Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Japan is attached.
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1 TRADE AND ECONOMIC ENVIRONMENT

1.1 Japan's Economic Environment

1.1. The Japanese economy has continued to recover moderately since November 2012, on the back of improvements in the employment and income environments. Nominal GDP, real GDP and the GDP deflator in FY2015 grew simultaneously from the previous year for the first time in 18 years. The current administration's economic policies, "Abenomics," are still at about the halfway point, but progress has been made in reviving economic activities and overcoming deflation as a whole. However, the domestic economy lacks momentum in private consumption and business fixed investment in spite of improving corporate profits, employment and income. Major risks are still attached to the uncertainty over the global economy including emerging economies.

1.2 Trends in Foreign Trade

1.2. In 2015, the value of exports from Japan increased to ¥75.6 trillion and that of imports to Japan decreased to ¥78.4 trillion. As a result, the trade deficit shrunk to ¥2.8 trillion. This shrinkage resulted in a deficit trade balance for the first time since 2011. On the other hand, both the volume of exports from Japan and that of imports to Japan showed negative growth compared to the previous year, exports decreased by 1% and imports decreased by 2.8%.

1.3. The total value of exports from Japan in 2015 amounted to ¥75.6 trillion (an increase of 3.4% from 2014).

- Regional trends in the total value of exports in 2015 (compared to 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>down by 1.2%</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>up by 5.7%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>down by 2.4%</td>
</tr>
<tr>
<td>ASEAN</td>
<td>up by 3.7%</td>
</tr>
<tr>
<td>United States of America</td>
<td>up by 11.5%</td>
</tr>
<tr>
<td>European Union (EU)</td>
<td>up by 5.3%</td>
</tr>
</tbody>
</table>

1.4. The total value of imports to Japan in 2015 amounted to ¥78.4 trillion (a decrease of 8.7% from 2014).

- Regional trends in the total value of imports in 2015 (compared to 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>up by 1.3%</td>
</tr>
<tr>
<td>ASEAN</td>
<td>down by 3.3%</td>
</tr>
<tr>
<td>Australia</td>
<td>down by 17.3%</td>
</tr>
<tr>
<td>United States of America</td>
<td>up by 6.9%</td>
</tr>
<tr>
<td>European Union (EU)</td>
<td>up by 5.6%</td>
</tr>
<tr>
<td>Middle East</td>
<td>down by 39.5%</td>
</tr>
</tbody>
</table>

1.3 Trends in Foreign Direct Investment

1.5. The amount of Outward FDI stocks increased from ¥119.3 trillion (24.9% of GDP) in 2013 to ¥151.6 trillion (30.4% of GDP) in 2015. The amount of Inward FDI stocks increased from ¥19.6 trillion (4.1% of GDP) in 2013 to ¥24.4 trillion (4.9% of GDP) in 2015.

2015 Outward FDI

1.6. According to a Ministry of Finance report, Japan's outflow of FDI (Outward FDI) increased to ¥15,828.7 billion in 2015, which represents an increase of 9.4% from 2014 (an increase of ¥1,357.8 billion). The major characteristics of Japan's Outward FDI in 2015 were as follows:

- By Industry: In 2015, Outward FDI in manufacturing industries decreased to ¥5,756.2 billion (i.e. by -15.6%). The petroleum and food sectors decreased sharply. On the other hand, Outward FDI in non-manufacturing industries increased to
¥9,816.5 billion (i.e. by 43.3%). The sectors such as transportation, real estate, finance and insurance increased sharply.

- By Region: In 2015, Outward FDI to North America increased by 4.6% to ¥5,559.9 billion. On the other hand, Outward FDI to Asia decreased by -14.9% to ¥3,905.7 billion, to Europe by 43.2% to ¥4,195.1 billion, and to Central & South America by 33.8% to ¥935.8 billion.

2015 Inward FDI

1.7. The FDI flow to Japan (Inward FDI) decreased from ¥1,924.3 billion in 2014 to minus ¥16.4 billion in 2015. The major characteristics of inward FDI flow to Japan in 2015 were as follows:

- By Industry: In 2015, Inward FDI in the manufacturing industries decreased to minus ¥289.4 billion. The sector of chemicals and pharmaceuticals, transportation equipment decreased. And Inward FDI in the non-manufacturing industries decreased to ¥17.0 billion. The sectors of real estate, wholesale and retail decreased.

- By Region: In 2015, the Inward FDI from all regions decreased.

2 TRADE AND INVESTMENT POLICY

2.1 Overview

2.1. Since the twelfth meeting of the Trade Policy Review on Japan in 2015, Japan has been committed to trade liberalization under the multilateral trading system centered on the WTO. Japan is determined to be fully engaged in this non-discriminatory, open and rule-based regime.

2.2. While committed to the multilateral trade negotiations, Japan is also pursuing the conclusion of Economic Partnership Agreements (EPAs), both bilateral and regional, and plurilateral trade agreements. The negotiations of EPAs and plurilateral agreements will enhance the transparency of the respective member country's economic policy and reinforce the competitiveness of its industries, which will bring about positive impacts on the multilateral trade negotiations. Japan also has in mind that we should assess the possibility of reflecting the outcomes of the bilateral and plurilateral initiatives in the multilateral trading system.

2.3. Japan is currently a party to sixteen EPAs. Through the "Japan Revitalization Strategy" issued by the Government in June 2013, Japan is committed to increasing the FTA coverage ratio to 70% by 2018 from the current figure of 39.5%. Regional trade agreements and multilateral trading system under the WTO should complement one another and Japan believes that these regional agreements will serve as building blocks to achieve higher trade liberalization at the multilateral level.

2.4. Regarding plurilateral negotiations in relation to the WTO, Japan has actively participated in plurilateral negotiations such as the Trade in Services Agreement (TiSA) and the Environmental Goods Agreement (EGA). As for TiSA, the leaders of the G7 declared at the G7 Ise-Shima Summit that they look forward to concluding negotiations on an ambitious, balanced and mutually beneficial agreement by the end of 2016. As for EGA, in the Leader's Communique of the G20 Hangzhou Summit 2016, the EGA members welcomed the landing zone achieved in the WTO EGA negotiations, and reaffirmed their aim to redouble efforts to bridge remaining gaps and conclude an ambitious, future-oriented EGA that seeks to eliminate tariffs on a broad range of environmental goods by the end of 2016. These negotiations will achieve significant progress towards multilateral trade liberalization.

2.5. With the rise of protectionism around the world, Japan welcomes the political commitments made at international fora such as G7, G20 and APEC on the standstill and rollback of protectionist measures. In this context, Japan fully supports the WTO's peer review system of Trade Policy Review and Trade Monitoring, which aim at curbing protectionist measures.
2.6. As holder of the G7 Presidency in 2016, Japan hosted the G7 Ise-Shima Summit and led the discussion on trade issues that took place there. The G7 leaders reconfirmed the importance of free trade and their commitment to fight against protectionism. They also confirmed their intent to strengthen the multilateral trading system centred on the WTO and actively promote plurilateral negotiations within the WTO specific areas.

2.2 WTO

2.7. Strengthening and maintaining the multilateral trading system, which forms the basis of global trade, is a pillar of Japan’s trade policy. Since the last review, Japan has always fully engaged in bringing about progress in the multilateral trading system under the WTO. While respecting the principles of transparency and inclusiveness, Japan is setting out to offer new ideas and approaches to advance the trade negotiations under the WTO. In the lead up to the successful conclusion of the 10th Ministerial Conference (MC10) in Nairobi in 2015, Japan has made significant contributions to narrowing the gaps among member countries and reaching consensus. Considering the future WTO negotiation function, including whether to continue DDA, was the biggest issue at hand before the conference. However, no concrete decision has been made on this issue due to confrontation among members. Japan assumes that each of the eight areas covered by DDA, including development, remain important. However Japan also believes that it is necessary to explore new approaches including "up-to-date" issues, in order to revitalize and reinforce the WTO’s negotiation function.

2.2.1 Rule setting

2.8. At MC10, over fifty members concluded the ITA expansion negotiations led by Japan as the chair. Eliminating tariffs on 201 items valued at over US$1.3 trillion per year by 53 members who account for approximately 90% of world trade in the products proposed for inclusion in the product expansion is expected to bring benefits to all WTO members. The new accord covers new generation semi-conductors, semi-conductor manufacturing equipment, optical lenses, GPS navigation equipment, and medical equipment such as magnetic resonance imaging products and ultra-sonic scanning apparatus. The agreement also contains a commitment to tackle non-tariff barriers in the IT sector, and to keep the list of products covered under review to determine whether further expansion may be needed to reflect future technological developments.

2.9. Japan's dedication to making new rules and practices through the ongoing negotiations on TiSA and EGA will contribute to establishing a more solid and conducive basis for enhancing business and trade on a worldwide scale.

2.10. In April 2014, the revision of the Government Procurement Agreement (GPA) came into force for Japan. With its revision, Japan has expanded its coverage in terms of the threshold of the central governmental entities, entities of sub-central level, as well as covered services.

2.2.2 Dispute settlement

2.11. Observing the compliance with the WTO rules through Dispute Settlement is one of the most important and critical roles played by the WTO to maintain an open and fair multilateral trading system. Japan has actively engaged in the WTO dispute settlement mechanism to resolve disputes as both a party and a third party to a dispute. Japan continues to seek improvements and clarifications of the Dispute Settlement Understanding (DSU) which will serve members' shared interests by enhancing compliance with trade rules and ensuring the integrity and credibility of the rule-based trade system.

2.2.3 Development

2.12. Development was one of the big components agreed among the WTO members in the decisions taken at the Nairobi Ministerial Conference in December 2015. Among those decisions, those that have relevance for development include 1) Special Safeguard Mechanism for Developing Country Members, 2) Public Stockholding for Food Security Purposes, 3) Export Competition, 4) Cotton, 5) Preferential Rules of Origin for Least-Developed Countries and 6) implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade. Through its active participation in the
Conference, Japan has played an important role in leading the outcome of these decisions and has been meticulously monitoring whether those decisions are in effect and in action even after the Conference.

2.13. Japan has been actively continuing its participation in the discussions related to various items of the development agenda such as Aid for Trade, recognizing that integrating developing and least-developed countries in the multilateral trading system is one of the essential roles of the WTO. In particular, Japan has actively supported LDC accessions through technical assistance to accession applicants to build their trade capacity.

2.3 FTA/EPAs

2.14. Maintaining and strengthening the multilateral trading system under the WTO has been a main pillar of Japan's external economic policy. At the same time, Japan has also promoted its regional and bilateral trade policies as a means of complementing the multilateral trading system, particularly through Economic Partnership Agreements that include elements of Free Trade Agreements and institution-building.

2.15. The data concerning the Economic Partnership Agreements is summarized in Table 2.1 below (as of December 2014).

<table>
<thead>
<tr>
<th>Country</th>
<th>Date of the entry into force</th>
<th>Additional information</th>
</tr>
</thead>
</table>
| Singapore | 30 November 2002 | - The sixth and seventh Supervisory Committees were held in January and March 2016 respectively.  
- The amended Agreement came into effect in September 2007.  
- The Protocol Amending the Agreement between Japan and the United Mexican States for the Strengthening of the Economic Partnership was signed in September 2011 and entered into force in April 2012.  
- Sub-Committees on Trade in Goods, SPS Measures, Technical Regulations, Standards and Conformity Assessment Procedures, Rules of Origin, Certificate of Origin and Customs Procedures, Cross-Border Trade in Services, Entry and Temporary Stay, Government Procurement, Cooperation in the Field of Trade and Investment Promotion, Cooperation in the Field of Agriculture, Cooperation in the Field of Tourism, and also the Special Sub-Committee on Steel Products and the Committees for the Improvement of the Business Environment have been held to date. |
| Malaysia | 13 July 2006 | - The third Joint Committee was held in February 2013.  
- Sub-Committees on Trade in Services, Improvement of Business Environment, Cooperation, Rules of Origin, Intellectual Property, Sanitary and Phytosanitary, Investment, Trade in Goods, and Technical Regulations, Standards and Conformity Assessment Procedures have been held to date. |
<p>| Chile | 3 September 2007 | - Meetings of the Commission, Committees on Trade in Goods and Improvement of Business Environment and the Working Group on Fish and Fishery Products have been held to date. |</p>
<table>
<thead>
<tr>
<th>Country</th>
<th>Date of the entry into force</th>
<th>Additional information</th>
</tr>
</thead>
</table>
| Thailand (The Agreement between Japan and the Kingdom of Thailand for an Economic Partnership) | 1 November 2007 | - Sub-Committee on Trade in Goods was held in June 2015.  
- Sub-Committee on Agriculture, Forestry and Fisheries was held in June 2016.  
- Sub-committee on enhancement of business environment was held in March 2016.  
- Sub-Committees on Trade in Services, Rules of Origin, Small and Medium Enterprises, Paperless Trading, Enhancement of Business Environment, Customs Procedures, Tourism, Agriculture, Forestry and Fisheries, Trade in Goods, and Movement of Natural Persons have been held to date. |
| Indonesia (The Agreement between Japan and the Republic of Indonesia for an Economic Partnership) | 1 July 2008 | - The fourth Joint Committee was held in December 2015.  
- Sub-Committees on Rules of Origin, Trade in Goods, Trade in Services, Movement of Natural Persons, Cooperation, and Investment have been held to date. |
| Brunei Darussalam (The Agreement between Japan and Brunei Darussalam for an Economic Partnership) | 31 July 2008 | - Sub-Committees on Trade in Services and Cooperation have been held to date. |
| ASEAN (The Agreement on Comprehensive Economic Partnership among Japan and Member States of the Association of Southeast Asian Nations) | 1 December 2008 (Japan, Lao People's Democratic Republic, Myanmar, Singapore, Viet Nam)  
1 January 2009 (Brunei Darussalam)  
1 February 2009 (Malaysia)  
1 June 2009 (Thailand)  
1 December 2009 (Cambodia)  
1 July 2010 (The Philippines) | - The 15th Joint Committee was held in June 2016.  
- Sub-Committees on Rules of Origin, Trade in Services, Investment and Economic Cooperation and Standards, Technical Regulations and Conformity Assessment Procedures have been held to date.  
- The Agreement is a legally independent agreement in relation to the bilateral EPAs between Japan and individual ASEAN Member States and thus the entry into force of the Agreement does not nullify nor integrate those bilateral EPAs. |
| The Philippines (The Agreement between Japan and the Republic of the Philippines) | 11 December 2008 | - The fifth Joint Committee was held in May 2016.  
- Sub-Committees on Trade in Goods, Trade in Services, Rules of Origin, Investment, Movement of Natural Persons, Improvement of Business Environment, Mutual Recognition and Cooperation have been held to date. |
| Switzerland (The Agreement on Free Trade and Economic Partnership between Japan and the Swiss Confederation) | 1 September 2009 | - The third Joint Committee was held in October 2016.  
- Sub-Committee on Rules of Origin, Customs Procedures and Trade Facilitation has been held after December 2014 to date. |
| Viet Nam (The Agreement between Japan and the Socialist Republic of Viet Nam for an Economic Partnership) | 1 October 2009 | - Sub-Committees on Movement of Natural Persons have been held to date. |
| India (Comprehensive Economic Partnership Agreement between Japan and the Republic of India) | 1 August 2011 | - The third Joint Committee was held in July 2016.  
- The sub-committee on Rules of Origin, Customs Procedures, TBT/SPS, Trade Services, and Improvement of Business Environment has been held to date. |
| Peru (The Agreement between Japan and the Republic of Peru for an Economic Partnership) | 1 March 2012 | - Meeting of the Commission and the Sub-Committee on Improvement of the Business Environment have been held to date. |
| Australia (The Agreement between Japan and Australia for an Economic Partnership) | 15 January 2015 | - The first meeting of the Joint Committee was held in Tokyo on 15 January 2015.  
- Sub-Committee on Promotion of a Closer Economic Relationship was held in Tokyo on 8 October 2015. |
| Mongolia (The Agreement between Japan and Mongolia for an Economic Partnership) | 7 June 2016 | - Sub-Committees on Trade in Goods, Trade in Services, Investment and Economic Cooperation and Standards, Technical Regulations and Conformity Assessment Procedures have been held to date. |
| TPP (Trans-Pacific Partnership) | Signed on 4 February 2016. (Japan participated in TPP negotiations in July 2013) | - Ministerial Meeting was held in Atlanta and an agreement in principle was reached on 5 October 2015.  
- Japan submitted the agreement to the Diet for approval on 8 March 2016. |
<table>
<thead>
<tr>
<th>Country</th>
<th>Date of the entry into force</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Republic of Korea</td>
<td>Negotiation suspended (The negotiations commenced in December 2003)</td>
<td>- Six rounds of negotiations were held. - Although no negotiations have been held since the end of the sixth round held in November 2004, four rounds of the working-level consultation were held by December 2009 to consider the resumption of negotiations. Director-general level consultations for the EPA were held in September 2010 and in May 2011. Several rounds of working-level consultations have been held since 2012.</td>
</tr>
<tr>
<td>GCC (Gulf Cooperation Council)</td>
<td>Negotiation postponed (Formal negotiations commenced in September 2006)</td>
<td>- Two rounds of negotiations and four rounds of informal intermediate meetings were held. The latest meeting was held in March 2009.</td>
</tr>
<tr>
<td>Canada</td>
<td>Under negotiation (The negotiations commenced in November 2012)</td>
<td>- Seven rounds of negotiations were held. The latest meeting was held in Tokyo in November 2014.</td>
</tr>
<tr>
<td>Colombia</td>
<td>Under negotiation (The negotiations commenced in December 2012)</td>
<td>Thirteen rounds of negotiations were held. The latest meeting was held in Tokyo in September 2015.</td>
</tr>
<tr>
<td>CJK (China, Japan and Republic of Korea)</td>
<td>Under negotiation (The negotiations commenced in March 2013)</td>
<td>- Ten rounds of negotiations were held. The latest meeting was held in Seoul in June 2016.</td>
</tr>
<tr>
<td>RCEP (Regional Comprehensive Economic Partnership)</td>
<td>Under negotiation (The negotiations commenced in May 2013)</td>
<td>- Fifteen rounds of negotiations were held. The latest meeting was held in China in October 2016.</td>
</tr>
<tr>
<td>EU (European Union)</td>
<td>Under negotiation (The negotiations commenced in April 2013)</td>
<td>- Seventeen rounds of negotiations were held. The latest meeting was held in Brussels in September 2016.</td>
</tr>
<tr>
<td>Turkey</td>
<td>Under negotiation (The negotiations commenced in December 2014)</td>
<td>- Five rounds of negotiations were held. The latest meeting was held in June 2016.</td>
</tr>
</tbody>
</table>

**2.4 Other Regional/Bilateral Arrangements**

**2.4.1 Asia-Pacific Economic Cooperation (APEC)**

2.16. Japan remains committed to APEC's mission of regional economic integration and to the Bogor Goals of free and open trade and investment. In 2010, APEC Leaders set forth the Yokohama Vision, which is a comprehensive, forward-looking framework for achieving growth and prosperity in the Asia-Pacific region in the 21st Century. Japan has continued and will continue to take a leading role in realizing this vision in close cooperation with other member economies.

2.17. At the APEC Economic Leaders' Meeting in Beijing in 2014, APEC economic leaders extended their standstill commitment through the end of 2018 to refrain from introducing new protectionist measures, and reaffirmed commitment (i) to rollback protectionist and trade-distorting measures and (ii) to continue maximum restraint in implementing WTO-consistent measures with a significant protectionist effect.

2.18. APEC's core mission continues to be further regional economic integration and expansion of trade in the Asia-Pacific region. Against rising skepticism over trade and stagnated trade growth, the Leaders and the Ministers of APEC reiterate the commitment to build an open economy in the Asia and Pacific at the Annual Economic Leaders' Meeting and the Annual Ministerial Meeting respectively and APEC has pursued these objectives in 2016 by advancing regional connectivity and addressing next-generation trade and investment issues, including through the Free Trade Area of the Asia Pacific (FTAAP). It also finalized the Collective Strategic Study on Issues Related to the Realization of the FTAAP and adopted the APEC Services Competitiveness Roadmap (ASCR), both of which contribute to further promote free and open trade and investment and accelerate regional economic integration. In this regard, Japan took the lead in the Study on Infrastructure Investment in the APEC Region and Exploration on Strengthening of Maritime Connectivity. Japan also took the initiative to implement the Study on Improving the Investment Climate for GVCs Development, the Study on Enhancement of Integration of Regional Value Chains in Asia and Latin America and Caribbean and Enhance resiliency of GVCs.

**2.4.2 Asia-Europe Meeting (ASEM)**

2.19. Japan believes that the economic dialogue and cooperation between Asia and Europe through ASEM will promote enhanced mutual understanding between the two regions on various
economic issues, which could lead to increased trade and investment between Asia and Europe, as well as to the improved coordination of world economic issues of mutual concern relating to the WTO, RTA/FTA, IPR, etc., thereby contributing to the development of the global economy.

2.20. Following the decision taken at the tenth ASEM Customs Directors General-Commissioners Meeting in Goa, India in October 2015, Japan, together with the European side's coordinator, Slovakia, has taken the initiative to compile the situations and progress made in the field of the Authorized Economic Operator (AEO) programmes in the ASEM members. In addition, Japan is taking a leading role as the Asian side's Coordinator on the subject of Passenger Name Record (PNR) in the ASEM Customs work for 2016-17. The tenth ASEM Working Group Meeting on Customs Matters in Bandar Seri Begawan, Brunei Darussalam in April 2016 endorsed the action plan on this subject.

2.4.3 Japan's Bilateral Activities outside of FTAs

The United States

2.21. Japan and the United States conducted negotiations on non-tariff measures (NTMs) and on motor vehicle trade in parallel to the Trans-Pacific Partnership (TPP) negotiations. The negotiation on NTMs included the areas of Insurance, Transparency/Trade Facilitation, Investment, Intellectual Property Rights (IPR), Standards, Government Procurement, Competition Policy, Express Delivery and SPS. The negotiation on motor vehicle trade included Special Motor Vehicle Safeguard, Transparency, Standards, Preferential Handling Procedure (PHP) Certification System, Green/New Technology Vehicles, Financial Incentives, Distribution, Third Country Cooperation and Other Issues. In February 2016, the Government of Japan signed the TPP Agreement along with representatives from the other 11 participating countries, while the Ambassador of Japan to the United States of America Kenichiro Sasae and the United States Trade Representative Michael Froman also signed letters to confirm the outcomes of the parallel negotiations.

2.22. Japan and the United States held the Seventh Director General-Level Meeting of the U.S.-Japan Policy Cooperation Dialogue on the Internet Economy in Tokyo in February 2016. This dialogue included a session with representatives from the private sector. Participants had candid and vibrant discussions on important topics on the Internet and Information and Communication Technologies (ICT) such as the Internet of Things (IoT) and Smart Cities, International Coordination and the Free Flow of Information, Addressing Global Challenges through ICT, Use of Personal Data and Protection of Privacy, Cybersecurity, and 5G (Fifth Generation Mobile Communications System). Such policy-level dialogues are aimed at deepening bilateral policy coordination and laying the groundwork for greater Japan-U.S. cooperation in the international fora.

European Union

2.23. The trade turnover between Japan and the EU has steadily recovered in recent years from the temporary decline in 2009 due to the world economic crisis. As the Ministry of Finance reports, the volume of mutual trade amounted to about ¥17 trillion in 2015. Japan is the EU's seventh largest trading partner and the EU is Japan's third largest one. Regarding foreign direct investment in each other's economies, Japan invested about ¥35 trillion and the EU invested about ¥10 trillion in 2015. The EU is the largest investor and the second largest investee for Japan. According to a survey by the Ministry of Economy, Trade and Industry (METI), about 2,500 Japanese enterprises are operating businesses in the EU and creating about half a million jobs.

2.24. On the occasion of the 23rd Japan-EU Summit Meetings on 29 May 2015, the leaders recognized the active and continued contribution of the EU-Japan Business Round Table (BRT) to further development of the bilateral economic relationship, and welcomed the recommendations BRT adopted in April 2015.

Russian Federation

2.25. The trade and economic relationship between Japan and Russia has been growing steadily in recent years. The trade turnover between the two countries reached a record high level of US$34.8 billion in 2013. Automobile-related products occupy more than 60% of Japanese exports
to Russia and three-quarters of Japanese imports from Russia are oil, gas and other mineral-related materials. The total trade volume between Japan and Russia in 2015 amounted to US$20.9 billion, declining about 40% from the previous year. Under the situation that the overall trade with Russia has decreased, the main reasons for the decline is the decrease of automobile exports from Japan and the prolonged downfall of prices of natural resources, which are the main imported items from Russia.

2.26. In the course of the Japan-Russia summit meeting held in May 2016, the Japanese Prime Minister Shinzo Abe presented an eight-point cooperation plan to Russian President Vladimir Putin, aiming at the development of Japan-Russia economic relations. Both leaders agreed to materialize the plan. The points of the plan are (1) Extending healthy life expectancies; (2) Developing comfortable and clean cities that are easy to reside and live in; (3) Fundamental expansion of medium-sized and small companies' exchange and cooperation; (4) Energy; (5) Promoting industrial diversification and enhancing productivity in Russia; (6) Developing industries and export bases in the Far East; (7) Cooperation on cutting-edge technologies; and (8) Fundamental expansion of people-to-people interaction. In addition to Russia's economic slowdown, sanctions by G7 countries towards Russia have had a negative impact on Japan-Russia business and economic relations. Statistics show a rapid decline in exports from Japan to Russia over the period from March to September 2014 compared to the same period of the previous year.

**China**

2.27. The economic interdependence between Japan and China is growing deeper. China has been Japan's largest trading partner since 2007. The mutual trade amount in 2015 reached US$270 billion. According to China's statistical data, Japan was China's second largest trading partner in 2015 and regarding foreign direct investment in China, Japan invested US$3.2 billion in 2015. According to Japan's data, 33,390 Japanese enterprises and their branches were conducting business in China as of October 2015. Japan has bilateral economic agreements and arrangements with China in the areas of trade, air transportation, maritime transportation, trademark protection, tax, investment, fisheries and mutual customs cooperation.

2.28. In 2007, for strategic economic dialogue at the ministerial level, Japan and China decided to establish the Japan-China High-Level Economic Dialogue. The first meeting was held in Beijing in December 2007, the second meeting was held in Tokyo in June 2009 and the third meeting was held in Beijing in August 2010. At these meetings both sides expressed views to strengthen exchanges and cooperation in the fields of trade, investment, and protection of intellectual property rights, among other areas. In addition, to promote further bilateral cooperation in the economic field, various dialogues between Japan and China have been held.

**Republic of Korea**

2.29. Japan and the Republic of Korea maintain a mutually dependent economic relationship and it is growing steadily. The mutual trade amount in 2015 reached US$71.5 billion. Japan and the Republic of Korea were each other's third largest trading partners after China and the US in 2015. Regarding foreign direct investment in the Republic of Korea, Japan was the fourth largest investor with US$1,665 million in 2015. Foreign direct investment from the Republic of Korea to Japan amounted to US$1,716 million in 2015.

2.30. In order to strengthen the economic relationship between Japan and the Republic of Korea, the 14th Japan-Republic of Korea High-Level Economic Consultation was held on 12 January 2015. Both sides exchanged views to promote bilateral trade and investment, and reaffirmed the importance of cooperation on global issues such as energy security and the environment. In addition, both sides confirmed the recent development of cooperation between Japanese and Korean enterprises in third countries on projects of resource development and infrastructure, and exchanged views to promote further bilateral cooperation in various economic fields.

**India**

2.31. Based on the "Japan-India Special Strategic and Global Partnership", established by Prime Minister Abe and Prime Minister Modi in 2014, economic activities between two countries have
been steadily enhanced. The mutual trade amount in 2015 reached US$14.5 billion. This figure is twice the amount reached in 2005.

2.32. To further strengthen the bilateral economic partnership, Japan and India have been engaged in wide-ranging dialogues on trade, investment promotion, and improvement of the business environment. The Eighth Japan-India Strategic Dialogue on Economic Issues was held in July 2016 in Tokyo.

**Africa**

2.33. On 27 and 28 August 2016, the Sixth Tokyo International Conference on African Development (TICAD VI) was held in Nairobi, the Republic of Kenya. On that occasion, Japan announced that for a period of three years from 2016 to 2018, it will invest for the future of Africa through implementing measures centering on developing quality infrastructure, promoting resilient health systems, and laying the foundations for peace and stability, amounting to approx. US$30 billion under public-private partnership. These measures include human resource development to 10 million people ("Empowerment") by making use of the strength of Japan ("Quality"). These measures are the very first step for Japan to translate the outcomes of the G7 Ise-Shima Summit (quality infrastructure, health, and women) into actions.

**MERCOSUR**

2.34. In May 2016, the Third Dialogue to Strengthen the Economic Relationship between Mercosur and Japan was held in Montevideo, Uruguay. In this Dialogue, both sides exchanged information on the current situations of trade and investment between Japan and Mercosur. They also exchanged their opinions over measures taken by both sides to promote free trade, and over possible measures to encourage more investment between the two parties.

**2.5 Investment Policy**

**2.5.1 Outlook**

2.35. In the Japan Revitalization Strategy 2016 (decided by the Cabinet in June 2016), the Japanese Government stated that it "will also aim to increase the amount of inward FDI to ¥35 trillion by 2020 (¥24.4 trillion at the end of 2015)".

2.36. In March 2015, under the leadership of the Prime Minister, the Council for Promotion of Foreign Direct Investment in Japan adopted the "Five Promises for Attracting Foreign Businesses to Japan" as important items to be addressed going forward. In addition, in May 2016, this council adopted the "Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub" to promote more FDI to make Japan an international trade and investment hub.

2.37. Currently, in accordance with the "Five Promises for Attracting Foreign Businesses to Japan" and the "Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub", through a steady driving growth strategy including discussion and drawing conclusions so as to simplify regulations and administrative procedures relevant to foreign companies, the Government of Japan will actively improve Japan's business and living environment, and actively attract foreign investment.

**2.5.2 Investment Agreements**

2.38. Japan has actively promoted the conclusion of investment agreements as they create stable, equitable, favourable and transparent conditions for greater investment through the removal of barriers to investment and provision of investor protections. In the Japan Revitalization Strategy (decided by the Cabinet in June 2016), the Japanese Government set the goal of signing and/or achieving entry into force of investment-related agreements (investment agreements and economic partnership agreements with investment chapters) covering 100 countries/regions by 2020. As of September 2016, Japan has concluded bilateral investment agreements, and a trilateral investment agreement, with 35 countries and regions as well as EPAs that contain investment chapters with 12 countries.
3 TRADE AND DEVELOPMENT

3.1 Aid for Trade

3.1. In order for developing countries including LDCs to reap further benefit from the multilateral trading system, trade liberalization alone is not sufficient. Enhancing capacities on the supply side and encouraging assistance for this purpose is indispensible. Since Aid for Trade (AfT) initiatives contribute to enhancing the trade capacities of developing countries, Japan continues to provide various measures for AfT to this end, in addition to promoting the “One Village, One Product” movement.

Japan’s Development Initiatives for Trade

3.2. Japan announced the "Development Initiative for Trade", prior to the WTO Ministerial Conference in Hong Kong, China in December 2005. This initiative featured: (a) implementation of Duty-Free and Quota Free Market Access for essentially all products originating from LDCs, (b) provision of US$10 billion of financial assistance including trade, production, and distribution infrastructure for three years (2006-08), and (c) as part of (b), the exchange of a total of 10,000 trainees and experts in trade-related fields over the same period, the targets of which were fully achieved. During the designated period (2006-08) of the initiative, the total sum of financial assistance amounted to US$17.66 billion, greatly exceeding the target at 177%.

3.3. Given the successful results of the above-mentioned first initiative, Japan announced a new AfT strategy, "Development Initiative for Trade 2009" in July 2009. Its main pillar was US$12 billion of financial assistance for trade-related projects including trade, production and distribution infrastructure for 3 years from 2009 to 2011. During the designated period (2009-11) of this initiative, the total sum of financial assistance amounted to US$23.36 billion, which reached 195% of the target, well surpassing the amount of the first initiative. Despite the fact that no additional development initiative has been launched since then, Japan has continuously expanded its assistance to a total of US$31.65 billion for the 3 years from 2013 to 2015. This is representative of Japan’s strong commitment to AfT, which Japan considers as important to help beneficiary countries meet the new challenges they face in the regional and global economy.

Aid for Trade Asia-Pacific Regional Technical Group

3.4. Japan is executing not only a quantitative commitment but also a qualitative commitment under the Initiative 2009, which aims for improvement in efficiency of AfT. For instance, Japan has been fully involved in the AfT Asia-Pacific RTG (Regional Technical Group) since its inception in March 2009. The purpose of the RTG is to discuss the successful and rich experiences of aid activities in the Asia-Pacific region, to find out some elements of effective aid and share them with other regions, particularly Africa. Japan hosted the Sixth RTG meeting in Tokyo in March 2013 to complete a second report titled "Aid for Trade in Asia and the Pacific: Driving Private Sector Participation in Global Value Chains", which highlights the link between mainly the Japanese private sector participation in trade capacity building and the ability of firms to plug into value chains and was submitted to the Fourth Global Review in July 2013.

Tokyo International Conference on African Development

3.5. The Sixth Tokyo International Conference on African Development (TICAD VI) was held in Nairobi, the Republic of Kenya, on 27 and 28 August 2016. Commitments announced by Japan with regard to trade and development are as follows.

1. JETRO will strengthen the partnership with African investment agencies and set up a "Japan Desk" in the investment promotion agencies of 9 African countries.

2. Japan will launch the "Japan-Africa Public-Private Economic Forum" in order to support private-sector companies in establishing businesses in Africa.

3. Japan will aim by 2020 to have agreements related to investment signed or entered into force with 100 countries and regions, and will intensively work towards concluding them
with African countries. Japan will also aim to conclude tax treaties to further accelerate economic interaction and investment between Japan and African countries.

**Assistance to the One Village, One Product Movement**

3.6. The One Village, One Product (OVOP) is one of the typical approaches under AfT initiatives. OVOP is a movement that supports local economies through the development, improvement and promotion of local products (foods, beverages, textiles & garments, etc.) with the participation of local people. This movement was first initiated in a southern prefecture in Japan in the late 1970s and later spread to the other prefectures. It has been introduced in other Asian countries and has contributed to the development of local economies.

3.7. Japan continues supporting this movement, especially the exports of developing countries and least developed countries through technical cooperation such as the dispatch of experts, educational and training programs to create competitive products, and support through international organizations. In addition, Japan has held exhibitions and trade fairs inviting buyers and has also opened shops (OVOP markets) since 2006 in some of Japan's international airports in order to introduce products and encourage consumers to buy them.

**3.2 Generalized System of Preferences (GSP)**

3.8. In order to improve market access for developing countries, Japan introduced a preferential tariff treatment under the GSP scheme on 1 August 1971, and has re-examined it several times since then. Furthermore, under the scheme, Japan has granted special preferential treatment to LDCs since 1980, including additional products for which preferences are granted only to LDCs. Currently, 137 developing countries and 6 territories, including all LDCs, enjoy the benefits of the GSP scheme. This scheme has been vastly improved over the last several years, especially in 2007 and 2011. In the comprehensive "Development Initiative for Trade" launched on 9 December 2005, Japan announced its commitment to providing duty-free and quota-free (DFQF) market access for essentially all products originating from LDCs. Japan is fully committed to implementing the above initiative thus complying with the decision adopted in the Hong Kong, China Ministerial Declaration. In realization to the above-mentioned commitment, on 1 April 2007 Japan started improved DFQF treatment for LDCs by adding a variety of items to the treatment. As a result, the number of agricultural and fishery products originating from LDCs that receive DFQF preferential treatment increased from 497 to 1,523 and that of industrial products increased from 4,185 to 4,244. Consequently, coverage of DFQF treatment for LDCs, which was previously approximately 86%, has risen to approximately 98% as defined at the tariff line level. On 1 April 2011, Japan extended the effective period of the GSP scheme to 31 March 2021, abolished all ceiling-based schemes for certain industrial products, and revised the criteria for application of competitiveness-focused, product-by-exclusion measures. The revision was made to make the criteria more objective and transparent and to allow less competitive developing countries to benefit more from the GSP scheme.

4  JAPAN'S DOMESTIC POLICIES

4.1 Abenomics

4.1. The "three arrows" of Abenomics (aggressive monetary policy, flexible fiscal policy, growth strategy that promotes private investment) have shifted market expectation, ensured that Japan's economy is no longer a deflationary one, boosted corporate profits, and expanded national employment and income. In order to consolidate the current positive cycle into "a Virtuous Cycle of Growth and Distribution", we have created a set of ambitious targets. These targets are namely "a nominal GDP of ¥600 trillion (the largest in post-war history)", "the desirable birth rate of 1.8", and "zero cases of persons forced to leave their jobs for nursing care". Furthermore, three new arrows is now being released towards these three targets. Through these efforts, we will build a society in which all citizens participate, including women and men, older persons and the young, people who have experienced failure, people with disabilities, and people fighting illness, and we will enable them to play active roles in their respective homes, workplaces, and local communities or any other places. Details of the three new arrows are as follows:
First arrow: We will achieve a 600 trillion economy by utilizing the full range of policies. Through improvement in productivity and ensuring of labour allowed by innovation and working-style reform, we will enhance the supply side, make a virtuous circle of an economy that continues to stimulate potential demands, which will lead to expansion of domestic demands.

Second arrow: We will enable more youths to make their hopes of marriage and childbirth come true. This is what the goal of "the desirable birth-rate of 1.8" means. Towards a society where people can have and raise children with a sense of security, we will ensure childcare arrangements are put in place and promote comprehensive measures including improvement in working conditions of childcare providers. We will also improve the educational environment so that all children can receive desirable education.

Third arrow: Currently, the annual number of people leaving their jobs to provide their family members with nursing care exceeds 100,000. Under the clear goal of "no one forced to leave their jobs for nursing care", which means people can keep on working while providing nursing care at the same time, we will ensure nursing care arrangements are put in place and promote comprehensive measures, including improvement in working conditions of nursing care providers. We will also promote employment of older persons.

4.2 Intellectual Property Rights

4.2. On 7 June 2013, the Intellectual Property Strategy Headquarters formulated the Intellectual Property Policy Vision (hereinafter referred to as the "Vision"). On the same day, the Cabinet adopted the essence of the Vision as the Basic Policy Concerning Intellectual Property Policy, and its measures were partially reflected in the Japan Revitalization Strategy, which is one of the "three arrows" of the current administration's economic policy. Therefore, intellectual property policy is regarded as one of the most important efforts for enhancing Japan's industrial competitiveness.

4.3. Based on the Basic Policy Concerning Intellectual Property Policy, the efforts of the past 10 years has been reviewed and was set the following three goals.

- Build an intellectual property system that attracts users and innovation investment from overseas
- Make Japan's intellectual property system become a standard in emerging nations in Asia
- Continuously produce human resources with creativity and strategic capability for global intellectual property activities.

4.4. Towards these goals, the following four pillars of the Vision, including policy challenges and efforts in the field of intellectual property were organized, looking at medium- and long-term goals as approximately ten years into the future.

- Building up a global intellectual property system for enhancing industrial competitiveness
- Supporting the enhancement of intellectual property management by SMEs and venture companies
- Improving the environment for adjusting to a digital network society
- Strengthening soft power focusing on the content industry.

4.5. The Intellectual Property Strategic Program is reviewed annually as a short-term action plan that operationalizes the Basic Policy and the Vision.

4.6. On 9 May 2016 the Intellectual Property Strategy Headquarters decided on the Intellectual Property Strategic Program 2016. In this Program, 145 concrete actions were formulated under the following four goals:

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1 The Intellectual Property Strategy Headquarters, a body chaired by the Prime Minister, was established in 2003, and coordinates Intellectual Property policies from all related ministries and formulates an annual Intellectual Property Strategy Program.
− Promotion of Intellectual Property Innovation for the 4th Industrial Revolution
− Spread/Penetration of Intellectual Property Awareness/Activity
− Promotion of the Content Industry into New Areas
− Development of Intellectual Property System Infrastructures.

4.3 Financial Reform

Banking and securities sector

4.7. The Financial Services Agency enacted "the Bill to Partially Amend the Banking Act, etc., to Respond to the Environmental Changes such as Advances in Information Technology", which established a legal framework to respond to the environmental changes surrounding financial groups, including rapid progress of integration between finance and information technology. The details are as follows.

1. Enhancement of business management:
   Given that each financial group has its own "management style", the amended Act clarified the "functions" that financial groups should perform to make business management of each financial group fully effective.

2. Strengthening financial intermediation by consolidating common/duplicate operations:
   In order to achieve effective business operation and strengthen financial intermediation, the amended Act facilitated consolidation of common/duplicate operations in financial groups.

3. Response to rapid progress IT innovation:
   The amended Act enabled financial groups to conduct business activities flexibly, incorporating IT innovation in a strategic manner, facilitated provision of payment-related services responsive to IT progress, and ensured user protection.

4. Actions on Virtual Currencies (VC):
   Following the agreement on VC at the G7 summit, the amended Act introduced measures on anti-money laundering and counter-terrorist financing (AML/CFT) as well as user protection.

4.8. The Financial Services Agency recognized it was necessary to appropriately prevent harm to investors to ensure reliability for the funds and the smooth supply of funds for growth, and revised the Financial Instruments and Exchange Act (enacted on 27 May 2015). The following steps have been taken for “funds for professionals”.

1. Notified requirements, etc.: introduction of reasons for disqualification, expansion and publication of notification forms, etc.

2. Expansion of regulations on activities: principle of suitability (prohibition of inappropriate solicitations in light of the customers' knowledge, experience, etc.), accountability (duty to explain) with regard to risk, etc.

3. Administrative responses to problem operators, etc.: issuing orders to improve, suspend, abolish the business; strengthening of penal provisions, etc.

4.9. In addition, the scope of investors is limited to persons closely related to investors and fund operators with a certain level of ability to make investment decisions (administrative order matters).

4.10. With regard to venture funds that have in place a corresponding system, including ensuring governance and implementation of accounting audits by certified public accountants, investment is
possible by persons with practical experience, such as officers of listed companies and persons who have launched a new business.

**Insurance sector**

4.11. The Act on the Partial Revision of the Insurance Business Act etc. was promulgated on 30 May 2014. The Act was enforced on 29 May 2016 with related provisions consolidated as below to enforce items that were scheduled to become effective within 2 years.

4.12. The revision of the Ordinance for Enforcement of the Insurance Business Act and the Comprehensive Guidelines for Supervision of Insurance Companies includes the following elements.

1. Related internal rules should be put in place in accordance with introduction of obligation to supply information to customers:
   - points, such as product information, that are necessary for customers to judge whether or not they should subscribe to an insurance contract, should be prescribed in internal rules as points that have to be explained to customers in insurance solicitation; and
   - in addition to the above, in regard to comparing insurance products of a number of insurance firms and recommending specific ones as part of the sales process, it should be prescribed that information concerning the "general description of products subject to comparison" and the "reason they compare and recommend specific products" should be supplied to customers.

2. Related internal rules should be put in place in accordance with introduction of obligation to ascertain customer's intention:
   - an example of the concrete process of ascertainment of customer's intention should be illustrated in order to seek an insurance solicitor to ascertain the customer's intention according to insurance products and the solicitation situation.

3. Related internal rules should be put in place in accordance with the introduction of obligation of an insurance solicitor to consolidate the system:
   - in addition to education, management, and guidance by insurance firms, a relevant system should be prescribed in order for the insurance solicitor itself to properly carry out its business.

4. Others:
   - "purpose of insurance solicitation" and "solicitation related operations" should be clarified in internal rules; and
   - points of supervision concerning insurance solicitation by telephone should be prescribed in internal rules.

**4.4 Agricultural Reform**

4.13. In order to address challenges such as aging society and declining population, in March 2015 the government revised "the Basic Plan for Food, Agriculture and Rural Areas", which consists of industrial policy and regional policy.

4.14. Furthermore, the government established "the Plan for Empowering Export on Agriculture, Forestry and Fisheries" in May 2016, in order to promote Japanese agricultural, forestry and fishery products, and food in the global market.

4.15. In addition, the government is committed to implement further reform with a view to enhancing the competitiveness of agriculture.
4.16. Besides system reform, the government is taking various measures for enhancing productivity, for example, an automatic tractor driving system can be commercially available under manned monitoring by 2018 and can be utilized through remote monitoring by 2020.

4.5 Competition Policy

4.17. On 7 December 2013, the Antimonopoly Act (AMA) Amendment Bill was approved in the 185th extraordinary session of the Diet, and the enacted act was promulgated on 13 December 2013. It contains the abolition of the JFTC's hearing procedure and necessary revisions to develop procedures for hearings prior to the Japan Fair Trade Commission (JFTC) issue of administrative orders such as cease and desist orders. The enacted act shall come into force from the date specified by Cabinet Order within a period not exceeding one year and six months from the day of promulgation.

4.18. The Trans-Pacific Partnership Agreement, signed by 12 countries including Japan, on 4 February 2016, includes an article which prescribes that "Each Party shall authorise its national competition authorities to resolve alleged violations voluntarily by consent of the authority and the person subject to the enforcement action". On 8 March 2016, a bill for relevant law amendments associated with conclusion of the Trans-Pacific Partnership Agreement was submitted to the 190th ordinary Diet session and carried over to the 192nd extraordinary Diet session. The bill includes an amendment of the AMA to introduce a commitment procedure to implement the article. The procedure's outline is as follows. 1) The JFTC notifies an enterprise of suspicion of violating AMA; 2) The enterprise can voluntarily submit a plan concerning measures necessary to cease and desist the relevant conduct to the JFTC; 3) When the JFTC certifies that the plan submitted is enough and the enterprise carries out the plan, the JFTC shall not issue a cease and desist order or a surcharge payment order.

4.19. Also, the bill to amend the AMA, including the abolition of the JFTC's Hearing Procedure for appealing against the JFTC's administrative orders and the necessary revisions to develop procedures for hearings prior to the issue of the JFTC's administrative orders, was put into force on 1 April 2015. In accordance with the amendment of the AMA above, the JFTC allows the would-be addressees of the cease and desist order to read and copy evidence that proves the fact found by the JFTC.

4.20. The JFTC has been taking rigorous legal actions against violations of the AMA. The number of legal cases against such violations amounted to 14 in 2014 and 8 in 2015. (Please refer to Table 4.1)

Table 4.1

<table>
<thead>
<tr>
<th>Private monopolization</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid-rigging</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Cartels (excluding bid-rigging)</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Unfair trade practices</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Private monopolization</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total cases</td>
<td>14</td>
<td>8</td>
</tr>
</tbody>
</table>

4.21. The total amount of surcharge payment orders issued by the JFTC was estimated at ¥41204.48 million in 2014 and ¥2286.02 million in 2015.

4.22. The JFTC has adopted a proactive policy of indicting violations of the AMA and imposing criminal penalties on violators. In March 2014, the JFTC indicted one case. In February 2016, the JFTC indicted one case.

4.23. In order to strengthen the role of the JFTC as a guardian of the market, the JFTC increased the number of their personnel to 840 in 2016 and most of them were assigned to the investigation section.
4.6 Services-Related Policies

4.24. Japan has promoted reforms in several service-related sectors.

4.25. Based on the "Japan Revitalization Strategy (Revised in 2014)", the FSA conducted a fact-finding survey and interviews to ascertain how companies that have voluntarily adopted IFRS overcame any challenges they faced during their transition to IFRS, as well as the advantages brought about by their shift to IFRS, and published "IFRS Adoption Report" on April 2015 to serve as a useful reference for companies considering adopting IFRS.

4.26. As for the telecommunications sector, in keeping with the spread of the smart phone and diversification of public wireless LAN, the definition of a public wireless LAN access service was widened in order to impose obligations on Telecommunications Carriers to explain conditions of offering services when concluding a contract. The G7 ICT Ministers' Meeting in Takamatsu, Kagawa, which was held on 29-30 April 2016, was the first time in about 20 years for an ICT Ministers' Meeting to be held as a part of the Summit. At the meeting, Japan led a vigorous discussion on such topics as promoting economic growth and promoting and protecting the free flow of information in a society where the Internet of Things (IoT), Artificial Intelligence (AI), and other emerging ICTs are becoming widespread. As a result, Japan and the other G7 ICT Ministers successfully adopted three outcome documents, the Charter, the Joint Declaration and the G7 Opportunities for Collaboration (annexed to the Joint Declaration), which summarized the fundamental principles and action plans for achieving a "Digitally Connected World" where all people and things are connected globally. The G7, which shares fundamental values such as freedom and democracy, issued a message of unity to the world.