

Japan--Tokyo Declaration On Global Partnership With The US (1992)

THE TOKYO DECLARATION ON THE U.S.-JAPAN GLOBAL PARTNERSHIP [Bush Tokyo Visit Text]

January 9, 1992

The President of the United States of America and the Prime Minister of Japan declare:

PREAMBLE

From tragic conflict fifty years ago, Japan and the United States have developed a highly productive and mutually beneficial relationship of close political, security, economic, scientific, and cultural cooperation. The two countries are now highly interdependent at all levels of their societies. They base their cooperation on shared principles of political and economic freedom, democracy, the rule of law, and respect for human rights.

The two countries recognize that this cooperation made an important contribution to weakening the chill of the Cold War era and in promoting four decades of global stability and prosperity.

The two governments recognize that today, in the post-Cold War era, new political and economic challenges confront the U.S.-Japan relationship. Economic issues have assumed new prominence. To ensure that the U.S. and Japan fully exploit opportunities for cooperation, both countries place the highest priority on taking effective measures to address factors underlying economic friction, with a focus on issues in their trading and investment relations.

Japan and the United States recognize the benefits to their societies of the close cooperation they have enjoyed in the post-war period and are committed to building on this foundation to create an even closer partnership. Both acknowledge that a closer relationship must be based on enhanced mutual understanding and shared interests. As the two largest market-oriented economies and democracies in the world, Japan and the United States accept a special responsibility for shaping the new era.

The two governments therefore resolve to join in a Global Partnership based on these enduring values to help build a just, peaceful and prosperous world and to meet the challenges of the twenty-first century.

Cooperation to Promote World Peace and Prosperity

The U.S.-Japan alliance provides the foundation for our Global Partnership. Together, both nations pledge to: work together to maintain world peace and security; promote development of the world economy; support the world-wide trend toward democratization and market-oriented economies; and meet new transnational challenges. To achieve these goals, the two countries will cooperate to strengthen the GATT multilateral trading system; reinvigorate the U.N. organization; advance arms control and the non-proliferation of weapons of mass destruction; assist the developing world to promote growth and stability; and protect and improve the global environment. The United States and Japan recommit their resources and the talents of their peoples to the purposes of the United Nations Charter.

As nations of the Asia-Pacific region, the United States and Japan are committed to promoting prosperity, reducing tensions, and enhancing political cooperation in the region and to take steps to strengthen the bonds of the Asia-Pacific community while respecting its diversity. To this end, Japan and the United States recognize the Asia-Pacific Economic Cooperation (APEC) framework as the forum for enhanced regional efforts to promote open markets, sustain dynamic economic growth, and build political cooperation.

Japan and the United States will also broaden the scope of their cooperation in the rest of the world, including the Middle East, Central and South America, Africa, and Europe, with particular attention to supporting countries that

are in transition, the era and market economies. The two nations will strengthen cooperation in their respective economic assistance programs in the developing world, promote growth and stability, help reduce the developmental gap between industrialized and developing countries, enhance respect for human rights, and a liability global problems, including environmental degradation, refugees, illicit narcotics, disease, and aging.

Political and Security Relations

The U.S. and Japan reaffirm their commitments to the 1960 Treaty of Mutual Cooperation and Security which is central to the U.S.-Japan Alliance. This alliance provides the political foundation on which the two countries cooperate in assuring their respective responsibilities for securing world peace and stability in their Global Partnership. The two governments pledge to maintain and enhance the effective cooperation and credibility of the Treaty and its related arrangements.

As countries with vital interests in the Asia-Pacific region, Japan and the United States recognize the continuing importance of the defense relationship to the peace and stability of this vast and diverse region. The two governments will work closely with others to reduce tensions and instability in East Asia and build regional political cooperation in the post-Cold War environment.

Aware of the need for continuing vigilance as we enter a new era now rife with instability and uncertainty, the United States will maintain the forward presence necessary to preserve peace and stability in the region. Japan, for its part, will continue to make available to the United States, in accordance with the Security Treaty, the use of facilities and areas in Japan and, under the new Host Nation Support Agreement, will bear an increasing share of the costs of stationing these forces in Japan. Both countries will take steps to increase cooperation between their defense forces and enhance the two-way flow of defense technology. The two countries agree to utilize full the renewed Security Consultative Committee mechanism to oversee their security relationship.

Economic Trade Relations

Aware of the high degree of interdependence of their economies and in fulfillment of the need to encourage cooperation to promote initiatives for sustainable growth with peace and stability and, importantly, the two governments are resolved to enhance openness and transparency in their economic, financial, and investment markets. Therefore, Japan and the United States will strengthen policy initiatives to reduce structural impediments.

Japan and the United States further pledge to make their economies the most open, private, and competitive in the world, thereby building a sustainable trade and investment relationship. They will encourage private-sector initiatives to strengthen further exchanges and cooperation between industries in both nations.

Science and Technology

Minimally of their positions as world leaders in scientific research and technological development, the two governments undertake to expand scientific and technological cooperation, including basic research, basic reproductive research, for the benefit of both societies and the human race. They pledge to increase research and global environmental issues and will take a leadership role in fostering an international consensus on measures to meet this challenge.

Enhancement of Mutual Understanding and Exchanges

Acknowledging that nationality and understanding between peoples of both countries are essential to an enduring partnership, the United States and Japan pledge to undertake and support programs which will advance the rich and diverse intellectual, cultural, and public interaction between their two peoples. The two governments will place particular emphasis on language training, intellectual and educational exchanges, and multi-level programs designed to increase mutual understanding.

The President and the Prime Minister pledge the full support of their governments to the purposes of this declaration to build the Global Partnership. The two governments will develop new areas of cooperation in support of

of common geo o c , economic, nd human r n objec ves n m nner h r oves for n equ b e sh r ng of res ons b es nd benef s.

GLOBAL PARTNERSHIP PLAN OF ACTION (P r I)

I. Cooperation o promote World Peace and Prosperity

II. Po c nd Secur y Re ons

III. Cooperation on Environment, Quality of Life, and Science and Technology

IV. Enhancement of Mutual Understanding and Exchanges

As s u ed n he okyo dec r on ssued on he occ s on of d scuss ons be ween Prime Minister Miy z wa nd Presiden Bush n J n n J nu ry 1992, J n nd he U.S. re frmly commi ed o Gbb P r nersh . In c rry ng ou h s r nersh , bo h n ons re reso ved o ke wide r nge of c ons, ncud ng hose s ed n h s P n of Ac on.

I. COOPERATION TO PROMOTE WORLD PEACE AND PROSPERITY

(1) Intensification of Political Dialogue

- Promote bilateral economic consultations to coordinate further her reciprocal relations.
- Intensify dialogue among Japan, the U.S., and Europe, including economic consultations among the G7 countries and economic dialogue between Japan and NATO.

(2) Arms Control and Disarmament

- Address the proliferation of weapons of mass destruction and missiles and the transfer of conventional weapons. In particular,
 - Strengthen the Non-Proliferation Treaty regime and IAEA safeguards.
 - Achieve early conclusion of the negotiations of the Convention on the Prohibition of Chemical Weapons.
 - Strengthen the Missile Technology Control Regime. T
 - Strengthen the Australia Group on chemical and biological weapons.
 - Strengthen the nuclear suppliers' export control regime (London Suppliers' Group), including establishing members of the export control of nuclear-related dual use items.
 - Increase the transparency of the international transfer of conventional weapons, in particular, through the effective operation of the U.N. register.

(3) Cooperation to promote Peace

- Work together to strengthen the United Nations peace-keeping and peace-making functions.
- Expand Japan-U.S. cooperation in the United Nations.

(4) Cooperation to promote Democracy and Freedom

- Support and assist democratization and economic reform in Central and Eastern Europe, Asia, and elsewhere.

(5) Cooperation to Assist the Developing World

- Acknowledge that the streamlined Japan's new Official Development Assistance (ODA) guidelines, which take into consideration, among others, trends in military expenditure by the recipient countries, as well as efforts for promoting democratization and introduction of market-oriented economy and conditions of basic human rights by the recipient countries, will enlarge the scope of cooperation between Japan and the U.S.
- Enhance cooperation in development assistance. T

- Encourage firms to participate further in the tender process of Japn's ODA loans, more than 80 percent of which have already been utilized. (The procurement of firms' account for approximately 5%, or 37 billion yen, of Japn's ODA loan in FY90.) In this regard, or rather, and support programs to introduce firms to Japn's ODA support of overall effort to strengthen the collaboration between the two countries.

(6) Cooperation on Regional Matters

signed the specific

- Contribute to the stability, development and openness of the region through realistic and constructive approaches, while respecting historic, cultural and socio-economic diversities. In particular,

-- Strengthen the sub-Regional Economic Cooperation (PEC) schemes to further work for cooperation in the region.

-- Promote political dialogue among sub-Regional countries through ASEAN Post Ministerial Conference.

- Encourage China to pursue policies for maintaining peace and stability in the political and economic fields, and encourage the Chinese Government to take initiatives for human rights and non-proliferation efforts, recognizing the importance of China's integration into the international community.

- Support Mongolia's democratization and reformation efforts by extending technical assistance through encouraging increases in international participation in the multilateral assistance group for Mongolia, which Japan took the initiative to organize and co-chair.

- Encourage continued progress through the North-South dialogue and work with South and North Korea's efforts on Reconciliation, Non-proliferation, and Exchange and Cooperation.

- Ensure that North Korea promptly concludes and fully implements full scope IAEA safeguards.

- Work with the North-South dialogue to create a verified non-nuclear Korean Peninsula free of weapons and enrichment, and progress for the early implementation of this dialogue in order to dispel suspicions of North Korean nuclear weapons development.

- Encourage convention for control on the Korean Peninsula with North-South talks.

- Ensure full implementation of the Confidence-building measures, work together for effective United Nations operations, and assist in the reconstruction of Cambodia.

- Promote peace, stability and prosperity in Cambodia, Vietnam and Laos, and support economic and political reform in those countries.

- Encourage the restoration of the democratic process in Myanmar/Burma.

Concomitantly of Independent States

- Extend appropriate and effective assistance to the members of the Commonwealth of Independent States to help them reform their domestic and foreign policies, other economic and political, and to help them overcome the economic hardships of the post-Soviet period. The U.S. will continue to provide maximum support to Japan's efforts to resolve the post-Soviet issues, on the basis of the interests of the Cold War.

- Provide humanitarian, food and medical assistance to the victims of the natural disasters.

- Assist in converting military production facilities to civilian purposes and the transition to civil military orientation and societies.

- Assist in developing appropriate infrastructure, including distribution and energy.

- Work together to complete by January 22/23 conference in Washington on a initiative to know that which emerged from the breakthrough of the Soviet Union.

Central and Eastern Europe

- Enhance bilateral cooperation as well as cooperation in multilateral institution, including the International Monetary Fund, World Bank, the European Bank for Reconstruction and Development, and G-24, in order to provide the most effective initiative to Central and Eastern Europe.

- Explore means to assist the countries of the region in the transition to market economy, including diversification of its traditional patterns of trade.

- Cooperation to promote private sector development in the region, through appropriate arrangement coordinated between Japan Initiative and the American Enterprise Fund.

- Enhance cooperation on environment in the region through active participation in the Budapest Regional Environment Centre and by developing a comprehensive design to mobilize environmental technologies available in both nations.

Latin America and Caribbean

- Support democratization and market reforms in Latin America and the Caribbean. In particular,

-- Work together to early start of the Multilateral Investment Fund to support Enterprise for America Initiative (EAI).

-- Support Partnership for Democracy and Development (PDD).

-- Cooperation to reconstruction of El Salvador.

-- Consider joint effort to support economic reform in Peru.

-- Continue to provide effective aid to Nicaragua.

-- Enter into the North American Free Trade Agreement will enhance the global trading system, will be fully consistent with GATT obligation, and will not raise barriers to third countries in the North American market.

Middle East

- Welcome progress toward a Middle East peace. They both pledge to play major role in the multilateral peace of the Middle East peace process, and to support the efforts of concerned parties to that current peace process will result in the achievement of justice, lasting, and comprehensive peace.

- Commit themselves to the full implementation of United Nations Security Council resolution related to Iraq and reaffirm that it provides the opportunity to conduct democratically and leadership willing to live at peace with its neighbors.

- Strengthen international efforts to reconstruction of Lebanon.

Africa

- Support development of market economy and the democratization process in Africa.

- Assist in natural and man-made mergers, especially in the Horn.

- Enhance policy coordination to help South Africa transform itself into a democracy based on equality among races, while taking into account the need to restore growth to its economy through investment and other financial means to encourage the process.

(7) Cooperation to Prevent Terrorism

- Continue to on u t o n y of promoting international cooperation to further combat international terrorism, including effective measures in the appropriate international fora. This includes continued counter-terrorism consultation, bilateral and in the United Nations Security Council and the G .

II. POLITICAL AND SECURITY RELATIONS wa

- Continue a dialogue to ensure the smooth and efficient ratification of U.S. for in Japan, recognizing that it is important for the U.S. to maintain a balance of power and military force at an appropriate level in the region.

- Hold the first security consultation meeting at the earliest opportunity of the Minister for Foreign Affairs and Minister of State, Director-General of the Defense Agency on the Japanese side, and Secretary of State and Secretary of Defense on the U.S. side.

- Promote interoperability, recognizing that complementary defense cooperation is a significant aspect of the bilateral security relationship.

- Enhance defense cooperation, including: wa

-- Conduct agreement on joint research on the dual-track technology, and continue examination of defense technology fields such as fighting vehicles, propulsion technology, information materials, micrometers, visible/infrared dual mode radar, cold-weather gear for the helicopter, and advanced technology for helicopter and armor development, and the Japan-U.S. Mutual Defense Alliance Agreement.

-- Promote further technology transfer of defense related technology.

-- Reaffirm the importance of strengthening air training and surveillance capabilities. Japan's five-year Mid-Term Defense Program states that it will acquire four air training and control aircraft. Japan continues to study availability and appropriate use of various aircraft, including a new type of AWACS, and the U.S. is active in this effort.

III. COOPERATION ON ENVIRONMENT, QUALITY OF LIFE AND SCIENCE AND TECHNOLOGY

(1) Environment

- Continue to join the upcoming United Nations Conference on the Environment and Development (UNCED).

- Strengthen cooperation in protecting the environment, through the following projects: wi

-- Seek more effective utilization of existing institutions and study the feasibility of helping developing countries build national infrastructure for the management and conservation of natural resources to promote sustainable development through environmental protection and use of natural resources in developing countries;

-- Cooperate to reduce natural hazard, in accordance with the International Decade for Natural Disaster Reduction and the Japan-U.S. Science and Technology Agreement, by assisting developing countries to participate in disaster reduction plan, including hazard mapping, risk assessment and the establishment of database;

-- Cooperate to help on recovery and management of forests, including tropical forests, by negotiating by the time of UNCED an agreement on principles for a type of forest, adding to a framework convention; and by collaborating through appropriate international organization such as the International Tropical Timber organization (ITTO) for achieving the ITTO Year 2000 Target;

-- Strengthen liaison in the field between Japan Overseas Cooperation Volunteer (JOCV) and U.S. Peace Corps; 7

-- Cooperate with organization such as UNEP to facilitate the transfer of environmentally sound technology to developing countries and countries with economies in transition;

--- Encourage nongovernmental organization, industry and other private sector group to contribute to international efforts to protect the environment; e.g., the upcoming seminar on the global environment in Tokyo 7 in January.

(2) Improve Quality of Human Life

Health

-- Establish a Japan-U.S. Joint Commission. A joint programme to address a broad range of issues related to a population;

-- Encourage cooperative research activities support of the International Children's Vaccine Initiative.

Narcotics

-- Encourage cooperative help in Southeast Asia at serious narcotics problems, particularly through joint transnational efforts.

-- Support counter-narcotics efforts in Latin America.

-- Hold periodic consultations on narcotics issues.

Refugees

-- Treat the cooperative, particularly through international ratifications refugee problems, including repatriation of refugees with the resolution of conflicts.

Humanitarian Issues

-- Cooperate in humanitarian issues, including through the December 19, 1991 UN General Assembly that to improve the UN's worldwide emergency response capabilities.

(3) Cooperation for the Advancement of Science and Technology

Global Change Research

- Reaffirm and strengthen the Japan-U.S. commitment to global change research including:

-- Support for real approaches to global change research and a network for global change research institutes.

-- Cooperate in the observation of global change through advanced methods including satellite-remote sensing.

-- Cooperate in international exchange of global change data;

-- Joint efforts to carry out research in the Pacific.

Major International Projects

-- Establish a joint working group to examine technical and other essential aspects of the superconducting super Collider (SSC) project and to consider how this project can be formulated as an international project to enable Japan to participate in the project.

-- Promote the Human Frontier Science Programme through contributions by participating countries.

-- Cooperate in joint research in human environmental issues.

-- Ensure success of the International Thermonuclear Experimental Reactor (ITER) engineering design activities.

-- Reaffirm commitment to achieve a permanently-manned capability for space station Freedom by the end of the century.

Research and Development in Precipitation Technology

-- Encourage feasibility studies to cooperate in precipitation measurement and other advanced technologies, including intelligent manufacturing systems and optoelectronic technologies.

Promotion of Researcher Exchange

-- Commit to further progress in promotion of exchange of scientists and engineers.

(4) Conservation

-Cooperate to conserve and develop living resources as fishery resources on a sustainable basis.

-Cooperate to ensure that all members of the international community implement the 1991 U. R. solution on distant fishing.

-Collaborate to implement the Convention on International Trade in Endangered Species (CITES), including a successful 1992 CITES Conference of Parties in Kyoto.

IV. EDUCATION OF MUTUAL UNDERSTANDING AND EXCHANGES

-Welcome the establishment of the Japan Foundation Centre for Global Partnerships.

-Welcome also the establishment of the Aburahi Program which strengthens joint studies including Japanese and American studies.

-Strengthen Japan-U.S. intellectual dialogue and joint studies on the Japan-U. S. Global Partnerships issues and National subjects.

-Encourage exchange programs at tertiary and grassroots levels.

-Cooperate in fostering greater Japanese language training in American educational exchanges and grassroots efforts.

-Promote student, teacher and other academic exchanges at all levels, through various mechanisms such as Japan Foundation programs, the Japan - U. S. Educational (Fulbright Commission), and the Japan-U.S. Friends Commission.

-Facilitate exchange programs for administrative exchanges of elected officials and staffs at national and local levels.

-Encourage translation of Japanese books into English to exchange and access to Japanese knowledge.

-Continue the revitalization of CULCO (Japan-U.S. Cultural and Educational Conference).

GLOBAL PARTNERSHIP PLAN OF ACTION (Part II)

(Economic and Trade Relations)

I. Successful Conclusion of the Uruguay Round

II. Revitalizing SII

III. Enhancement of Business Cooperation, Trade and Investment

IV. Competitive Procurement

V. Patent Products

VI. Flat Glass

VII. Semiconductor

VIII. Standards and Certification

IX Government Procurement

X. Financial Markets

XI. Legal Services

XII. Policy Dialogue

XIII. Auto Arrangements (Separate Document)

As stipulated in the Tokyo Declaration on the occasion of discussions between Prime Minister Yasuhiro Nakasone and Prime Minister of Japan J. U. Y. 1992, the Government of Japan and the Government of the United States of America, based upon the recognition that it is essential to intensify solving economic and other issues for smooth economic growth of Japan-U.S. economic relations, which are vital not only for the two countries but for the world economy as a whole, to resolve together with the exchange of necessary actions concerning major economic and other issues between the two countries, as listed below.

I. Successful Conclusion of the Uruguay Round

The two Governments undertake jointly to decide necessary for the conclusion of successful, both-based Uruguay Round. Both the United States and Japan believe that the Director General of the World Trade Organization's proposal text is important step that helps establish momentum to bring the Uruguay Round to successful conclusion. Of course, the Director General's proposal is not final text. Both Governments are still continuing to analyze and assess the outcome. The further important step is to negotiate the implementation of the successful negotiations.

II. Reinforcing SII

The two Governments intend to reinforce the SII through strengthening the policy initiatives including new commitments to assess the aspects of the business environment of both countries that might impede structural reform including market access, foreign investment, competitive environment, while fulfilling the commitment in the Joint Report of 1990.

III. Enhancement of Business Cooperation, Trade and Investment

1. The two Governments express their support for the efforts made by Japanese companies through the "Business Initiatives for Global Enterprise" to welcome the outcome that 23 Japanese companies in electronics, auto, machinery industries are planning to increase their level of investments from the world by 10 billion dollars in FY 1993 as compared to FY 1990.

2. "Business Initiatives for Global Enterprise" will promote:

- investments to Japan,
- local procurement by Japanese affiliated companies operating abroad,
- cooperation between Japanese and foreign firms.

3. The two Governments also welcome that

- 88 companies and 22 industries, which account for approximately 50% of Japanese exports, have expressed their support, most of those companies have made voluntary plans to promote investments, local procurement and cooperation,

- intensification of cooperative relations in such sectors as products, services, joint development of products and services.

4. The Government of Japan will provide, for the convenience of foreign companies, list of contact points of the companies making voluntary contributions, which will follow up on development to use the voluntary plans.

5. The Government of Japan intends, subject to the completion of the domestic legislative process, to take the following supportive measures in the next fiscal year in order to complement the above initiatives by the private sector. Measures

. Measures to promote investments

- For the purpose of accelerating improvement of investment infrastructure, "foreign access zones" will be established to encourage foreign investment and trade with investment incentives and trade liberalization measures. Moreover, to further facilitate the flow of investment goods.

- The Gove^{me} o Japaⁱ e ds o i^e si y he wo k oⁱ he Japa^{I^{mp}o} Boa d.

- I^o de^o suppo^{he e o s by p i va e co^{mp}} a ies o u^{he expa di^{mp}o} s u de such i i a ives as
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b. Measu es o p o^{mo} e di ec i ves^{me} i o Japa

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- Low-i e es loa p o p oⁱ g i vesⁱ o Japa will be expa ded.

- JETRO's se vice o p ovidi g i vesⁱ - ela ed i o^{ma} io will be ei o ced.

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Midwes^{U.S. Associa io}, he Japa -Sou heas^{U.S. Associa io}, he Japa -Sou he^{U.S. Associa io}, a d he
Japa -Hawaii Eco o^{mi} c Cou cil.

9. The wo Gove^{me} s give suppo^o he Busi ess Su^{mu} Ca^{mp}/I e^o jec o^{he pu pose o os e i g}
busi ess ai i go Japa o A^{me} ica s a d e cou agi g^{mo} e ex e sive dialogue be wee^{he busi ess}
co^{mu} i ies o^{he wo cou ies}.

IV. Co^{mp}u e^{me} ocu e^{me}

The Gove^{me} o he U i ed S a es welco^{me} s he decisio o^{he Gove p^{me}} o Japa o i i a e he "Measu es
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Gove^{me} o Japa i i a es he Measu es wi h he ai^m o expa di g Japa ese public sec o p ocu e^{me} s o
co pe i ive o eig co^{mp}u e p oduc s a d se vices, based o^{he p i ciples o o -disc i^{mi}} a io , a spa e cy,
a d ai a d ope co^{mp} e i io .

The wo Gove^s expec ha he i^{le^{me}} a io o hese Measu es, alo g wi h coⁱ ued sales e o s by
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V. ape^e oduc s^p

By he e d o Ma ch 1992, h ough coope a ive a d i^e sive co sul a ioes, he Gove^{me} o Japa a d he
Gove^{me} o he U i ed S a es o A^{me} ica will ag ee o^{me} asu es o subs a i ally i c ease^{ma} ke access o
o eig i^{ms} expo i g pape p oduc s o Japa .

Japa Fai Tade Co^{ssio} (JFTC) has decided o i i a e a su vey o co di io s i^{he pape sec o o^m} he
co^{mp} e i io policy pe spec ive, be o e he e d o Ma ch, 1992.

VI. Fla Glass P

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The Government of Japan will take steps to substantially increase market access for competitive foreign firms making exports of glass of Japan, including the following:

- The Ministry of International Trade and Industry (MITI) will facilitate the entry of foreign firms to increase sales in the Japanese market.

- MITI will encourage Japanese companies to make efforts to increase imports of glass under its Import Expansion Program.

- MITI and FTC will encourage all Japanese glass manufacturers to pursue a non-monopoly compliance program by February 1992. One purpose of these programs is to ensure that the distribution system is open to competitive foreign glass manufacturers.

The Government of Japan and the Government of the United States of America will meet as equals on a mutually appropriate exchange of information relevant to their respective interests.

FTC has decided to initiate a survey of conditions in the glass market from the competitive policy perspective, before the end of March 1992.

Ministry of Commerce (MOC) will facilitate the entry of foreign firms to meet Japanese building standards for the glass and other glass building materials by holding briefings for foreign firms and making available English language versions of all standards, codes and specifications. The Building Standard Law as well as relevant Cabinet Orders, Enforcement Regulations and Notices. The Director of International Codes and Standards of the MOC will serve, in this regard, as a contact point for foreign firms.

V. Secondary Considerations

The two Governments recognize the importance of the 1991 U.S.-Japan Secondary Considerations Arrangement, realizing their common goal to make further efforts to increase market access and development of long-term cooperative relationships between Japanese and U.S. companies through measures specified in the Arrangement.

V. Standards and Certification

49. Various standards and certification complaints have been resolved or will be resolved through the Office of the Trade and Investment Ombudsman's (OTO) intervention or otherwise. These steps will improve market access in sectors such as industrial machinery, chemicals, transportation equipment, processed food, cosmetics, and pharmaceuticals. The Government of Japan will continue to actively address market access issues raised by foreign companies and others through the OTO.

X. Government Procurement

Last November, the Government of Japan decided to take steps to increase government procurement opportunities. These steps should increase the procurement opportunities roughly from 400 to 800 billion yen (approximately three to six billion dollars). The Government of Japan intends to implement from April 1, 1992, such measures as increasing the spare cycle tendering procedures (procurement notices written in English, extension of the period of receipt of tenders), lowering the threshold value (from 130,000 to 100,000 SDRs), and widening the coverage (adding 28 entities).

X. Fiscal Measures

The two Governments intend to discuss their respective U.S.-Japan Working Group on Fiscal Measures in order to achieve further progress in liberalizing international market systems both countries are pursuing, access and competition.

X. Legal Services

Taking into account the important role lawyers play in international transactions, the Government of Japan will redouble its efforts to resolve issues related to foreign lawyers (gaikokuho-jimu-be goshi).

X. Policy Dialogue I

The two Governments intend to intensify bilateral policy dialogue at all levels with a view to establishing a working relationship on economic and trade issues, particularly in such areas as the U.S. Japan Sub-Cabinet Committee, the U.S. - Japan Trade Committee, the MOSS talks, and other working-level consultations on the economic issues.

--XIII. Automobiles (See Separate Document) [Follows] Automobiles

Action by the Japanese Side

1. Automobiles

- Japanese automobile manufacturers at the attached:

-- achieve the target of US automobile production goal. The achievement we made voluntarily by Japanese automobile manufacturers, based on the premise that U.S. patents will be effective in the production of Japanese automobile manufacturers and that automobile production of Japanese affiliate in the United States would increase by 50% from FY 1990 to FY 1994. The aggregated figures of the achievement are as follows:

a) Automobile production by US manufacturers of Japanese affiliate from US suppliers expected to double from about 7 billion dollars in FY 1990 to about 15 billion dollars (in real terms) in FY 1994.

b) See the effect of the percentage of local production in the total production of patents, the percentage expected to increase from about 50% in FY 1990 to about 70% in FY 1994. By contrast, the percentage of imports from Japan is expected to decrease from about 50% to about 30%.

c) Increasing the production, special consideration will be given to the US patents industry, which is currently under a difficult situation.

d) As for Japanese imports of patents from the United States, it is expected to double from 2 billion dollars in FY 1990 to 4 billion dollars (in real terms) in FY 1994.

e) In sum, the total of local production in the United States and exports to Japan (imports by Japan), i.e. total production of US patents, will increase by about 10 billion dollars from about 9 billion dollars in FY 1990 to about 19 billion dollars in FY 1994.

(Above figures are calculated using the data collected by Japanese Automobile Manufacturers Association pursuant to the MOSS agreement.)

-- will further strengthen the effect:

a) promotion of investment (332 ongoing cases and 271 successfully completed cases as of January 1991);

b) expansion of R&D centers in the US (7 centers of 6 firms with 1,400 employees, expected to increase to 2,200 employees in the near future); and

c) assisting US patents suppliers to develop long-term business relationship.

- The Japanese government has decided:

-- achieve the target of Japanese foreign investment in US automobile manufacturing, allocate more funds to Japan and other areas to assist the US automobile industry (FY 1992 budget: 1.5 billion dollars); and

-- further improve the tax and financial incentives to promote investment in Japan (e.g. tax incentives for business establishment of foreign firms (extension of local corporate period. accelerated depreciation of building, etc.), low interest rate loans, debt guarantee facilities, etc.) in order to promote the initiative for Business Global Partnership.

- Japan Fair Trade Commission has decided to initiate a unique competition in the automobile patent sector of the competition policy perspective before the end of March, 1992. E

2. Automot

- Japan automot d a r 'a ocat on pu c y r confirmed th r wi ngn to und rtak dua d a r h p to U.S. automot :

- Japan automot manufactur r a th attach d:

--- ha minat d pr or con u tat on r qu r ment cau nd a r h p contract , and mad t c ar that d a r may of th r own fr wi automot of mut p manufactur r n para ,

--ha xpr d, nc ud ng ome of tho who ha not hand d U.S. automot o far, th r wi ngn to h p xpand th a of U.S. automot . Th y mad t c ar that, n add t on to U.S.- rand automot , th mport of U.S.-manufactur d Japan - rand automot t mat d to r u tant a y; and

-- xpr d th r wi ngn to coop rat n xpand ng th a opportunit y for U.S. automot n Japan, and ha announc d mea ur uch a pro d ng pac to d pay U.S. automot at n howrooms for th t me ng n th Metropo tan Tokyo ar a.

- Th Japan go rnment:

-- ha announc d that t wi act y ncr a opportunt for th a of for gn automot , through uch mea ur a udg tary a ocat on (6.3 mi on do ar n FY 1992) for .g. ho d ng for gn automot how s n Japan (t und r con d rat on nc ud Tokyo, Osa ka and Nagoya) y or with a tanc from JETRO; and

-- ha announc d that t wi xpand and tr ngth n tax and fnanca nc nt to promot mport and for gn n tment n tru Japan mark t with a w to promot ng th In t at for Bu n Gb a Partn r h p.

With r gard to tandard and c rt fcat on u , und r th Off c of Trad and n tment Om ud man (OTO) proc dur , x of th fourt n out tand ng u had n r o d at th t chn ca a of January 1, 1992. Of th r man ng ght u , x ar n r o ut on and two ar mmin nt y to r o d.

Japan Far Trad Commi on ha d c d d to nt at a ur y on cond t on n th automot ctor from th comp t t on po cy p r p ct for th nd of March 1992.

Act on y th U.S. S d

- Th U.S. Go rnment committ d to an conomica y a U.S. automot ndu try and to ncr a ng xport of U.S. h c and auto part to Japan.

Th U.S. Go rnment wi work to nhanc t ffort n th MOSS proc .

- R cogn z ng th n ft of coop rat ffort to promot trad of automot and auto part n an ffort to addr trad mba anc , th U.S. Go rnment wi draw upon and xpand x t ng programs, nc ud ng th U.S. D epartment of Commerc ' Export Promot on Program, and th USDOC-MITI Jo nt Trad Expan on Program. A r qu r d, th programs wi ta or d to me t th n d of U.S. automot ndu try.

- In add t on, th U.S. Go rnment wi tak th fo owing mmed at t p :

-- A Cha rman of th Ca n t- Trad Promot on Coord nat ng Committ , th S cr tary of Commerc wi g p ca focu to mea ur promot ng automot xport and nhanc ment of o r a pr nc y U.S. compan .

-- Encourag U.S. ndu try to tak fu ad antag of Japan Go rnment mport promot on programs, nc ud ng th tax and fnanca nc nt (ow nt r t oan, and d t guarant fac t announc d n th In t at for Bu n Gb a Partn r h p).

Th U.S. Go rnment wi ncourag U.S. ndu try to ut z th n howrooms r c nt y mad a a a y Japan automot manufactur r .

Jo nt Act on v

- The U.S. and Japanese Governments

-- recognize efforts made to date on the automotive trade issue and remain committed to open markets.

Both sides are committed to working cooperatively in the San Francisco framework on this issue.

- Renewed efforts will be made to accelerate implementation of programs to increase sales of U.S. vehicles in the Japanese market. Special emphasis will be placed on implementation of the Joint Work Plan, agreed to by the Governments of the United States, September, 1991.

This includes, but is not limited to:

OC

- - implementation of the study on the sourcing of automotive parts by U.S. and Japanese vehicle manufacturers,

-- exchanging R&D centers in the U.S. by Japanese manufacturers, increasing participation by U.S. companies in design by Japanese manufacturers,

- - exchanging participation in trade shows, including the Tokyo Motor Show

- - utilizing the OTO,

to encourage the improvement of technological infrastructure and distribution facilities of U.S. parts suppliers to take full advantage of opportunities in the Japanese market

- The two governments:

-- have initiated -- US joint study regarding the trade opportunities for automobiles with a view to completing it by July, and mutually seek ways to enhance trade opportunities for automobiles based on this study.

TANC offers these agreements electronically as a public service for general reference. Every effort has been made to ensure that the text presented is complete and accurate. However, copies needed for legal purposes should be obtained from official archives maintained by the appropriate agency.