

Keynote Remarks by Ambassador KAWAMURA Yasuhisa  
'CONNECTING AFTER COVID: HOW CANADA AND  
ITS ALLIES CAN PARTNER ON INFRASTRUCTURE  
AND TRADE IN THE INDO-PACIFIC', Webinar  
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Looking over the past year COVID 19 has not only brought health threat to the world but also accelerated the world division, in which the rule-based international order has been challenged.

The Government of Japan has been emphasizing the importance of multilateralism and leading efforts towards international unity and cooperation in order to realize a world respecting the fundamental values and the rule of law, especially with regard to Japan-advocated 'Free and Open Indo-Pacific' (FOIP) vision. Japan and Canada, which have

the Pacific Ocean in-between them, share values including the rule of law and free trade, and have been working for the realization of such values, for example, through close collaboration in the G7.

In recent years, Japan and Canada strengthened their collaboration both in the security and economic areas, for example, through cooperation in monitoring the ship-to-ship transfer by North Korea and enacting the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Our two prime ministers also agreed to enhance our countries' strategic partnership under FOIP vision.

The Indo-Pacific region accounts for 50 percent of the world population. The region, which also connects strongly with Africa, has been the center of the world economic growth. The prosperity and stability of the region will have a direct impact on the prosperity and stability of the world.

The rise of unilateralism was seen internationally even before the COVID 19 crisis. Facing such a move, Japan realized the importance of enhancing a free trade regime and made an effort to conclude CPTPP with 11 member states in the Indo-Pacific region in 2018. CPTPP is the high-standard and well-balanced rules suitable for the 21st century. CPTPP, for example, prohibits non-commercial assistance by State-owned enterprises which would cause adverse effect or injury to another party and prohibits data localization requirement for electric commerce. It also includes a strict regulation to address counterfeiting and piracy. CPTPP aims to promote such high-standard and well-balanced rules in the Indo-Pacific region and in the world. In that sense, interests shown by many economies in CPTPP are a welcoming move as it shows CPTTP is highly valued. The Government of Japan as a chair of CPTPP this year will closely look at such interests of non-member

economies. Japan considers it is important to commit to the high-standard rules of CPTPP while also securing steady implementation and a possible expansion by taking into account strategic points of view.

COVID 19 shut down the global supply chain in its early stages, for example, by export restrictions and boarder closures. This made the enhancement of a free trade regime and resilient supply chain even more important. As Japanese Prime Minister Suga repeatedly mentions his determination to facilitate economic order based on free and fair rule, even in the COVID era, the Government of Japan signed Comprehensive Economic Partnership Agreement with the UK last October and the Regional Comprehensive Economic Partnership or RCEP last November with 15 Asia-Pacific countries. RCEP is the economic partnership agreement which includes countries with different systems and different economic sizes. Although it differentiates itself

from CPTPP in its member states, backgrounds and conditions, it is a meaningful agreement from the standpoint that it includes the rules for intellectual property and electric commerce, it improves market access for goods and services, and its member states account for 30 percent of the world trade volume as well as population.

In the post COVID 19 era, where we will see more remote work and digitalization, it is also important to make new rules to create a business environment where cyber space would be protected and companies would be able to conduct business at ease. The Canadian Centre for Cyber Security pointed out, in its National Cyber Threat Assessment 2020, the number of cyber threat actors is rising and state-sponsored actors will almost certainly continue to conduct commercial espionage against businesses, academia, and governments to steal intellectual property and proprietary information. At the G20 Osaka Summit, Japan launched

‘Osaka Track’ which aims to promote international rule-making on digital economy, especially on data flow and electronic commerce. Japan has been working together with partner countries to create the rules based on the concept of Data Free Flow with Trust (DFFT) for example by leading discussion in the WTO Meeting for Exploratory Work on Electronic Commerce as co-conveners.

In addition to the rule making, it is important to develop hard infrastructure in order to realize resilient supply chain. In the Indo-Pacific region, Japan has been supporting the construction of economic corridors by connecting countries with high-quality infrastructures in order to achieve development in the region as a whole. Since 2018, Japan has been collaborating with the US and Australia in such support. At the G20 Osaka Summit, G20 PRINCIPLES FOR QUALITY INFRASTRUCTURE INVESTMENT was endorsed. It highlighted the importance of introducing clear

rules, a solid system and good governance such as openness, transparency, economic efficiency and debt-sustainability in infrastructure investment.

Japan considers it is important to work with other countries in the principle of multilateralism for enhancing a free trade regime, resilient supply chains and creating rules based on DFFT.

I look forward to an in-depth discussion in today's webinar and I highly hope it will lead to Japan's further cooperation with Canada and other countries in the Indo-Pacific.