

Japan's vision towards world and Latin America

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Japanese Ambassador to Uruguay

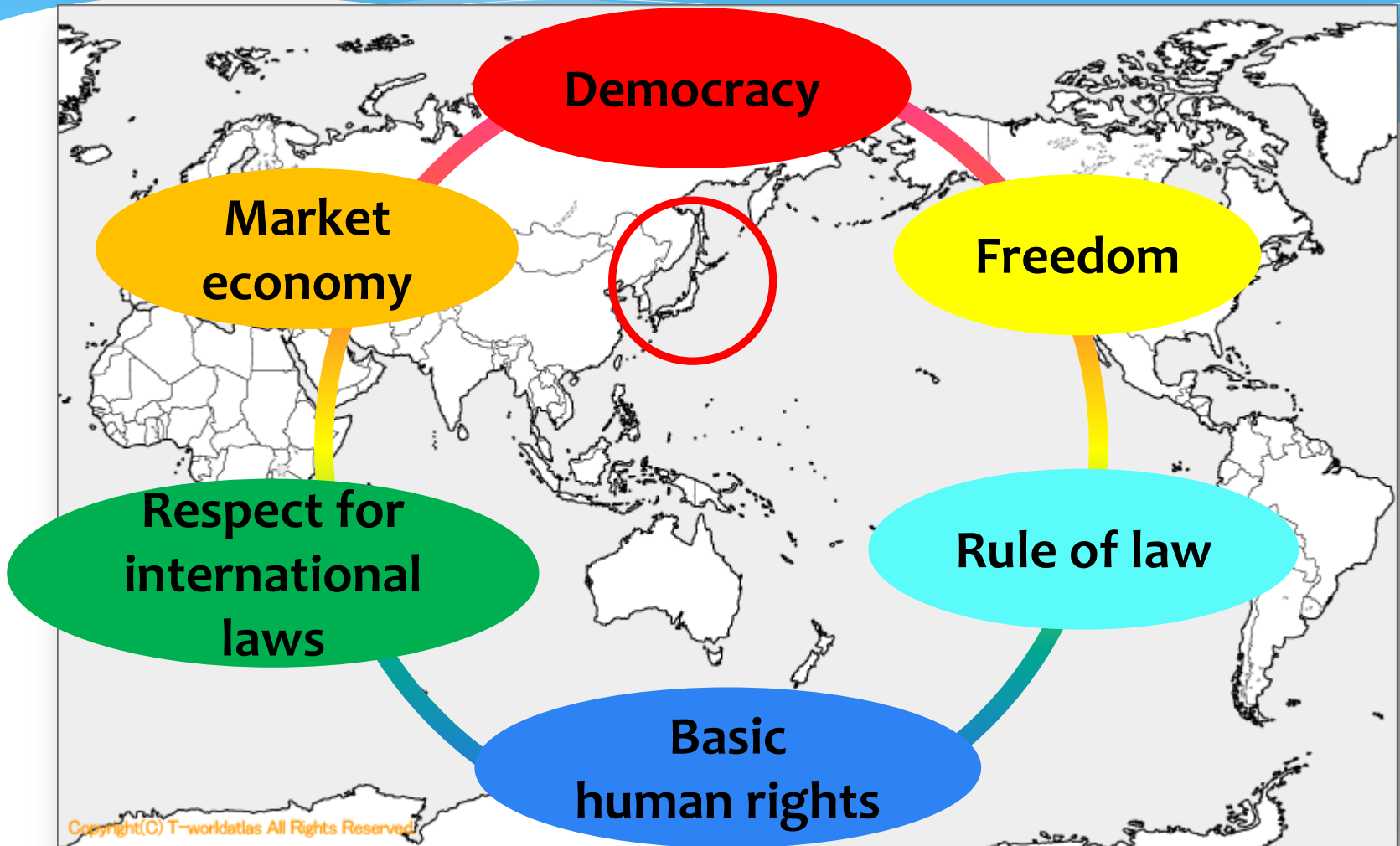
June 25, 2019

Outline

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- 2 FTA and EPA
- 3 Mercosur-Japan economic relationship
- 4 Uruguay-Japan economic relationship
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Introduction

Common values which Japan shares with the international community



Japan's EPA/FTA Policy

Promotion of economic diplomacy is one of priority areas of Japan's diplomacy

Objective

- Maintain and develop an open and stable rules-based international economic order
- Promote economic growth of the world and Japan

3 aspects of Japan's economic diplomacy

- 1 Rules-making to strengthen a free and open international economic system
→ **FTA (Free Trade Agreement) and EPA (Economic Partnership Agreement)**
- 2 Supporting Japanese companies to expand overseas business
- 3 Promoting diplomacy for securing natural resources and promoting inbound flow

FTA and EPA

FTA (Free Trade Agreement):

Agreement to reduce or eliminate barriers on trade in goods and services

EPA (Economic Partnership Agreement):

Agreement to strengthen broadly economic relations, including rule making on investment, intellectual property, competition policy, etc. and cooperation in various areas, in addition to trade liberalization

Principal Areas

- General Provisions
- Trade in Goods
- Rules of Origin
- Customs Procedures
- SPS
- TBT
- Trade in Services
- Investment
- Movement of Persons
- Intellectual Property
- Competition Policy
- Electronic Commerce
- Government Procurement
- Business Environment
- Dispute Settlement
- Final Provisions



New Areas

- Energy and Mineral Resources
- Food Supply
- State Companies
- Labor
- Environment
- Medium and Small Enterprises

Basic Strategy of Japan's EPA

Background

- Implementation of growth strategy for Japan's Economic Recovery
 - Strengthen competitiveness through domestic structural reforms
 - Incorporate new growth engines from abroad
- Intensified competition for conclusion of EPAs
 - Amid uncertainty related to the WTO's Doha Round, act in anticipation of new international economic order
 - Secure a trading/investment environment that is not inferior to rival countries



Promotion of EPA/FTA

Results

- Increase in exports and overseas investment
- Increase in foreign direct investment
- Globalization of Japanese firms
- Promotion of domestic regulatory reforms, etc.



Basic Strategy of Japan's EPA

- Achieve comprehensive and high-level EPAs
- Promote "mega FTA" with major trade partners

TPP

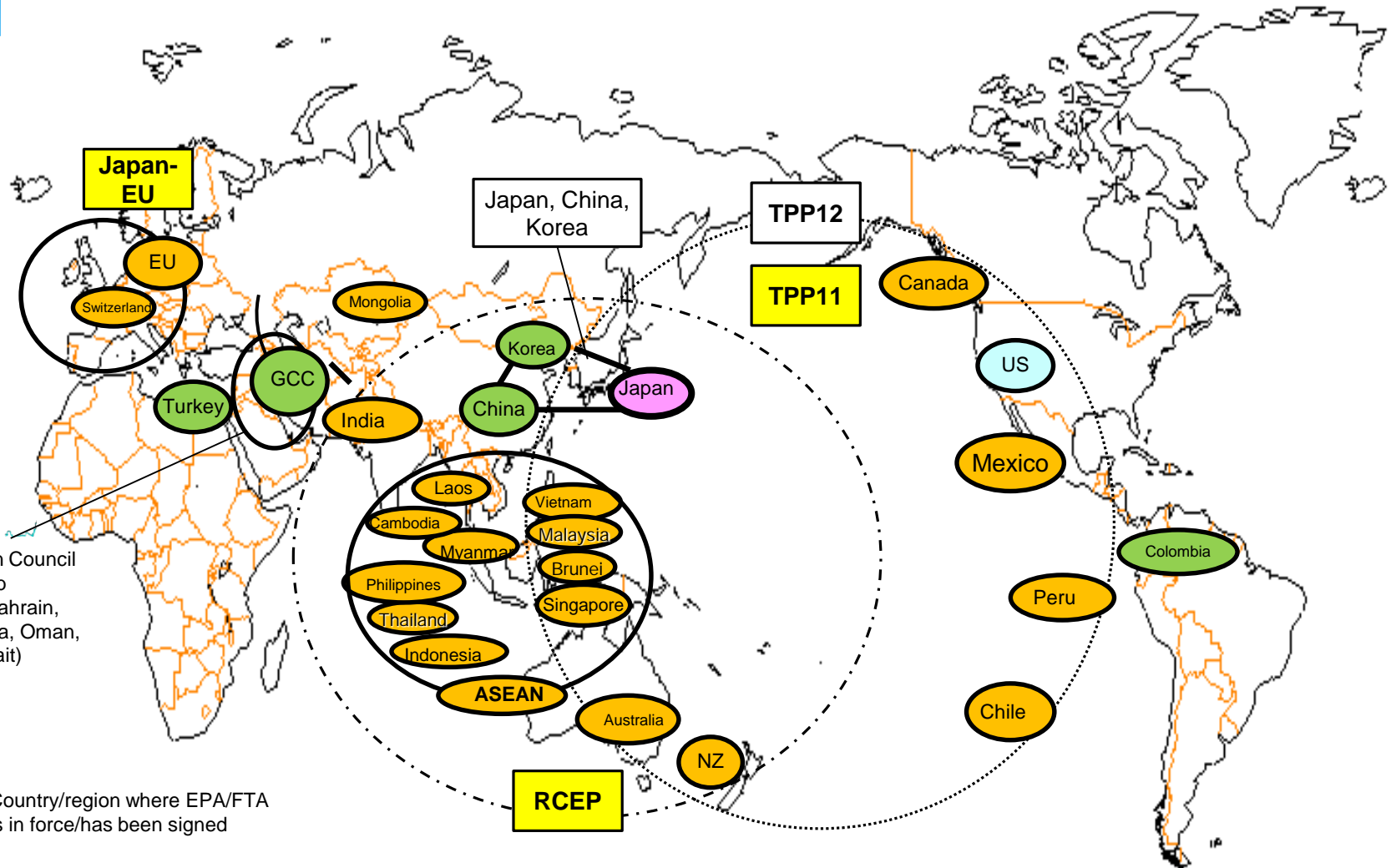
JAPAN-
EU EPA

RCEP


Japan,
China, Korea


Japan's EPA Initiatives

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



* GCC: Gulf Cooperation Council (United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait)

 : Country/region where EPA/FTA is in force/has been signed

 : Country/region currently negotiating EPA/FTA

- Korea suspended negotiations in November 2004.
- GCC has postponed negotiations from 2010.

FTA and EPA

Trans-Pacific Partnership (TPP11 Agreement)

CPTPP Agreement entered into force on 30th December, 2018.

Background

- An agreement to realize the contents of the Trans-Pacific Partnership (TPP) Agreement except some of its provisions among original participating countries other than the U.S. ,which has declared its withdrawal from the agreement.
- Maintains the high standard of TPP agreement, narrowing down the contents which will be suspended due to the absence of the U.S.

Significance of TPP11 Agreement

- Among the 11 member countries of the TPP, realize the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which promotes liberalization and facilitation of trade in goods and services and investment, and establish new rules in a wide range of areas.
- Incorporate overseas growing markets.
 - Real GDP increases for Japan: about 1.5%
 - Increase in labor supply: about 0.7% (approximately +460 thousand people)
- Amid the increasing tendency of protectionism in the world, it is an important step to establish free and fair 21st-century rules and a positive message towards the U.S. as well as other Asia Pacific economies.

Participating countries

Japan
Australia
Brunei
Canada
Chile
Malaysia
Mexico
New Zealand
Peru
Singapore
Viet Nam

Total population

About 500 million

Total GDP

**About 10 trillion
USD**

Total amount of trade

About 5 trillion USD



JAPAN-EU EPA



The Japan– EU EPA entered into force on 1st February, 2019.

Background

- Protectionist movements and market-distorting measures by emerging countries (industry subsidies, forced technology transfer, etc.).
 - Stagnation of Doha Round of WTO negotiation and the necessity of modernization of the WTO (E-commerce, investment, dispute settlement, and transparency, etc.).
- Japan promotes liberalization of trade by leading Japan-EU EPA

Significance of Japan-EU EPA

- The Japan-EU EPA is an important pillar of Abenomics' growth strategy.
 - With regard to the Japanese economy, the EPA is estimated to increase real GDP by approximately 1% and employment by approximately 0.5% (approximately 290,000 jobs) (estimated by the Cabinet Secretariat).
 - A model of economic order in the 21st century based on free and fair rules (state-owned enterprises, intellectual property, and regulatory cooperation, etc.).
 - The EPA will create one of the largest free and advanced economic zones in the world with approximately 30% of the world GDP and 40% of world trade.
- Japan and the EU set a model of trade liberalization to the world as the flag bearers for free trade.

Participating countries

28 Member States:
 Belgium, Bulgaria, the Czech, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Holland, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden, Britain

Total population

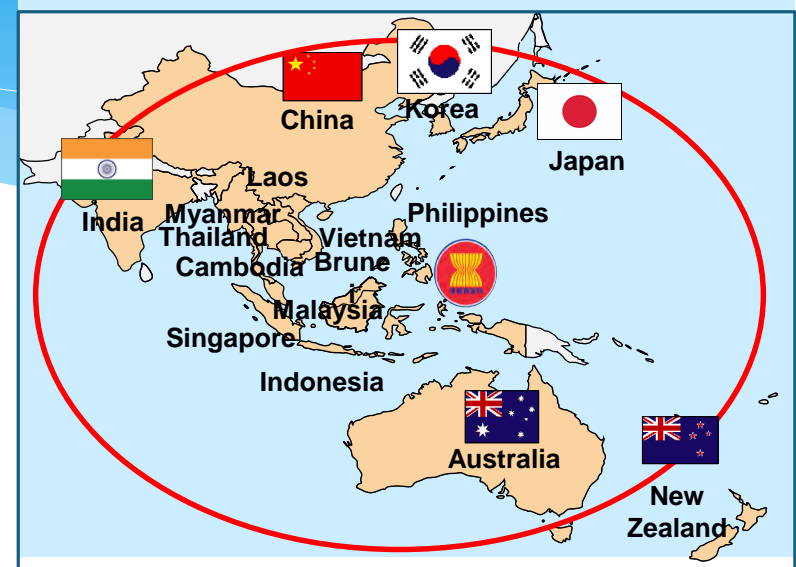
511.00 million

Regional Comprehensive Economic Partnership (RCEP) Negotiations

Negotiating areas

Trade in Goods; Rule of Origin; Customs Procedures and Trade Facilitation; Sanitary and Phytosanitary (SPS); Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP); Trade Remedies; Trade in Services; Financial Services; Telecommunication Services; Movement of Natural Persons; Investment; Competition; Intellectual Property; Electronic Commerce; Small and Medium Enterprises; Economic and Technical Cooperation; Government Procurement; Institutional Issues; Dispute Settlement, etc.

(The underlined chapters are those which have substantially concluded negotiations)



Countries participating in negotiations:

10 ASEAN countries and 6 other countries (Japan, China, Korea, Australia, New Zealand, and India)

Significance of RCEP

-RCEP would create an economic zone comprising approximately half of the world's population, and about 30% of the global GDP and world trade amount. Amid the growing protectionism globally, RCEP would deliver a strong message of promoting free trade toward the international society.

-Involving the Asian Pacific region, a center of economic growth in the world, is essential in maintaining and accelerating economic growth. RCEP would make contributions such as the efficient establishment of supply chains, through building a free and fair economic zone in this region.

RCEP would promote trade and investment in the region, through improving market access (tariff reduction, etc.). In addition, the partnership would support enterprises in non-tariff areas, by establishing rules on custom procedures, intellectual property, electronic commerce, etc.

Mercosur-Japan economic relationship



Mercosur-Japan economic relationship



June 2011

First Attendance of Japan at the Mercosur Summit Meeting
Japanese Minister for Foreign Affairs participated in the 41st Summit Meeting.



Dialogue to Strengthen the Economic Relationship between Mercosur and Japan

Japan's Initiative to Enhance Connectivity between Japan-LAC

In 2014

Progresar Juntos



Liderar Juntos



Inspirar Juntos



In 2018

Connectivity of Economies: free and open economic system

Enhance “connectivity of economies” through global value chains and quality infrastructure

Connectivity of Values: rule-based multilateralism
Enhance “connectivity of values” through common foundations and political dialogues

Connectivity of Wisdom: realization of SDGs
Enhance “connectivity of wisdom” for addressing challenges through innovation

Value of trade between Japan and Mercosur has expanded

July 2018

July 2018, the Brazilian National Confederation of Industry (CNI) and Keidanren (Japan Business Federation) presented Joint Report **Roadmap for an Economic Partnership Agreement between Japan and Mercosur.**

Uruguay-Japan economic relationship



Uruguay-Japan economic relationship



Official Visit of Prime Minister Abe to Uruguay

2 December 2018

Principal trading products



- automobile
- synthetic rubber
- printing machine

- wool
- soybean
- soft drink concentrate

(Source: Uruguay XXI)

Economic treaties

- **Bilateral Investment Treaty** entered into force on April, 2017 (Agreement in Principle)
- **Customs Mutual Assistance Agreement**
- **Tax Convention**

The two leaders shared the view that the **bilateral trade and investment between Japan and Uruguay** has been increasingly expanded, thanks to the open and free economic system of Uruguay.

They highly valued the efforts of both competent authorities to **open each market for Japanese beef and Uruguayan beef** at the same time .

The two leaders welcomed the **advancement of establishing legal framework** for the **enhancement of the economic relations.**

Japan-Uruguay Summit Meeting Measures for Strengthening the Relationship toward the 100th Anniversary of the Diplomatic Relations in 2021





Uruguay-Japan economic relationship



Japan and Uruguay agreed on two-way beef exports

In 2000

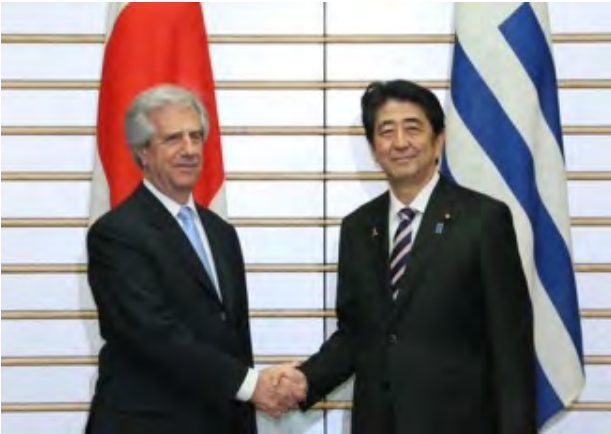
**outbreak of
foot-and-mouth
disease**

Imports of beef from Uruguay had been suspended by Japan.

November, 2015

December, 2018

March, 2019



Official Visit of President Vázquez to Japan

President Vázquez expressed his hope that the ban on **importing fresh beef produced in Uruguay** to Japan will be lifted promptly.

Since March 2016
Negotiations



Official Visit of Prime Minister Abe to Uruguay

Japan and Uruguay have agreed to allow each other's beef imports as a way of expanding bilateral trade.



FOODEX 2019 Japan

Uruguayan beef is back in Japan



G20 Osaka Summit 2019

Main Themes

Global Economy

Trade and Investment

Innovation

Environment and Energy

Employment

Women's Empowerment

Development

Health

Schedule

June 28 (Fri.) to 29 (Sat.), 2019

Venue

Osaka, Osaka Prefecture

International Exhibition Center,
Osaka (INTEX Osaka) (TBC)

Osaka Prefecture

Area:1,905.14 square
kilometer

Population:8,825,396

Osaka City

Area:225.21 square
kilometer

Population:2,724,355



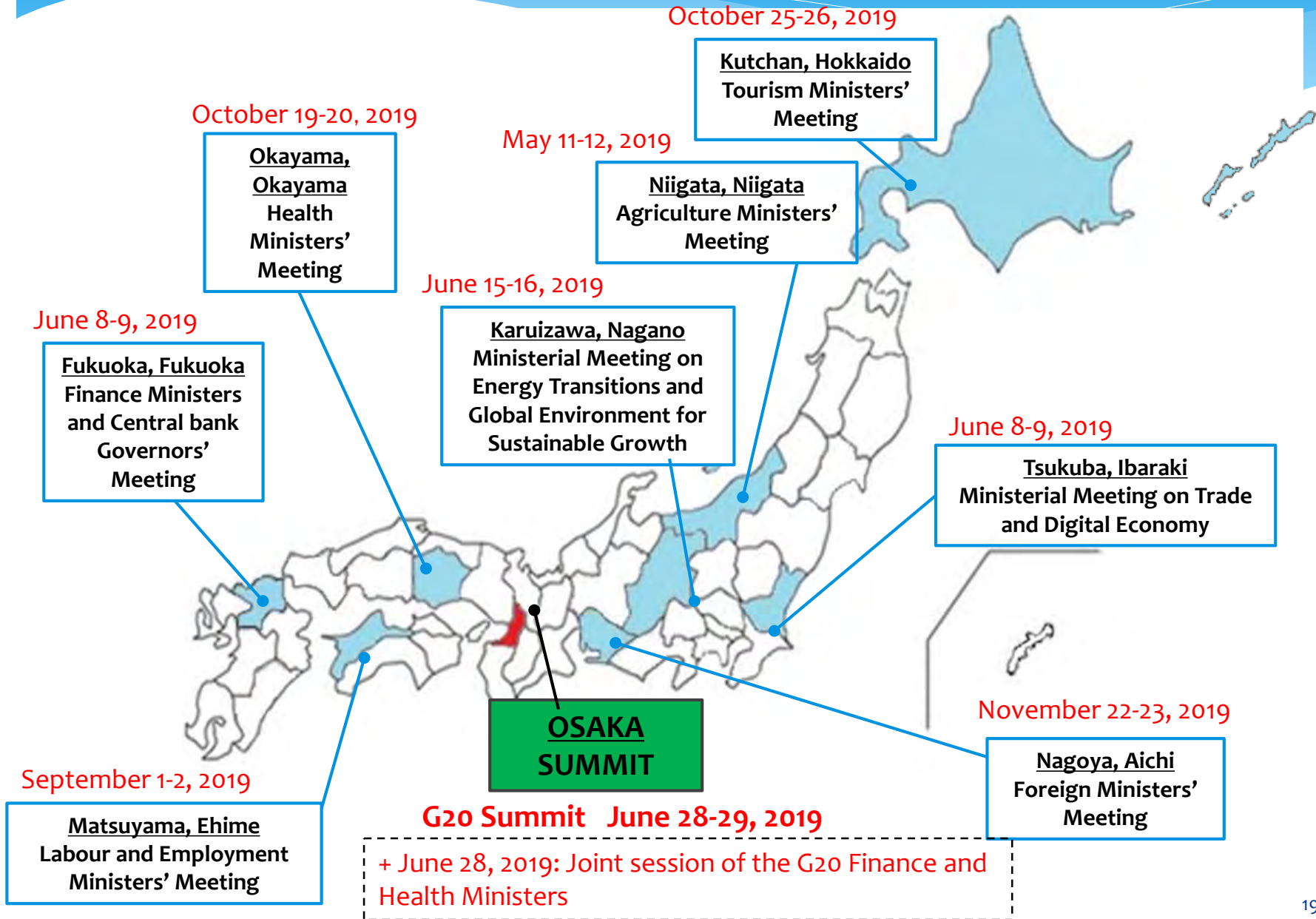
【磁力：人形浄瑠璃文楽座/国立文楽劇場蔵】



With great support from you all, I am determined to lead the Osaka Summit towards great success.



2019 G20 OSAKA Summit & Ministerial Meetings



ARIGATO!
ありがとうございます。

¡GRACIAS!

THANK YOU!