

The 10th Japan-Europe Conference, Trade Session

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1. Emergence of Global Value Chain and interdependence between Japan and China

- “Global Value Chain” has emerged as technology develops, reduction of cost in goods crossing borders.
- Business activities by Japanese multinational enterprises have expanded throughout the world, notably in Asia.
- Interdependence between Japan, China, and ASEANs have grown.

2. Japan’s Trade Policy

- Japan has been in deflation for a long time, sustainable growth and creating jobs are the priorities for the Japanese government.
- Third arrow by Prime Minister Abe is “Growth Strategy”. One of the themes is how to capture the growing needs in emerging markets, including China.
- Establishing FTA network with major trading partners is one of the key policy tools for our future growth, aiming at 70% of our trade covered by FTAs. Japan is tackling FTA negotiations with US, EU, ASEANs, and China/Korea simultaneously.
- At the same time, WTO’s credibility should be preserved. Concrete outcome, including ITA product expansion, is absolutely needed at Ministerial Conference in Bali, with China being a major participant.

3. Integrating regional trade agreements into multilateral trade system

- Both Japan and EU deal with mega FTAs, such as TPP, TTIP.
- These could be the cornerstone for the future multilateral trade rules, if harmonized with each other.
- The role of Governments and business community/academia