

Statement by Ambassador of Japan
On the occasion of The House of Commons' International Trade Committee (CIIT)
TPP Public Consultation
February 23rd, 2017

I am delighted to make a statement, as Ambassador of Japan, for this Public Consultation at The House of Commons' International Trade Committee (CIIT) regarding the Trans Pacific Partnership (TPP) Agreement for the second time. Taking advantage of this occasion, I would like to explain Japan's views on the TPP and Japan-Canada economic relations.

Since my first appearance in this Committee on October 27th last year, there has been much development.

In Japan, our Diet approved the conclusion of the TPP agreement on December 9th, 2016, and passed the relevant legislation. On January 20th, after the necessary cabinet orders and ministerial ordinances had been put in place, the Japanese government notified the government of New Zealand, which is the depository of the TPP agreement, that Japan had finished necessary domestic procedures.

On the same day, President Trump was inaugurated in the United States, and on January 30th, the United States issued notification of its withdrawal from the TPP to the remaining 11 signatories including Japan. The TPP cannot take effect without the United States. As such, it can be said that entry into force of the TPP is currently difficult.

On October 27th last year, I explained in this Committee the value of the TPP from 4 viewpoints. Firstly, the TPP is an unprecedented free trade agreement for its scale and its level of standards. Secondly, the agreement enhances the attractiveness of the Japanese market for Canadian exporters and investors. Third, the TPP is an open agreement, meaning that any country or customs territory able to meet the high standards is welcomed to join. Fourth, the TPP is not only a gigantic free trade agreement, but also a strategic deal

among countries sharing the same fundamental values such as democracy, human rights and rule of law.

The economic and strategic value of the TPP has not changed at all. A free trade regime based on free and fair common rules is a source of growth of the world economy. Preserving elements of the TPP is extremely important to achieve further economic development of Japan, Canada and other TPP signatories.

To this end, Japan will patiently seek the United States' understanding on the economic and strategic value of the TPP. And Japan will closely communicate with countries concerned including Canada on various occasions, with a view to developing high-level rules for trade and investment. Meanwhile, I hope the Canadian government will proceed further with its consultation on the TPP towards its ratification.

On February 10th, Prime Minister Abe and President Trump had a Japan-U.S. bilateral summit meeting. Regarding the TPP, we would like to explain Japanese position based on the results of the summit meeting. The two leaders' joint statement states as follows:

(I quote)

“The two leaders emphasized that they remain fully committed to strengthening the economic relationships between their two countries and across the region, based on rules for free and fair trade. This will include setting high trade and investment standards, reducing market barriers, and enhancing opportunities for economic and job growth in the Asia-Pacific.

The United States and Japan reaffirmed the importance of both deepening their trade and investment relations and of their continued efforts in promoting trade, economic growth, and high standards throughout the Asia-Pacific region. Toward this end, and noting that the United States has withdrawn from the Trans-Pacific Partnership, the leaders pledged to explore how best to accomplish these shared objectives. This will include discussions between the United States and Japan on a bilateral framework as well as Japan continuing to advance regional progress on the basis of existing

initiatives. The two leaders decided to have their countries engage in an economic dialogue to discuss these and other issues.”

(end of the quote)

The "bilateral framework" mentioned in the joint statement has yet to be discussed upon and its substances are not currently determined. The "existing initiatives" mentioned in the statement include the TPP. Prime Minister Abe repeatedly and carefully explained the economic and strategic value of the TPP to President Trump.

In addition to what I've already stated, Japan believes that we need to preserve elements of the TPP as our assets, given that such elements were agreed upon after long and hard negotiations. And we should promote throughout the Asia Pacific region the high-level rules for trade and investment that are included in the TPP.

In the Japan-U.S. summit meeting, the two leaders also agreed on an economic dialogue between Japan's Deputy Prime Minister and the U.S. Vice President. The dialogue will address economic policies, promotion of trade and investment relations of both countries and the Asia Pacific region, and cooperation in economic area.

Finally, I would like to speak about Japan's position on Japan-Canada economic relations. We consider it important to strengthen Japan-Canada relations, and we hope to further deepen the bilateral relation in various areas such as trade, investment and people-to-people exchanges.

At the Japan-Canada summit meeting in May 2016, our two leaders agreed to further advance our long-standing bilateral relations and to create a new era for cooperation between Japan and Canada, and they also agreed to revitalize the Japan-Canada Joint Economic Committee (JEC) established in 1976. The renewed JEC meeting was held last October, and two countries discussed broad topics in 5 main areas, namely, infrastructure, energy, science and technology cooperation, improving the business environment and promoting investment, and tourism and youth exchanges. As can be seen in this example,

Japan-Canada inter-governmental tie has been getting stronger.

I believe that there remains a huge potential for further expansion of our bilateral relationship in trade and investment. For instance, the total amount of Japan-Canada bilateral trade value reached its peak in 2008. Further increases in two-way investment can also be expected. We believe that we need to strengthen our bilateral relations through various activities from long-term and strategic standpoints.

For example, we think investing in Canada is an important option for Japanese companies to promote innovation and advance to the next step towards the world market. To attract more investment from Japan it is important to promote the dissemination of information and expand human networks through various means such as youth exchanges. In addition, we need to solve existing challenges in such areas as Canadian working visas and administrative procedures in Canada. It is our hope that we can continue deepening Japan-Canada bilateral relations in a variety of areas.

We understand that some Canadians suggest that Japan and Canada should restart negotiations for the Japan-Canada bilateral EPA. We haven't forgotten the Japan-Canada EPA. But Japan gives priority to close communication on the TPP with Canada. As I have stated earlier, Japan will patiently seek the United States' understanding on the economic and strategic value of the TPP, while encouraging the earliest conclusion of the TPP by other signatories and closely communicating with countries concerned including Canada, with a view to developing high-level rules for trade and investment. Over the course of these communications we expect to have various discussions about Japan-Canada trade relations.

In closing, I once again would like to express my deep appreciation for giving me this opportunity.