

(Provisional Translation)

**Remarks by Prime Minister SUGA Yoshihide
on the Occasion of the Video Teleconference with Members of the
U.S.-Japan Business Council (USJBC) of the U.S. Chamber of Commerce**

July 15, 2021

1. Opening remarks

Chairman Peterson,
Distinguished representatives of USJBC members,
Ladies and gentlemen,

It is truly a pleasure to have this invaluable opportunity to exchange opinions with you today.

2. The importance of the Japan-U.S. Alliance

I visited the United States in April as the first foreign leader to do so since the Biden administration was inaugurated.

It is unfortunate that I was unable to meet with you in person at that time due to COVID-19-related restrictions, but through meetings with President Biden and Vice President Harris, we demonstrated the strong bonds of the Japan-U.S. Alliance powerfully to the international community, making it an extremely fruitful visit indeed.

As there are a wide range of issues that the international community faces including COVID-19, climate change, reinvigoration of our economies, and competition with authoritarianism, it is Japan and the U.S. who are driving efforts to materialize a “free and open Indo-Pacific,” including maintaining and strengthening a free and fair economic order. We will also lead the world in shaping the post-COVID-19 international order. The President and I resolutely confirmed our stance on these matters.

In addition, Japan and the U.S. agreed to advance our cooperation in the fields of innovation and technology, including green and digital, and economic security, including by ensuring resilient supply chains.

Based on these outcomes, through close teamwork with all those participating today, I wish to materialize Japan-U.S. cooperation in a wide range of areas and lead to the further reinforcement of the Japan-U.S. Alliance.

3. Japan's Growth Strategy

The Japan-U.S. Alliance is the cornerstone of Japan's diplomacy and security and also the foundation of the peace and prosperity of the region and the international community.

Moreover, I consider "robust Japan" that continues to grow is precondition for Japan-U.S. Alliance to fully function.

In my administration, in order to forge that "robust Japan" first and foremost we will make our utmost efforts to overcome COVID-19. Our trump card in that will be vaccines.

With the cooperation of U.S. companies, Japan is going all out to accelerate our administrations of vaccines, and we have attained our target of having one million doses administered daily.

We will continue to make all-out efforts to be swift in providing inoculations to the public.

At the same time, with my focus fixed firmly on the post-COVID-19 era, I am determined to proactively create driving forces for growth that enable Japan to remain a reform- and innovation-oriented country.

Last month, my Cabinet decided on its first Basic Policy on Economic and Fiscal Management and Reform since taking office, and positioned "green," "digital," "creating vibrant communities," and "measures for declining birth rate" as four driving forces for growth.

I would like to briefly overview each of these four pillars for you.

(Realizing a green society)

To begin with, the first pillar of "realizing a green society" is an issue of great urgency that humankind as a whole should engage in. Furthermore, the measures for achieving it will not be a constraint upon economic activities, but instead serve as a driving force engendering sustained economic growth by precipitating new investments and innovations.

In line with this thinking, last year I made the decision for Japan to achieve carbon neutrality by 2050, which we had been unable to deal with until then because of bureaucratic sectionalism.

Additionally, as ambitious targets consistent with this long-term goal, we will aim to reduce greenhouse gas emissions in fiscal 2030 by 46 percent compared to the fiscal 2013 level, and we are determined further to continue on by pursuing the challenge of cutting emissions by as much as 50 percent.

When we set these goals, some people expressed wariness of them. However, I am convinced that if we fully mobilize a wide range of policies and measures, including a newly-founded two trillion yen fund along with tax measures and regulatory reforms, the bold ideas and innovations of private-sector firms will certainly give rise to revolutions in industry alongside vigorous growth.

We warmly welcome your investment in the enormous green market that will arise in Japan from now.

(Promoting a digital society)

The second pillar of our driving forces for growth is digital.

In the post- COVID-19 era, it is absolutely critical that we make the most of the digital technologies to boost the efficiency and productivity of our labor and economic activities.

As we work towards becoming the most advanced digital nation, on September 1, I will launch the Digital Agency, which will serve as our “control tower” for reforms. We will carry out bold regulatory reforms and promote the digital transformation of the economy and our society.

(Creating vibrant communities)

Our third pillar is creating vibrant communities.

By supporting the reforms in expanded teleworking and digital transformation, we will spark a significant flow of people to areas outside of our major urban centers. In addition, we will foster growth industries in these areas by expanding exports of Japanese agricultural products that are in demand overseas.

We aim to revitalize Japan as a whole by creating vibrant local communities and increasing the income in areas outside our major cities.

(Measures for declining birth rate)

The fourth pillar is measures for declining birth rate. It is our children, who will live in the post-COVID-19 future, who embody the hopes of our nation.

In order to make their hopes for marriage and childbirth come true, we will dependably undertake improvements to the employment environment and provide support for childrearing. We also press forward with fostering an environment that protects children’s peace of mind as we turn our attention to a wide variety of issues, one by one, including child poverty, child abuse, and bullying.

Such efforts will link in to overcoming the declining birth rate and materializing a society in which it is easy to bear and raise children.

In my administration, taking these four areas I just mentioned as driving forces of growth, we will undertake prioritized investments, advance reforms with a sense of speed, and have these areas lead to transitions in Japan’s socioeconomic structure.

4. Conclusion

I would like to highlight the Olympic and Paralympic Games which will finally kick off here in Tokyo next week. We are determined to take all necessary measures to counter infections and realize safe and secure Games.

Now more than ever, as the world faces the great hardship of COVID-19, I want to send out a message from Tokyo towards the globe that we will unite and be able to overcome difficult situations by leveraging humankind's efforts and wisdom.

At the same time, I wish to capitalize on the power of sports to convey dreams and deep emotions to children and young people, who will shoulder the responsibilities of the future. I also hope to have the Paralympic Games lead us to the realization of an inclusive society in which those with disabilities flourish in society together.

I would wholeheartedly appreciate your understanding and support.

Thank you for listening.