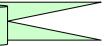


Asian Gateway Initiative



What is at stake

- The 21st century is the century of Asia. Japan's relation with Asia has deepened. Japan became more integrated into Asia.
- Japan is facing declining population. It needs to expeditiously open its country so as to incorporate the vibrant growth from overseas, particularly from Asia.
- Strengthening economic ties as well as promoting human, intellectual, and cultural exchange have political and diplomatic significance

Objectives of this Initiative

1. To incorporate Asia's growing and vibrant economy into Japan and to achieve new "creativity and growth."

- 2. To play a responsible role in the development of Asia and its regional order
- 3. To create a "beautiful country" which is attractive, trustworthy and respected.

Three Basic Philosophies

1. Towards an Open Japan

To make Japan a country where people from Asia and the rest of the world want to visit, study, work and live.

- 2. Working towards an Open Asia To maintain and further deepen an open regional order with an emphasis on the economy
- 3. Respect for a Diverse Asia To establish relations of mutual understanding and trust while respecting the region's diversity

Seven Priority Areas

1. "Big Bang" in travel and transportation

User-friendly reforms of aviation, seaports and logistics.

2. Strategy for human resource development

Strengthen capacity building of internationally competitive people at home, and provide training for people from overseas.

3. Strengthen financial and capital markets in Japan and Asia

Make Japan an international financial center and foster Asian financial and capital markets.

<u>4. Enhance the competitiveness of "inward-looking"</u> <u>industries</u>

Forward-looking reform of domestic market-oriented industries, such as agriculture and services, in response to globalization.

5. Promote every region of Japan, incorporating the vitality of Asia

Create attractive and robust regions through public-private partnership and connect each region directly to Asia.

6. Enhance and Publicize Japan's attractiveness

Build a "beautiful country" filled with creative talent and publicize it across the world.

7. Assist in the creation of a common platform for development in Asia

Contribute to the development of an "Open Asia" which is the key to sustaining global economic growth.

Ten Major Policy Priorities

<u>1. Change in aviation policy to achieve "Asian Open</u> Skies"

- Promote aviation liberalization in order to remove restriction on carriers, entry points, and the number of both passenger and cargo flights.
- With regard to Kansai and Central Japan International Airports, accelerate such liberalization with Asian countries so as to allow increase of routes and flights.
- •Accelerate liberalization of local airports, and allow carriers to change their flights on notification basis (not subject to permission)
- Further internationalize Tokyo's Haneda Airport, even before the completion of ongoing re-expansion projects by utilizing late-night/early-morning time zone as well as introducing more charter flights.
- After the expansion of Haneda Airport, introduce international flights based not only on the conventional criteria of distance, but also considering the demand as well as the significance of the route.

2. Implement a program for streamlining trade measures

• Having introduced for the first time, the joint program for reform between public and private sectors to streamlining trade related measures to be competitive internationally, the reform will be carried out with a specific time table until 2010. The process will be given a high priority for the Cabinet, and the program will be reviewed every year.

3. Restructure policy for foreign students for Japan to serve as a hub for human resource network in Asia

• Maintain a certain share of international students worldwide (about five percent), and promote academic-industry collaboration to welcome international students. Also, strengthen overseas institutions to support potential students to come to Japan.

4. Further open up universities to the world

• Target educational funds and improve evaluation of universities to become more international

5. Create a financial and capital market highly attractive to Asian customers

• Introducing ten reform measures including; utilization of Japanese Depository Receipt (JDR); promotion of information disclosure in English; establishing a market for professionals, and Improve financial regulation and administration system and their transparency

6. Transform agriculture into a successful

growth industry during the time of globalization

• Invigorate agriculture based on entrepreneurship. Take measures such as (1) Encourage entrepreneurial farmers to expand their businesses, (2) Reform the agrarian policy, (3) Invigorate hilly and mountainous areas, (4) Create an environment to facilitate the globalization of the agriculture and food industry through EPA negotiations

7. Create an "Asian Gateway Special Zone"

• Utilize the system of structural reform special zone so as to enable each region to promote their attractiveness to the outside world to invigorate its economy

8. Implement concrete policies in line with a comprehensive strategy for "creative industries"

• Having devised a strategy to promote an environment that fosters Japan's creative industries, it became possible to make government-wide efforts to increase the international competitiveness of Japanese culture and Japan's capacity to publicize its culture.

9. Promote Japan's attractiveness overseas

- Create a Prime Ministerial award to honor distinguished Japanese creators as well as foreigners who have contributed to the promote attractiveness of Japan
- •Establish "Japan Creative Center" which offer hands-on experience of Japan's attractiveness to people from different countries so that they can realize the charm of today's Japan

10. Strengthen Japan's central role in promoting regional study and cooperation for solving common problems

• Take the initiative in holding international forums for cooperation in areas such as the environment and energy, as well as establishing a research network