

Speech by Minister NISHIMURA Yasutoshi
At APEC Structural Reform Ministerial Meeting, June 16, 2021

Thank you, Chair.

It is a great honor to participate in today's meeting. I would like to thank the chairman, Mr. Clark and New Zealand for your efforts in organizing and hosting us.

Today, I will briefly explain key points about what Japan is doing to boldly transform the economic society to adapt to the new era.

COVID-19 Measures and Economic Recovery

First, I would like to explain the current COVID-19 measures. This April, Japan issued a third state of emergency in areas including large cities. Consequently the number of newly-infected people is now showing a declining trend. As vaccination distribution has progressed, the latest weekly number of newly-infected people remains low, at 9 per 100,000 people. We are further accelerating the administration of vaccines to all citizens who wish to have by this October to November.

Thanks to the economic measures taken, which amount to 2.74 trillion dollars, the unemployment rate remains low at 2.8%, and the number of bankruptcies has been the lowest in 30 years. The economic recovery of the U.S. and China has led to an improvement in Japan's exports and production. Progress in digital transformation is motivating firms to make investments, especially in software. Once the infection is contained, consumption is expected to recover supported by pent-up demand while about 200 billion dollars of excess savings remain. As such, I consider that the Japanese economy has a substantial potential to recover.

Achieving New Growth in the Post-Corona Era

The world is very rapidly changing due to this pandemic. The success of the younger generation represents it. For example, in the field of sports, Japanese younger generations are attaining great success in the world, such as OHTANI Shohei (26), a major league two-way baseball player, and SASOU Yuka (19), a female golf player who won the U.S. Women's Open Championship.

In the business field as well, many new companies have been created. The number of initial public offerings last year was 102, the highest since 2007. Furthermore, new challenges are emerging, such as the entry of Sony, and Idemitsu, which is one of the oldest oil companies, from different sectors into the field of electric vehicles.

To support these challenges, Japan will encourage private investment in green and other growth sectors, and then build an economic society where diverse human resources can fully utilize their ideas and abilities. The government will boldly implement stimulus investment and structural reform to induce investment and ingenuity in the private sector so that it could lead to discontinuous innovation.

Green New Deal

The Green area is one of the driving forces of economic growth. Japan declared “carbon neutrality by 2050” and formulated a green growth strategy. With an 18-billion-dollar fund, we will foster enterprises that can create new innovations. Through this and other supports, we will promote research and development in new fields, such as artificial photosynthesis and Carbon dioxide Capture, Utilization and Storage (CCUS).

In addition, to attract funds for environmental investment from around the world, the Corporate Governance Code set by the Tokyo Stock Exchange has

been revised to require firms to enhance quality and quantity of disclosure on their efforts in tackling climate change. In these ways, we will create a positive cycle between the economy and the environment.

Diverse Human Resources

Ensuring diversity, such as the promotion of young people, women and foreigners, is also a source of economic growth. Ensuring diverse human resources with new ideas, breaking from past successes and traditional customs, leads to discontinuous innovation.

In regard to women's empowerment, although the science and mathematics scores of 15-year-old Japanese girls are the second highest among OECD members, the percentage of women who major in science and engineering at universities is the lowest. Japanese women are not fully displaying their abilities. Therefore, we will encourage women to enter science and engineering universities and promote women's empowerment.

TPP

Now is the time for the importance of free trade to be reaffirmed. At the Commission of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), held earlier this month, the decision was made to start the UK's accession process. As the Chair of the CPTPP Commission this year, Japan will lead the discussions for the steady implementation and expansion of the CPTPP.

Conclusion

The world is very rapidly changing and people's awareness is also changing. Taking advantage of this great opportunity for economic and social transformation, we will tackle structural reform to meet the needs of the new era.

At the same time, through further strengthening multilateral free trade system and building more resilient supply chains, we will contribute to the economic development in the Asia-Pacific region.

Thank you.