

The 17th Asia Corporate Conference
“Coming Together, Moving Ahead: Asian Economies Leading through
Integration and Innovation”
(Asia Society; May16-18, 2007)

Remarks by Prime Minister Shinzo Abe at the Opening Dinner (Provisional Translation)

May 16, 2007

Madame Vishaka Desai, President of Asia Society,
Distinguished guests,
Ladies and Gentlemen,

I am truly greatly honored to address you here at the 18-year-old “Asia Corporate Conference’s” Opening Dinner.

The main subject of this year’s conference — “Integration and Innovation” — is the best topic for us to discuss today here in Japan, which is pursuing a number of strategies to make a further leap towards a brighter future.

Japan has promoted its structural reform with strong determination to recover from the prolonged economic stagnation that prevailed in the 1990s. As a result, Japan has settled non-performing loan problems, is emerging from deflation, revitalizing its economy, and restoring our growth rate. Now it is the time for us to elevate our economy to a new stage of growth in the mid- and long- terms.

My cabinet has been implementing wide-ranging initiatives toward this goal.

To this end, I particularly emphasize two concepts: “openness” and “innovation.”

Openness means adopting and adapting energies from the rest of the world, particularly rapidly-growing Asia. Innovation is the prerequisite for Japan to sustain its vigorous growth even given the decline of our population, by generating new technologies, products, and services, as well as social systems and integrated human lifestyles.

We all need to cooperate to achieve an “Open and Innovative Asia,” where we can build on and open and future-oriented partnership to expand mutual benefits. I believe that this is perhaps the biggest task we face in the 21st century.

To attain this bright future for Asia, we have to recognize the significance of several major partners in Asia-Pacific, namely, rising China and India, as well as the United States, which wholeheartedly supports the growth of the Asian economy.

China has more than trebled its trade volume within only five years since participating in the WTO. Its GDP is now fourth in the world. It will be greatly beneficial to China itself and to all Asia that, in the coming years, China overcomes a series of challenges such as strengthening its governance, including transparency, narrowing intra-national development gaps, energy security, and environmental degradation, through constructive use of its huge potential.

India may now be called the service center of the world, and has been achieving remarkable growth centering on its service sector or other high added-value industries, including the IT sector, bolstered by its excellent human resources. As the democracy with the world's largest population, it has great importance for regional prosperity that India grows further up, becoming an economic power with a better balance between service and manufacturing sectors, based on a more sophisticated economic infrastructure.

Also, the U.S. economy accounts for fully half of the total Asia-Pacific GDP. Its brisk consumption is pulling Asian economy from the demand-side. Its investment money is fueling the growing Asian capital demand. Innovative basic research and applied technologies created in Massachusetts and Silicon Valley provide effective standards of IT commodities produced and marketed in Asia. The U.S. is also taking a strong leadership for enhancing transparency and predictability of regional economy at the WTO and APEC.

Among these worthy competitors, what constructive role will the revived Japanese economy play in 21st century's Asian economy? This is a momentous question I must address as Japan's leader.

To answer to this question, my Cabinet is promoting the "Asia Gateway" initiative to fully use the growth energy of Asia. Just this afternoon, under my own authorization, our government finalized and published a package of policies and measures for materializing this initiative, in the fields of exchange of people, logistics, industries, finances, culture and information. The bases of all these actions are the following three images of Japan to be presented in Asia.

- First, an "open and attractive Japan," where Asian people want to visit, study, work, and live;
- Second, "Japan as Asia's role-model" for maintaining and reinforcing an open economic system in Asia, with a view to achieving sustainable regional growth;
- Third, a "responsible Japan" to make Asia a region where people live together based upon profound mutual understanding and trust, and tolerance toward diversity, as well as sharing freedom, democracy and other universal values.

As a democratic Asian power, Japan has been playing a leading role in Asian countries' development. Through enhancing this role, we will continue to be a cornerstone of Asia's sustainable growth. This is Japan's "country identity" to be conveyed to Asia.

I will conclude my remarks with my sincere hope that all the eminent people participating in this conference from Asia and around the world will have meaningful and fruitful discussions on the future of Asian economy, and how the revived Japanese economy can contribute to Asia's growth.

Thank you very much.
