

Memorandum

XV Joint Meeting of the Japanese-Russian and Russian-Japanese Committees on Economic Cooperation

19 November 2018, Tokyo

On 19 November 2018, Japan Business Federation ("Keidanren" hereinafter) and the Russian Union of Industrialists and Entrepreneurs ("RSPP" hereinafter) co-organised the 15th Joint Meeting of the Japanese-Russian and Russian-Japanese Committees on Economic Cooperation ("Joint Meeting" hereinafter) in Tokyo.

Both parties welcomed that Japan-Russia economic relations have feasible prospects to implement new investment projects, which have been intensified at the highest-level summits between the two countries especially since 2016.

While Keidanren highly appraised the Russian government's unwavering commitment and efforts to improve its investment climate, both parties shared the latest outcome of Keidanren's annual survey regarding Russia's business environment, which set out continued challenges Japanese companies have been facing in Russia as well as specific requests for further improvement.

Against this background, with the aim to boost the investment projects, both parties recognised the importance of constant efforts to solve the structural problems through in-depth and candid policy dialogue in order for Japanese and Russian companies to pursue business on a win-win basis.

Reflecting the recent momentum to revitalise business relations in more diverse and unconventional spheres, the subjects of discussion in the Joint Meeting were focused in three sessions, namely, 1) Japan-Russia economic relations: how to build a sustainable and balanced relationship in the long term, 2) Japan-Russia cooperation and Russian economy's modernisation, and 3) Russian regions: promising areas of cooperation.

Throughout the Joint Meeting, both parties expressed interest in deepening mutual understanding of a variety of issues and challenges in above-mentioned areas. In particular, both parties shared the significance of ongoing cooperation towards the implementation of the joint investment projects in Russian regions, based on the modern technologies and demand of Japanese business and society.

On the basis of exchange of views on cooperation in prioritised sectors and investment projects as well as interregional cooperation, both parties acknowledged the imperative to take action in the short and mid/long terms towards the governments of Japan and the Russian Federation, including in the form of joint policy recommendations where necessary.

The representatives for RSPP underlined that the current Russian legislation would facilitate a variety of tools for supporting investment projects to create and/or modernise industrial production in the Russian regions.

In addition, both parties took note of broad prospects for developing cooperation between Japanese companies and enterprises of various regions in Russia such as:

- the Volgograd region (Chemical cluster),
- the Nizhny Novgorod region (in the fields of shipbuilding, machinery, pharmaceutical and petrochemical industries),
- the Chuvash Republic (joint production of electro-technical goods, containers for the transport of liquids, gas and petroleum products),
and
- the Ulyanovsk region (automobile transport and machine tool building). Special attention was paid to cooperation in the railway sector in the digital age.

Keidanren drew the attention of RSPP to pending issues regarding policies and measures to invite foreign direct investment especially in the Far East. These include the provision of accurate and objective information, the development of transport infrastructure, the extension of tax break period in advanced special economic zones (e.g., corporate tax and fixed property tax), and the enhancement of intensive after-investment services.

Recognising the importance of holding such high-level business dialogues between national business federations which respectively represent both countries, Keidanren and RSPP agreed to hold the 16th Joint Meeting in Moscow, the Russian Federation at a time convenient for both parties.

This Memorandum was compiled and signed in two originals in English on 19 November 2018.

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Japan-Russia Business Cooperation Committee
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