

Updates on Japanese Business and Economy

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1. Keidanren Participation in the B7 Summit in Washington D.C.

Keidanren Chairman Mr. Hiroaki Nakanishi (Executive Chairman, Hitachi, Ltd.) and Vice Chairman Mr. Ken Kobayashi (Chairman of the Board, Mitsubishi Corporation) participated in the B7 Summit hosted by the U.S. Chamber of Commerce on February 3rd and 4th in Washington D.C.

At the Summit, participants exchanged views about (1) ensuring fair competition conditions with state-owned enterprises, (2) governance on trade, and (3) responding to the problem of inequalities in society.



Representatives of economic organizations in B7 countries

In addition, the Trump Administration's lead official for the G7, National Economic Council Director Larry Kudlow, attended as a guest speaker at the B7 Summit and explained that this year's G7 summit hosted by the United States would focus on economic issues as in the 1970s when the G7 originally started.

After the B7 Summit meeting, the delegation met with Members of Congress such as Senate Majority Leader Mitch McConnell (R-KY), Sen. Tom Cotton (R-AR) and House Speaker Nancy Pelosi (D-CA), as well as Reps. Joaquin Castro (D-TX) and Adrian Smith (R-NE), the co-chairs of the Congressional U.S.-Japan Caucus. They also exchanged views with key officials responsible for economic security strategy at the National Economic Council and the Departments of State and Treasury.

They also held bilateral meetings with the U.S. Chamber of Commerce, Confederation of British Industry (CBI) and the Business Roundtable (BRT), and exchanged views about the importance of strengthening cooperation among Japanese, U.S. and European businesses.

2. Keidanren Participation in the 2020 NGA Winter Meeting in Washington D.C.

A Keidanren delegation led by Mr. Shigeru Hayakawa, Vice Chair (Vice Chairman, Toyota Motor Corporation), and Mr. Tsuyoshi Nagano, Chair of the Committee on U.S. Affairs (Chairman of the Board, Tokio Marine Holdings, Inc.) participated in the 2020 NGA (National Governors Association) Winter Meeting in Washington D.C. from February 7th to 10th. The delegation, which consisted of 20 people from 8 member companies, engaged in close dialogues not only with the Governors at NGA, but also with lawmakers and other organizations located in Washington D.C.



Missouri Governor Michael Parson (center)

In each meeting with Governors, Keidanren emphasized (1) Japanese companies' economic and social contributions to each state and the U.S. as a whole and (2) the importance of a free trade and investment framework. In response, Governors expressed appreciation for the contribution of Japanese companies through investment and employment and for their activities as good corporate citizens. Also, the Governors agreed with the importance of U.S.-Japan relations and the value of free trade and investment.

In addition, in meetings with lawmakers, participants actively exchanged views on the prospects of the U.S.-China trade conflict and the contribution of Japanese companies' advanced technologies towards solving global warming.

Keidanren has dispatched missions to various states around the U.S. every year since 2015 to strengthen Japan-U.S. relations. In particular, during the last two years, Keidanren has been actively working to build relationships with Governors through continued participation in the NGA meetings. Keidanren wishes to continue enhancing engagement with key policymakers on the federal and state levels to further strengthen the partnership between our two countries.

<List of Meetings>

(Governors)

Connecticut Governor Ned Lamont (D)

Kentucky Governor Andy Beshear (D)

Missouri Governor Michael Parson (R)

Tennessee Governor Bill Lee (R)

(U.S. Congress)

Senator Rob Portman (R-OH)

Representative Cheri Bustos (D-IL), Chair of DCCC (Democratic Congressional Campaign Committee)

(D.C.-Based Organizations)

Organization for International Investment (OFII)

Center for a New American Security (CNAS)

3. Joint Statement by BusinessEurope, Keidanren and U.S. Chamber of Commerce on WTO Reform



U.S. CHAMBER OF COMMERCE



January 2020

The trilateral discussions between the European Union, Japan and the United States need to deliver concrete proposals that restore the global level playing field with regards to market distortive practices

Our associations represent businesses across Europe, Japan and the United States that have a strong domestic footprint and are also active around the world. One of our core objectives is to advocate for a fair and rules-based global trading system.

Since its inception in 1995, the World Trade Organisation (WTO) has been the cornerstone for development of multilateral rules that provide the stability and predictability that companies need to invest and create jobs.

The global economy has evolved substantially since the WTO was formed, but the governing rulebook has remained largely unchanged. Trade in goods and services amounted to \$6 trillion in 1995 when the WTO was created and grew over fourfold to \$25 trillion in 2018. The share of global trade to GDP also grew from 20% to 30% during the same period. To maintain and strengthen the multilateral trading system, it is essential to achieve progress in negotiating rules that are adapted to today's global trading environment.

There is currently a lack of coherent and comprehensive rules to effectively address market distortive practices particularly in the area of industrial subsidies (beyond export subsidies), the role of state-owned enterprises (SOEs), and forced technology transfers. This gap must be addressed quickly. The European Union, Japan and the United States have been holding trilateral discussions at the trade minister level for some time to agree on appropriate disciplines.

Our respective business communities fully support these trilateral discussions, and we believe there is an urgent need to craft concrete proposals that support the WTO reform process. Therefore, we call on the European Union, Japan and United States to further intensify talks and rapidly deliver proposals that can be tabled for discussion with other WTO members.

Currently, the WTO is facing its deepest crisis since its establishment. The appellate body is ceasing to function at a moment when trade tensions are increasing, and the negative impact could be devastating. For instance, a dysfunctional dispute settlement system could severely undermine efforts to address trade distorting measures. Companies need clear and predictable rules that are effectively and efficiently enforced.

The WTO needs once again to become an institution that delivers on these four fronts: market access, rule-setting, timely dispute settlement, and deterrent remedies. Timely reform, including in the area of industrial subsidies, SOEs and forced technology transfers, has never been more important and urgent.

4. Keidanren USA Hosts Disaster Prevention Seminars across the U.S.

Keidanren USA hosted Disaster Prevention Seminars on November 22nd in San Antonio, TX, on January 15th at the World Bank headquarters in Washington D.C. and on February 25th in Los Angeles, CA.

The purpose of the seminars was to share the latest technologies, disaster recovery operations, and daily preparation activities of Japanese companies in the field of disaster prevention in light of the frequent occurrence of large-scale disasters in various parts of the United States in recent years.



Seminar at the World Bank headquarters

At each seminar, Japanese companies gave presentations based on specific cases such as big earthquakes and typhoons. Local government officials and other experts in the field also explained about their disaster prevention efforts.

Keidanren USA will continue to actively host Disaster Prevention Seminars across the United States with the cooperation of local governments and local economic organizations.

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For more information on Keidanren's recent activities, please visit [here](#) and our weekly journal [Keidanren Times](#).

Editor: Keidanren USA

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