

## Section 3

# Economic Diplomacy

### 1 Overview of Economic Diplomacy

As inter-state competition arises in the fields of politics, the economy, and the military, the balance of power in the international community is changing in an increasingly rapid and complex manner, while uncertainty over the existing international order is growing. Japan is tackling a range of issues, particularly in the economic sphere, that include the changing structure of the domestic and global economy, the rise of protectionism, and trade conflicts.

Amid such circumstances, Japan held the Osaka Summit in June as this year's G20 Presidency. At the Summit, Japan took leadership as the Presidency with a uniquely Japanese approach marked by a persistence in identifying common grounds and points of agreement. As a result, leaders of the major countries showed their unity to grapple with global economic issues, by reaffirming basic principles supporting the international free trade system, such as free, fair non-discriminatory and level-playing field. At the G20 Aichi-Nagoya Foreign Ministers' Meeting in November, Foreign Ministers confirmed the outcomes of the G20 Osaka Summit and made the event a springboard leading to concrete action in the future.

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. Reform of the World Trade Organization (WTO), the cornerstone of the Multilateral Trading System, is especially necessary now given the numerous challenges it currently faces, among which is the paralysis of the Appellate Body. The Japan-U.S. Trade Agreement entered into force on January 1, 2020, which, along with the Trans-Pacific Partnership (TPP11) and Japan-EU Economic Partnership Agreement, has created a free economic sphere covering 60% of the global GDP (see the Special Feature on page 265). Japan is also playing a leading role toward the early signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement. In addition, Japan is aiming to promptly begin trade negotiations with the UK, which left the EU at the end of January 2020.

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 described above; (2) supporting the overseas business expansion of Japanese companies through promotion of public-private partnerships; and (3) promoting resource diplomacy along with inbound tourism to Japan.

Special  
Feature

## The Japan-U.S. Trade Agreement and the Japan-U.S. Digital Trade Agreement

Based on the Joint Statement of Japan and the U.S. issued in September 2018, Foreign Minister Motegi (Minister in charge of Economic Revitalization until September 2019) and U.S. Trade Representative Lighthizer held eight ministerial consultations for a five-month period from April 2019. Consequently, the two leaders reached a final agreement on the Japan-U.S. Trade Agreement and the Japan-U.S. Digital Trade Agreement at the Japan-U.S. Summit Meeting in September 2019, and issued the Joint Statement. The two agreements entered into force on January 1 2020. Despite the protectionism spreading across the world, Japan showed its presence in the global arena with regard to promoting free trade through the conclusion of these two agreements. This Special Feature introduces the significance and overview of the two agreements.

#### Japan-U.S. Trade Agreement

The Japan-U.S. Trade Agreement, which covers approximately 30% of global GDP, aims to enhance bilateral trade between Japan and the U.S. in a robust, stable, and mutually beneficial manner. This agreement, together with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11) and the Japan-EU Economic Partnership Agreement (EPA), which had already entered into force, has created a free economic sphere, covering approximately 60% of the global economy, with Japan at its center.

The agreement is mutually beneficial and well-balanced for both Japan and the U.S. Japan's agricultural products are all within the scope of previous economic partnership agreements. The Agreement is fair for the U.S. as well. Amid the TPP11 and other agreements already come into effect, the agreement realizes a situation in which the U.S. will not be subordinate to other countries. Regarding automobiles and automobile parts exported to the U.S., the U.S. annex stipulates that they will be subject to further negotiations with respect to the elimination of customs duties. Moreover, custom duties on other industrial products, especially the products of Japanese companies' interest and of large trade volume, will also be eliminated or reduced soon. At the same time, this agreement also attaches great significance in its elimination of measures that distort the global supply chain, including the quantity restrictive measures to automobiles, voluntary export restraint, and strict rules of origin; therefore, the agreement helps to enhance bilateral trade in a stable manner. The agreement contributes not only to the further growth of the Japanese economy, but also to the development of a free and fair world economy.

#### Japan-U.S. Digital Trade Agreement

The Japan-U.S. Digital Trade Agreement establishes high-standard rules in the digital field, and lays the foundation on which Japan and the U.S. will play a leading role in developing global rules on digital trade. The Agreement includes clauses that correspond to the latest situation in the digital field, such as the same clauses as the electronic commerce chapter of the TPP, including provisions of not only prohibiting the imposition of customs duties to digital products distributed electronically, but also of ensuring non-discriminatory treatment of digital products. The agreement also includes provisions that prohibit the requirement of disclosure of algorithms and cryptography, and of civil liability to information content providers, including social media providers.



Japan-U.S. Summit Meeting (September 25, 2019, New York, U.S.;  
Photo: Cabinet Public Relations Office)

## 2 Rule-Making to Bolster Free and Open Global Economic Systems

### (1) Promotion of Economic Partnerships

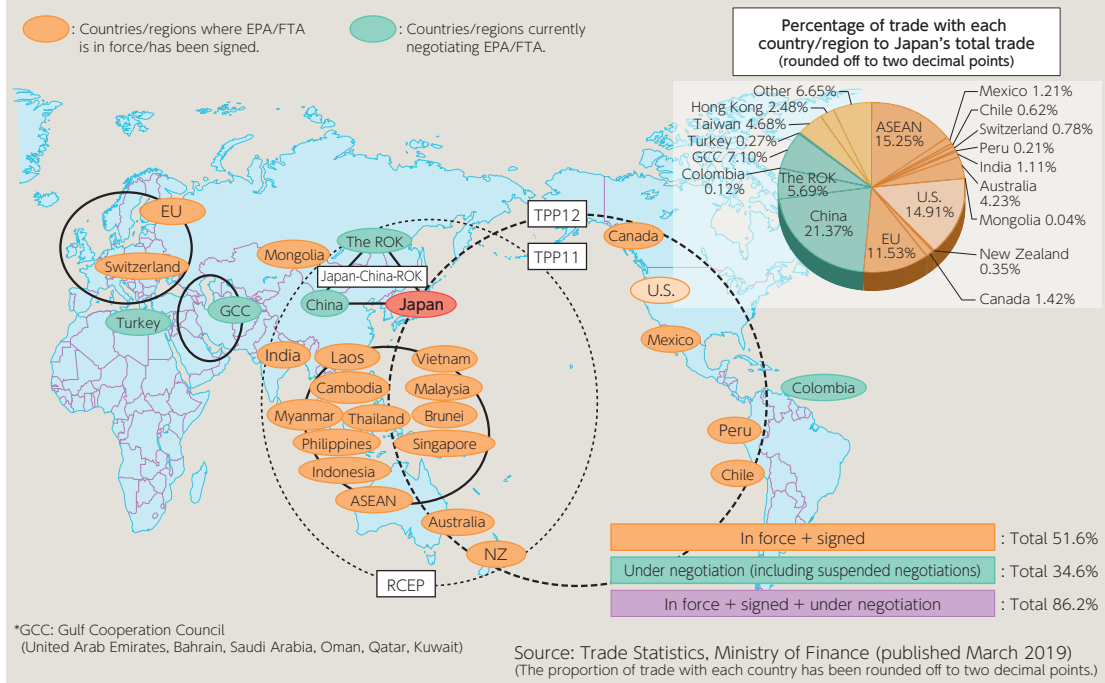
Economic Partnership Agreements (EPAs)<sup>1</sup> and Free Trade Agreements (FTAs)<sup>2</sup> help capture the vitality of the growing markets overseas and strengthen the basis of the Japanese economy, through measures such as the reduction or elimination of tariffs on goods as well as barriers on trade in services, and through rule-making for trade and investment. To date, the Government of Japan has signed 18 EPAs and FTAs with 21 countries and regions, all of which have entered into force. The EPA/FTA ratio in Japan's trade (the ratio of trade value with countries which have FTAs

already signed or entered into force with Japan, to that of total trade value) was 51.6% at the end of December 2019, which reached 86.2% when including the trade value of countries and regions with EPAs and FTAs in negotiations. Following on the enactment of TPP11<sup>3</sup> on December 30, 2018, the Japan-EU EPA entered into force on February 1, 2019. The First Protocol to Amend the Agreement on Comprehensive Economic Partnership among Japan and Member States of the Association of Southeast Asian Nations (AJCEP) was signed by Japan on February 27, the nine ASEAN nations on March 2, and Viet Nam on April 24, as a result of many years of tireless negotiations.

### Japan's Initiatives on Economic Partnership Agreement (EPA/FTA) (as of March 2020)

18 EPAs/FTAs have come into effect/been signed with 21 countries/regions to date.

- 51.6% of total trade is conducted with countries with which EPAs/FTAs have come into effect/been signed.
- 86.2% of total trade is conducted with countries with which EPAs/FTAs have come into effect/been signed, or with which EPA/FTA negotiations are ongoing.



- 1 Economic Partnership Agreements (EPAs) are agreements that aim to create rules concerning trade liberalization, investment, the movement of people, intellectual property protection, and competition policy, and seek to strengthen wide-ranging economic relationships by providing for, among other things, factors for cooperation in various fields.
- 2 Free Trade Agreements (FTAs) are agreements that aim to reduce or eliminate tariffs on goods or trade in service barriers among specified countries or regions.
- 3 TPP11: Comprehensive and Progressive Agreement for Trans-Pacific Partnership

As a flag bearer of free trade, Japan will work toward the steady implementation and expansion of the TPP11 Agreement as well as the steady implementation of the Japan-EU EPA, while promoting global trade liberalization through negotiations of other EPAs.

**A TPP11 Agreement, Japan-EU EPA, RCEP, Japan-China-ROK Free Trade Agreement, and FTAAP**

**(A) TPP11 Agreement**

The TPP11 Agreement is an effort to establish new economic integration rules for the 21st century in a wide range of areas such as 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 economic growth in Japan. Furthermore, the strengthening of the interdependent relations in economic terms with countries that share fundamental values through the TPP11 Agreement has great strategic significance for the security of Japan and the stability of the Asia-Pacific region, leading to peace and prosperity in the region and the world at large.

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 January 2017. As such, Japan proactively led the discussions in order to bring about

the early realization of the TPP as soon as possible among the 11 countries. 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. Mexico, Japan, Singapore, New Zealand, Canada, and Australia completed necessary domestic procedures and the Agreement entered into force on December 30. Viet Nam became the seventh Party to conclude the Agreement in January 2019.

Amidst the spread of protectionist sentiments around the world, this sends a strong message to the world that Japan is committed to promoting free trade, and is a major step toward extending the free, fair, and modern trade of the 21st century, and investment rules in the Asia-Pacific region.

In addition, Japan became the TPP Chair in January and hosted the First Commission of the TPP at the ministerial-level (with Minister Motegi, then in charge of Economic Revitalization, serving as Chair). Decisions were made about four subjects at the meeting; matters concerning administration, accession process of the TPP11 Agreement, rules for resolving disputes involving Parties to TPP11, and about a code of conduct for investor-State dispute settlement. At the second meeting of the TPP Commission, held in October in Auckland (New Zealand), two decisions were made that concerned rules for TPP Commission procedures (rules of procedure concerning execution of Commission activities, including the process for conducting meetings and planning agendas) and for establishing a Roster of Panel Chairs (subcommittee) for dispute resolution. Japan will continue to take the lead on discussions toward the implementation and expansion of the TPP11 Agreement.



TPP11 Agreement signing (March 8, 2018, Santiago, Chile;  
Photo: TPP Headquarters at the Cabinet Secretariat Office)

### (B) Japan-EU EPA

The Japan-EU Economic Partnership Agreement (EPA) entered into force on February 1. Along with realizing a high-level elimination or reduction of tariffs, it also serves as a model for the 21st century's modern economic order based on free and fair rules. Almost six years since negotiations for the agreement started in April 2013, a giant economic zone was created comprising 600 million people and 30% of the world's GDP.

While Japan and the EU are geographically distant from one another, they have forged collaborative relationships in numerous fields as important global partners sharing the same basic values. With the enactment of this agreement, Japan-EU relations take a new step forward, supported by a legal foundation for strengthening collaboration. It is expected that trade, investment, and people-to-people exchange between Japan and the EU will become more active than ever leading to closer relations among the citizens of Japan and the EU. One of the concrete examples is the fairs related to the Japan-EU EPA organized by numerous retailers and restaurants followed by the agreement's enactment, which has showed the real advantages of the agreement to SMEs and consumers (see the Column on page 269).

At the First Japan-EU Joint Committee meeting



First Joint Committee of the Japan-EU EPA (April 10, Tokyo)

held in April, participants mutually confirmed the levels of agreement implementation and discussed possible further ways for Japan-EU future collaboration, expressed by the slogan “Beyond EPA, beyond trade.” Japan and the EU are working to strengthen their multilayered collaboration to address various issues through 12 specialized committees and working groups as well as existing policy dialogues among authorities and public-private initiatives.

### (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's 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, and electronic commerce, and customs procedures and trade facilitation. As of December 2019, 19 ministerial meetings and 28 rounds of have been held. At the 3rd RCEP Summit Meeting held in November in conjunction with the ASEAN-related Summit Meetings, leaders of 16 RCEP Participating Countries (RPCs) released the Joint Leaders' Statement on the RCEP. The statement noted that the 15 RPCs have concluded text-based negotiations for all 20 chapters<sup>4</sup> and essentially all their market access issues, and tasked legal

<sup>4</sup> 1) Initial Provisions and General Definitions; 2) Trade in Goods; 3) Rules of Origin, including Annex on Product Specific Rules; 4) Customs Procedures and Trade Facilitation; 5) Sanitary and Phytosanitary Measures; 6) Standards, Technical Regulations and Conformity Assessment Procedures; 7) Trade Remedies; 8) Trade in Services, including Annexes on Financial Services, Telecommunication Services, and Professional Services; 9) Movement of Natural Persons; 10) Investment; 11) Intellectual Property; 12) Electronic Commerce; 13) Competition; 14) Small and Medium Enterprises; 15) Economic and Technical Cooperation; 16) Government Procurement; 17) General Provisions and Exceptions; 18) Institutional Provisions; 19) Dispute Settlement; and 20) Final Provisions.



## Column

## Achievement of Target and Promotional Activities for Exporting Japanese Beef: Entering into Force of the TPP11 Agreement and Japan-EU EPA

Suneya Masahiko

Secretary-General, Japan Livestock Products Export Promotion Council Secretariat

Under the government's target of expanding Japan's value of exports for agricultural, forestry, and fisheries products as well as food products to 1 trillion yen in 2019, the Japan Livestock Products Export Promotion Council Secretariat (J-LEC) is engaged in relevant activities through five export committees for beef, pork, chicken, egg, and milk and dairy products. Among these products, the target export value of 14 billion yen for milk and dairy products was achieved in 2018, and the target export value of 25 billion yen for beef was achieved in November 2019. Wagyu beef, a variety of beef that is produced in Japan, has now become synonymous with high-quality beef and has a growing reputation around the world as luxury food.

The framework that supports trust in Japanese beef comprises elements such as a pedigree registration system with a more than 100-year history for Wagyu beef, a traceability system based on the law, and a proprietary meat rating system. This framework is the decisive factor that differentiates Japanese Wagyu beef from "WAGYU" beef produced in other countries.

The J-LEC has established the "Universal Wagyu Mark" as an indication of Wagyu beef produced in Japan, and has conducted Wagyu seminars in various countries. At these seminars, crowds throng in once the sampling session begins. Cutting techniques that brings out the unique appeal of Japan-produced Wagyu beef, including the artistic beauty of its marbling and its unique fragrance and soft texture, as well as a menu that reflects the food culture of Japan, are also indispensable. The J-LEC also provides support by inviting overseas stakeholders in the industry and dispatching experts for activities such as domestic training programs in cutting techniques, on-site visits, and exchange of opinions with those involved in the industry.

The tireless business development efforts by the beef production industry in Japan as well as initiatives by the J-LEC, including the Beef Export Committee, have resulted in the steady expansion of Japanese beef exports, while the majority of exports is bound for Asia in terms of export volumes by country and region. The TPP11 Agreement, the Japan-EU EPA, and the Japan-U.S. Trade Agreement entered into force in 2018, 2019, and 2020 respectively. The value of exports to the EU for the ten-month period after the Japan-EU EPA entered into force (February to November 2019) showed a 28% year-on-year growth. Furthermore, the value of exports to countries that joined the TPP11 Agreement after it entered into force also shows an increasing trend for each country, with the value of exports to Canada growing by 8% year-on-year for instance. The effects of the agreements, such as the immediate abolition of tariffs on beef as a result of the Japan-EU EPA and the reduction in tariffs as a result of the TPP11 Agreement and the Japan-U.S. Trade Agreement, are expected to further expand exports not only to Asia but also to Europe and the U.S.

In the Asian market, certification marks that are similar to the "Universal Wagyu Mark" have emerged on the back of the popularity of Japanese Wagyu beef. In addition, in luxury beef markets in different parts of the world such as Europe, the U.S., and the Middle East, brand awareness of Japanese Wagyu beef—which entered the market later—is still relatively lower than that of "WAGYU" beef produced overseas. Moreover, with the strong consciousness of *terroir* (referring to environmental factors that characterize the habitat of food production) in Europe, there are also strong calls for the provision of accurate and detailed information.

In response, the QR code that describes the individual identification numbers of cattle was integrated with the "Universal Wagyu Mark" in June 2019, and a system that provides quality information on the



QR code integrated with the "Universal Wagyu Mark"

spot, such as individual identification, registration, and rating, as well as unique information on individual suppliers, was launched as a model project. This system is scheduled to enter full-scale operation from FY2020.

The Japan-EU EPA includes provisions on the mutual protection of a geographical indication (GI), which is a system that protects the name of specialty products unique to the respective production-area, by registering them as intellectual property. Such provisions strengthen the protection of the Japanese Wagyu beef brand in the EU, and are expected to enhance its differentiation from other products.

Moves to resume beef exports to China are currently attracting the greatest attention among various export strategies for respective countries. There are growing expectations of the market potential not only on the Japanese side, but also on the Chinese side. With the signing of the Japan-China Agreement on Cooperation in Animal Health and Quarantine in November 2018 and other developments, the acceleration of negotiations with a view to resume Japanese beef exports, including Wagyu beef, is anticipated.

In order to further protect the brand of Japanese Wagyu beef and expand its market, in addition to the initiatives that have been implemented to date, we are facing the urgent task of establishing a supply system that can meet global demand. This can be achieved by promoting compliance with Standards of Rearing Hygiene Management and HACCP\* certification for farms, as well as by increasing the number of Wagyu beef cattle and expanding HACCP-compliant meat processing facilities for export. Furthermore, in order to realize stable production and export of Japanese Wagyu beef, it is also important to prevent the invasion of virulent, infectious diseases from overseas, such as foot-and-mouth disease, through a complete and secure animal quarantine system. To that end, the J-LEC will cooperate closely with the government's proactive economic diplomacy to work on each and every possible measure.

\*A method for hygiene control to ensure the safety of products and management procedures that are particularly important for eliminating or mitigating hazards in all processes, from the procurement of raw materials to the shipment of products, based upon an understanding by the food (or other products) business operator of hazards such as contamination by food poisoning bacterium or foreign substances.

scrubbing by them to commence for signing the RCEP Agreement in 2020. RPCs also agreed to work together to resolve outstanding unresolved issues concerning India. Japan will continue to play a leading role, following the Joint Leaders' Statement.

#### (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 16 rounds of negotiations were held by December 2019. 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

Discussions are being held at the meetings of the Asia-Pacific Economic Cooperation (APEC) on next-generation trade and investment issues to be addressed, and capacity building programs mainly for developing economies (countries and regions) are being implemented. The Lima Declaration on the FTAAP adopted at the 2016 APEC Economic Leaders' Meeting confirmed mainly the following three points: (1) the FTAAP should be high quality and comprehensive, and incorporate and address next-generation trade and investment issues, and it should be built on the TPP11 Agreement, the RCEP, and other agreements as the pathway; (2) APEC would begin on implementing the work programs supporting capacity building aimed at promoting the realization of FTAAP; and (3) progress made toward realizing the FTAAP would be

reported to the Leaders in 2018 and 2020.

Following workshops in 2017 and 2018, Japan held a workshop on “competition chapters” in the FTAs and EPAs in 2019, with the goal of capacity building of developing economies in APEC. Through the sharing of successful cases, particularly from the perspective of regulations, with regard to “desirable and optional elements” in competition chapters, Japan has provided capacity building support for FTAs and EPAs policy makers and negotiators.

From the viewpoint of achieving a comprehensive and high-quality FTAAP, it is significant that the TPP11 Agreement entered into force at the end of December 2018 and that negotiations are progressing toward the early signing of the RCEP Agreement.

## **B Bilateral and Other Agreements**

### **(A) EPAs Currently Being Negotiated**

#### **a Turkey**

As an important country that serves as a hub among Europe, the Middle East, the Central Asia and Caucasus region, and Africa, Turkey has considerable economic potential and is attracting attention as a production base for exports to surrounding regions. The country has signed FTAs with over 20 countries and regions, and the need for developing conditions of competition for Japanese companies through the conclusion of the current EPA has been recognized. Furthermore, business communities in both countries have high expectations for the early conclusion of an EPA between the two countries. The leaders of Japan and Turkey agreed to launch EPA negotiations at the summit meeting in January 2014, and 17 rounds of negotiations had been held as of the end of December, 2019.

#### **b Colombia**

In December 2012, Japan began the EPA negotiations with Colombia, a country with rich natural resources and high economic growth. Colombia has concluded FTAs with several countries (the

U.S., Canada, the EU, the ROK, etc.), and there is a growing need to regulate the competitive environment for Japan as well. The strengthening of bilateral relations through the conclusion of an EPA is expected to lead to improved cooperation in the international arena and promote cooperation among Japan and the Pacific Alliance (Mexico, Colombia, Peru, and Chile). 13 rounds of negotiations have been held to date.

### **(B) Suspended EPA and FTA Negotiations**

#### **a ROK**

Japan and the ROK 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 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 natural gas supplier and an important market for exporting infrastructure, among 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.

#### **c 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 a stable supply of energy, minerals and food to Japan. However, since the TPP11 Agreement entered into force with six countries including Japan and Canada on December 30, 2018, the EPA negotiations between the two countries have not been



held.

### (C) 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 these existing EPAs.

### **C** Movement of Natural Persons

In accordance with the EPAs, Japan has been accepting candidates for nurses and certified care workers from Indonesia, the Philippines, and Viet Nam. In 2019, 335 Indonesians (38 nurses and 297 care workers), 330 Filipinos (42 nurses and 288 care workers), and 217 Vietnamese (41 nurses and 176 care workers) were accepted into Japan. 2018 also saw 69 nurses (15 Indonesians, 31 Filipinos, and 23 Vietnamese) and 266 care workers (78 Indonesians, 95 Filipinos, and 93 Vietnamese) pass the national examination. A total of more than 400 nurses and 950 certified care workers have passed the exam as of the end of FY2018.

### **D** Investment Treaties, Tax Conventions and 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, and other matters. 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 May 2019, the Japan-Armenia Investment Treaty entered into force. As of the end of December 2019, there are currently 44 investment-related treaties that have entered into force (30 investment treaties and 14 EPAs), and five (three investment treaties and two EPAs) that have been signed but not yet entered into force, bringing the total to 49, covering 76 economies. Including investment-related treaties that are currently under negotiation, 94 economies and around 93% of Japan's direct investments overseas will be covered (as of the end of December 2019).<sup>5</sup>

#### (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), or to prevent tax evasion or avoidance, and provide an important legal basis for promoting sound investment and economic exchange between the 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 the sound overseas business expansion of Japanese companies, through the conclusion of new treaties with countries/regions where investment relations with Japan are expected to develop, as well as amending existing treaties." ("Growth Strategy 2019" (Cabinet decision, June 21, 2019)).

Entering into force in 2019 were a new (completely revised) tax treaty with Belgium in January, a revised protocol to the tax treaty with the U.S. in August, a tax convention with Croatia in September, and a tax treaty with Ecuador in December. Additionally, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Convention to Implement Measures

<sup>5</sup> Regional balance of Direct Investment (Assets), Ministry of Finance (All regions)

to Prevent BEPS) entered into force for Japan. Meanwhile, Japan signed tax treaties with Argentina in June, Uruguay in September, Peru in November, Jamaica in December, and Uzbekistan (new, completely revised treaty) in December. Negotiations for tax treaties reached an agreement in principle with Morocco in September and Serbia in November. As of the end of 2019, Japan has signed 76 tax conventions that apply to 135 economies.

### (C) Agreements on Social Security

Agreements on social security aim to resolve the issues of social security insurance premium double payment and annuity insurance non-refunds. They are expected to facilitate interpersonal exchange and strengthen further bilateral relations, including economic exchange, 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 23, as of the end of 2019. In 2019, Japan signed agreements with Sweden and Finland and enacted agreements with Slovakia and China.

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

### A World Trade Organization (WTO)

#### (A) Issues Confronting the WTO

The remarkable economic growth that Japan achieved with scarce natural resources after World War II is owed to the free trade system. The WTO has facilitated free trade through various efforts such as rule-making for trade liberalization, dispute settlement between WTO Members, and conducting monitoring to ensure the implementation of the WTO Agreements. But the WTO is now facing considerable challenges.

Hampered by dysfunctional rule-making mechanisms due to the stall of the Doha Round,<sup>6</sup> the WTO has been unable to adequately address structural changes in the international economy, including the rise of emerging nations and the digitalization of the economy.

As explained below, criticism became heightened over the Appellate Body being blamed for overstepping its expected role by making overreaching judgments. In December 2019, following a disagreement among WTO Members to elect successors for outgoing members, the Appellate Body ceased to function.

Moreover, to monitor that the WTO agreements are observed, the WTO's system requires countries to notify about their trade-related measures. In reality, however, notifications concerning mainly policy to protect domestic industries, including subsidies, are often not being made, and WTO obligations are sometimes not complied with as needed.

#### (B) Increasing Momentum and the Push for WTO Reform

In light of the above-mentioned circumstances, the need for WTO reform is becoming broadly acknowledged at numerous multinational fora while momentum builds toward implementing such reform.

In particular, G20 meetings chaired by Japan have significantly pushed the discussion forward concerning WTO reform (see the Special Feature on page 280). At the G20 Ibaraki-Tsukuba Ministerial Meeting on Trade and Digital Economy in June, despite a difference of opinions among participants, a ministerial statement that encapsulated an agreement on necessary WTO reform leading to the summit was released as G20. In the same vein, the G20 Osaka Summit affirmed a

<sup>6</sup> "Rounds" are trade liberalization negotiations in which all WTO Members participate. There were eight rounds of negotiations held during the GATT (General Agreement on Tariffs and Trade) years, from the first negotiations held in Geneva in 1947 to the last round held in Uruguay in 1994, and with each round held in response to the global economic demands of the time. The Uruguay Round saw decisions made to implement rules for new fields at the time, including trade in services and intellectual property, and strengthen mechanisms that included establishing the international organization that is the WTO. Later, the Doha Round became the first round to be held under the WTO system.

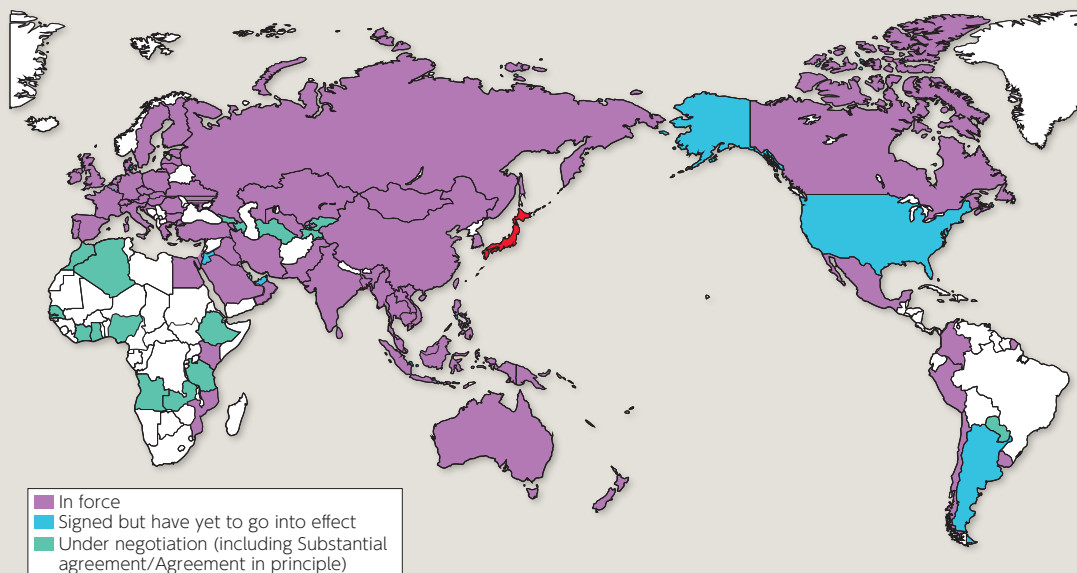
## Current investment-related treaties (as of March 2020)

## Status of investment-related treaties (\*) (\*) Investment treaties and EPA/FTA including investment chapters

- In force: 44 (30 investment agreements, 14 EPAs)

- Signed but have yet to go into effect: 5 (3 investment treaties, 2 EPAs) } 76 Countries/Regions covered

- Under negotiation: 23 (19 investment treaties, 4 EPAs) — Combined with treaties under negotiation, 94 Countries/Regions covered



## ■ In force (excluding expired agreements)

(:) Year of entry into force

\*: Treaties based on liberalization

## Investment treaties

- |                            |                           |
|----------------------------|---------------------------|
| 1 Egypt (1978)             | 16 Kuwait (2014)*         |
| 2 Sri Lanka (1982)         | 17 Iraq (2014)            |
| 3 China (1989)             | 18 Japan-China-ROK (2014) |
| 4 Turkey (1993)            | 19 Myanmar (2014)*        |
| 5 Hong Kong (1997)         | 20 Mozambique (2014)*     |
| 6 Pakistan (2002)          | 21 Colombia (2015)*       |
| 7 Bangladesh (1999)        | 22 Kazakhstan (2015)      |
| 8 Russia (2000)            | 23 Ukraine (2015)         |
| 9 ROK (2003)*              | 24 Saudi Arabia (2017)    |
| 10 Vietnam (2004)*         | 25 Uruguay (2017)*        |
| 11 Cambodia (2008)*        | 26 Iran (2017)            |
| 12 Laos (2008)*            | 27 Oman (2017)            |
| 13 Pakistan (2009)*        | 28 Kenya (2017)           |
| 14 Peru (2009)*            | 29 Israel (2017)*         |
| 15 Papua New Guinea (2014) | 30 Armenia (2019)*        |

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

## EPAs including investment chapters

- |                       |   |
|-----------------------|---|
| 1 Singapore (2002)*   | 9 Switzerland (2009)*   |
| 2 Mexico (2005)*      | 10 India (2011)*  |
| 3 Malaysia (2006)*    | 11 Australia (2015)*  |
| 4 Chile (2007)*       | 12 Mongolia (2016)*   |
| 5 Thailand (2007)*    | 13 Comprehensive and Progressive Agreement for Trans-Pacific Partnership (2018) |
| 6 Brunei (2008)*      | 14 EU (2019)*   |
| 7 Indonesia (2008)*   |   |
| 8 Philippines (2008)* |   |

## ■ Under negotiation

## Investment treaties

- |                |               |
|----------------|---------------|
| 1 Angola       | 11 Senegal    |
| 2 Algeria      | 12 Kirghiz    |
| 3 Qatar        | 13 Nigeria    |
| 4 Ghana        | 14 Zambia     |
| 5 Morocco      | 15 Ethiopia   |
| 6 Tanzania     | 16 Tajikistan |
| 7 Ivory Coast  | 17 EU*        |
| 8 Bahrain      | 18 Paraguay   |
| 9 Turkmenistan | 19 Azerbaijan |
| 10 Georgia     |               |

## EPAs/FTAs including investment chapters

- 1 Canada
- 2 Japan-China-ROK
- 3 RCEP\*\*
- 4 Turkey

\*Negotiating on rule for investment protection and investment dispute settlement

\*\*RCEP: Regional Comprehensive Economic Partnership

## ■ Signed but have yet to go into effect

- TPP\* agreement (signed in February 2016, approved by the Diet) (EPA)\*
- Argentina (signed in December 2018, approved by the Diet)\*
- United Arab Emirates (signed in April 2018, unapproved)
- Jordan (signed in November 2018, unapproved)
- ASEAN-Japan Comprehensive Economic Partnership (signed February 2019, unapproved)\*

\*TPP: Trans-Pacific Partnership

commitment to the basic principles of free trade — free, fair, non-discriminatory, and open markets, as well as fair competition — even amid growing tensions over trade issues. After it agreed to promote WTO reforms, such as the development of a dispute settlement system and rule-making including on electronic commerce, the G20 Osaka Summit gave political support to WTO reform by “reaffirming our support for the necessary reform of the World Trade Organization.” Furthermore, at the G7 Biarritz Summit held after the G20 Osaka Summit, leaders expressed their desire to “change the WTO.” In response to this international momentum, moves for WTO reform are accelerating in the following three areas: (1) reform of the dispute settlement system, (2) rule-making appropriate for the current global economy, and (3) strengthening monitoring functions for agreement compliance.

### (C) Reform of the Dispute Settlement System

In the aftermath of the accident at TEPCO’s Fukushima Daiichi Nuclear Power Station in March 2011, the ROK imposed a series of import restrictions on foods and other products from Japan. Despite Japan’s explanation on the safety of Japanese food products based on scientific evidence, the ROK made no indication of relaxing or removing its restrictions. In response, Japan initiated the WTO dispute settlement procedures on the grounds that the said measures were trade-restrictive in violation of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement).

While Japan held consultations with the ROK in accordance with the procedures, no mutually agreed solution was reached. Japan then turned to a WTO panel for a first instance adjudication in September 2015. In February 2018, after considering the opinions of five experts, including the committee members of international organizations, the panel ruled that the measures by the ROK were unnecessarily restrictive, arbitrary and unjustifiably discriminatory, which constituted

violations of the WTO Agreement, and published a report recommending the ROK take corrective action. Dissatisfied with the panel’s ruling, the ROK appealed to the Appellate Body for a second instance adjudication in April 2018.

In April 2019, the Appellate Body reversed the panel’s ruling on the grounds that the panel’s legal analysis was insufficient. It then offered no ruling on the WTO-consistency or inconsistency of the ROK’s restrictive measures.

The Appellate Body report was not only extremely regrettable and putting a damper on recovery efforts for disaster-stricken areas in Japan, but failed to deliver a judgement whether the ROK’s disputed measures were WTO consistent or not. For its failure to fulfill its function of settling disputes, the report significantly undermined the confidence in the WTO dispute settlement system itself. With this concern in mind, Japan has been proactively participating in discussions on the dispute settlement system reform.

The panel’s factual findings on this case that Cesium concentrations in Japanese food products fall below the levels that the ROK itself set in accordance with international standards have been accepted without contestation. Japan is now explaining the panel’s findings to countries and regions with import restrictions still in place, while taking every opportunity to encourage the relaxation or removal of such restrictions (see the Column on page 287).

### (D) Rulemaking Appropriate for the Current Global Economy

The situation above makes it clear that accommodating the digitalization of and structural changes in the international economy will require more than just the existing rules of the WTO Agreements. At the 11th Ministerial Conference (MC11), in December 2017, Japan issued a joint statement concerning e-commerce with 71 WTO Members, including the U.S., the EU, and many developing country Members, and in January 2019 issued a joint statement together with WTO

Members that affirmed their intention to begin negotiations.

With respect to negotiations participated in by all WTO Members, as a means to achieve the Sustainable Development Goals (SDGs), progress is being made with negotiations on fishery subsidy aimed at regulating subsidies that adversely impact fishing resources. Japan is also actively participating in these negotiations.

The WTO allows Members to self-declare as to whether or not they are a developing country, and even economically-advanced countries may be exempted from the WTO Agreements obligations by declaring themselves to be a “developing country” (Special and Differential Treatment (S&DT)).<sup>7</sup> Japan and other developed countries see it as a problem that exemptions are granted to the “developing countries” that make up two thirds of the WTO’s membership. The situation is gradually changing in 2019, as exemplified by the fact that Brazil, Singapore, and the ROK are renouncing the S&DT in current and future negotiations.

#### (E) Strengthening of Monitoring Functions

The WTO’s system is based upon transparency and predictability with regard to Members’ trade policies, and requires that Members notify their trade-related measures. In reality, however, notifications mainly concerning policy to protect domestic industries, including subsidies, are often not being made, and sometimes WTO obligations are not complied with as needed.

Japan is actively leading discussions in this regard, which includes coordinating with the U.S. and the EU, among other parties, to submit a notification reform proposal aimed at strengthening the monitoring function of the WTO Agreements. By thoroughly explaining the purport and goal of the proposal together with the U.S. and the EU, Japan aims to gather support from WTO Members

and achieve reform as early as possible.

#### (F) International Economic Dispute Cases

The WTO dispute settlement system is for resolving disputes among WTO Members under the covered agreements according to the dispute settlement procedures. It serves as a pillar that imparts stability and predictability to the WTO system. In addition to “Korea — Import Bans, and Testing and Certification Requirements for Radionuclides” (DS495),<sup>8</sup> Japan has most recently been directly involved in the following cases (as of December 2019):

- Korea – Anti-Dumping Duties on Pneumatic Valves from Japan (DS504): A panel was established in June 2016. In April 2018, the panel found the ROK’s measures to be in violation of the WTO Agreements. In September 2019, the Appellate Body issued a report reaching the same conclusion, which led to the DSB recommendation vis-a-vis the ROK to take corrective action.
- India – Certain Measures on Imports of Iron and Steel Products (DS518): A panel was established in April 2017. Appellate Body procedures have been suspended due to the cessation of Appellate Body function since December 2019.
- Korea – Sunset Review of Anti-Dumping Duties on Stainless Steel Bars (DS553): A panel was established in October 2018. Panel procedures are currently ongoing.
- Korea – Measures Affecting Trade in Commercial Vessels (DS571): Japan requested bilateral consultations with the ROK in November 2018. The consultations were held in December, 2018.
- India – Tariff Treatment on Certain Goods (DS584): In May 2019, Japan requested bilateral consultations concerning whether the tariff increase measures by India for information and communications technology products were consistent with the WTO Agreements.

<sup>7</sup> S&DT: Special and Differential Treatment

<sup>8</sup> “DS xxx (numbers)” is the serial number since the launch of the WTO’s dispute settlement system in 1995 assigned to each and every dispute at the time a request for consultations is received by the WTO Secretariat.

- Japan - Measures Related to the Exportation of Products and Technology to Korea (DS590): In July 2019, Japan announced on the application of its export control measures on three semiconductor materials (Fluorinated polyimides, Resist, and Hydrogen fluoride) to the ROK and implemented individual export licensing requirements for such materials. In September, claiming that Japan's measures violated the WTO Agreements, the ROK requested bilateral consultations and the two countries conducted two rounds of such consultations. In November, the ROK announced that it would suspend the WTO dispute settlement procedures while the Export Control Policy Dialogues were pursued on a normal course of action between the relevant authorities. In December, the Seventh Japan-Korea Export Control Policy Dialogue was held for the first time in three and a half years.

## **B 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, the environment, and science and technology. It makes policy recommendations and forms international norms, including through discussions at relevant committees. Japan acceded to the OECD in 1964 as the first country to do so outside of the U.S. and Europe. Since then, Japan has been actively engaged in 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 Gurría to Japan**

During his visit to Japan in April 2019, Secretary-General Gurría held 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 establishing fair competition conditions. They also reaffirmed the importance of strengthening outreach in anticipation of Southeast Asian countries’ future membership in the OECD, while affirming cooperation toward the G20 Osaka Summit, which is chaired by Japan. The talks also saw the announcement of the OECD Economic Survey of Japan, which praised Japan for its Abenomics strategy and set forth policy proposals for improving productivity, among other matters.

### **(C) 2019 OECD Ministerial Council Meeting**

Chaired by Slovakia and co-chaired by Canada and the ROK, the OECD Ministerial Council Meeting was held in May under the theme of “harnessing digital transition for sustainable development.” At the meeting, Japan expressed its views and points concerning such issues as the digital economy, including data flow; quality infrastructure investment; innovation-based efforts toward achievement of the SDGs; free and open trade; securing a level playing field; and the importance of WTO reform. It also emphasized the importance of Southeast Asian nations’ future accession to the OECD. Japan’s statements contributed to discussions in the OECD, many of which were incorporated into the outcome documents, and drove discussions toward the relevant G20 Ministerial Meetings and the G20 Osaka Summit that followed.

### **(D) Initiatives in Various Sectors**

For the issue of steel excess capacity, following the G20 Hangzhou Summit, 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. As the standing G20 Presidency and the Chair of the GFSEC since December 2018, Japan has demonstrated strong leadership toward and played an active role in solving the above-mentioned



problems, including at the third GFSEC ministerial meeting in Tokyo in October 2019.

Meanwhile, the OECD is strengthening its cooperation with the G20 in the areas that include reviewing international taxation principles in response to economic digitalization, as well as the formulation of principles concerning quality infrastructure investment and corporate governance.

#### (E) Strengthening Relations with Asia

In light of the growing importance of Southeast Asia as a center for global economic growth, the OECD places importance on strengthening relations within the region. The 2019 Forum of the Southeast Asia Regional Programme was held in Paris in March. Parliamentary Vice-Minister for Foreign Affairs Yamada Kenji attended and delivered a speech on such matters as Japan's ongoing commitment toward the OECD Southeast Asia Regional Programme, which was established under the leadership of Japan in 2014, as well as Southeast Asia's connectivity and the role of the OECD. Going forward, it is important to effectively utilize the Southeast Asia Regional Programme in order to continue to support economic integration and domestic reform in the region with a view to the future accession to the OECD by ASEAN countries.

#### (F) Contributions in Terms of Financial and Human Resources

Japan was the second largest financial contributor to the OECD after the U.S. in 2019, covering 9.4% of the OECD's mandatory contributions (Part I Budget). Moreover, Japanese nationals have successively served as the Deputy Secretary General (currently Deputy Secretary General Kono Masamichi), the second-highest position at the OECD Secretariat. Japan was the largest contributor to the OECD Development Centre in 2019, and a Japanese national (Ms. Ueda Naoko) serves as a Deputy Director of the Centre. Thus, 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 G20 and G7

Japan actively participates in G20 and G7 Summits, which are attended by the world's major nations, and makes efforts to maintain and strengthen the international order.

##### (A) G20 Osaka Summit

At the G20 Osaka Summit held in June, discussions were held on subjects that include the G20's efforts to promote free trade, drive global economic growth through innovation, address disparity, and contribute to solving environmental issues and other global problems. With Japan as the Presidency, Prime Minister Abe actively led discussions, issued the G20 Osaka Leaders' Declaration, which covered a wide range of initiatives, and demonstrated the G20's strong commitment to the world.

- (1) Leaders agreed on principles in support of the international free trade system amid global trade-related tensions, including free, fair, non-discriminatory, and open markets, as well as a level playing field. Leaders also reaffirmed their support for WTO reform, including reform of the dispute settlement system and establishing rules relevant to the times.
- (2) Japan shared its Data Free Flow with Trust (DFFT) concept inspired by economic digitalization, and used the Summit as an opportunity to give political momentum to international rulemaking concerning digital economy



G20 Osaka Summit  
(June 29, Osaka; Photo: Cabinet Public Relations Office)

particularly data flow and electronic commerce by launching the Osaka Track (see the Special Feature on page 280). Japan also formulated the G20 AI Principles based on a human-centered approach to AI. Japan also issued an individual statement about the exploitation of the Internet and social media by terrorists, and emphasized the importance of initiatives taken in cooperation with the digital industry.

- (3) Leaders agreed to promote women's empowerment through women's participation in labor market, girls' and women's education and training, and improved women's access to business leaders and entrepreneurship. They also announced a policy for addressing disparities fueled by gender inequality.
- (4) With an eye to achieving global inclusivity and sustainability, leaders approved the "G20 Principles for Quality Infrastructure Investment," which include elements of international standards concerning things such as openness, transparency, economic efficiency, and debt sustainability. With respect to global health, leaders focused on (1) Universal Health Coverage (UHC) achievement, (2) population aging, and (3) health emergencies. They also agreed to strengthen measures aimed at the debt issue in developing countries, disaster prevention, education, and achieving the SDGs by utilizing science, technology, and innovation (STI).
- (5) Regarding urgent issues concerning the global environment, leaders agreed on the importance of achieving a "virtuous cycle of environment and growth" through innovation. Additionally, concerning the problem of marine plastic litter that grows more serious every year, Japan shared details on the Osaka Blue Ocean Vision, which aims to reduce additional pollution by marine plastic litter to zero by 2050.

#### (B) G20 Aichi-Nagoya Foreign Ministers' Meeting

At the G20 Aichi-Nagoya Foreign Ministers'

Meeting, which was held in November and closing the year of Japanese G20 Presidency, discussions were held on the themes of (1) promotion of free trade and global governance, (2) SDGs, and (3) Africa's development. Representatives from local high schools also gave a presentation themed on educational disparity.

Chaired by Foreign Minister Motegi, this meeting affirmed leaders' achievements made at the G20 Osaka Summit and TICAD7 and served as a springboard for discussing concrete measures toward future action. During the closing session, Foreign Minister Motegi handed over the presidency mallet, a symbol of the G20 Presidency, to Saudi Arabia, which will become the G20's next Presidency.



G20 Aichi-Nagoya Foreign Ministers' Meeting  
(November 23, Nagoya)

#### (C) G7 Biarritz Summit (France)

At the G7 Biarritz Summit held in August, G7 leaders held candid discussions on the theme of "Fight Inequalities" with regard to major topics for the G7, namely the global economy, global trade, diplomacy, and security. On the topics of Africa, the environment, and digitalization, views were exchanged from a diversity of viewpoints, with participation by invited outreach countries, international organizations, and civil society. With the goal of the G7 nations banding together on its foundation of shared values to play a leading role in the international community, Prime Minister Abe led candid discussions among G7 leaders on the back of achievements at the G20 Osaka Summit.

Special  
Feature

## The “Osaka Track” and Promotion of WTO Reforms: Promoting International Rule-making on Digital Economy

During the period of the G20 Osaka Summit, the words “Osaka Track” were featured in the headlines of many newspapers. You may recall seeing this photograph of Prime Minister Abe, U.S. President Trump, and Chinese President Xi Jinping sitting at a desk. This was the moment, in Osaka, when Prime Minister Abe declared the launch of the “Osaka Track,” which is the road toward promoting international rule-making on the digital economy.

We face the urgent task of establishing rules for data flow and electronic commerce, which are the engines of growth for the digital era. Based on this perspective, Prime Minister Abe advocated the launch of the “Osaka Track” at the World Economic Forum Annual Meeting in Davos in January, with the aim of advancing discussions on global data governance. Five months later, Prime Minister Abe took the opportunity of the G20 Osaka Summit in June to host the Leaders’ Special Event on Digital Economy, during which he declared the launch of the “Osaka Track” as a process for promoting international rule-making on the digital economy, and in particular, data flow and electronic commerce.

The leaders of the 24 countries and regions participated in the launch of this initiative and affirmed the importance of maximizing the benefits that digitalization and emerging technologies bring, of promoting innovation and harnessing the full potential of the digital economy, and of promoting international policy discussions on the digital economy to that end.

With the boost provided by the “Osaka Track,” more than 80 like-minded countries are now advancing negotiations on electronic commerce in the WTO, with a view to establishing rules on the digital economy. The WTO, established in 1995, has fulfilled a major role in the world economy as an international organization responsible for establishing and enforcing rules related to goods and services trade. However, it is becoming increasingly clear that the existing rules set out in WTO agreements are inadequate for responding to the various challenges raised by Internet trading and the digital economy. Negotiations on electronic commerce in the WTO bring stability and predictability to trade in the ever-changing digital society. At the same time, it ushers in a new phase for the WTO, which has not succeeded in new rule-makings in recent years, and also represents one of the pillars of WTO reforms. Negotiations are now ongoing in Geneva, where the WTO is headquartered, with the aim of achieving substantial progress at the 12th WTO Ministerial Conference, and Japan is taking the lead in these negotiations as the co-convener. The progress achieved here is also expected to serve as an important guidepost along the path of the “Osaka Track.”

On the other hand, the “Osaka Track” is not limited to negotiations in the WTO. Diverse stakeholders, including international organizations that possess specialized knowledge in various fields and private-sector corporations that play an active role on the frontlines of the digital economy, collaborate to advance a wide range of discussions on the digital economy. While each country has its own national strategy on the digital economy and legal systems on data flow, the “Osaka Track” has an important purpose of establishing rules that overcome such differences in the standpoints of each country in order to realize “Data Free Flow with Trust” (DFFT).

Japan will continue to exert its leadership toward the realization of a world where all people can enjoy the fruits of digitalization fairly and equally.



Prime Minister Abe speaking at the “Leaders’ Special Event on Digital Economy” on the sidelines of the G20 Osaka Summit (June 28, Osaka; Photo: Cabinet Public Relations Office)



G7 Biarritz Summit (August 25, Biarritz, France;  
Photo: Cabinet Public Relations Office)

- (1) With respect to discussions on diplomacy and security, Prime Minister Abe led discussions on North Korea as one of the foremost priorities for the G7. G7 leaders agreed on the importance of achieving the complete, verifiable, and irreversible dismantlement (CVID) of all of weapons of mass destruction and ballistic missiles of all ranges, and confirmed the international community's commitment to fully implementing the relevant UN Security Council resolutions while continuing to support the process between the U.S. and North Korea. Moreover, support was expressed to Prime Minister Abe's call for understanding and cooperation toward an immediate resolution of the abductions issue. Discussions were also held on Iran, Syria, and other aspects of the Middle East situation, as well as recent conditions in China, including the situation in Hong Kong.
- (2) With respect to global economy and trade, Prime Minister Abe called for leaders to instruct their ministers to provide support for rule-making at the WTO under the Osaka Track established at the G20 Osaka Summit, and to ensure that substantial progress will be made before the WTO's 12th Ministerial Conference is held.
- (3) Regarding Africa, leaders agreed on matters including the importance of improving

transparency in public procurement with a regard for the G20 Principles for Quality Infrastructure Investment. They also expressed their expectations for TICAD7, which was held immediately after the Summit. On the environment, leaders welcomed the Osaka Blue Ocean Vision concerning measures to combat marine plastic litter, while also affirming the Metz Charter on Biodiversity at the summit level.

### **B Asia-Pacific Economic Cooperation (APEC)**

APEC is a framework of economic cooperation in which 21 economies (countries and regions)<sup>9</sup> 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, 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.

At APEC Chile 2019, discussions were held under the overall theme of “Connecting People, Building the Future” at various meetings throughout the year in line with four priority areas: (1) Digital Society, (2) Integration 4.0,<sup>10</sup> (3) Women, SMEs and Inclusive Growth, and (4) Sustainable Growth. Japan, which chaired the G20 in 2019, shared in APEC the G20's outcomes related to the digital economy, marine plastic litter, and women's empowerment, and achieved synergy through

<sup>9</sup> Countries and regions are referred to as “economies” in APEC terminology.

<sup>10</sup> Discussions were held concerning initiatives that include using technologies arising from Industry 4.0 to promote global value chains (GVCs), with a focus on strengthening connectivity and achieving regional economic integration.

cooperation with Chile, the APEC Chair. At forums such as the APEC Ministers Responsible for Trade Meeting held in May, as a standard-bearer of free trade, Japan expressed its commitment to continuing efforts aimed at achieving growth and development throughout the Asia-Pacific region, which is the core of the Free and Open Indo-Pacific. The APEC Ministers Responsible for Trade Meeting discussed such subjects as driving APEC support for the WTO, promoting regional economic integration, and advancing comprehensive and sustainable growth in the digital age, and gained a positive outcome, the Ministers Responsible for Trade Meeting Joint Statement, which was adopted for the first time in four years. The 2019 APEC Economic Leaders' Meeting was canceled due to domestic instability in Chile as stated in an announcement on October 30 by Chile's President Piñera. Meanwhile, despite being scheduled to be held immediately prior to the Leaders' Meeting, the Concluding Senior Officials' Meeting was held on December 7 at the APEC Secretariat in Singapore. In the meeting, three roadmaps related to women and inclusive growth, illegal, unreported, and unregulated (IUU) fishing, and marine debris were endorsed as the main outcome documents. Chile also released the APEC Chile 2019 Host Economy Leader's (read: President of Chile's) Statement.

Malaysia will host APEC in 2020.

#### (4) Intellectual Property Protection

Strengthening intellectual property protections is extremely important to promoting technological innovation and, ultimately, economic development. Japan has actively participated in multilateral consultations such as APEC, the WTO (TRIPS),<sup>11</sup> and the World Intellectual Property Organization (WIPO), and is working to develop an environment for ensuring that Japanese intellectual property is appropriately protected and utilized overseas. During bilateral talks, as well, Japan calls on other

countries to proactively strengthen intellectual property protections. With respect to China, at the first Japan-China Innovation and Cooperation Dialogue and Japan-China Economic Partnership Consultation, held in April 2019, Japan called on China to prohibit forced technology transfers, protect trade secrets, and stamp out counterfeit and pirated goods. For EPAs as well, Japan strives to establish regulations on intellectual property rights to ensure the adequate and effective protection of intellectual property. The Japan-EU EPA, which entered into force on February 1, 2019, and the TPP11, which entered into force on December 30, 2018, both incorporated contents on further promotion of the protection and use of intellectual property. Moreover, for the purpose of rapidly and efficiently providing assistance for Japanese companies that have suffered from counterfeit and pirated goods, MOFA appoints Intellectual Property Officers at almost all of Japan's 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).

### 3 Communicating Japan's Economic Strengths (Including the Promotion of Japanese Food Exports)

#### (1) Promotion of Japanese Companies' Overseas Business Expansion by the Ministry of Foreign Affairs (MOFA) and Accompanying Diplomatic Missions Overseas

Recent years have seen a rise in the number of branches operated by Japanese companies with branches overseas, reaching 77,651 as of October 2018. One of the reasons behind this is that many

<sup>11</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)



Japanese companies, which underpin Japan's economic development, have embarked more actively than ever before on overseas expansion with the aim of further cultivating foreign markets. There is considerable momentum behind economic growth abroad, mainly in Asia. To capture this for the Japanese economy, it is becoming increasingly important for the Government to support Japanese companies.

In light of the situation, alongside the diplomatic missions overseas, MOFA is actively engaged 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 while lobbying foreign governments under the leadership of ambassadors and consuls-general. Under the motto of being “open and responsive government offices,” these missions aim to provide meticulous and specific support that corresponds with the conditions in that respective region. They also offer information about local legal systems through seminars, consultations, and other means. In FY2019, these were provided at 16 diplomatic missions in 12 countries, with a focus on Asia.

In addition to consultations about business problems, another important function performed by diplomatic missions overseas for Japanese companies is promotion and publicity of the “Japan Brand” for products, technologies, and services, as well as for agricultural, forestry, and fishery products, from Japanese companies at receptions to celebrate the Emperor's birthday and various other events and exhibitions. These missions actively offer the embassies and official residences of the ambassadors for use as publicity and advertising spaces for Japanese companies to hold product exhibitions, or for local governments to hold local product exhibitions and food-tasting events. These spaces can be used for conducting seminars on business expansion, or for exchange with local companies and concerned organizations. A wide range of publicity activities are

being implemented that target countries ranging from those that already have a strong affinity with Japan to those that have not yet had much contact with Japan.

From the perspective of public-private cooperation and support for companies, it is important not only to support Japanese enterprises seeking to expand their businesses overseas, but also to support those already operating overseas. Following the June 2016 national referendum in the UK on whether to remain in or to leave the EU, the UK left the EU on January 31, 2020. As Japanese businesses and the global economy could be significantly impacted by the actions taken by the UK and EU, as well as the results of their negotiations, the Government of Japan launched the Government Task-force regarding the Withdrawal of the UK from the EU, chaired by the Deputy Chief Cabinet Secretary, in July 2016 (convened 15 times as of the end of January, 2020). The task force took all necessary measures to minimize such impact, including consolidating and analyzing information across all sectors of the Government. Negotiations concerning the future relationship between the UK and EU are scheduled to be conducted, and the Government of Japan will continue to closely observe all relevant trends while taking all necessary measures, including providing information to Japanese companies.

## **(2) Promotion of the Japanese Infrastructure System in Overseas Business Expansion**

In order to capture infrastructure demand mainly in emerging countries and promote infrastructure exports by Japanese companies, the “Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation,” comprising relevant cabinet ministers and the Chief Cabinet Secretary serving as chair, was established in 2013. A total of 44 meetings have been held as of December 2019. Along with discussions on annual revisions to and follow-ups for the Infrastructure System Export Strategy, discussions have also been held concerning issues in individual fields



Special  
Feature

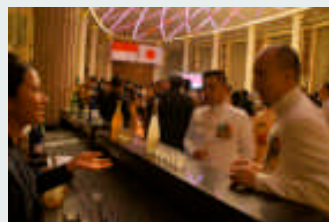
## Japanese Sake as an Asset in Diplomacy: Japanese Sake Course for Diplomats

The International Wine Challenge, one of the world's largest competitive fairs held in London every year, established the Sake Awards category in 2007. Today, Japanese sake is becoming increasingly popular around the world. Since early 2013, when *washoku* (traditional Japanese cuisine) was designated as a UNESCO Intangible Cultural Heritage, the volume and amount of Japanese sake exports have begun to exhibit significant growth. In 2018, Japan exported 25,746 kiloliters (approximately 14 million 1.8-liter bottles) of sake, and the export value exceeded 20 billion yen for the first time. While exports from Japan are increasing, a growing number of countries have breweries that are producing their own sake, in addition to importing sake from Japan.

Japanese diplomatic missions overseas are trying to make the most of all opportunities to introduce Japanese sake. Japanese sake is served at banquets and meals with VIPs and used for a toast in large-scale events such as receptions to celebrate the birthday of His Majesty the Emperor. It is generally said that Japanese sake goes well with a wide variety of cuisines. Many of the foreign guests highly appreciate the Japanese sake served at these occasions.

When Japanese sake is served at diplomatic missions overseas, it is important to provide explanations based on accurate knowledge of Japanese sake. The growing popularity of Japanese sake overseas is precisely why it is necessary for each and every Japanese diplomat to have an in-depth understanding about it. With this in mind, since 2011, MOFA has been inviting experts and sake brewers to conduct Japanese sake courses for officers who are going to be posted overseas, from Ambassadors and Consuls-General to general staff members. The aim of the Japanese sake course is to enable MOFA officers to use Japanese sake more effectively as an asset in their diplomatic activities, through opportunities such as dinners and receptions with important guests, which are held to promote understanding of Japan and for networking purposes. At the same time, the course also aims to further raise the standing and reputation of Japanese sake overseas.

The contents of the course include the purpose of serving Japanese sake, how to choose a brand of sake, how to offer sake in a way that is tailored to the people of the respective countries, the recommended way of drinking sake, and the differences between Japanese sake and other types of alcohol in the scientific respect. Through the course, participants learn to deliver clear explanations on the aforementioned topics to foreign people with different food cultures. Participants also gain the knowledge on how to select Japanese sake to pair with food. MOFA will continue to put an effort into enriching the contents of the course in cooperation with experts and sake brewers, so that every diplomat at a diplomatic mission overseas can learn to promote Japanese sake effectively.



Japanese sake being served at a reception hosted by the Embassy of Japan in Indonesia



During the Japanese sake course  
(Photo: Lecturer, Ms. Hiraide Toshie)

and specific regions such as Central Asia and the Caucasus and third country cooperation (39th meeting), and the environment (42nd meeting).

The first edition of the Infrastructure System Export Strategy was drawn up in May 2013. The 2019 revised edition, in addition to strengthening Japanese corporate competitiveness, sets out guidelines to promote specific policies under the following four pillars while taking into account international contributions from quality infrastructure, further expanding business investment, etc.: (1) strengthening competitiveness between the public and private sectors, (2) strategic initiatives aimed at increasing orders, (3) promoting quality infrastructure, and (4) efforts for a wide range of infrastructure.

Japan has also been furthering the dynamic development of trade promotion by the Government, along with systemic improvements aimed at the strategic use of ODA loans and overseas loans and investments. As a result, at the 14th Meeting of the Japan-Russia Intergovernmental Committee on Trade and Economic Issues, held in December 2018, gradual steps were taken toward an association of Japanese companies (Sojitz Corporation, Japan Airport Terminal Co., Ltd. (JATCO), and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN)) establishing and operating a passenger terminal, which included the signing of a shareholders' agreement with Khabarovsk Airport.

With regard to diplomatic missions overseas, MOFA has appointed "Officers in charge of Infrastructure Projects" to gather and consolidate information on infrastructure projects in diplomatic missions overseas in countries of focus (200 personnel at 96 diplomatic missions overseas in 73 countries as of the end of December 2019). This initiative has also shown results.

### (3) Promotion of the Export of Agricultural, Forestry, and Fishery Products and Food (Regulations on Japanese Food Imports after the Great East Japan Earthquake)

The Government of Japan has set a goal to expand the value of Japanese agricultural, forestry, and fishery products and food exports to 1 trillion yen by 2019 ("Economic Measures for Realizing Investment for the Future" (Cabinet decision, August 2016)), and all Government agencies have been working toward further increasing these exports. MOFA is also collaborating with the relevant ministries and agencies, as well as Japanese companies and local governments, to utilize the function and facilities of diplomatic missions and unique connections all over the world to enthusiastically promote 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. Leveraging personal relationships built up locally, Japan has made energetic efforts toward such promotion at numerous opportunities such as receptions and cultural events to which ambassadors, consuls-general, and other dignitaries have been invited from countries and regions around the world (see the Special Feature on page 284).

One of the biggest barriers to increasing exports is import restrictions placed on Japanese agricultural, forestry, and fishery products and food by countries and regions following the Great East Japan Earthquake and the TEPCO's Fukushima Daiichi Nuclear Power Station accident. Although nine years have passed since the Great East Japan Earthquake, the fact that 21 countries and regions (as of December 2019) continue to impose import restrictions on Japanese agricultural, forestry, and fishery products and food remains a serious problem. As eliminating these restrictions and addressing Japan's reputational damage are top

### Import restrictions on Japanese marine products by South Korea (the result of WTO dispute settlement procedures)

#### 1st instance (panel)

- Panel report published in February 2018
- The panel deliberated on statements from Japan and the ROK and on views expressed by five experts selected by the panel (including members of international organizations such as the IAEA (International Atomic Energy Agency) and UNSCEAR (United Nations Scientific Committee on the Effects of Atomic Radiation))
- Japan was found to have provided sufficient evidence that its food safety control efforts have kept cesium concentrations in foods from Japan below the level (100 becquerels/kg) conservatively set in accordance with international standards (1 mSv/year).
- The ROK's import restrictions were found to be "unnecessarily restrictive, arbitrary, and unfairly discriminatory," while being a violation of the WTO Agreement and SPS Agreement (Agreement on the Application of Sanitary and Phytosanitary Measures).

#### Second Instance (Appellate Body)

- The Appellate Body's report was published on April 11, 2019
- The Appellate Body affirmed that the panel's ruling lacked sufficient legal analysis (not all matters normally considered were considered with respect to the ROK's import restrictions), and reversed the panel's ruling that the ROK's import restrictions violated the WTO Agreement.

A partially revised panel report and Appellate Body report were adopted by the WTO on April 26  
→ Results were confirmed

priorities for the Government of Japan, MOFA is also making every effort in collaboration with the relevant ministries and agencies. Regarding import restrictions imposed by the ROK on marine and other products, following efforts to address the issue by utilizing the WTO framework, a report was issued at a February 2018 WTO Panel meeting (equivalent to a first instance) which stated that the ROK's measures were unnecessarily restrictive, arbitrary and unjustifiably discriminatory, while constituting violations of the WTO and SPS Agreements. However, in April 2019 the Appellate Body, which serves as the WTO's court of last resort, issued a report reversing the Panel's ruling on the grounds that the body was not able to conduct a sufficient legal analysis of the matter (did not sufficiently consider all matters normally considered). While the Appellate Body did not explicitly rule on the compliance of the ROK's measures with the WTO Agreement itself, its report confirmed without contestation the Panel's findings that the radioactivity concentration in Japanese foods fell below the levels prudently established based on international standards. To

prevent this incident from causing further reputational damage, Japan has been thoroughly explaining the contents of the report at all possible opportunities to all concerned countries and regions since the report's release, and has once again assertively requested the prompt lifting of import restrictions based on scientific evidence.

As a result of these efforts, import restrictions were lifted in Bahrain (March), the Democratic Republic of the Congo (June), and Brunei (October). So far, 33 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, Turkey, New Caledonia (territory of France), Brazil, Oman, and the three above-mentioned countries. In addition, restrictions were eased in 2019 by Singapore, the U.S., the Philippines, United Arab Emirates, Macau, and the EU. In the case of Singapore, a decision has been made to conduct a conditional cancellation of import suspensions beginning in

January 2020. Examples such as this show how quickly international understanding is spreading and how the number of restricted product categories and regions imposing those restrictions are decreasing (as of the end of December, 2019).

Working closely with the relevant ministries, agencies, local governments, and other

organizations, MOFA will continue taking every opportunity and making every effort to disseminate information and appeal to countries and regions that maintain import restrictions, with the goal of having restrictions promptly removed and reputational damage repaired based on scientific evidence.

### Column

## Harnessing the Power of “Working Together” to Dispel Harmful Rumors

Uchibori Masao  
Governor of Fukushima Prefecture

### Initiatives to abolish import restrictions following the Great East Japan Earthquake

Fukushima Prefecture has a beautiful natural environment, and a rich history steeped in tradition. It is also blessed with a diverse range of agricultural, forestry, and fisheries products cultivated in its great climate. However, as a result of the March 11 Great East Japan Earthquake and the ensuing nuclear power station accident, the environment in which the residents of Fukushima Prefecture live has undergone dramatic changes.

Immediately following the nuclear accident, 54 countries and regions placed restrictions on the import of agricultural, forestry, and fisheries products from the Prefecture. For a period of time, export volume fell by about 90% in comparison with pre-earthquake levels. However, as a result of the efforts of the central government, as well as ongoing work to conduct monitoring inspections for radioactive substances in food and disseminate accurate information in Japan and overseas, the number of countries and regions imposing import restrictions fell to 20 and export volume hit a record high in FY2018.

### Initiatives to dispel harmful rumors

Due to the image of Fukushima in the immediate aftermath of the earthquake, the number of foreign tourists to the Prefecture fell to about 30% of pre-earthquake levels. Fukushima Prefectural Government, in addition to actively disseminating information through social media and other means, has made efforts to distribute publicity videos produced by foreign creators and animations based on the themes of agricultural products. As a result, the total number of foreign tourists staying in Fukushima reached a record high in 2018. Going forward, efforts will be made to strengthen the strategic dissemination of information from the foreign perspective by taking advantage of the unique charms of Fukushima such as its breathtaking scenery, food, and “samurai spirit.”

I believe that the best method for dispelling harmful rumors is to spread information carefully, but with zeal and enthusiasm. While exerting our originality and creativity, we will continue to actively progress both our “defence” measures of disseminating accurate information and our “offence” measures of promoting Fukushima’s appeal to people in Japan and abroad.

### Expectations for the central government

In 2019, I visited Europe and held seminars, receptions, and markets in various countries. In particular, my meeting with Ms. Anne Bucher, Director-General for Health and Food Safety (DG SANTE), the European Commission, provided an extremely important opportunity to foster understanding about Fukushima’s initiatives toward securing food safety.

We hope that the central government will continue to put its best efforts into further expanding the export of agricultural, forestry, and fisheries products from Fukushima Prefecture and dispelling harmful

rumors both inside and outside of Japan by taking actions. These actions include urging countries and regions to abolish import restrictions as soon as possible while at the same time disseminating accurate information based on scientific grounds.

### Outlook for the Prefecture

In 2020, the Tokyo 2020 Olympic and Paralympic Games will be held. The Grand Start of the Olympic Torch Relay will take place in Fukushima Prefecture in March, while softball and baseball matches will be held in Fukushima City in July. The Games, which have also been promoted as the “Reconstruction Olympics,” offer an excellent opportunity to express our gratitude for the support we have received from people around the world, and to present to Japan and the world the steady progress that Fukushima Prefecture has made toward revitalization. Hence, we will be working together with the central government, the relevant agencies, and all the people who care for Fukushima Prefecture to advance initiatives aimed at facilitating the correct understanding of Fukushima’s current situation and to encourage visits to Fukushima.

(Note: This column was written in January 2020.)



Trade promotion event hosted by the Governor in Viet Nam  
(August 25, 2017, Ho Chi Minh)



Trade promotion event hosted by the Governor in France  
(March 24, 2018, Paris)



Paying a courtesy call to Ms. Anne Bucher, Director-General for Health and Food Safety (DG SANTE), the European Commission  
(October 11, 2019, Brussels, Belgium)



The “Future of Fukushima Seminar”  
(October 11, 2019, Brussels, Belgium)

## 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 Concerning Energy and Mineral Resources in Japan and Abroad

##### (A) Situation in the World

Recent years have seen structural changes in the international energy market with respect to three things: (1) demand (consumption), (2)

supply (production), and (3) resource selection. Regarding (1) demand, global demand for primary energy has shifted toward non-OECD member countries, primarily China and India. With respect to (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. is promoting energy export policies such as by announcing the promotion of further exports of U.S. liquefied natural gas (LNG) under the Trump

administration. Regarding (3) resource selection, based on the fact that energy production and use account for about two-thirds of greenhouse gas (GHG) emissions, the transition to cleaner energy resources such as renewable energy is accelerating. Additionally, since the Paris Agreement on climate change was adopted in December 2015, companies have made further advances toward low-carbonization.

Concerning crude oil prices, attacks on a natural gas refinery (in August) and oil refinery (in September) in Saudi Arabia have increased geopolitical risk. This has caused increased oil prices while prompting the U.S. and other non-OPEC (Organization of Petroleum Exporting Countries) member countries to increase crude oil production. Furthermore, trade friction between the U.S. and China has stifled growth in oil demand, leading to drops in oil prices. It is important that continued attention is paid to the impact of these oil price fluctuations on future energy security.

### **(B) Situation in Japan**

Since the Great East Japan Earthquake, the percentage of fossil fuels in Japan has reached about 90% of the country's power generation in 2012, up from about 60% before the earthquake, due to the shutdown of nuclear power plants. LNG has seen a particular increase, now accounting for roughly 40% of total power generation. 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, and other energy resources dropped sharply from 20% before the earthquake to 6.4% in 2014. It remains at a low level despite a rise to 8.3% in FY 2016. Furthermore, nearly 90% of crude oil and more than 20% of natural gas imported by Japan come from the Middle East (both in 2019). Under the circumstances, efforts to secure a stable supply of energy at reasonable prices are becoming increasingly important.

Against this backdrop, the Cabinet decided on the "5th Strategic Energy Plan" in July 2018.

Aiming to realize a stable, low-burden, and environmentally compatible energy supply and demand structure under the 3E+S principle ("Energy Security," "Economic Efficiency," "Environment," and "Safety"), this new Plan includes efforts aimed at utilizing renewable energy as the major power source and promoting energy system reform. It aims to steadily achieve the energy mix needed to realize a 26% greenhouse gas reduction by FY2030 (compared to FY2013).

### **B 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 a vital Japanese economy and the livelihoods of its people. MOFA has been strengthening diplomatic efforts with a focus on the following activities.

#### **(A) Gathering and Analysis of Resource-Related Information at Diplomatic Missions Overseas**

With a view to strengthening the function of diplomatic missions overseas, as of the end of 2019, "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. MOFA also holds "Strategy Meetings on Energy and Mineral Resources" every year, which bring together officials assigned to diplomatic missions overseas in countries that are important to ensuring a stable supply of energy and mineral resources. The most recent meeting was held in Tokyo in February 2019 and attended by representatives from the relevant ministries and private-sector agencies. Lively discussions were held on the international situation surrounding energy and mineral resources, as well as on the direction of Japan's strategies in light of this situation. Additionally, since 2017 MOFA has held Regional Meetings on



Energy and Mineral Resources for specific regions. At the 2019 meeting, held in Egypt and focused on the Middle Eastern region, participants discussed the importance of strengthening collaboration among MOFA, diplomatic missions overseas, and government-affiliated organizations, as well as Japan's plan for conducting energy resource, mineral resource, and renewable energy diplomacy effectively.

#### **(B) Securing Transportation Route Safety**

Piracy threatens the sea lane stretching from the Middle East to Japan, through which approximately 90% of all imports to Japan pass, as well as other internationally important sea lanes in places such as the Gulf of Aden and waters off the coast of Somalia. In response, Japan has supported the coastal countries along these lanes through such measures as enhancing counter-piracy capacities, cooperating on information sharing among countries concerned, and developing navigation facilities. Japan has also been dispatching Japan Self-Defense Force units and Japanese Coast Guard officers to areas off the coast of Somalia and the Gulf of Aden to engage in escort operations for any countries' 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. While endeavoring to strengthen its capability to respond to emergencies such as disruptions in oil supply, Japan strives to quickly and accurately grasp information such as trends in the global energy markets and resource-producing countries, as well as revisions to the medium- and long-term outlooks for supply and demand.

The G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth was held in Karuizawa, with Japan as G20 Presidency and Minister of Economy, Trade and Industry Seko Hiroshige and Minister of the Environment Harada Yoshiaki

serving as co-chairs. Attending from MOFA was Parliamentary Vice-Minister for Foreign Affairs Tsuji Kiyoto. In the Ministers' Communiqué and "G20 Karuizawa Innovation Action Plan" adopted at the meeting as outcome documents, ministers agreed on the importance of a virtuous cycle of environment and growth and, in the field of energy, on the importance of energy innovations such as hydrogen, CCUS (Carbon Capture, Utilization and Storage), and carbon recycling to drive an energy transition that will achieve the 3E+S principle (Energy Security, Economic Efficiency, and Environment + Security). In the G20 Osaka Leaders' Declaration adopted at the G20 Osaka Summit in June, leaders affirmed the importance of achieving energy security and of further developing innovative, clean, and efficient technologies toward realizing an energy transition. At the 27th Ministerial Meeting of the International Energy Agency (IEA), held in Paris in December, State Minister for Foreign Affairs Wakamiya Kenji and State Minister of Economy, Trade and Industry Matsumoto Yohei attended from Japan. Chaired by the Ambassador of the Permanent Delegation of Japan to the OECD, the Meetings saw discussions held concerning strengthening relationships with non-IEA members, including emerging countries in Asia. Serving as the chair country for the Meeting, Japan led the ministers to an agreement to begin discussions aimed at establishing a "strategic partnership" with India. A Ministerial Communiqué was adopted at the Meeting for the first time in 10 years, with Japan making a contribution.

At the East Asia Summit Environment Ministers Meeting, Japan presented initiatives concerning achieving a hydrogen-fueled society, reducing CO2 emissions in the transport sector, carbon recycling initiatives, and distributed energy initiatives, while also launching the "Cleaner Energy Future Initiative for ASEAN (CEFIA)" and speaking on the importance of regional clean coal technology development and natural gas utilization. Japan also welcomed attendees from abroad

at three international conferences on energy that were held in Japan (the Hydrogen Energy Ministerial Meeting, International Conference on Carbon Recycling, and LNG Producer-Consumer Conference).

### **C Major Efforts Concerning Energy and Resource Diplomacy in 2019**

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

At the Ninth Session of the International Renewable Energy Agency (IRENA) Assembly held in Abu Dhabi (United Arab Emirates) in January 2019, Parliamentary Vice-Minister for Foreign Affairs Tsuji Kiyoto gave a speech while standing in for Minister for Foreign Affairs Kono. In the speech, he spoke on the increasing momentum in the international community toward solving the problem of climate change and on the dramatic drop of renewable energy generation costs in recent years. He explained that Japan is working to achieve a policy centered on making renewable energy Japan's main power source, and how Japan is leveraging its experience in driving renewable energy adoption and making efforts as a country with visionary solutions to problems faced by other IRENA member states. He then explained that this positions Japan to play a role in responding to a worldwide desire for further adoption of renewable energy, giving examples of efforts Japan is making in terms of developing and supporting advanced technologies and innovation.



Parliamentary Vice-Minister for Foreign Affairs of Japan Tsuji giving a speech at the Ninth Session of the IRENA Assembly (January, Abu Dhabi, UAE)

Mr. Tsuji also touched on the fact that Japan aims to use opportunities such as the TICAD7 and G20, for which it is the president, to contribute to promoting worldwide efforts concerning renewable energy with the goal of achieving a virtuous cycle of environment and growth while improving the world's access to energy.

#### **(B) Strategy Meeting on Diplomatic Missions Overseas Concerning Energy and Mineral Resources**

The Strategy Meeting on Energy and Mineral Resources was held over two days on February 25 and 26 at MOFA. In attendance were seven Special Assistants for Energy and Mineral Resources and officials working at diplomatic missions overseas that are located in seven countries and regions and that are engaged in securing a stable supply of energy and mineral resources for Japan. These meetings have been held in Tokyo every year since 2009. Attending this year's meeting were Director General of the Economic Affairs Bureau and other MOFA officials, the aforementioned seven foreign mission officials, officials from relevant ministries, and people from various organizations and companies. Attendees held in-depth discussions on issues and measures related to securing a stable supply of resources in Japan and actively conducting energy and resource diplomacy.

The discussions at this strategy meeting touched on how countries' energy policies amid the recent energy situation are both directly and indirectly impacting not just the energy situations in surrounding countries and regions but the entire world, and how the environment surrounding the international energy situation is becoming increasingly diverse and uncertain. Based on this premise, attendees affirmed matters such as the necessity for diplomatic missions overseas to correctly ascertain the current situation concerning energy policy and the supply and demand situations in other countries and regions in order to create a system that can rapidly respond to short-term changes while keeping in mind a long-term

outlook.

### (C) Study Tour of Hydrogen Energy Facilities in Kawasaki City and Yokohama City for the Diplomatic Corps in Tokyo

On Tuesday, March 19, MOFA conducted a study tour of hydrogen energy facilities in the cities of Kawasaki and Yokohama for the Diplomatic Corps in Tokyo, in cooperation with the Agency of Natural Resources and Energy, the Ministry of the Environment, and the city of Kawasaki.

This study tour was held to provide the Diplomatic Corps in Tokyo with information about the efforts Japan is making based on the Basic Hydrogen Strategy (formulated in December 2017), which aims to make Japan one of the first countries in the world to achieve a hydrogen-based society, and to inform the world of Japan's hydrogen technologies and related projects. 13 embassy staff from 12 countries participated in the tour.

The coastal regions of the cities of Kawasaki and Yokohama are home to a number of facilities related to hydrogen and fuel cell technologies. During this study tour, participants observed a hydrogen station owned by Mitsubishi Kakoki Kaisha, Ltd., Chiyoda Corporation's SPERA Hydrogen demonstration plant, and a stand-alone hydrogen energy supply system from Toshiba Energy Systems & Solutions Corporation.

Additionally, a seminar on policies and technologies for expanding the usage of hydrogen was held at the Kawasaki King Skyfront Tokyu REI Hotel, which itself uses hydrogen energy.

The attending diplomatic corps expressed great interest in the state-of-the-art hydrogen energy technologies, with members engaging in a lively Q&A session. The corps members later said that the study tour had given them a comprehensive understanding of Japan's hydrogen energy policies and companies' hydrogen energy projects.

## (2) Ensuring Food Security

According to reports by the UN Population

Division, the 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 9.7 billion by 2050. Furthermore, should dietary habits in the developing world change in the future and lead to greater livestock consumption, demand for grain to feed that livestock would increase several times over. According to a report by the Food and Agriculture Organization of the United Nations (FAO) in 2013, there is a need to increase food production by approximately 60% by 2050 compared to the level in 2005/2007. Shifting focus to 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 leveling out in recent years, reaching 37% in FY2018. Japan continues to be dependent on imports for much of its food over the long-term. To ensure a stable food supply for its people, Japan needs to increase domestic food production achieving the optimal ratio of importing to stockpiling. Amid global concern over the untenable supply and demand situation over the medium- to long-term, Japan must make active efforts to increase the food supply globally if it is going to continue enjoying stable food imports. As a member of the international community, Japan must also prepare for the possibility of global food supply shortfalls caused by simultaneously-occurring events such as drought in major food producing countries. Furthermore, rather than temporarily increasing food production demand, there is a need to achieve a sustained food production increase while reducing the burden on the environment. In addition, as food quality deteriorates over time and food is easily damaged by diseases and pests, stable agricultural produce markets and trading systems must be created and logistics must be improved. Through initiatives such as these, Japan must take steps to ensure food security.

## Diplomatic Efforts for Food Security in Japan

### [Background]

#### Situation in Japan

- Japan relies on imports to supply 60% of the food it consumes on a calorie basis and 30% in terms of agricultural output value
- Challenges concerning expanding production (Diminishing farmland, graying of the farming population, etc.)



#### International situation

- Growing global population
- Dietary changes caused by economic development in emerging nations
- Biomass energy production increases
- Climate change and frequent occurrence of unusual weather events
- Few countries with surplus export capability
- Growing instability in food prices, agricultural products being turned into financial commodities

### [Diplomatic efforts]

#### 1. Promoting global food production

##### - Investment promotion

Includes implementing the Principles for Responsible Investment in Agriculture and Food Systems formulated by the Committee on World Food Security (CF5), and conducting bilateral dialogues and public-private missions aimed at building food value chains through public-private cooperation

##### - Agriculture and farming community development, research and development, technology proliferation

Coalition for African Rice Development (CARD), etc.

##### - Combating climate change, etc.

Preventing drought and other natural disasters, building early warning systems, etc.

#### 2. Creating stable agricultural produce markets and trading systems

##### - Efforts to maintain and strengthen a free-trade environment, monitoring market functions

Includes reaching out about banning, in principle, export restrictions under the WTO, strengthening export restriction-related laws in economic partnership agreements, tracking price trends (Agricultural Market Information System (AMIS)), and combating price volatility

#### 3. Support and safety nets for vulnerable populations

##### - Setting goals at multilateral forums

Setting a goal to achieve zero hunger, the second of the Sustainable Development Goals. Formulating the G7 Vision for Action and Food Security and Nutrition at the 42nd G7 summit, held in 2016, toward the goal of "aiming to lift 500 million people in developing countries out of hunger and malnutrition by 2030" established at the G7 Elmau Summit in 2015

##### - Multilateral support for agricultural development support through the Japan International Cooperation Agency (JICA), etc.

##### - Food supply and nutrition support through cooperation with international organizations

Includes making financial contributions to organizations such as the Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), World Food Programme (WFP), and Food Assistance Convention (FAC), providing nutritional supplements, granting means of making a living wage, and implementing the Nutrition Japan Public Private Platform (NJPPP)

#### 4. Creating an environment for responding to emergency situations and food crises

##### - Creating cooperative international frameworks

ASEAN Plus Three Emergency (Japan-China-ROK) Rice Reserve, G20 Rapid Response Forum (RRF)

### A Cooperation in International Frameworks Concerning Food Security

Within the G20 framework, at the G20 Niigata Agriculture Ministers' Meeting held in May, the ministers discussed human resource development, new technologies, the agro-food value chain (FVC), and the SDGs under the theme of "Toward Sustainable Agro-Food Sector – Emerging Issues and Good Practices." The ministers also discussed measures to address transboundary animal diseases and plant pests. In particular, ministers shared a view on the importance of international cooperation toward tackling African Swine Fever (ASF).

Cooperative efforts are also being made at the regional level. In APEC, member countries are engaging in related cooperation through the

APEC Policy Partnership on Food Security (PPFS) in the form of collaborations between not just authorities in member nations and regions but also within the private sector. Under the leadership of Chile, 2019's APEC chair, discussions were held on fostering sustainable food system, utilizing innovations and new technologies, promoting collaboration, strengthening FVC and trade, and ramping up regional development for better opportunities.

### B Cooperation with the Food and Agriculture Organization of the UN (FAO)

As a responsible member of the international community, Japan supports the activities of the FAO, a specialized agency of the UN in the fields of food and agriculture. Japan, a major donor

to the FAO as the second highest contributor of assessed contributions, significantly contributes to strengthening global food security through efforts such as providing development assistance in the areas of food and agriculture for developing countries, and creating international rules that include phytosanitary measures and food safety standards. Japan also works to strengthen its relationship with the FAO, holding Annual Strategic Consultations and conducting seminars for the general populace aimed at raising awareness for the FAO domestically and increasing the number of Japanese FAO personnel.

### (3) Fisheries (Including Whaling and Tuna)

As one of the major fishing countries and consumers of fishery products in the world, Japan, in coordination with international organizations, plays an active role in the proper conservation and management measures and sustainable use of marine living resources.

With regard to whaling, Japan has consistently maintained the basic position to promote sustainable use of marine living resources based on scientific evidence. In accordance with this policy, Japan resumed commercial whaling in July 2019 following its withdrawal from the International Whaling Commission (IWC) on June 30. Whaling is conducted within Japan's territorial sea and its exclusive economic zone (EEZ), and within the catch limits calculated in line with the method adopted by the IWC (RMP). It has been confirmed that the continuous harvest of a calculated number of whales for 100 years would have no harmful effect on the targeted stock.

Japan has conducted scientific whale research programs for many years with the aim of gathering the scientific data needed to sustainably use and properly manage whale resources. In coordination with international organizations and in line with a policy of cooperating with international efforts to manage marine living resources, Japan will continue to conduct research programs that include Japanese Abundance and Stock structure

Surveys in the Antarctic (JASS-A), as well as joint sighting surveys with the IWC (IWC-POWER), while providing information to the IWC and other international organizations (see the Column on page 295).

As calls within the international community intensify for urgent action against illegal, unreported, and unregulated (IUU) fishing, Japan is stepping up efforts to combat IUU fishing. For instance, Japan took the initiative in referring to "the importance of addressing IUU fishing for ensuring the sustainable use of marine resources and conserving the marine environment including biodiversity" in the leaders' declaration issued at the G20 Osaka Summit in 2019, where Japan served as chair. Japan also urges countries to accede to the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, which establishes rules for port countries to take measures against IUU fishing vessels, including denial of port entry.

In the Central Arctic Ocean, while commercial fishing is unlikely to become viable in the near future, there have been concerns that unregulated fishing will begin as ice coverage in that area has diminished due to global warming. Consequently, nine countries and the EU, including Japan and five nations bordering the Arctic Ocean, signed the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean in October 2018. Japan deposited the instrument of acceptance of the Agreement on July 23, 2019.

As one of the largest tuna consumers, Japan has joined all Regional Fisheries Management Organizations (RFMOs) for tuna, and leads discussions on strengthening conservation and management measures (CMM). With regard to the Pacific Bluefin tuna, at the 2019 meeting of the Northern Committee of the Western and Central Pacific Fisheries Commission (WCPFC), based on scientific knowledge such as the recovery of adult fish stock, Japan proposed an increased catch limit to an extent that the certain probability of achieving the rebuilding target

is maintained. While some cautious comments resulted in the catch limit not being increased, revisions to the CMM were adopted at the meeting of the Northern Committee and the Regular Session of the WCPFC that stated that members of the WCPFC may carry their initial 2019 catch limits from the current 5% to 17%, which remain uncaught, to 2020 and 300 tons of the catch limit of Pacific bluefin tuna may be transferred from Chinese Taipei to Japan in 2020, subject to a notification by Chinese Taipei to the Secretariat. At the 2017 International Commission for the Conservation of Atlantic Tunas (ICCAT) Annual Meeting, it was decided that the total allowable catch (TAC) for Atlantic bluefin tuna until 2020 was increased based on the state of resource recovery. At the 2019 ICCAT Annual Meeting, draft convention amendments were adopted concerning matters such as the expansion of fish species, while the decision was made to decrease the TAC for tropical tuna such as bigeye tuna.

With respect to Pacific saury, at the 5th Annual

Session of the North Pacific Fisheries Commission (NPFC), held in July 2019, Japan led discussions toward the first ever decision that the TAC in the NPFC convention area (high seas) shall be limited to 330,000 metric tons for the 2020 fishing season. It was also decided that each Member of the Commission shall ensure that the total catch by fishing vessels entitled to fly its flag in 2020 will not exceed its reported catch in 2018, and that Members of the Commission shall consider allocation of the TAC in the Convention Area among Members at the Commission Meeting in 2020. At the 2020 Annual Meeting, the further decision to strengthen resource management is expected.

As for Japanese eel, in April 2019, at the informal consultation on international cooperation led by Japan, Japan, the ROK, and Chinese Taipei agreed to regularly hold scientific meetings with the goal of providing scientific advice on conservation and management measures and to cooperate toward improving traceability in international trade.

### Column

#### Japan's Whaling Policy:

#### Practices of Public Diplomacy Addressed to the International Community

On December 26, 2018, Japan announced its withdrawal from the International Whaling Commission (IWC). Thereafter, in accordance with the stipulations of the International Convention for the Regulation of Whaling (ICRW), the withdrawal became effective on June 30, 2019, and Japan's whaling resumed on July 1 for the first time in 31 years.

With regard to this decision, 67.7% of the respondents in the FY2018 Domestic Opinion Survey on Japan's Diplomacy rated it positively. On the other hand, when news of Japan's withdrawal from the IWC spread throughout the world, there were reports with a critical tone overseas. To deepen understanding among the international community about Japan's whaling policy, the Government of Japan made use of every possible opportunity to disseminate accurate information about whaling. These included contributing articles to the major newspapers (such as the New York Times and Washington Post), appealing to the public through Japan's diplomatic missions overseas, and presenting lectures when senior MOFA officials traveled overseas on official business, while highlighting the following key points.

#### 1. The perception that "Japan's whaling drives whales to extinction" is inaccurate.

Japan is committed to the conservation of whale resources. Specifically, Japan sets a catch quota every year in line with calculation methods adopted by the IWC. In fact, based on these calculation methods, even if whaling was to be carried out continuously for 100 years, it would not have an adverse impact on resources.



In addition, Japan only permits the capture of whale species that the IWC has recognized as species for which there are abundant stocks.

## **2. The perception of “Japan versus the world” with regard to whaling is contrary to the facts.**

Japan's basic position is to achieve a sustainable use of fishery resources. Of the 89 member countries of the IWC (as of May 2019 prior to Japan's withdrawal), 41 countries that share this position, including Japan, had consistently been working in cooperation toward realizing sustainable whaling.

Furthermore, Japan's whaling has been a part of Japanese culture inherited over the centuries. Just as it has been in Norway and Iceland, which have continued whaling while remaining in the IWC, as well as in the U.S. and Russia where whaling is recognized as the culture of the indigenous people.

## **3. The perception that “Japan is not cooperating with the international community after withdrawing from the IWC” is also contrary to the facts.**

Even after its withdrawal from the IWC, Japan is committed to the management of international marine living resources in coordination with international organizations. At the meeting of the IWC Science Committee held in May 2019, Japan stated clearly its policy of continuing to contribute to the management of whale resources based on scientific evidence in cooperation with international organizations. For example, it will continue to engage in the joint scientific program with the IWC. In this respect, Japan's engagement is welcomed by the member countries.

Whaling has been a subject for debate for decades, based on a fixed perception of anti-whaling groups versus those who support whaling. However, as Japan continues to disseminate accurate information, rational arguments on whaling are now also taking place. In order to foster an environment that facilitates debate based on mutual respect and open-mindedness, while taking into consideration the latest scientific knowledge and evidences, and in line with Japan's basic policy of using fishery resources in a sustainable manner, Japan is tenaciously bringing forth counterarguments and disseminating accurate information in simple terms at every possible opportunity. The Government of Japan will strive to gain support both inside and out of Japan for its whaling policy. For information on the concrete practices, please visit MOFA's website.

(<https://www.mofa.go.jp/policy/economy/fishery/whales/japan.html>)



## **(4) Foreign Direct Investment in Japan**

The target to double (compared to 2012) foreign companies' direct investment in Japan to 35 trillion yen by 2020 was laid out in the “Follow-up on the Growth Strategy” (June 2019 Cabinet Decision) (30.7 trillion yen as of the end of 2018). With the “Council for Promotion of Foreign Direct Investment in Japan,” which has been held since 2014, spearheading initiatives 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. These reforms contribute to the improvement of the investment environment in Japan, respond to the needs of foreign companies, and support measures to expand investments effectively. Based on the Five Promises for Attracting Foreign Businesses to Japan, decided at the second 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<sup>12</sup> since April 2016 and

<sup>12</sup> A system that seeks to prepare an environment in which companies who have made important investments in Japan can easily consult with the Government of Japan through State Ministers and other officials that oversee the main industries in which these companies engage.

are meeting with the relevant State Ministers in charge and the State Ministers for Foreign Affairs. The sixth meeting of the Council for Promotion of Foreign Direct Investment in Japan, held in May 2018, finalized 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. The seventh meeting, held in April 2019, further strengthened this initiative and finalized the Program to Intensively Attract Foreign Direct Investment in Regional Japan.”

MOFA, along with implementing various measures adopted by the Council for Promotion of Foreign Direct Investment in Japan, is also utilizing diplomatic resources to engage in initiatives through diplomatic missions overseas and trade promotion by key government officials. MOFA 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 with the Japan External Trade Organization (JETRO) to conduct surveys of requests for improvements to Japanese regulations and systems, call for investments in Japan by making use of networks of contacts at diplomatic missions overseas, and hold events for promoting foreign direct investment in Japan, among other initiatives. Diplomatic missions conducted more than 700 cases in FY2018. As part of a trade promotion effort during senior officials’ overseas visit, Prime Minister Abe encouraged executives and representatives of a wide range of UK companies, at a business reception held at 10 Downing Street, the office of the Prime Minister of the UK, to invest in Japan. In Japan, MOFA held a Global Business Seminar in March of 2019 (supported by JETRO and relevant ministries and agencies), which focused on the importance of expanding a free

and fair economic sphere around the world, promoting bi-directional investment between Japan and Southeast Asia, the U.S., and Europe, while inviting more investment into regional Japan.

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

Following the decision on November 23, 2018 to hold the 2025 World Expo in Osaka, Kansai, 2019 has seen efforts to plan for the event. January 30 saw the establishment of the Japan Association for the 2025 World Exposition (a public interest incorporated association since October 21). This was followed by the April 19 formulation and May 23 enactment of the Act on Special Measures Necessary for Preparing for and Managing the World Expo in 2025 by the Government of Japan. On May 31, based on this law, the Association was designated as the corporation responsible for conducting operations related to preparing for and conducting the 2025 World Expo. In December, the decision was made to hold the expo from April 13 to October 13, 2025.

As is also indicated in the Follow-up on the Growth Strategy decided by the Cabinet on June 21, once Japan receives approval for its expo plan (Registration Dossier) at a Bureau International des Expositions (BIE) General Assembly meeting on June 21, it will begin full-fledged invitation efforts aimed at getting as many countries to participate in the expo as possible.

With the theme of “Designing Future Society for Our Lives,” World Expo 2025 Osaka, Kansai aims to accelerate initiatives toward the Sustainable Development Goals (SDGs), which are all to be achieved by 2030. The expo will also be a golden opportunity to communicate the appeal of Japan to the world. Japan will continue making a concerted national effort aimed at ensuring the expo inspires and surprises people around the world, while also bringing joy to everyone in Japan.