure, further expanding business investment, etc., sets out guidelines to promote specific policies based on the “Free and Open Indo-Pacific Strategy,” under the four pillars of (1) strengthening the competitiveness between public and private sectors, (2) international contributions by promoting quality infrastructure, (3) expansion of infrastructure investment utilizing Japanese technology and knowledge, and (4) efforts for a wide range of infrastructure.

Japan has also been driving forward the dynamic development of trade promotion by the Government, and systemic improvements aimed at the strategic use of ODA loans and overseas loans and investments, and has steadily produced results. As a result, at the Japan-Ecuador Summit Meeting in September 2018, the Inter-American Development Bank exchanged a letter regarding loan aid assistance for a total amount of up to 70 million US dollars to promote energy savings and expansion and enhancement of the power distribution network in Ecuador. In addition, at the Japan-India Summit Meeting in October, with both leaders present, results have steadily been achieved, such as a high-speed railway construction project between Mumbai and Ahmedabad (second phase) and six others, and an exchange of letters for an ODA loan of a total amount of up to 310 billion yen.

Furthermore, with regard to diplomatic missions overseas, MOFA has appointed “officers in charge of Infrastructure Projects,” who gather and consolidate information on infrastructure projects, in the diplomatic missions overseas in countries of focus (192 personnel, at 94 diplomatic missions overseas in 73 countries as of the end of February 2018).
(3) Promotion of the Export of Agricultural, Forestry and Fishery Products and Food

The Government of Japan has set a goal of expanding the value of the export of Japanese agricultural, forestry and fishery products and food to 1 trillion yen by 2019 (“Economic Measures for Realizing Investment for the Future” (Cabinet decision, August 2016)). MOFA, in collaboration with relevant ministries and agencies, Japanese companies, local governments, etc., and by utilizing the function and facilities of diplomatic missions, unique connections, etc. all over the world, is energetically promoting the attractiveness of Japanese products. In particular, Japanese business support officers (in charge of the food industry) have been assigned to 58 diplomatic missions overseas in 54 countries and regions to strengthen initiatives to promote the export of agricultural, forestry and fishery products and food.

Although eight years have passed since the Great East Japan Earthquake and the accident at Tokyo Electric Power Company’s (TEPCO) Fukushima Daiichi Nuclear Power Plant, some countries and regions have continued to place import restrictions on Japanese agricultural and fishery products and food. MOFA is requesting these countries and regions to consider the abolition of import restrictions as soon as possible based on scientific evidence, by providing them with timely and accurate information and using WTO frameworks in collaboration with the relevant ministries and agencies. MOFA is also working hard to disseminate information about the safety of Japanese food products in countries and regions around the world, with the aim of dispelling harmful rumors about Japanese agricultural, forestry, and fishery products as well as food products.

As a result of these efforts, import restrictions were lifted in Turkey (February), New Caledonia (French overseas territory) (July), and Brazil (August) in 2018. So far, 29 countries and regions have removed their import restrictions (Canada, Myanmar, Serbia, Chile, Mexico, Peru, Guinea, New Zealand, Colombia, Malaysia, Ecuador, Viet Nam, Iraq, Australia, Thailand, Bolivia, India, Kuwait, Nepal, Iran, Mauritius, Qatar, Ukraine, Pakistan, Saudi Arabia, Argentina, and the three countries/territory mentioned above). In addition, restrictions were eased in 2018 by the U.S., Russia, the United Arab Emirates, Singapore, Hong Kong, and China, and the number of regions and items subject to import restrictions are on the decline (as of the end of November 2018).

MOFA will continue persistent efforts, collaborating with relevant ministries and agencies, etc., to urge countries and regions which maintain their import restrictions to remove restrictions as soon as possible and to dispel reputational damage, by taking every opportunity to work persistently and disseminate information.

4 Promoting Resource Diplomacy along with Foreign Direct Investment in Japan

(1) Securing a Stable Supply of Energy and Mineral Resources at Reasonable Prices

A Current Situation of Energy and Mineral Resources in Japan and Abroad

(A) Situation in the World

In recent years there have been three structural changes in the international energy market: (1) demand (consumption), (2) supply (production), and (3) resource selection. Regarding (1) demand, the proportion of OECD member countries in the world’s primary energy demand has decreased and the weight of world energy consumption has shifted to non-OECD member countries such as China and India. Regarding (2) supply, the U.S. became the world’s largest producer of both oil and natural gas due to the “Shale Revolution,” and lifted its ban on crude oil exports in December.
2015. The U.S. made energy a key issue, and is promoting energy export policies such as by announcing the promotion of further exports of U.S. liquefied natural gas (LNG). Production of shale oil and gas is expected to remain high due to productivity improvements and cost reductions through technical innovation. Regarding (3) resource selection, based on the fact that energy production and use account for about two-thirds of greenhouse gas (GHG) emissions, the move toward transition to cleaner energy sources, such as renewable energy, is accelerating. Additionally, since the Paris Agreement on climate change was adopted in December 2015, efforts by companies on low carbonization and decarbonization have been further advancing.

Crude oil prices started to fall since the second half of 2014 mainly because of the economic slowdown in China and other economies, increased production of non-OPEC member countries such as shale oil production in the U.S., and oversupply due to robust production in OPEC member countries. Prices remained low and temporarily broke 30 US dollars/barrel in 2016. Following the continuation of low oil prices due to oversupply, OPEC member countries and other major non-OPEC member oil producers such as Russia agreed to a coordinated reduction in crude oil output at the end of 2016 at the OPEC Meeting, and oil prices rose in the second half of 2016 and in 2017, remaining around 50 US dollars/barrel. After that, despite the increase in crude oil production volume in the U.S., oil prices have gradually risen and have been hovering around 70 US dollars/barrel since September 2018 because impacts of the worsening production decline in Venezuela and concerns about the decline in crude oil exports due to U.S. sanctions against Iran (started November 2018) on the supply-demand balance have been considered, and geopolitical tensions such as in the Middle East due to trade frictions have escalated. At the same time, however, there is also a downward trend as demand is expected to decline due to the possibility of an economic slowdown from U.S.-China trade frictions, etc., and it is important to continue to pay attention to the impact of these oil price fluctuations on future energy security.

(B) Situation in Japan

In Japan, after the Great East Japan Earthquake, the percentage of fossil fuels increased and...
reached about 90% of power generation in 2012 from about 65% before the earthquake (about 80% in 2017), due to the shutdown of nuclear power plants. In particular, the share of LNG is increasing, and although the deployment of renewable energy and the restart of nuclear power plants are gradually progressing, the percentage of LNG power generation has reached about 40%. At the same time, Japan’s primary energy self-sufficiency ratio (including nuclear power), which relies on imports from overseas for almost all of its oil, natural gas, coal, etc., dropped sharply from 20% before the earthquake to 6.4% in 2014. It remains at a low level despite picking up to 8.3% in FY2016. In addition, nearly 90% of crude oil and more than 20% of natural gas imported by Japan come from the Middle East (both in 2018). Under these circumstances, efforts to secure a stable supply of energy at reasonable prices are becoming increasingly important.

Against this background, in July 2018, the Cabinet decided on the “5th Strategic Energy Plan,” aiming to contribute to the sustainable development of the world as well as further development of the Japanese economic society and improvements in people’s lives through a long-term, stable, sustainable, and self-reliant energy supply. Under the principle of 3E+S (“Energy Security,” “Economic Efficiency,” “Environment,” and “Safety”), and in order to realize a stable, low-burden, and environmentally compatible energy supply and demand structure, this new Plan includes efforts aimed at utilizing renewable energy as the major power source and at promoting energy system reform. It aims the steady realization of the energy mix in order to reduce greenhouse gases by 26% in FY2030 (compared to FY2013).

**Diplomatic Efforts to Secure a Stable Supply of Energy and Mineral Resources at Reasonable Prices**

Securing a stable supply of energy and mineral resources at reasonable prices forms the foundation for the vital economy of Japan and the livelihoods of its people. Japan has been strengthening diplomatic efforts, focusing on the following activities.
(A) Gathering and Analysis of Resource-Related Information at the Diplomatic Missions Overseas

With a view to strengthening the function of the diplomatic missions overseas, as of December 2018, “Special Assistants for Natural Resources” have been appointed to 60 diplomatic missions overseas in a total of 53 countries to work intensively on the acquisition and stable supply of energy and mineral resources. Furthermore, MOFA holds “Strategy Meetings on Natural Resources” every year, which bring together officials who are assigned to the diplomatic missions overseas in countries that are important in terms of ensuring a stable supply of energy and mineral resources. In 2018, the Meeting was held in Tokyo in February, and was also attended by representatives of the relevant ministries and private-sector agencies. Active discussions were held on the international situation surrounding energy and mineral resources, as well as on the direction of Japan’s strategies corresponding to the international situation.

(B) Securing Transportation Route Safety

There have been threats posed by piracy along the sea lane stretching from the Middle East to Japan, through which approximately 90% of the total oil imports to Japan passes, and along other internationally important sea lanes such as those off the coast of Somalia and the Gulf of Aden. With this in mind, Japan has supported the coastal countries through such measures as enhancing counter-piracy capacities, cooperating on information sharing among countries concerned, and developing navigation facilities. Japan has also been dispatching units of the Japan Self-Defense Forces and the Japanese Coast Guard officers to the areas off the coast of Somalia and the Gulf of Aden to be engaged in escort operations for any country’s commercial ships.

(C) Making Use of International Fora and Rules

Japan makes active use of international fora and rules to cooperate with the international community toward securing a stable supply of energy. Japan endeavors to strengthen its capability to respond to emergencies such as disruptions in oil supply, while striving to quickly and accurately grasp information, such as trends in the global energy markets and resource-producing countries, and revisions to the medium- and long-term outlooks for supply and demand.

In September 2018, the G7 Energy Ministers’ Meeting was held in Halifax (Canada) under the theme of “Building the Energy Systems of Tomorrow (BEST),” with discussions aimed at strengthening energy security, ensuring sustainable economic growth with the energy system, and realizing the future of low-carbon energy. The Chair’s summary was issued by Canada as the G7 Presidency in 2018.

At the G20 Energy Ministers Meeting held in San Carlos de Bariloche (Argentina) in June, Ministers addressed issues such as renewable energy, energy security and energy access under the theme of energy transitions considering national circumstances, based on changes in the global energy situation. The G20 Energy Ministers Communiqué was issued as the Meeting’s outcome document.

At APEC, the meetings of the APEC Energy Working Group (EWG) have been convened as a framework to promote energy trade and investment while strengthening energy security, so as to contribute to the sustainable economic growth of the Asia-Pacific region. In 2018, the 55th EWG meeting was held in Hong Kong in May, and the 56th EWG meeting was held in Peru in November. Japan participated actively in both meetings.

As for ASEAN-related matters, the ASEAN+3 (Japan, China, Republic of Korea) Ministers on Energy Meeting and the East Asia Summit (EAS) Energy Ministers Meeting were held in Singapore in October. At the 2018 meeting, a common understanding to build an LNG market in Asia and a new approach for realizing a hydrogen
society and decarbonizing the transport sector were proposed.

**C  Major Efforts for Energy and Resource Diplomacy in 2018**

**(A) Consideration and Launch of New Energy and Resource Foreign Policy**

At the Eighth Session of the International Renewable Energy Agency (IRENA) Assembly held in Abu Dhabi (United Arab Emirates) in January 2018, Foreign Minister Kono was the first Minister for Foreign Affairs from Japan to attend the IRENA Assembly, and he gave a policy speech entitled “Renewable Energy Diplomacy of Japan – Climate Change and Future Energy.” In this speech, Foreign Minister Kono stated that Japan will contribute to the world through technology and innovation as the era of renewable energy comes and that Japan will support countries in a vulnerable position. He also mentioned the international dissemination of “The Fukushima Plan for a New Energy Society.” On that basis, he appreciated IRENA, which has contributed to the issue of climate change and promoted renewable energy, and indicated that Japan will continue to support IRENA’s activities.

Furthermore, in July, Foreign Minister Kono made the policy speech entitled “Evolving Energy Diplomacy – Energy Transition and the Future of Japan” on the occasion of MOFA’s International Symposium “Energy Transition and Energy Security in Asia.” (Represented by Parliamentary Vice-Minister for Foreign Affairs Okamoto). In the speech, he expressed the intention to promote energy diplomacy in response to the global energy situation and energy transition while international efforts toward decarbonization are in full swing as the Paris Agreement comes into force and the major changes in both supply and demand are in progress.

**(B) Holding Strategy Meeting on Natural Resources**

For three days in 2018 from February 19 to February 21, the “Strategy Meeting on Natural Resources” was held at MOFA, bringing together 17 officials including Special Assistants for Natural Resources posted to diplomatic missions in 17 countries which involve a stable supply of energy and mineral resources for Japan. In addition to MOFA Headquarters officials including State Minister for Foreign Affairs Nakane and Parliamentary Vice-Minister for Foreign Affairs Okamoto, the aforementioned 17 foreign mission officials and officials from relevant Ministries participated along with people from various organizations and private business as well as experts, deepening debate on issues and measures for promoting a stable supply of resources in Japan and energy and resource diplomacy.

At the meeting, bearing in mind the policy speech given by Foreign Minister Kono at the Eighth IRENA Assembly in January 2018, the “Report on the 2018 Strategy Meetings on Natural Resources” was compiled, laying out six concrete and specific efforts by Japan: (1) reaffirm that securing the stable supply of energy and resources to Japan is the first proposition, (2) show the world Japan’s willingness to contribute to global energy security as a whole, (3) conduct energy diplomacy that transforms Japan’s technology into competitiveness of Japanese companies in the global market, (4) realize organized linkage between renewable energy diplomacy and climate change diplomacy,
(5) position “energy and resource diplomacy” as the vertical axis of diplomatic strategies, and (6) strengthen multi-layered cooperation with international organizations including contribution to Sustainable Development Goals (SDGs).

(C) Conducting a Fukushima Study Tour for the Diplomatic Mission in Tokyo

On November 1, 2018, MOFA organized a Study Tour to Fukushima Prefecture for the Diplomatic Corps in Tokyo in cooperation with the National Institute of Advanced Industrial Science and Technology (AIST), Fukushima Prefecture, Fukushima City, Koriyama City, and the Agency for Natural Resources and Energy. This Study Tour comprised site visits to the Fukushima Renewable Energy Institute, AIST (FREA), a geothermal plant in Tsuchiyu Onsen in Fukushima City and other facilities.

A total of 10 personnel from embassies in 10 countries participated in this study tour, and the participating diplomats visited advanced research facilities on hydrogen, solar power, wind power, geothermal power and geothermal heat utilization at FREA, deepening their understanding of Japan’s most advanced technologies and research and development. Afterwards, participants took part in a seminar on geothermal power generation held at the FREA site to deepen their understanding of Japan’s efforts in this field.

(2) Ensuring Food Security

According to reports by the UN Population Division, global population in 2017 is estimated to be about 7.6 billion. However, the global population is expected to increase mainly in Sub-Saharan Africa and South Asia in the future, and to reach about 9.8 billion by 2050. Furthermore, as an increase in consumption of livestock will trigger a big surge in demand for grains, demand for feed for livestock will also increase rapidly in tandem with the rise in the amount of livestock consumed, should dietary habits in developing countries change in the future. According to a report by the Food and Agriculture Organization of the United Nations (FAO) in 2017, there is a need to increase food production by approximately 50% by 2050, against food production levels in 2012. On the other hand, if we were to turn our eyes to the domestic situation in Japan, while the country’s food self-sufficiency rate (calorie basis (published by the Ministry of Agriculture, Forestry and Fisheries)) has been on a downward trend in the long-term, it has been levelling out in recent years, and reached 38% in FY2017. Japan continues to be dependent on the import of much of its food over the long-term; in order for Japan to avoid the problem of food supply shortage, it needs to increase domestic food production, and at the same time, actively promote food production worldwide in order to ensure the stability of imports. In the event that global food supply falls short due to a large-scale drought or other factors, it is also necessary for Japan to contribute as a member of the international community, including providing support to other countries. Furthermore, rather than temporarily increasing food production amidst rising food demand, there is a need to secure the sustainability of increased food production while reducing the burden on the environment. In addition, food also suffers from quality deterioration over time, and is easily damaged by diseases and pests. As such, to ensure the efficient consumption of agricultural produce, it is necessary to create stable markets for agricultural products as well as trading systems, and to improve logistics. It is vital to consolidate Japan’s food security through these efforts.

(3) Fisheries (Including Tuna and Whaling)

Japan is one of the major fishing countries and consumers of fishery products in the world and plays an active role in the proper conservation and management measures and sustainable use of living marine resources.

Regarding whaling, under the basic policy of
pursuing the resumption of commercial whaling by conducting scientific whale research programs, based upon scientific evidence and international law in order to gather scientific data that is necessary for the appropriate management of whale resources, Japan has implemented the “New Scientific Whale Research Program in the Antarctic Ocean (NEWREP-A)” since December 2015, which was finalized taking into account the Judgment of the International Court of Justice (ICJ) in March 2014 as well as issues pointed out by the Scientific Committee of the International Whaling Commission (IWC). Moreover, a proposal for the “New Scientific Whale Research Program in the Western North Pacific (NEWREP-NP)” was submitted to the Scientific Committee of the IWC in November 2016. The research program was finalized in May 2017, fully taking into account IWC Scientific Committee discussions, and the research program was implemented from June 2017. Anti-whaling countries occupy the majority at the IWC, and while the international situation regarding whaling still remains difficult, Japan is making persistent efforts to deepen understanding among the international community based on scientific evidence and international law.

At the 67th Meeting of the IWC held in September 2018, Japan presented the IWC reform proposal to restore the IWC’s role as a resource conservation and management organization and for achieving the coexistence of parties with different positions on whales and whaling. However, it was rejected by the majority of anti-whaling countries. It was shown once again that
it was extremely difficult to achieve coexistence of different positions within the IWC, and that anti-whaling countries have no intention to allow commercial whaling in any form.

After the 67th Meeting of the IWC and based on these circumstances, Japan seriously considered every possible option regarding its future relationship with the IWC, and decided to withdraw from the International Convention for the Regulation of Whaling (ICRW). The Government of Japan gave a notice of withdrawal to the U.S. Government, which is the depositary government (the withdrawal takes effect on June 30, 2019).

Japan, as one of the largest tuna-consumers, has joined all Regional Fisheries Management Organizations (RFMOs) for tuna, and leads discussions on strengthening the conservation and management measures (CMM). In 2018, regarding the Western and Central Pacific Fisheries Commission (WCPFC), the results of stock assessment evaluations on Pacific Bluefin tuna indicated that the probability of achieving the interim recovery target exceeded 75%. Although Japan proposed an increased allowance to the Northern Committee in accordance with the catch control rules based on the results, it did not reach an agreement as some members opposed it as premature. At the annual meeting it was decided to discuss the increased allowance again after confirming the status of resources by the next Northern Committee. On the other hand, Japan proposed a revised amendment to the Pacific Bluefin tuna conservation and management measure that any underage of the catch limit might be added to the catch limit for the following year within 5% of its annual initial catch limit, and it was adopted at the annual meeting. In addition, regarding bigeye tuna, yellowfin tuna, and skipjack tuna, the current CMM was reviewed at the annual meeting, and it was eventually agreed to extend the current measures by two years (2019 to 2020).

At the International Commission for the Conservation of Atlantic Tunas (ICCAT) 2017 Annual Meeting, there was an agreement that the total allowable catch (TAC) of the Atlantic Bluefin tuna stock will be gradually increased from the current 23,655 tons to 36,000 tons by 2020, and at the 2018 Annual Meeting, discussions for a review of management measures for Atlantic Bluefin tuna (allocation of those yet to be allocated, relaxation of fishing season, etc.) were continued.

At the 4th Annual Session of the North Pacific Fisheries Commission (NPFC) held in July 2018, for Pacific Saury, it was agreed to (1) make additions to current CMM to prevent discards and encourage to refrain from catching juvenile fish, and (2) work to obtain consensus stock assessment results agreed at the 2019 Scientific Committee Meeting in spring. Additionally, with regards to bottom fish, as a result of discussions based on Japan’s suggestions, the commission adopted the CMM that the catch of North Pacific armorhead in the Emperor seamounts was limited to half of the level in recent years and might be increased when a strong recruitment of North Pacific armorhead was detected through the monitoring surveys. Regarding illegal, unreported, and unregulated (IUU) fishing, four new IUU fishing vessels were added to the IUU fishing boat list based on Japan’s proposal (a total of 27 stateless ships listed), and High Seas Boarding and Inspection Implementation Plan was formulated.

As for the Japanese eel, which was discussed at the COP17 Meeting of the Convention on International Trade in Endangered Species of Wild Fauna and Flora’s (CITES) in 2016, the

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10 An accredited body of the WCPFC that makes recommendations to the Commission on conservation and management measures for resources (Pacific bluefin tuna, North Pacific albacore, North Pacific swordfish) that are distributed mainly in waters north of latitude 20 degrees north.

11 Regulation for (1) purse seine fisheries, ban periods and number limits for FADs (Fish Aggregating Devices) and (2) long line fisheries, and catch limits for bigeye tuna.
1. History of Japan’s whaling policy

In 1951, Japan acceded to the International Convention for the Regulation of Whaling (ICRW). The ICRW specifies two objectives: “appropriate conservation of whales” and “orderly development of the whaling industry.” The International Whaling Commission (IWC) was established as an organization to achieve these goals.

Nevertheless, amid growing momentum toward the conservation of whales since the 1970s, the IWC decided in 1982 that the commercial catch quota be set at zero for the time being (so-called “commercial whaling moratorium”). It also decided at the time to consider setting a catch limit other than zero (i.e. resumption of commercial whaling) after assessment of the status of whale resources by 1990.

Japan has conducted scientific research on whales, permitted under ICRW since 1987, and has contributed to the collection of scientific data to realize sustainable commercial whaling. The data acquired from this research have confirmed that certain whale species could be utilized sustainably. Despite these scientific findings, opposition by anti-whaling countries has prevented the modification of the “commercial whaling moratorium” thus far.

Furthermore, Japan made serious arguments, including a proposal to reform the IWC, with the aim of bringing the IWC back to its original objective of sustainable use of whale resources. However, there was not any change in the attitudes of the member states opposed to any form of whaling.

2. Japan’s efforts at the 67th Meeting of the IWC

Japan proposed a comprehensive reform of the IWC at the 67th Meeting of the IWC General Assembly (held in Florianopolis, Brazil) in September 2018 in an effort to break the stalemate. The proposal sought to achieve coexistence of member countries with different positions on whaling within the framework of the IWC by bringing the IWC back to its original role and enabling discussions and decisions based on scientific knowledge.

Anti-whaling countries, however, asserted that “the IWC has already ‘evolved’ into an organization that exclusively aims for protection of whales” and took the consistent position of not accepting any proposal that leads to commercial whaling. Japan’s proposal was ultimately rejected by voting with 27 votes in favor, 41 votes in opposition, and 2 abstentions.

Additionally, the anti-whaling countries proposed the “Florianopolis Declaration,” which emphasized the importance of continuing the commercial whaling moratorium and rejected the need for lethal research. The proposal was adopted with 40 votes in favor, 27 votes in opposition, and 4 abstentions.

These outcomes unveiled that anti-whaling countries have no intention to accept even coexistence with member countries with different views.

3. Withdrawal from the ICRW

Based on the Meeting results, the Government of Japan seriously considered every possible option regarding its future relationship with the IWC. It concluded that Japan’s fundamental policy of sustainable use of marine resources based on scientific evidence could not be achieved in the current IWC and gave notice of its withdrawal from the ICRW to the U.S. Government, which is the depositary government, on December 26, 2018. Japan’s withdrawal from the ICRW takes effect on June 30, 2019.

4. Resumption of commercial whaling and continued international cooperation

From July 2019, Japan will conduct commercial whaling in its own territorial waters and exclusive economic zone, in line with international law and within the catch limits calculated in line with the method adopted by the IWC to avoid negative impact on whale resources.

At the same time, Japan’s position on international cooperation on the management of whale resources remains unchanged. After its withdrawal from the IWC, Japan will engage with the IWC as an observer.
11th informal consultations held by East Asian countries and regions in June 2018 confirmed that they will cooperate in introducing conservation and management measures based on scientific evidence. In response to this, a regional workshop on the Japanese eel was held in September 2018 to confirm scientific data and information on the Japanese eel, with the participation of scientists from Japan, the ROK, and Chinese Taipei.

In the high seas portion of the Arctic Ocean, although the commercial fishing is unlikely to become viable in the near future, concern over the start of unregulated fishing has risen as ice coverage in that area has diminished due to climate change and other phenomena. Against this background, five coastal states (Canada, Denmark, Norway, Russia and the U.S.) and Japan, China, the ROK, Iceland and the EU consulted on the regulation of high seas fishing in the Central Arctic Ocean and the “Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean” was created. All of them signed the Agreement in Ilulissat, Denmark in October 2018.

(4) Foreign Direct Investment in Japan

The target to double foreign companies’ direct investment in Japan to 35 trillion yen by 2020, was laid out in the “Investments for the Future Strategy 2018” (June 2018 Cabinet Decision) (28.6 trillion yen as of the end of 2017). With the “Council for Promotion of Foreign Direct Investment in Japan,” which has been held since 2014 to spearhead the initiative to promote activities for discovering and attracting investments, while gathering opinions from foreign company managers, Japan continues to make further progress in implementing additional measures such as regulatory and institutional reforms contributing to the improvement of the investment environment in Japan, responding to the needs of foreign companies, and supporting measures to expand investments effectively. Based on the Five Promises for Attracting Foreign Businesses to Japan, decided at the 2nd meeting of the Council for Promotion of Foreign Direct Investment in Japan held in March 2015, foreign companies have been utilizing the Investment Advisor Assignment System since April 2016, and are meeting with the relevant State Ministers in charge. In addition, the Working Group for Revising Regulations and Administrative Procedures has been convened since August 2016, to review the streamlining of regulations and administrative procedures that pose a challenge to foreign companies when they are investing in Japan. The summaries of the Working Group meetings have also been reflected in the Basic Policy on Economic and Fiscal Management and Reform 2017 and Investments for the Future Strategy 2017. The 6th meeting of the Council for Promotion of Foreign Direct Investment in Japan, held in May 2018, decided on the “Support Program for Regional Foreign Direct Investment in Japan” in order for the Government of Japan as a whole to support direct foreign investment in the Japanese region.

MOFA has been implementing various measures adopted by the Council for Promotion of Foreign Direct Investment in Japan, initiatives making use of diplomatic resources through diplomatic missions overseas, and trade promotion by key government officials. It is also strategically implementing
various initiatives toward promoting foreign direct investment in Japan. The “Contact Points for Direct Investment toward Japan” established at 126 diplomatic missions overseas in April 2016, have been working in collaboration with the Japan External Trade Organization (JETRO), carrying out surveys of requests for improvements to Japanese regulations and systems, calling for investments in Japan by making use of networks of contacts at diplomatic missions overseas, holding events for promoting foreign direct investment in Japan, and implementing other proactive initiatives. Last year (FY2017), the various diplomatic missions had a track record of more than 650 cases. In Japan, MOFA hosted the Japan-U.S.-Europe Business Seminar in March 2017 (organized jointly with the relevant ministries, the Japan Institute of International Affairs, and JETRO). During Prime Minister Abe’s visit to the U.S. in September 2017, he introduced the results and future direction of reforms through Abenomics, and called for greater investment in Japan at a meeting with U.S. CEOs and in his economic speech delivered at the New York Stock Exchange.

(5) The Road to 2025 World Expo Osaka, Kansai, Japan

On November 23, 2018, Japan was elected as the country to host the 2025 World Exposition at the election held at the General Assembly of the Bureau International des Exposition (BIE) in Paris. The election was contested among three candidatures, i.e. Japan (Osaka, Kansai), Russia (Ekaterinburg) and Azerbaijan (Baku) and Japan won the second (final) round against Russia.

To that end, the Government of Japan, in tandem with the local governments and the business communities, had carried out active election campaign for one and half years since its official announcement of running for the election. At the national level, the Prime Minister and relevant Ministers and other high ranking officials took every opportunity to request their counterparts’ support for Osaka when they met at bilateral or multilateral fora, while the Japanese diplomatic missions headed by ambassadors conducted active campaign in each capital. The local governments and the business community jointly established 2025 Japan World Expo Committee and the Diet members organized a bipartisan alliance to promote the campaign through their own network and resources. World-renowned characters, Pokemon and Hello Kitty, that were appointed as Special Envoys greatly contributed toward attracting world’s attention to the campaign.

In this way, “All-Japan” multilayered campaign brought the victory to 2025 World Expo Osaka, Kansai, Japan.