



Asia-Pacific
Economic Cooperation

2007/SOM1/007anx3

IAP Peer Review Presentation by Japan

Purpose: Consideration
Submitted by: APEC Secretariat



**First Senior Officials' Meeting
Canberra, Australia
18 January 2007**

IAP Peer Review 2007

-JAPAN-

January 16, 2007
Canberra

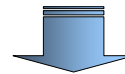
◆ Japan's efforts include

- Reduction and elimination of tariff
- Reduction of restrictions on market
- Protection of IPR
- Improvement of Business Mobility
- Enhancement of transparency ..etc

APEC

“-Most Important Forum to Bring Stability, Safety and Prosperity to the Asia-Pacific Region-”

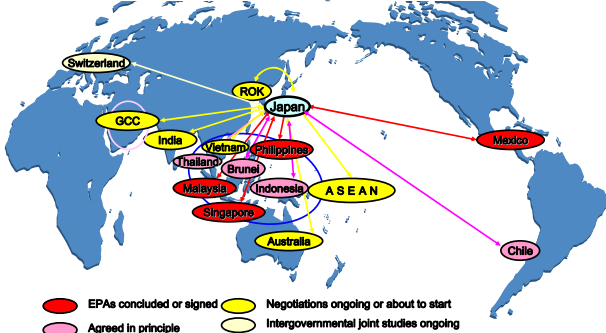
◆ Active involvement in APEC Activities



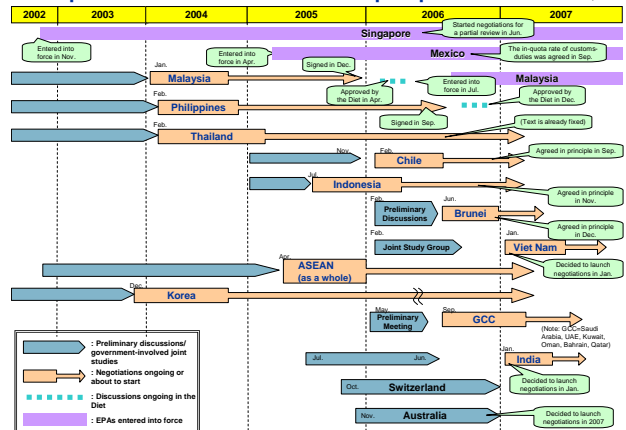
◆ Last Spurt to the Bogor Goals!

Japan's Efforts toward Strengthening Economic Partnerships

(as of January 2007)



Japan's current status and future prospects of EPA



Economic Policy and Reform Agenda of the Abe Administration

Cabinet Office
Government of Japan

“No gain without reform”

- ◆ The Koizumi Administration started structural reform under economic stagnation.
 - nonperforming loan disposal, fiscal consolidation, low birthrate and aging, and globalization etc.
- ◆ The Council on Economic and Fiscal Policy as a main engine has played a major role for the reform.
- ◆ The Japanese economy has overcome the long-lasting economic stagnation .
 - Real GDP rate : - 0.8% (FY 2001) => 2.4% (FY 2005)
 - Unemployment rate: 5.5% (Apr, 2003) => 4.0% (Nov, 2006)

“No Bright Future of Japan without Growth”

The Abe administration
accelerates and deepens
ongoing reform.

Contents

- ◆ Current Macroeconomic Situation and Prospects
- ◆ Structural Reform of the Abe Administration
- ◆ Japan's Reform Vehicle

1. Current Macroeconomic Situation and Prospects

- ◆ Economic recovery has been underway since February 2002.
 - Elimination of excessive capacity, employment, and debt
- ◆ Currently, the economy is recovering and is expected to continue.

2-1. Structural Reform of the Abe Administration

- ◆ To create a new economic regime or the “new growth economy” that will lead Japanese economy toward a new stage of medium- to long-term higher growth
- ◆ The Council on Economic and Fiscal Policy continues to be the main engine for the reform

2-2. Structural Reform of the Abe Administration

- ◆ Reform to enhance Japan's growth potential
 - Emphasizing the role of INNOVATION and OPEN attitude to overseas
 - Innovation: Boosting productivity through innovation
 - Open: Building open economic system to incorporate the dynamism of Asia
 - Vitalize local economy and encourage renewed challenges
 - e.g. Comprehensive support for job searching
- ◆ Fiscal Consolidation
 - Implementing the "Integrated Reform of Expenditure and Revenue"
 - To achieve a surplus in the primary balance of the central and local governments combined by FY2011
 - To improve the primary balance further toward the mid-2010s, thereby preventing an explosion in the debts to GDP ratio and reducing it stably

3-1. Japan's Reform Vehicle

- Council on Economic and Fiscal Policy (CEFP) -

- ◆ Established in 2001;
- ◆ To facilitate full exercise of the Prime Minister's leadership;
- ◆ To sufficiently reflect the opinions of private-sector experts and other members in economic and fiscal policy formation



3-2. Japan's Reform Vehicle

- Attributes of CEFP -

- ◆ Held almost three times every month
- ◆ With the Prime Minister's chairmanship
- ◆ With high transparency
 - Press conferences by the Minister of State for Economic and Fiscal Policy is held just after the meeting.
 - Minutes of the meetings are made available on the website in three days.
- ◆ Has promoted major reforms, including;
 - non-performing loan disposal
 - overcoming deflation
 - fiscal consolidation
 - privatization of Japan's postal system etc.

3-3. Japan's Reform Vehicle

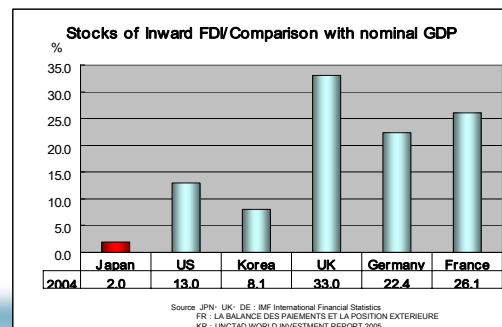
- Structural Reform Agenda in CEFP -

- ◆ The Council intensively deliberates on the key reform areas toward the new growth stage.
 1. Addressing globalization
 2. Labor market
 3. Improving productivity
 4. Tax system
 5. Decentralization
 6. Social security system, and
 7. Public sector

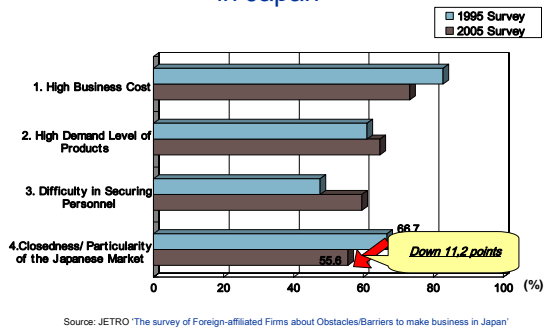
Investment & IPR issues

Ministry of Economy, Trade and Industry of Japan

1-1. Current Status of International Market



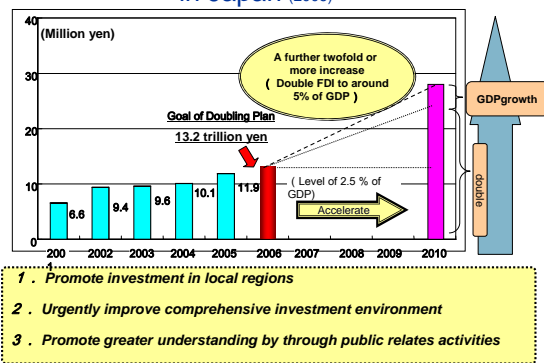
1-2. The survey of Foreign-affiliated Firms about Obstacles/Barriers to make business in Japan



1-3. Program for the Promotion of FDI in Japan (2003) INVEST JAPAN

1. Disseminating information on investment opportunities in Japan
2. Improving the business environment
3. Reviewing administrative procedures
4. Creating favorable employment and living environments
5. Improving local and national governmental structures and systems

1-4. Program for the Acceleration of FDI in Japan (2006)



2-1. Amendments of IP related laws

Objectives

Strengthening the protection of IPRs

The protection of IPRs should be strengthened and the process for acquisition of IPRs should be facilitated in order to strengthen the global competitiveness of domestic industries by creating new designs, establishing brands (trademarks) and encouraging innovative inventions (patents) while simultaneously taking into account international harmonization.

Strengthening countermeasures against counterfeits

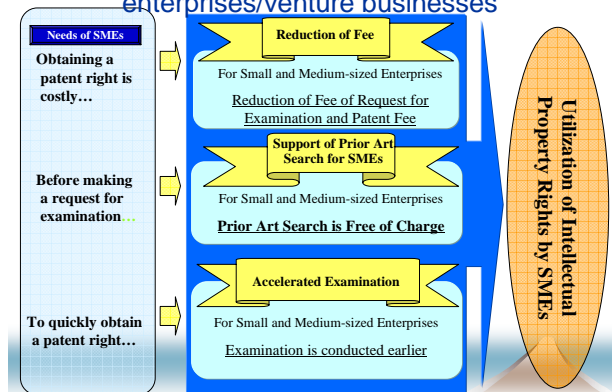
In response to the international spread of IP-related counterfeits, countermeasures should be strengthened to prevent the distribution, export and import of counterfeit goods.

2-2. Amendments of IP related laws

- Strengthening the Protection of IPRs -

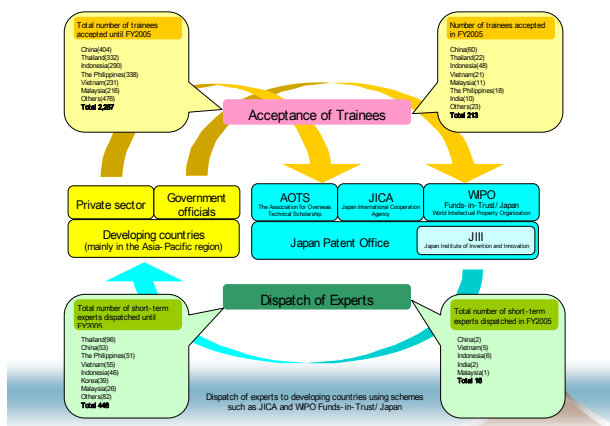
1. The export of infringing goods will be regarded as an infringement activity. (4 IP-related Laws)
2. The possession of infringing goods for the purpose of transferring or exporting them will be deemed as an infringement activity. (Design Law, Patent Law and Utility Model Law)
3. The criminal penalty will be strengthened - for example, the penalty against acts to infringe a patent right, a design right, a trademark right and a trade secret will be increased to a maximum 10-year imprisonment and a maximum JPYen10 million fine (US\$ 83,000).

2-3. Support of small and medium-sized enterprises/venture businesses



2-4. International Cooperation

- Cooperation in human resources development
- Cooperation in informatization
- Cooperation in searches/examinations



Thank you.

