

Strategy in the Globalizing Economy

May 18, 2006

Council on Economic and Fiscal Policy

Government of Japan

Council on Economic and Fiscal Policy

The Council on Economic and Fiscal Policy (CEFP) is headed by the Prime Minister, and consists of the Chief Cabinet Secretary, the Minister of State for Economic and Fiscal Policy, other relevant ministers (the Minister of Internal Affairs and Communications, the Minister of Finance, the Minister of Economy, Trade and Industry), the head of relevant institutions (Governor of the Bank of Japan), and private-sector experts.

The current members are as follows: Junichiro Koizumi, Prime Minister; Shinzou Abe, Chief Cabinet Secretary; Kaoru Yosano, Minister of State for Economic and Fiscal Policy; Heizo Takenaka, Minister of Internal Affairs and Communications; Sadakazu Tanigaki, Minister of Finance; Toshihiro Nikai, Minister of Economy, Trade and Industry; Toshihiko Fukui, Governor of the Bank of Japan; Jiro Ushio, Chairman and Chief Executive Officer of USHIO INC.; Hiroshi Okuda, Chairman of Toyota Motor Corp.; Masaaki Honma, Professor, Faculty of Economics, Osaka University; Hiroshi Yoshikawa, Professor, Faculty of Economics, University of Tokyo.

The purpose of the council is to facilitate full exercise of the Prime Minister's leadership while sufficiently reflecting the opinions of private-sector experts in economic and fiscal policy formation. The Cabinet Office serves as a secretariat at the council.

Strategy in the Globalizing Economy

I. Background of the Strategy and Its Basic Framework

As globalization proceeds at a rapid pace, the speed of structural reform in Japan is being questioned. The rise to prominence of China, India, and other BRIC countries is changing the economic map of Asia. The activities of people and corporations beyond national boundaries are expanding. So far, however, Japan remains unable to keep up with the realities of globalization. If it remains as it is, Japan may soon find itself overwhelmed by those countries enjoying rapid growth.

At such a critical moment, we announce the Strategy in the Globalizing Economy. The keys to this effort are to think strategically, to prioritize and concentrate resource allocation (maximizing comparative advantages), and to strengthen our ability to convey our message to other countries.

1. To Think Strategically

The question of the time frame, or how quickly should results be delivered, is critical in dealing with rapid globalization.

The Strategy in the Globalizing Economy establishes a time frame up to the year 2010, with particular emphasis on issues that should be addressed in the coming year or two.

2. To Prioritize and Concentrate Resource Allocation (Maximizing Comparative Advantages)

- The key to maximizing our vitality, subject to limited human, natural, and financial resources, is to concentrate domestic resources to areas in which we have an advantage, and to utilize overseas resources to the maximum extent to make up for any insufficiency.
- A robust economic structure capable of overcoming the aging of society should be established. To that end, human resources, for example, should be managed in a way so that foreign human resources are made use of in fields such as medical and long-term care, allowing limited domestic human resources to be directed to strengthening the international competitiveness of industry.
- There are also sectors such as agriculture, where there is an urgent need to establish systems that will concentrate agricultural land and other scarce resources to competitive farmers.
- By prioritized and concentrated allocation of resources as mentioned above, Japan will continue to enjoy its status as a front-runner in global industry and maintain its high international competitiveness. The role of being the world's largest creditor

country will allow Japan to contribute to the development of the global economy. An accompanying increase of surplus in the incomes balance will also contribute to the expansion of the nation's wealth (or the prosperity enjoyed by the nation).

3. Defining and Communicating Goals, and their Steady Achievement

- Clearly defining the national identity and the goals is effective in strengthening domestic systems as well as in communicating our message to other countries.
- To this end, numerical targets and specific measures will be clearly defined for each area.
- The Council on Economic and Fiscal Policy will conduct periodic follow-ups on the progress of the Strategy under the PDCA (Plan-Do-Check-Action) cycle.

II. The National Identity Japan will Pursue

Japan will pursue a national identity in which it is a front-runner leads the world in industry, makes the most of globalization in realizing economic growth, and is a country of dignity, exercising intellectual leadership in the global community.

III. Basic Policies for Realizing Goals

In order to realize the goals mentioned above, it will be necessary to enhance Japan's capacity to grow and compete by undertaking reforms through the implementation of the following policies.

Policy 1: Domestic Vitalization

Domestic systems will be reformed where numerous barriers exist, and the efficiency of the economy as a whole will be raised by facilitating mobility of resources.

Policy 2: International Partnership

Maximum use will be made of goods, services, capital, technology, information, and human resources from other countries.

Policy 3: Global Contribution

Japan will fulfill its responsibility and play its role in the economic development of Asia and other areas.

IV. Issues to be Addressed Strategically and Goals to be Achieved

What will be of particular importance in the times ahead are: (1) To strengthen international competitiveness in human resources, (2) to strengthen the international competitiveness of industry, (3) to strengthen the international competitiveness of regions, and (4) to formulate an appropriate international economic policy and contribute to the global community. More specifically, measures will be taken in order to achieve the following goals:

1. Strengthening International Competitiveness in Human Resources

(1) Improving the Quality of Human Resources

- Human resources who are well qualified to engage in international activities, and who are also going to be the main players in the future labor market, must be secured in terms of both quality and quantity. For this purpose, we will aim to achieve world top-level performance in international surveys of academic ability by the year 2010.
- We will improve the conditions required to enhance education in science and mathematics as well as information and communication technology, improve Japanese language ability that forms the basis of all activities, and enhance English language education in primary schools.
- The contents of education will be improved by such measures as the reform of national curriculum standards. Educational quality will also be improved by measures such as promoting external evaluation of schools and disclosure of the evaluation results, promoting the establishment of community schools, and introducing a system that empowers parents to choose schools for their children, taking into account regional circumstances.
- In order to realize a society that offers everyone various opportunities, and enables them to make come-backs after failures, concrete measures to be implemented by ministries and agencies will be made clear by the Second Challenge Promotion Council, established under the chairmanship of the Chief Cabinet Secretary.
- To maintain the vitality of the economy and society even during a population decline, labor productivity and the rate of employment will be raised.
- Opportunities will be enhanced for skill-development required to raise labor productivity of people who are actually engaging in production.
- Mobility between different forms of employment and equal treatment between them will be enhanced.
- Youth employment will be supported, and human resource capacity will be strengthened.
- A life style in which work and daily-life is well-balanced will be promoted.

- A new plan will be implemented by FY2007 to support the self-reliance of human resources who are going to be responsible for future economic activity.
- Measures to support youth will be improved, taking note of specific targets (for example, approximately 20% reduction in the number of ‘freeters’, who only work part-time).
- Human resource capacity will be enhanced by such measures as fostering work values and work ethics by collaboration among schools, households, regional communities, and firms (for example, increasing opportunities for experiencing work by introducing to lower-secondary school students a program that allows them to experience an actual workplace for five days or more, such as a ‘Career Start Week’, and long-term work experience with accommodation provided).
- The development of talented people who are able to engage in international activity will be fostered by providing them with the capabilities required in specialized fields and in the global community, such as ability in the English language, in presentation, and in planning and management. As the Japanese national universities have been transformed into independent administrative corporations and become subject to a more competitive environment, more unique universities will be established, so that they are not only attractive globally but are also able to contribute to local communities as an intellectual center.
- Human resource development functions of professional graduate schools in law, accounting, and other specialized professions will be enhanced.
- A drastic strengthening of graduate school education will be promoted by such measures as development of educational programs. Training of highly-skilled human resources will also be promoted by joint efforts of universities and industry (such as introduction of workplace experience and long-term internship programs).
- The flexible establishment and reorganization of academic departments and courses will be promoted to meet industrial and international needs while strengthening management functions.
- Collaboration among universities will be further promoted in order that they complement and reinforce each other in education and research functions using the capabilities that have been built up at each university. The establishment of courses that enable acquisition of academic degrees across multiple disciplines will also be promoted.
- Prioritized investment based upon third-party evaluations that take into consideration the securing of funding for education and research and the needs of industry will also be promoted.

- We will aim to ensure that students acquire the requisite English language skills for active talent in the international society. (For example, to double the number of TOEIC examinees scoring about 700 points or more, which would be enough to enable communication in English for business purposes.)

(2) Increasing Acceptance of Human Resources from Other Countries and Strengthening Resident Status Control

- An environment that induces excellent human resources from other countries, including students and the researchers from Asian and other countries will be established. Measures to this end include strengthening the research and development infrastructure, and enhancing support plans for accepting foreign students, and promoting their employment in Japan.
- Improvements to the immigration control system will be made in preparation for an increase in the acceptance of highly-qualified human resources as follows.
 - Upper limits on the period of stay are to be reviewed so that the arrangement permitting a five-year period of stay for some foreign researchers and information processing specialists in special zones will be extended to the rest of the country. At the same time, measures are also to be taken to gradually extend permission for a five-year period of stay to individuals in categories that are currently ineligible, after imposing some restriction such as requirements on employees, if it becomes evident that they are in fact highly-qualified talent.
 - Measures are to be taken to grant residence status under certain conditions to foreign students who are preparing to start businesses after graduation.
 - Measures are to be taken to expand the range of family members of highly-qualified talent who would be granted residence status, so that parents as well as children and spouses can be given permission to stay in Japan.

The matter of reducing the number of years of actual work experience required to obtain residence status will continue to be studied.

- Demand for labor in service sectors (such as long-term care) is expected to increase with the aging of society. In order to secure the high-quality human resources capable of improving the level of service required in such sectors, a review of the range of acceptance in this country will be considered, even in occupational areas that are not currently regarded as sufficiently specialized or skilled, and taking into account problems that could occur due to such acceptance. In the context of economic partnership agreement (EPA) negotiations, some countries have requested a review of the acceptance of nursing and long-term care workers, and the current on-the-job and other training systems for foreigners in Japan. In light of this, a

flexible approach is to be taken in considering these requests for a review of the acceptance of human resources and institutional arrangement, while considering the utilization of economic cooperation in human resource development.

- In order to establish effective systems for resident status control, an urgent examination will be made on various issues, such as how to establish a system which allows various ministries and agencies concerned to mutually access and provide information regarding residential status, how to amend Alien Registration Law, and whether to make institutions accepting human resources from other countries responsible for reporting. A conclusion is to be reached during the current fiscal year.

2. Strengthening International Competitiveness of Industry

(1) Enhancing Research and Development Capability and Intellectual Property Strategy

- The number of world-level research centers will be dramatically increased in the space of five years (to reach about 30 centers by the year 2010). To this end, the implementation of measures will be accelerated to build outstanding educational and research centers that are internationally competitive, and to promote the creation of graduate schools that are attractive in a global sense.
- The Third Basic Plan for Science and Technology, which starts this fiscal year, calls for steady implementation of the following and other measures included in the Third Basic Plan. To that end, a full assessment of the outcome of the Second Basic Plan will be made. Specific goals and timetables will then be set. Effectiveness of the Plan will be secured by imposing a PDCA cycle.
- Priorities in science and technology areas will be clarified from a strategic point-of-view, and the progress and outcomes of projects that have been given priority will be rigorously checked.
- Competitive research funding will be expanded, and review systems will be drastically strengthened to enable fair and transparent assessment of research plans.
- In order to train and retain creative talent, measures will be taken to improve the mobility of intellectual human resources by such means as the wide-range introduction of fixed-term arrangements as well as open recruitments and other transparent methods of recruiting researchers.
- In order to become the world's most advanced nation in intellectual property, implementation of measure for creation, protection, and utilization of intellectual property will be accelerated with the collaborated efforts of ministries and agencies concerned. For this end, an international legal framework on preventing proliferation of counterfeit and pirated goods will be put in place as a matter of urgency, the period

required for examination of patent applications will be shortened, the 'Patent Examination Highway Plan' will be promoted, establishment and enforcement of intellectual property right system in Asian countries will be enhanced, the contents industry will be promoted, and training and educating personnel engaging in intellectual property will be strengthened.

(2) Supporting Expansion of International Business by Improving the Function of International Hub Seaports and Airports

In view of the economic integration of the Asia region, the following measures will be implemented urgently.

- A common government-wide portal, which is also the next-generation single-window system, will be brought into operation in October 2008.
- In the super-hub ports, the cost of seaports will be cut by approximately 30%, and lead times (the time from a ship's entry into port to the point when its freight can be offloaded) will be shortened to about one day by fiscal year 2010.
- At Narita Airport, facilities will be improved so that its capacity will be expanded by approximately 10% during fiscal year 2009. At Haneda Airport, facilities will be improved so that its capacity will be expanded by approximately 40% during 2009, while we will also endeavor to establish scheduled international services at the airport.
- Economic partnership agreement (EPA) negotiations and other such means will be used to work toward standardization of common customs procedures with other Asian countries, and to take a lead in improving the system in the Asia region.

(3) Improving Environment to Attract Inward FDI

Inward foreign direct investment (FDI) will be further promoted by aiming to double its ratio to GDP to around 5% in 2010, through FDI-promotion measures that are being studied at the Japan Investment Council.

(4) Strengthening International Competitiveness of Agriculture, Forestry, and Fisheries by Improving Management Efficiency and Raising Added Value.

- Steady measures will be taken toward achieving the following goals set forth in the New Agricultural Policy 2006 for the 21st Century, which was formulated as a comprehensive agricultural strategy for the improvement of its international competitiveness.

(To improve competitiveness of domestic agriculture)

- 70–80% of agricultural land will be placed under efficient and stable agricultural management by the year 2015.

- The number of ordinary enterprises and other corporations entering agriculture will be increased threefold in five years.
- Food supply costs will be reduced by 20% in five years by such measures as reforming the economic business conducted by agricultural cooperatives.

(Global strategy for an “aggressive agriculture”)

- Exports of agriculture, forestry, and fisheries produce and foods will be doubled in five years, to reach 600 billion yen in the year 2009.
- The business size of the Japanese food industry in East Asia will be increased by 30–50% in five years.
- Protection and utilization of intellectual property rights will be promoted, by such measures as increasing the number of applications filed for new varieties of plants by 50% in five years.
- A comprehensive strategy will be formulated for strengthening international competitiveness of Japan's forestry and fisheries during the current fiscal year, and policy will be reformed by setting appropriate numerical objectives.

3. Strengthening International Competitiveness in Japan's Regions

(1) Building Multicultural Societies in Japan's Regions

- The Liaison Council of the Ministries and Agencies on the Issue of Foreign Workers studies the current situation and considers comprehensive measures on this issue, focusing on medical care, education for children, friction with local residents, and other such matters that arise when foreigners take up residence in a community. The desirable allocation of costs associated with resolving these issues is also taken into consideration. The council will compile the comprehensive measures by the end of this year. In this process, the following matters will also be examined.
 - The issue of children not attending school will be resolved by improving Japanese language and other education for foreign children, and thus promoting social integration.
 - The number of signs and notices in foreign languages will be increased and one-stop access at government agencies for procedures relating to foreign residents will be provided.
- The Regional Multicultural Society Promotion Plans were formulated by the Ministry of Internal Affairs and Communications as guidelines for the construction of a multicultural society in Japan's local regions. Taking these guidelines into account, steps will be taken so that all of Japan's prefectures and those cities designated by Cabinet Order, at least, formulate their own guidelines or plans within the current

fiscal year.

(2) Increasing the Number of Foreign Visitors

- The measures recommended in the report of the ‘Japan Tourism Promotion Strategy Council’ will be implemented steadily, with the goal of having 10 million foreign visitors by the year 2010. In particular, the ‘Visit Japan Campaign’ will be promoted further and sightseeing spots made globally competitive.
- Cooperation in tourism with China and the Republic of Korea will be promoted to increase the number of foreign tourists to Japan.
- The number of short-term residents who come to Japan to study the lifestyle, the culture, and the language will be raised by spreading the concept of ‘Japanese cool’ to the world.
- Measures will be taken to upgrade access to airports and improve convenience. For example, the upgrading of capacity at Narita Airport will be matched with a 20-minute cut in the 50-minute rail journey from downtown Tokyo to the airport by fiscal year 2010. Better connections between international and domestic flights will also be established in order to improve the access between overseas and local regions in Japan.

4. Formulating Appropriate International Economic Policy and Contribute to the Global Community

(1) Accelerating Negotiations in Line with the EPA Timetable

- The impact of trade liberalization under a free trade agreement (FTA) will depend upon the volume of trade, which includes the latent potential for trade, and the extent of existing trade barriers. Therefore, with a view to extending the total economic benefit to the Japanese people, it is important to accelerate the conclusion of economic partnership agreements (EPAs) in East Asia, which has a large volume of trade with Japan and where Japanese corporations have constructed production networks, and also to actively promote negotiations with those countries that produce resources crucial to economic security and countries with large populations that give them the potential for trade expansion.
- EPA negotiations will be expedited with a sense of urgency in line with the attached EPA Timetable for the coming one year or so.
- By implementing the Timetable steadily, it is expected that trade with countries having concluded EPAs with Japan account for 25% or more of Japan's total trade volume by the year 2010 at the latest.

(2) Creating an East Asian Economic Zone

- The desirable form of the East Asian Community, which includes ‘East Asian EPAs’, will be fully studied from the viewpoint of Japan’s diplomatic and economic strategy within the government through consultation by the Ministers mainly concerned and official level meetings among ministries and agencies.

(3) Establishing OECD-style International Systems in East Asia

- With the support of Asia-Pacific countries and regions, we will actively work toward establishing an OECD-style international system in East Asia. The system will make policy recommendations and coordinate on various areas including statistics, trade, investment and financial market, industrial policy, energy and environment and so on.

(4) Engaging Actively in WTO Talks

- We will engage actively in the WTO Doha Round negotiations, aiming to reach agreement by the end of 2006. Ambitious and balanced outcomes will be pursued in the major negotiation areas including agriculture, non-agricultural market access (NAMA), services, trade rules, and trade facilitation and so on. Every effort will be made in agricultural negotiations to achieve success in the WTO Doha Round by negotiating with other countries in a strategic and positive manner, in which we protect what we must protect, are aggressive where we should be, and concede what can be conceded, linking it systematically with the efforts to reform agriculture through a comprehensive strategy. The ‘Development Initiatives for Trade’ will be steadily implemented.

(5) Engaging Actively in APEC

- As the hosting economy for APEC in 2010, the target year of the Bogor Declaration, Japan will actively address various issues including trade and investment liberalization and facilitation, economic and technical cooperation, counter-terrorism and anti-infectious diseases measures in the Asia-Pacific region.

(6) World-leading Aid Policy Utilizing Japan's Strengths and Characteristics

The Overseas Economic Cooperation Council (OECC), which was established in April this year, will deliberate and formulate a new basic policy without delay, taking the following points into consideration.

- Truly effective collaboration among ministries and agencies will be created, with the OECC fully exercising its function as a headquarters. Under the basic strategy and orientation determined by the OECC, with the Ministry of Foreign Affairs continues

to play a central role in coordinating government ministries and agencies, a new operational implementation plan for the new JICA will be formulated and other such measures taken so as to obtain the maximum synergy effect among the assistance functions of yen loans, grant aid, and technical assistance.

- The “strategic expansion of ODA volume and reform of ODA” set forth in the ‘Basic Policy of 2005’ will be thoroughly carried out, and the international commitment which intends to increase the volume of ODA by 10 billion dollars over the next 5 years will be fully implemented. Yen loans will be actively utilized for this purpose.
- In the interest of greater efficiency for ODA, comprehensive cost reduction targets will be set, for example at least on a par with those for public works projects to date (e.g., 15% reduction by the year 2010), primarily in grant aid and technical assistance, in accordance with the specific natures of aid. A timetable for cost reduction will be drawn up and the progress will be monitored by PDCA cycle.
- We will endeavor to make commitments, as much as possible, in terms of output and outcome for future assistance.
- We will try to pursue ‘assistance that lets Japan's voice be heard’ by actively positioning the Japanese model of assistance in the recipient country's Poverty Reduction Strategy Paper (PRSP). The policy recommending function with regard to development strategy in developing countries will also be strengthened. At the same time, the development of human resources, who play an active part in aid on the front lines around the world will be carried out strategically with the aim of "making contributions through wisdom."
- We will realize ‘a prosperous public and a small government’ in aid policy through active use of NGOs by contracting out or by other such arrangements, and through establishment and expansion of mechanisms for using elderly people as overseas volunteers.
- By using ODA, we will support the establishment of business-related legal systems in recipient countries and develop the human resources for industry who will assume the responsibility of growth in developing countries by transferring advanced technology and know-how of Japanese corporations.
- A still greater emphasis will be placed on assistance in the environment, energy conservation, and other such fields where Japan has particular strengths.

(7) Promoting Comprehensive International Environmental and Energy Cooperation in Asia

- Asia is a community that has a shared environmental and energy destiny. Japan will take the following measures in accordance with its timetable up to the year 2010,

based on the ‘Asia Eco-Action Partnership’, ‘Asia Energy Cooperation Strategy’ and so on, so that it can take the lead and promote a comprehensive international environmental and energy cooperation in Asia, and realize an ‘Asian-Standard’ in the technologies and systems.

- A joint Asian environmental crisis information system will be formed.
- Japan's advanced ‘3R’ (reduce, reuse, recycle) technology and systems will be disseminated.
- The ‘Cool Biz’ initiative, in which light clothing is worn in summer thus cutting the demand for air conditioning, will be disseminated throughout Asia.
- The construction of systems and widespread dissemination of technologies about energy conservation will be supported in Asian countries.
- Japan's superior technologies in solar power will be widely disseminated.
- The sustainable development and widespread dissemination of biofuel produced in Asia will be pursued.
- The development of human resources in the environment, energy conservation and renewable energy fields will be fostered.
- Technologies for the clean use, production and security of coal will be widely disseminated.

(8) Strategically Promoting Resource and Energy Policy

- As the international situation of resources and energy grows increasingly severe, various measures will be pursued by the public and private sectors together to establish Japan's energy security by reforming its energy supply and demand structure, supplying risk money to resource exploitation companies, reinforcing its relationships with resource-supplying countries through ODA, EPA, and other such means, utilizing policy finance, and so on. Numerous objectives have been assigned to be met by the year 2030, including (1) to realize an additional 30% improvement in energy efficiency, (2) to reduce the dependence on oil to 40%, (3) to reduce the dependence on oil in the transportation sector to around 80%, (4) to raise the percentage of nuclear power in energy supply to around 30~40% or more, and (5) to raise the percentage of independent development of oil to around 40%. For this purpose, a ‘New National Energy Strategy’ will be formulated, and its action plan for a period of about ten years will be reflected in the ‘Basic Energy Plan’, with its progress monitored regularly.

(9) Strengthening the Power to Disseminate Information

- Strengthening its soft power is essential for Japan. The international broadcasting system will be fundamentally strengthened, in order to raise the ability to disseminate

Japan's information and culture across the world.

- The number of Japanese language learners abroad will be increased to around 3 million, by expanding Japanese language education programs and other measures, supported by ODA and other such means. In the longer term, we aim to increase the number to around 5 million.

V. Japan and Its Economy as Viewed from Outside Around the Year 2010

By implementing the measures described in section IV and those aimed at macroeconomic stability, Japan will realize an economy along the lines described below.

- Selection and concentration in the distribution of resources will enable Japan to continue to maintain its highly competitive position as a front-runner in global industry.
- As the world's greatest creditor country, not only will Japan contribute to the development of the global economy, but the growing surplus in the income account, which is a product of accumulated foreign assets, will also contribute to the expansion of the nation's wealth, in other words the prosperity enjoyed by the people of Japan.

In specific terms, Japan is expected to move toward the following direction:

- (1) Networks of production become tied in more closely with other parts of Asia, and the trade account continues to maintain a surplus due to specialization in export goods that distill advanced technology.
- (2) The increasing numbers of foreign tourists who visit Japan reduce the size of the deficit in international tourist receipts and expenditures.
- (3) Improvements in Japan's competitiveness in finance, patents and other advanced fields, as well as in copyrights and the cultural and entertainment content business, combine to reduce the size of the trade deficit in services.
- (4) As Japan makes use of its abundant capital and superior technological and management capabilities, the surplus in the income account will grow larger.

Appropriate monetary policy that stabilizes prices and steady fiscal reconstruction will make it possible to maintain a stable macroeconomic environment. This is a precondition for Japan to improve its growth capacity and competitiveness. This is also an essential condition if the Japanese economy is to retain the confidence of the world community.

(Attachment)

EPA Timetable for the coming year or so

Country or Region	Current Status	Goal
Malaysia	Approved by the Diet on April 26 of this year.	Aim to put into effect as early as possible this year.
Thailand	The agreement was basically finalized during the negotiations held at the beginning of February this year.	Aim to have signing as early as the political situation in Thailand will allow.
Philippines	Negotiations on the text of the Agreement are underway.	Aim to have signing as early as possible this year.
Indonesia	Negotiations began in July of last year.	Aim to reach agreement in principle on major points of the negotiations by sometime during the summer this year.
ASEAN as a Whole	Negotiations began in April of last year.	Aim for virtual completion of negotiations by the spring of 2007.
Republic of Korea	Negotiations have been suspended since November 2004.	Continue to persevere in making approaches to the Republic of Korea for the resumption of negotiations.
Chile	Negotiations began in February of this year.	Aim to reach agreement in principle on major points of the negotiations by sometime during the autumn this year.
Singapore	It was decided in April of this year to start negotiations for a partial review of the EPA.	Taking into account the progress of negotiations on Japan-ASEAN Agreement, aim to reach agreement as early as possible.
Vietnam	Joint Study Group has been held since February of this year.	Aim for starting negotiations as early as possible this year and rapid progress of the negotiations.
Brunei	Preparatory consultations have been held since February of this year.	Aim to start negotiations by the middle of this year and to reach agreement in principle on major points of the negotiations this year.

Gulf Coast Countries (GCC: Gulf Cooperation Council)	The decision to begin FTA negotiations has been made. Preliminary meeting is scheduled to be held in May of this year.	Begin negotiations by summer of this year and aim for rapid progress in the negotiations.
India	Joint Study Group has been in held since July of last year.	Decide whether or not to start negotiations based on the Joint Study Group report, which is scheduled to be submitted in the middle of this year.
Switzerland	Joint Governmental Study was launched at the end of October last year.	Accelerate the joint study and take the results into consideration in deciding whether or not to start negotiations.
Australia	An inter-governmental joint study was launched at the beginning of November last year.	Accelerate the joint study and take the results into consideration in deciding whether or not to start negotiations.