

Promoting Economic Cooperation with Arab States (Outline)

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Basic Stance

1. The Japanese business community has been actively promoting cooperation with Arab countries in such fields as energy and resources, improving infrastructure, promoting free trade agreements, developing human resources, providing technical cooperation, cooperating in the environmental, recycling, and renewable energy sectors, and supporting industrial diversification through the nurturing of new industries.
2. The business sector strongly endorses Prime Minister Abe's recent strategic and effective diplomatic initiatives for the region. Prerequisites to stronger economic ties include the return of regional political stability. It was of immense importance that the prime minister expressed his readiness, both domestically and abroad, to contribute to the security of the region.
3. The Japanese business community will further promote closer economic ties with Arab. In addition to advancing its own efforts through public-private coordination, it calls upon concerned parties to undertake the following measures.



Recommended Measures

1. Reinforcing Cooperation for Energy and Resources

(1) With oil and natural gas meeting higher shares of Japan's energy needs following the March 2011 disaster, bilateral cooperation with Arab states and multilateral dialogue among producer and consumer states became more important.

(2) The public and private sectors should work together to promote resource development and to strengthen ties with oil-producing states by training human resources for energy and resources development, transferring advanced energy- and environmental- conservation technologies; and nurturing downstream industries.

(3) Japan should actively participate in energy conservation, nuclear power generation, and renewable energy projects promoted by oil-producing states and related infrastructure-improvement efforts.

2. Contributing to Infrastructure Improvement

The development of infrastructure for desalination, water supply and sewerage, electric power, telecommunications, and public transport has not kept pace with population growth in Arab states. Japanese companies can offer cooperation with desalination, water supply, electric power generation, and other advanced technologies. This can be facilitated through the active use of the Private Sector Investment Finance provided by JICA; the export loans, overseas investment loans, and equity participation provided by JBIC, and the insurance products and services provided by NEXI.

3. Building Frameworks to Facilitate Trade and Investment

(1) An improvement in the business environment is required in Arab states, such as the lowering of excessive performance requirements and local employment requirements, the easing of visa regulations for Japanese and third-country nationals, and the lowering of high tariff rates.

(2) Important will be the early resumption of negotiations on an FTA with the Gulf Cooperation Council, as well as the increase in investment agreements and tax treaties.

Countries with which Japan has investment agreements: Egypt, Kuwait, Iraq, Saudi Arabia

Countries with which Japan has tax treaties: Egypt, Kuwait, Saudi Arabia (the treaty with the UAE is not yet in effect)

4. Cooperating in Economic Diversification

Through public-private coordination, Japan should actively contribute in nurturing industrial sectors other than energy and resources to provide younger workers in Arab states with greater employment opportunities. Particularly promising sectors include environmental business and recycling, finance, disaster prevention, tourism, healthcare, and agriculture.

5. Expanding Technical Cooperation and Human Resources Development

Japan's public and private sectors must coordinate their efforts for human resources development and technology transfer in Arab states. Various available schemes and initiatives should be expanded, such as JICA's cost sharing technical cooperation, the acceptance of trainees and dispatch of experts by the Overseas Human Resources and Industry Development Association (HIDA), and the acceptance of foreign students.

6. Promoting Safety and Security

Public safety is the highest priority for any company investing abroad. Arab governments are asked to do their best in this area, and the Japanese government should establish effective measures to protect Japanese nationals in foreign countries, e.g. by developing a system for information sharing and closer coordination between Japanese diplomatic missions and overseas branches of Japanese companies.

The safety of sea lanes must also be secured.