

Interventions made by Mr. Naoto KAN, Prime Minister of Japan at the Session I of the ASEM8 Summit

(Introduction)

I am Naoto Kan, the Prime Minister of Japan, who assumed office in June. I am very pleased to attend this important Summit Meeting of 46 countries and 2 organizations for the first time. I would also like to express my sincere gratitude for the efforts of the host country Belgium and Mr. Van Rompuy, President of the European Council.

(The current global economy and Japan's efforts)

The recovery of the world economy after the financial crisis has so far been better than expected but there are concerns remaining regarding high unemployment rates and problems with countries' financial systems. The level of growth is not uniform among the various countries and autonomous growth is sought after. In Europe, the credibility of economic management in the eurozone was undermined at one time due to the region's fiscal problems. However, thanks to policy efforts by European countries and the concerted actions of the international community, including Japan, with the IMF at the core, the crisis has been becoming under control.

Whereas this year's growth rate of the global economy is expected to stand between four and five percent, Asia's growth rate by contrast is expected to be double that level, at between nine and ten percent. As seen in such a trend, Asia, with the emerging economies at the center, has been leading the growth of the world economy as the "growth center."

While circumstances remain difficult, the Japanese economy is improving. To lead it to full recovery, we are working to realize in an integrated manner both the restoration of fiscal health based on our "Fiscal Management Strategy" and the implementation of the "New Growth Strategy" to revitalize a "Radiant Japan". With halting deflation as our highest priority for the time being, Japan is pursuing strong policies and we have recently been taking concrete measures towards growth that creates jobs.

(Towards growth in the ASEM economies)

With the leaders of Asia and Europe assembled together, this ASEM Summit is a golden opportunity to confirm strong cooperation and a spirit of harmony among the Asian and European countries towards achieving balanced growth in the world economy. Since the GDP of ASEM countries combined together accounts for more than fifty percent of world GDP, we bear responsibility for the global economy. It is important to boldly promote mutual cooperation and collaboration in the economic field, including the expansion of trade and investment. As one of the means towards that end, I believe that FTA/EPAs will be useful. At the same time, it is imperative for us to demonstrate our clear determination to observe and strengthen

international rules and commitments, including the early conclusion of the WTO Doha Development Round negotiations, so as to deter protectionism and to promote free trade.

Since Japan was the first country in Asia to realize substantial economic growth, we have been cooperating with Europe and the United States to lead the world economy. Being a member of Asia, Japan has also been strengthening its economic ties with the other Asian nations. Under the current situation, in which Europe has entered an era of slow growth while Asia is experiencing rapid growth, Japan as a country situated between Asia and Europe will make the most of its experience so that Asia and Europe can establish a new economic relationship.

(APEC)

Japan is the chair of this year's APEC. At the Leaders' meeting in Yokohama in November, I myself as the chair intend to exert Japan's leadership in sharing with the other participants our vision of the Asia Pacific region in the future and in bringing about concrete outcomes for regional economic integration and a regional growth strategy. In particular, the growth strategy that APEC will be issuing for the first time will further reinforce the efforts of the Asia Pacific region, which is the global growth engine leading the world economy. I am also confident that it will serve as a cornerstone for the growth of the European and global economies.

With deepening mutual interdependence between Asia and Europe, it is important that each of us abide by the common rules of the international community in such areas as commerce in resources and trade in order to realize economic growth together. Moreover, it is worth emphasizing that it is essential for countries and regions to take responsible actions and build solid trust among themselves, thereby establishing a foundation for peace and security. Towards that end, Japan intends to take on a leadership role.

(COP10)

From the eleventh of this month, COP 10 on the Convention on Biological Diversity will be convened in Nagoya, Aichi. I would like to seek your cooperation in leading this important conference to a successful conclusion, and in taking on the responsibilities that we bear for future generations.

(Global issues)

We in Asia and Europe need to exert our efforts together to cope with issues such as climate change, energy, nuclear disarmament and non-proliferation, assistance to Afghanistan and Pakistan, and the nuclear issue involving Iran. Japan will also play an active role to this end.

(North Korea)

North Korea's nuclear and missile development programs pose a real threat to Japan, which is located in its vicinity. They also threaten the international nuclear non-proliferation regime.

In order to resolve these issues through the Six Party Talks, North Korea should show its will to seriously implement its own commitments towards denuclearization and other measures by taking substantive actions. Meanwhile, the entire international community will need to steadily implement the sanction measures in accordance with the relevant UN Security Council Resolutions and other related agreements. I wish to cooperate closely with the countries present here today towards the resolution of the nuclear, missile and abduction issues. In this regard, I strongly appeal for the understanding and support of the leaders of each country.

(Conclusion)

Last but not least, Japan will actively contribute to the activities of ASEM in areas such as youth and student- activities, and exchanges in education and culture, through convening seminars, cooperating with the Asia-Europe Foundation and other means. Under this unique framework, whereby countries with a diverse range of values and economic circumstances gather together, Japan, by serving as a bridge between Asia and Europe, will further enhance collaboration among all of us so as to develop a cooperative relationship between the two regions and to contribute to global peace and stability.