

EUROPEAN PARLIAMENT

2004



2009

Delegation for relations with Japan

D-JP_PV(2008)1202

MINUTES
of the meeting of 2 December 2008, from 15.00 to 16.00
BRUSSELS

The meeting opened at 15.05 on Tuesday, 2 December 2008, with Georg Jarzembowski (Chairman) in the chair.

1. Adoption of the draft agenda (PE 414.666)

The draft agenda was adopted.

2. Approval of the minutes of the meeting of 7 October 2008 (PE 409.311)

The minutes were adopted.

3. Communications by the Chair

None.

4. Report on the Bureau visit to Japan: 26 to 29 October 2008

The Chair reported about the Bureau visit to Japan. He stressed that the MEPs had been warmly welcomed and had very good political discussions with members of the LDP, DPJ and other parties. He commented that the visit had taken place at a very interesting moment, given the tense political situation in Japan. It was very logical that the elections didn't take place at this time, as many observers had believed they would: indeed, if an election had taken place at that time, the government would have lost not only its two-thirds majority but even the simple majority. However, elections must take place before Autumn 2009.

The MEPs had called on the Environment Minister, Mr Aizawa. In the current economic crisis context, Japan is hesitant to impose additional cost on industry. Moreover, it is very clear that before next year's elections, the government is not interested in passing legislation that would be a burden for industry.

The MEPs also met the Chairman of the Council for Science and Technology Policy. MEPs insisted on the very insufficient level of EU-Japan co-operation.

An agreement on industrial and technological cooperation is currently discussed but there are also difficulties on the Japanese side. The Chair hopes it will be signed soon. Indeed cooperation with Japan in such fields as environment protection or energy can be very positive.

Concerning the Sunset Law (which had allowed Japanese forces to take part in the fight against terrorism), the legislation expires in 2009 and needs to be extended. However such an extension depends on whether the government can reach an agreement with the Democratic Party. Indeed it's a difficult issue in pre-election period, as a large part of the Japanese population doesn't seem to support this law.

As for the EP delegation's visit to Japan next year, it will mark the 30th Japan-EP interparliamentary meeting. During the stay in Tokyo (2 or 3 days) contacts will also be made with members of the cabinet. After that, our Delegation will visit Nagasaki and region. Given the end of legislature, the size of the EP delegation will be limited. The members are invited to contribute with their ideas, requests or suggestions for the programme.

5. Japan and the financial and economic crisis

Exchange of views with Mr. Koji Narita, Counsellor in charge of financial affairs of the Japanese mission and Mr Simon Craig Gray, Deputy Director of the European Office of the EU-Japan Centre (Brussels office)

The Chair welcomed Mr. Koji Narita, Counsellor in charge of financial affairs of the Japanese mission and Mr Simon Craig Gray, Deputy Director of the European Office of the EU-Japan Centre.

Mr Narita gave a brief presentation of the economic situation in Japan. He explained that the economy had technically entered recession as the GDP's growth has become negative (as for the latest forecast, the economy will contract by 0.1% next year and recover slightly by 0.6% in 2010).

Concerning exchange rates, the Yen has appreciated against the euro. On the one hand, it shows the economic actors' trust in the Japanese market; on the other hand, Mr Narita worries about the negative consequences of this appreciation over the economic growth as a strong Yen has a negative impact over exports.

Despite the crisis, Japanese banking sector is relatively sound and stable due to the consolidation it has known during the last decade. At the end of March 2008, the capital ratio of major banks was 12.3 % and the ratio of non-performing loans for major banks has been reduced to 1.4 % in March 2008 (from 8.4 % in 2002). Moreover, Japanese banks didn't lose as much as European and American banks in the subprimes crisis.

Negative impacts of the crisis have however appeared, as a consequence of the weakening of real economy.

Mr Narita then made a brief presentation about Japanese government's response to the crisis. In the financial field, the Bank of Japan has supplied liquidity in coordination with other

central banks and cut interest rates from 0.5% to 0.3 % in October 2008.

At the end of October, the Japanese government has also announced an economic stimulus package of 27 trillions yen. Another law project will be adopted by the Japanese Parliament by the end of the year, it will be aimed to help local banks by injecting public funds.

Mr Narita also stressed the importance of Japan's contribution to global financial stability. He explained that Japan made a proposal at the Washington Summit (on 15 November) to double IMF financial resources in order for the IMF to extend necessary assistance to emerging countries. Moreover Japan is prepared to lend USD100 billion to the IMF as an interim measure before the capital increase in the IMF takes place.

Moreover Japan is contributing to financial stability in East Asia through the Chang Mai initiative and a network of bilateral swap arrangements among ASEAN+3 (Japan, China, Korea).

Domestically, the government spends 2 trillion Yen in measures to help people's daily lives. The government package also aims to help small and medium-sized companies by tax reductions, measures against cash-flow difficulties, emergency credit guarantees... Mr Narita stressed the EU has also taken such measures in favour of small and medium-sized companies.

Mr Simon Craig Gray, Deputy Director of the European Office of the EU-Japan Centre then presented the EU-Japan Centre. The Centre is a venture between the European Commission and the Japanese government. The Centre was created in 1985 on the initiative of Vicomte Davignon and the first office was opened in Tokyo in 1987. The program of activities is defined jointly and issues currently addressed include energy, environment and climate change (at the beginning of November, a seminar was organized about carbon capture and storage).

The Chair asked Mr Narita whether the economic stimulus package has already had effects on the economy. He also asked Mr Narita to explain the differences between the two successive economic packages launched by Japan to tackle the crisis.

Mr Narita stressed that the second package is still a project. This package will focus on employment. Its elaboration is currently in progress, so not all propositions contained in the package are known yet.

As for the first package's effects, most of them may not be perceived until next spring. The results will depend on many issues: one of them is how the households use the money saved from tax reductions: will they save it or spend it? Nobody can say how they will react.

Mr Jarzembowski thanked Mr Narita for his presentation and expressed great interest in Japanese actions to tackle the financial crisis. He also stressed the important role of non-market activities in Japan and wished Japan could be a model for Europe on this point.

Mr Narita answered that the importance of non-market activities was above all linked to population ageing in Japan, and the subsequent need for services.

The Chair asked about the situation in the industrial field, he reminded that Toyota has reduced its production for the first time (it's also the case in the European automobile sector).

Mr Narita stressed that difficulties have affected the automobile sector all over the world, and many companies had to reduce their production but the Japanese companies' situation is not as bad as they have reduced their debt level.

Mr Virrankoski expressed his worries about the way Japan chose to strengthen the bank system: isn't there any risk that funds injected by the government be used by the banks for speculation or the payment of shareholders' dividends?

Mr Narita stressed that such a risk doesn't really exist as governmental funds are aimed at small-sized and local banks. Moreover banks which benefit from the law project will sign a contract with the government. The government will therefore keep control on how the funds are used.

The Chair asked a question about Japan's view of acts of piracy off Somalia and its effects on Japanese oil imports.

Mr Machida (from Japan's embassy) explained that although the volume of oil imported to Japan transiting by this region is not so important, the Japanese government is very concerned because hijackers seem to be very well organized. Japan wants to protect Japanese nationals. Such a situation has already occurred in other straits and measures had been taken in order to improve communication between States and straits surveillance (early alert...) but taking such measures in the present case raises a number of constitutional aspects linked to the use of "self-defense forces" outside of Japan, and for what can be considered as police and not military action.

6. Any other business

None.

7. Date and place of next meeting

Members will be informed of the date of next meeting via e-mail.

The meeting closed at 15.52.

**ПРИСЪСТВЕН ЛИСТ/LISTA DE ASISTENCIA/PREZENČNÍ LISTINA/DELTAGERLISTE/
 ANWESENHEITSLISTE/KOHALOLIJATE NIMEKIRI/KATASTAΣH ΠΑΡΟΝΤΩΝ/RECORD OF ATTENDANCE/
 LISTE DE PRÉSENCE/ELENCO DI PRESENZA/APMEKLĒJUMU REĢISTRS/DALYVIŲ SARAŠAS/JELENLÉTI IV/
 REĢISTRU TA' ATTENDENZA/PRESENTIELIJST/LISTA OBECNOŚCI/LISTA DE PRESENÇAS/LISTÁ DE PREZENTĀ/
 PREZENČNÁ LISTINA/SEZNAM NAVZOČIH/LÄSNÄOLOLISTA/DELTAGARLISTA**

Бюро/Меса/Председниство/Formandskabet/Vorstand/Juhatus/Проефрео/Bureau/Ufficio di presidenza/Prezidijs/Biuras/Elnökség/ Prezydium/Birou/Predsedničtv/Predsedstvo/Puheenjohtajisto/Presidet (*)
Georg Jarzemowski (P), Karin Resetarits (VP)
Членове/Diputados/Poslanci/Medlemmer/Mitglieder/Parlamendiliikmed/Μέλη/Members/Députés/Deputati/Deputāti/Nariai/Képviselők/ Membri/Leden/Posłowie/Deputados/Deputati/Jäsenet/Ledamöter
Martí Grau i Segú, Sylvia-Yvonne Kaufmann, Janusz Lewandowski, Florencio Luque Aguilar, Kyösti Virrankoski
Заместници/Suplentes/Náhradníci/Stedforträdere/Stellvertreter/Asendusliikmed/Αναπληρωτές/Substitutes/Suppléants/Supplenti/ Aizstājēji/Pavaduojantys nariai/Póttagok/Sostituti/Plaatsvervangers/Zastępcy/Membros suplentes/Supleanți/Náhradníci/Namestniki/ Varajäsenet/Suppleanter
Vladko Todorov Panayotov

178 (2)	
183 (3)	
46 (6) (Точка от дневния ред/Punto del orden del día/Bod pořadu jednání (OJ)/Punkt på dagsordenen/Tagesordnungspunkt/Päevakorra punkt/Ημερήσια Διάταξη Σημείο/Agenda item/Point OJ/Punto all'ordine del giorno/Darba kārtības punkts/Darbotvarkēs punktas/ Napirendi pont/Punt Agénda/Agendapunt/Punkt porządku dziennego/Ponto OD/Punct de pe ordinea de zi/Bod programu schôdze/ Točka UL/Esityslistan kohta/Föredragningslista punkt)	

Наблюдатели/Observadores/Pozorovatelé/Observatører/Beobachter/Vaatlejad/Παρατηρητές/Observers/Observateurs/Osservatori/ Novērotāji/Stebētojai/Megfigyelők/Osservaturi/Waarnehmers/Obserwatorzy/Observadores/Observatori/Pozorovatelia/Opazovalci/ Tarkailijat/Observatörer

По покана на председателя/Por invitación del presidente/Na pozvání předsedy/Efter indbydelse fra formanden/Auf Einladung des Vorsitzenden/Esimene kutsel/Mε πρόσκληση του Προέδρου/At the invitation of the Chair(wo)man/Sur l'invitation du président/Su invito del presidente/Pēc priekšsēdētāja uzaicinājuma/Pirmminukui pakvietus/Az elnök meghívására/Fuq stedina tač-'Chairman'/Op uitnodiging van de voorzitter/Na zaproszenie Przewodniczącego/A convite do Presidente/La invitación al presidente/Na pozvanie predsedu/Na povabilo predsednika/Puheenjohtajan kutsusta/På ordförandens inbjudan

Съвет/Consejo/Rada/Rådet/Rat/Nōukogu/Συμβούλιο/Council/Conseil/Consiglio/Padome/Taryba/Tanács/Kunsill/Raad/Conselho/Consiliu/Svet/Neuvosto/Rådet (*)

Комисия/Comisión/Komise/Komissionen/Kommission/Euroopa Komisjon/Επιτροπή/Commission/Commissione/Komisija/Bizottság/Kummissjoni/Commissie/Komisja/Comissão/Comisie/Komisia/Komissio/Kommissionen (*)

Dashwood, Tommel

Други институции/Otras instituciones/Ostatní orgány a instituce/Andre institutioner/Andere Organe/Muud institutsioonid/Άλλα θεσμικά όργανα/Other institutions/Autres institutions/Altre istituzioni/Citas iestādes/Kitos institucijos/Más intézmények/Istituzzjonijiet ohra/Andere instellingen/Inne instytucje/Outras Instituições/Alte instituīji/Iné inštitúcie/Druge institucije/Muut toimielimet/Andra institutioner/organ

Други участници/Otros participantes/Ostatní účastníci/Endvidere deltog/Andere Teilnehmer/Muud osalejad/Επίσης Παρόντες/Other participants/Autres participants/Altri partecipanti/Citi klātesošie/Kiti dalyviai/Más résztvevők/Partecipanti ohra/Andere aanwezigen/Inni uczestnicy/Outros participantes/Alți participanți/Iní účastníci/Drugi udeleženci/Muut osallistujat/Övriga deltagare

Leanda, Barrington-Leach, Miya Shimotomai, Tatsuya Machida, Koji Narita (Japanese mission), Simon Craig Gray (EU-Japan Centre for Industrial Cooperation)

Секретариат на политическите групи/Secretaría de los Grupos políticos/Sekretariát politických skupin/Gruppernes sekretariat/Sekretariat der Fraktionen/Fraktsioonide sekreriaat/Γραμματεία των Πολιτικών Ομάδων/Secretariats of political groups/Secrétaire des groupes politiques/Segreteria gruppi politici/Politisko grupu sekretariáts/Frakciju sekretoriai/Képviselőcsoportok titkársága/Segretariat gruppi politici/Fractiese secretariaten/Sekretariat Grup Politycznych/Secr. dos grupos políticos/Secretariate grupuri politice/Sekretariát politických skupín/Sekretariat političnih skupin/Poliittisten ryhmien sihteeristöt/Gruppernas sekretariat

PPE-DE	
PSE	
ALDE	
Verts/ALE	
GUE/NGL	
IND/DEM	
UEN	
NI	

Кабинет на председателя/Gabinete del Presidente/Kancelár pôrsedsy/Formandens Kabinet/Kabinett des Präsidenten/Presidendi kantselei/Γραφείο Προέδρου/President's Office/Cabinet du Président/Gabinetto del Presidente/Priekšsēdētāja kabinets/Pirmininko kabinetas/Elnöki hivatal/Kabinet tal-President/Kabinet van de Voorzitter/Gabinet Przewodniczącego/Gabinete do Presidente/Cabinet Președinte/Kancelária predsedu/Urad predsednika/Puhemiehen kabinetti/Talmannens kansli	
Кабинет на генералния секретар/Gabinete del Secretario General/Kancelár generálneho tajomníka/Generalsekretærens Kabinet/Kabinett des Generalsekretärs/Peasekretári býro/Γραφείο Γενικού Γραμματέα/Secretary-General's Office/Cabinet du Secrétaire général/Gabinetto del Segretario generale/Generalsekretára kabinets/Generalinio sekretoriaus kabinetas/Főtitkári hivatal/Kabinet tas-Segretarju Ģenerali/Kabinet van de secretaris-generaal/Gabinet Sekretarza Generalnego/Gabinete do Secretário-Geral/Cabinet Secretar General/Kancelária generálneho tajomníka/Urad generalného sekretarja/Pääsihteerin kabinetti/Generalsekreterarens kansli	
Генерална дирекция/Dirección General/Generální ředitelství/Generaldirektorat/Generaldirektion/Peadirektoraat/Γενική Διεύθυνση/Directorate-General/Direction générale/Direzione generale/Generaldirektoräts/Generalinis direktoratas/Főigazgatóság/Direttorat Generali/Directorate-general/Dyrekcja Generalna/Direcção-Geral/Direcții Generale/Generalne riaditelstvo/Generalni direktorat/Pääsasto/Generaldirektorat	
DG PRES DG IPOL DG EXPO DG COMM DG PERS DG INLO DG TRAD DG INTE DG FINS DG ITEC	Stefan Schulz
Правна служба/Servicio Jurídico/Právni služba/Juridisk Tjeneste/Juristischer Dienst/Öigusteenistus/Νομική Υπηρεσία/Legal Service/Service juridique/Servizio giuridico/Juridiskais dienests/Teisės tarnyba/Jogi szolgálat/Servizz legali/Juridische Dienst/Wydział prawny/Serviço Jurídico/Serviciu Juridic/Právny servis/Pravna služba/Oikeudellinen yksikkö/Rättsjänsten	
Секретариат на комисията/Secretaría de la comisión/Sekretariát výboru/Udvalgssekretariatet/Ausschussekretariat/Komisjoni sekretariaat/Γραμματεία επιτροπής/Committee secretariat/Secrétaireat de la commission/Segreteria della commissione/Komitejas sekretariāts/Komíteto sekretoriatas/A bizottság titkársága/Segretariat tal-kumitat/Commissiesecretariaat/Sekretariat komisi/Secretariado da comissão/Secretariat comisie/Sekretariat odbora/Valiokunnan sihteeristö/Utskottsekretariatet	
Thierry Jacob	
Сътрудник/Asistente/Asistent/Assistent/Assistenz/Boŋθóć/Assistant/Assistente/Palīgs/Padējējas/Asszisztens/Asystent/Pomočník/Avustaja/Assistenter	
Kathleen Huygen	

- * (P) = Председател/Presidente/Předseda/Formand/Vorsitzender/Esimees/Πρόεδρος/Chair(wo)man/Président/Priekšsēdētājs/Pirmininkas/Elnök/Chairman'/Voorzitter/Przewodniczący/Președinte/Prededa/Puheenjohtaja/Ordförande
 (VP) = Заместник-председател/Vicepresidente/Místopředseda/Næstformand/Stellvertretender Vorsitzender/Aseesimees/Avtutróedrosz/Vice-Chair(wo)man/Vice-Präsident/Priekšsēdētāja vietnieks/Pirmininko pavaduotojas/Alelnök/Viči 'Chairman'/Ondervoorzitter/Wiceprzewodniczący/Vice-Präsident/Vicepreședinte/Podpredseda/Podpredsednik/Varapuheenjohtaja/Vice ordförande
 (M) = Член/Miembro/Člen/Medlem/Mitglied/Parlamendiilige/Méloğ/Member/Membre/Membro/Deputāts/Narys/Képviselő/Membri/Lid/Członek/Membro/Člen/Poslanec/Jäsen/Ledamot
 (F) = Должностно лице/Funcionario/Úředník/Tjenestemand/Beamter/Ametnik/Υπάλληλος/Official/Fonctionnaire/Funzionario/Ierēdnis/Pareigūnas/Tisztviselő/Ufficjal/Ambtenaar/Urzédnik/Funcionário/Funcionar/Úradník/Uradnik/Virkamies/Tjänstemän