Japan Economic Partners ip (2001)

U.S.- JAPAN ECONOMIC PARTNERSHIP FOR GROWTH

June 30, 2001

1. Recognizing t e growing interdependence of t e economies of t e United States and Japan, t e opportunities and c allenges facing t e two economies, and t e need to support prosperity in t e United States, Japan, and t e world, t e President of t e United States and t e Prime Minister of Japan announce t e establis ment of t e U.S.-Japan Economic Partners ip for Growt ("Partners ip"), as described below.

2. T e objective of t e Partners ip is to promote sustainable growt in bot countries as well as t e world by addressing suc issues as sound macroeconomic policies, structural and regulatory reform, financial and corporate restructuring, foreign direct investment, and open markets and by providing a structure for cooperation and engagement on bilateral, regional and global economic and trade issues. h

T e Government of t e United States and t e Government of Japan ("t e two Governments") recognize h t at private sector input could be beneficial to realizing t e objective of t e Partners ip.

T e Partners ip will be based on t e principle of two-way dialogue t at enables eit er government to raise issues of concern and interest. Measures taken by eit er government under t e Partners ip will be wit in its scope and responsibility and will be applied on a most-favored nation basis.

3. To realize t e objective of t e Partners ip, t e two Governments establis t e fora described below. T e two Governments recognize t e need to focus on important issues and will avoid, to t e utmost extent, overlap and duplication of issues in more t an one of t ese fora.

4. T e U.S.-Japan Subcabinet Economic Dialogue ("Subcabinet") will set t e direction of t e Partners ip. Informal and flexible in style, t e Subcabinet will meet at least once a year to address t e full range of bilateral, regional, and multilateral issues. T e Subcabinet could, for example, exc ange views on global and regional issues; en ance cooperation in multilateral and regional bodies; review developments in t e two economies, suc as macroeconomic issues, structural and regulatory reform, and financial and corporate restructuring; and advance t e bilateral economic relations ip, including, as necessary, discussing issues raised in ot er bilateral fora, keeping in mind meetings between t e President and Prime Minister.

Participation in t e Subcabinet will include officials at t e Deputy/Vice-Ministerial level from t e key economic agencies and ministries of t e United States and Japan as well as any ot er agencies and ministries appropriate to t e agenda. T e Subcabinet will be c aired by t e National Security Council/National Economic Council for t e United States and t e Ministry of Foreign Affairs (MOFA) for Japan.

5. T e Private Sector/Government Commission ("Commission") is designed to integrate t e U.S. and Japanese private sectors more fully into t e economic work of t e two Governments.

A. Annual Meetings: T e Commission will meet annually immediately prior to t e Subcabinet meeting to discuss agenda topic(s) agreed to in advance by t e two Governments. T e purpose of t e Commission is to enable U.S. and Japanese private sector representatives to present t eir input - including expertise, observations and recommendations - on t ese agenda topic(s). T e two Governments will seriously take into account t is private sector input in conducting t eir work under t e Partners ip. Participation in t e h Commission will include government officials from t e Subcabinet and ot er agencies and ministries h appropriate to t e a e a a well a i -level private ector repre e tative . Eac over me t will elect t e compo itio of it re pective private ector ele atio a appropriate to t e a e a.

B. A e a: T e two Gover me t , i clo e co ultatio wit t e private ector, will et t e a e a for t e a ual meeti of t e Commi io .

C. Review: o later t a two mo t after completio of t e fir t a ual meeti , t N e two Gover me t will co uct a review of t e Commi io to a e t e tructure a effective e of t e forum a , a appropriate, impleme t improveme t . Furt er review will be el a a ree by t e two Gover me t .

6. T e Re ulatory Reform a Competitio Policy I itiative ("Reform I itiative") i e i e to promote eco omic rowt by focu i o ectoral a cro - ectoral i ue relate to re ulatory reform a competitio policy. T e Reform I itiative replace t e "E a ce I itiative o Dere ulatiN a Competitio Policy" ("E a ce I itiative"), e tabli e by t e U ite State a Japa i t eir Joi t Stateme t of Ju e 19, 1997. Reco izi t e pro re ma e u er t e E a ce I itiative - particularly i re uci re ulatio , e a ci competitio , a improvi market acce - t e Reform I itiative will buil upo t e work of t e E a ce I itiative a focu o key ector a cro - ectoral i ue i w ic importa t reform s are bei u ertake .

A. Hi -level Official Group: T e two Gover me t e tabli a Hi -level Official Group to review a a va ce t e work of t e worki roup (e tabli e a e cribe below). T e Hi -level Official Group will trive to re olve a y out ta i i ue forwar e by t e worki roup . T e Hi -level Official Group will be c aire by a Deputy USTR for t e U ite State a a Deputy Mi i ter of MOFA for Japa a will i clu e official from ot er a e cie a mi i trie , a appropriate. Meeti of t i roup will be el a ually, or more freque tly a a ree by t e two Gover me t .

B. A ual Report : O na a ual ba i , t e Hi -level Official Group will tra mit a report i writi to t e Pre i e t a Prime Mi i ter pecifyi t e pro re ma e u er t e Reform I itiative, i clu i mea ure to be take by eac over me t. For t i purpo e, t e worki roup will report t e pro re of t eir work to t e Hi -level Official Group. A appropriate, t i report will i clu e pro re i fi a cial ector liberalizatio ac ieve u er t e Fi a cial Dialo ue (e tabli e a e cribe below).

C. Worki Group : T e two Gover me t e tabli four " ectoral worki roup " a o e "cro - ectoral worki roup" to a re i etail mea ure to promote re ulatory reform a competitio policy. A itio al worki roup may be e tabli e i t e future a a ree by t e two Gover me t . T e worki roup will meet uri t e year to a re propo al ubmitte by eac over me t. Official from t e two Gover me t (i clu i i epe e t over me t a e cie ) mo t releva t to t e pecific topic a re e by eac worki roup will participate i t e worki roup .

(1) Sectoral Worki Group : T e two Gover me t e tabli four ectoral worki roup i t e area of telecommu icatio , i formatio tec olo ie , e er y, a me ical evice /p armaceutical . Give t e pro re ma e u er t e E a ce I itiative i a re i ou i i ue , t e two Gover me t i ba t e Hou i Expert-level Group e tabli e u er t e E a ce I itiative a will a re ou i -relate matter i ot er bilateral fora.

a. N T e Worki Group o Telecommu icatio will focu o fo teri reater i ovatio , i ve tme t, a competitio i t e telecommu icatio ector. T i roup will be c aire by USTR for t e U ite State a MOFA a t e Mi i try of Public Ma a eme t, Home Affair , Po t a Telecommu icatio for Japa .

b. T e Worki Group o I formatio Tec olo ie will focu o improvi t e e viro me t for rowt a i ve tme t i i formatio tec olo ie , lea i to reater u e of e-commerce a t e I ter et. T i roup will be c aire by USTR a t e Departme t of Commerce for t e U ite State a MOFA for Japa .

c. T e Worki Group o E er y will focu o t e furt er promotio of competitive, efficie t, a i ovative w ole ale a retail e er y ector . T i roup will be c aire by USTR for t e U ite State a MOFA a t e Mi i try of Eco omy, Tra e a I u try (METI) for Japa . N

d. The Wo G roup o Med cal Dev ces/Pha maceut cals w ll focus o ssues elated to med cal dev ces pha maceut cals a d ut t o al suppleme ts. Th s oup w ll be cha ed b the Depa tme t of Comme ce fo the U ted States a d the M i st of Health, Labou a d Welfa e fo Japa .

(2) C oss-Secto al Wo G roup: To mo e effect vel add ess the c eas l complex c oss-secto al ssues elated to e ulato efo m a d compet t o pol c , the two Gove me ts establ sh a wo oup to add ess top cs that have a w desp ead mpact o the eco om , clud compet t o pol c , t a spa e c , le al efo m, comme c al code ssues, d st but o , customs clea a ce p ocedu es, bus ess fac l tat o a d othe c oss-secto al ssues ot d ectl add essed the Secto al Wo G roups. Co s de the b eadth a d complex atu e of these ssues, the two Gove me ts w ll e su e that th s wo oup w ll have suff c e t t me to cove tho ou hl a d co duct -depth d scuss o s of these ssues. Th s oup w ll be cha ed b USTR a d the Depa tme t of Just ce fo the U ted States a d MOFA fo Japa .

D. P vate Secto Compo e t: The two Gove me ts w ll de t f ssue(s) add essed the Refo m I t at ve that could be ef t f om p vate secto put. O nth s bas s, the two Gove me ts w ll, as app op ate, v te p vate secto ep ese tat ves to jo the ove me t wo oups o a ad hoc bas s to offe the put - clud expe t se, obse vat o s, a d ecomme dat o s - o such ssue(s). The two Gove me ts w ll se ousl ta e to accou t th s p vate secto put co duct the wo u de the Refo m I t at ve.

7. The F a c al D alo ue w ll se ve as a fo um fo the Depa tme t of the T easu a d the M i st of F a ce a d the F a c al Se v ces A e c to excha e fo mat o a d v ews o a a e of e mac oeco om ic a d f a c al secto ssues of mutual mpo ta ce, clud ba s' o -pe fo m i loa s. As app op ate, the atte da ce of othe eleva t a e c es ma be called fo b the cha s wh le p ese v the f a a d ca d d atu e of the d alo ue. The F a c al D alo ue w ll clude:

- a st e the ed focus o f a c al secto ssues; a d

- a ev ew of the ecyo om ic developme ts both cou t es, clud a ev ew of cu e t mo eta a d f scal pol c a d eco om ic co s de at o s that m i ht flue ce mac oeco om ic pol c es.

A. Meet s: Meet s of the F a c al D alo ue w ll ta e place at least a uall a d w ll be cha ed at the U de Sec eta /V ce M i ste al level b the Depa tme t of the T easu a d the M i st of F a ce o de to u de sco e the st o f a c al elat o s betwee the two cou t es.

B. Wo G roup: A Wo G roup o F a c al Se v ces w ll meet mmed atel p o to the U de Sec eta /V ce M i ste al level meet to p epa e fo the f a c al secto d scuss o s b those se o off c als a d to b ef se o off c als o f a c al secto ssues. The wo oup w ll focus o develop compet t ve f a c al ma ets, a d st e the the ba a d secu t es secto s as well as othe f a c al se v ces ssues. Th s oup w ll be cha ed at the Deput Ass sta t Sec eta /Deput D ecto Ge e al level b the Depa tme t of the T easu a d the M i st of F a ce a d clude pa t c pat o b each cou t 's othe f a c al autho t es.

C. P vate Secto Compo e t: The two Gove me ts w ll see to b v ews f om outs de the two Gove me ts fo adva c the a e da of the F a c al D alo ue.

8. The I vestme t I t at ve w ll add ess laws, e ulat o s, pol c es, a d othe measu es des ed to mp ove the e v o me t fo fo e d ect vestme t both cou t es. Issues to be add essed th s I t at ve w ll clude the st uctu e a d ope at o of co po at o s, co po ate ove a ce, co po ate t a spa e c , ba uptc , labo mob l t , a d la d ma et l qu d t .

A. Meet s: A ye a e c "I vestme t G roup" of the I vestme t I t at ve w ll meet sem i-a uall a d w ll be cha ed b the Depa tme t of State fo the U ted States a d METI fo Japa . Off c als at the Deput /V ce M i ste al level w ll meet a uall to ev ew p o ess.

B. Publ c P o ams: The two cha s w ll spo so publ c p o ams to expla the mutual be ef ts of fo e d ect vestme t (FDI) to the U.S. a d Japa ese publ c as well as to ev ew efo m effo ts des ed to y further the o e t es of th s n t at e.

C. Pr ate Se tor Component: Leaders from the U.S. and Japanese us ness ommun t es w ll e n ted to part pate n the h gh-prof le pu l programs des r ed a o e. he In estment Group also w ll n te pr ate se tor experts to g e te hn al presentat ons on ssues relat ng to orporate restru tur ng and FDI.

D. Reports: he In estment Group w ll produ e a report annually summar z ng progress on ssues under d s uss on n th s group.

9. he rade Forum ("Forum") w ll address trade and trade-related ssues ra sed y e ther go ernment. he two Go ernments re ogn ze the mportan e of engag ng n fo used and su stant e d s uss on of a road and w de-rang ng set of ssues of nterest and on ern to e ther go ernment, n lud ng those related to the manufa tur ng, ser es, and agr ultural se tors. he Forum w ll also ser e as an "early warn ng" me han sm to fa l tate exped t ous resolut on of emerg ng trade and trade-related ssues. he two Go ernments re ogn ze that the Forum w ll not repl ate ongo ng mult lateral negot at ons and w ll a o d, to the utmost extent, the o erlap of ssues w th other lateral od es, n lud ng other fora of the Partnersh p.

A. Meet ngs: he Forum w ll meet on e a year and more frequently as ne essary. Meet ngs of the Forum w ll e ha red y US R for the Un ted States and MOFA for Japan and w ll n lude off als from other agen es and m n str es as appropr ate. he two Go ernments w ll set the agenda for meet ngs of the Forum.

B. Pr ate Se tor Component: Re ogn z ng that the pr ate se tor an help narrow the gap n ews etween the two Go ernments, the two Go ernments w ll onsult as to how pr ate se tor nput w ll est e ons dered n ondu t ng the r work under the Forum.

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