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OPINION | COMMENTARY

Japan's Path to Growth and Stability in the Pacific

We're tackling problems caused by climate change and an aging population.

By Yoshihide Suga

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Industrial robots from the Japanese company Nachi are displayed at an exhibition in Shanghai, Nov. 9, 2020.

PHOTO: ZHANG HAOFU/ZUMA PRESS



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Japan faces a turning point. After the pandemic, our challenge will be to return to a growth trajectory and play a strong leadership role in the global economy.

An aging and declining population, a bureaucracy hamstrung by sectionalism and intransigent special interests—delivering solutions to these longstanding and difficult problems and implementing further growth-oriented reforms are at the core of my administration's growth strategy.

Japan must take the lead in creating new drivers for growth, for both its own economy and the world's. I see particular potential in green policies and digital transformation.

Climate change is a pressing global issue. I see addressing it not as an economic constraint but as a driving force to create strong, sustainable growth. With that conviction, I have committed to making Japan carbon-neutral by 2050.

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Late last year my government unveiled a Green Growth Strategy featuring ambitious goals for offshore wind, hydrogen and other technologies. We will mobilize a range of policies to promote investment and innovation in the private economy, including a ¥2 trillion (\$18 billion) fund to support green projects, tax incentives, regulatory reforms, international standardization programs and other forms of international cooperation.

The pandemic made clear that Japan has been too slow to digitalize government services. Private industry has plenty of catching up to do, too. My government will boldly accelerate reforms to become a leading-edge digital nation. I have announced the creation of a digital agency, reporting directly to the prime minister and serving as the control point, which will be up and running this autumn.

With this digital revolution, we aim to bring everyone into the digital economy. As one of the first countries facing an aging population and declining birthrate, Japan will make full use of technology to create a society that leaves no one behind.

And with an eye toward post-5G networks, I look forward to working with the U.S. to hone our competitive edge in digital technologies and emerge as front-runners in the global digitization race. Japan will continue to promote “Data Free Flow with Trust” through World Trade Organization negotiations on electronic commerce.

As protectionism spreads world-wide, Japan has demonstrated its leadership as a flag bearer of free trade. It has brought together 11 countries to complete the Comprehensive and Progressive Agreement for Trans-Pacific Partnership after the U.S. departure from TPP and concluded agreements such as the Japan-EU Economic Partnership Agreement, the Japan-U.K. Comprehensive Economic Partnership Agreement and the Regional

Comprehensive Economic Partnership. We will continue our efforts to expand free and fair economic areas and strengthen the rules-based multilateral trading system, including through WTO reform. An open and free rules-based order, maritime security and connectivity are indispensable for regional and global prosperity. Japan will strategically advance initiatives that protect the free and open Indo-Pacific through collaboration with like-minded countries.

Building a stronger economy and society through these efforts is my government's mission and responsibility. A strong Japan is a prerequisite for a well-functioning alliance with the U.S. and the foundation for Indo-Pacific peace and prosperity.

I am visiting Washington this week. I thank President Biden for his decision to host me as his first foreign leader guest. Cherry trees in Washington, donated by Japan in 1912 and cultivated diligently by Americans, bloom beautifully every spring.

In this challenging pandemic season I look forward to the opportunity to fortify our alliance, which represents the universal values of freedom, democracy, human rights and the rule of law, as well as to demonstrate the leadership of our two countries toward a free and open Indo-Pacific, which will bring peace and prosperity to the region and the world.

Mr. Suga is Japan's prime minister.

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