

Ambassador Hayashi's Keynote Speech at an online event held by Asia House (10 March 2021)

(Introduction)

It is a great honour to have the opportunity to give a keynote speech at this conference, and to be joined today by so many people with an interest in Japan-UK relations. Before I begin, I'd like to express my sincere gratitude to all those involved in this project and the report, which is presented by Asia House today as the final piece of this project. The recommendations set out in the report, including those about the global liberal rules-based order, digital and climate change, are increasingly relevant in the bilateral and global contexts.

For Japan and the UK, 2021 is a special year. Both the Japan-UK Comprehensive Economic Partnership Agreement and the UK-EU Trade and Cooperation Agreement underpin the UK's future after Brexit and we are witnessing the outset of a new era. I feel really pleased and deeply honoured to start my role as Ambassador of Japan to the UK under such circumstances. Today I would like to give an overview of where Japan and the UK can further enhance their cooperation.

(The Japan-UK EPA)

To consider the bilateral economic relationship between the UK and Japan, we must begin with the Japan-UK EPA, which came into force on the 1st of January.

First of all, this EPA provides a legal framework for the future, bringing predictability and certainty for businesses and successfully securing continuity under Brexit. The total of goods and service trade between our two countries accounts for more than 30 billion pounds a year in 2019, and Japanese businesses have been actively investing in the UK across various sectors for many years and even in decades. In fact, for Japan, the UK is the second largest investment destination only after the US, and Japanese foreign direct investment to the UK spans industries from the automotive sector to pharmaceuticals, and from real estate to communications. From the viewpoint of these businesses, ensuring continuity for such an important bilateral relationship is a significant achievement. And beyond continuity, this agreement includes some of the world's most advanced content, particularly regarding the

digital sector, that will prove to be highly significant as we grapple with the pandemic and its aftermath.

I strongly hope that the EPA will contribute to an even more active relationship between Japan and the UK in the future. In this sense, the Japanese Government and the Embassy of Japan are willing to extensively promote the utilisation of this agreement in cooperation with our British counterparts.

Along with the EPA, I also welcome the Trade and Cooperation Agreement that has been agreed between the UK and the EU. At the same time, I expect the UK government to continue to work with the EU towards resolving the remaining issues such as the disruption at borders and mutual equivalence for financial services. This is very important for Japanese businesses operating in the UK across Europe.

(Further Cooperation between Japan and the UK)

Looking towards the future, I must say that the world today needs to re-establish the international rules-based order of trade and economy. Japan and the UK are the third and fifth largest economies respectively and are the traditional champions of free trade. We share a responsibility to defend the free trade system.

I believe that, drawing on our strong bilateral bond, Japan and the UK should now extend our active cooperation to plurilateral and multilateral fields across the world.

(CPTPP)

The first area for such cooperation is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. Japan welcomes the UK's formal request for accession on the 1st of February. Though individual member states have to be consulted, Japan, as it takes up the presidency of the TPP Commission this year, is willing to play its part. Japan expects the UK to show its readiness to work for the CPTPP's advanced and cutting-edge rules in this process.

For the UK, accession will be a great opportunity to strengthen its ties with the fast-growing Asian market, and moreover, it will lead to the UK's further commitment to Asia under the 'Global Britain' agenda.

There is great scope for bilateral cooperation in the Indo-Pacific region, and I hope Japan-UK cooperation in the domains grows wider and deeper in the coming months and years.

(WTO Reform)

Next, I would like to highlight WTO reform as the second area to discuss. As everyone is aware, the WTO member states must work together to tackle a number of serious challenges under the newly elected Director-General Okonjo-Iweala. These include ending malfunction, modernisation of rules, and reforming the special and differential treatment.

Now that the UK has become an independent and important player out of the EU, there is further opportunity for Japan-UK cooperation towards a freer and fairer rules-based multilateral trading system.

It is essential for the WTO to be a fair and open regime where all participants sharing the values of free trade can benefit. To this end, let's work together for WTO reform, closely working with other major members of the WTO, particularly with both the US and the EU.

(Concluding Words)

This year, the UK chairs G7 and COP26, where world leaders will once again be able to discuss important topics face to face. In this pandemic, we are painfully aware, now more than ever, that we must tackle a range of global issues which include not only infectious diseases but also trade and climate change. It is vital for Japan and the UK to take initiatives and lead international discussion towards a brighter future.

For my part, as Ambassador of Japan to the UK, I want to actively make the most of the chances and opportunities that I have discussed today. In this regard, I look forward to a fruitful and insightful discussion with the distinguished participants today.

Thank you very much for your kind attention.