U.S.-Japan Economic Partnership for Growth

United States-Japan Investment Initiative 2007 Report

June 2007

Executive Summary

The U.S.-Japan Investment Initiative was established in June 2001 between the leaders of the two countries within the framework of the U.S.-Japan Economic Partnership for Growth. This Initiative provides important, mutually beneficial opportunities for the two governments to exchange views on ways to improve the investment environment in their respective countries.

Through the discussion of this year's activities of the Investment Initiative, both governments reaffirmed the importance of continuing to advance open investment regimes both at home and in third countries.

Foreign direct investment (FDI) serves an important role in the vitalization of the Japanese economy. As of the end of 2006, foreign direct investment in Japan totaled ¥12.8 trillion ($110 billion), which was 94% larger than in the year 2001. This nearly reached the Government of Japan's initial goal of doubling the FDI stock in five years. Also in May 2007, the provisions relating to "flexibility of merger consideration" in the new Japanese Corporate Code finally came into effect. This should have a positive effect on increasing foreign direct investment in Japan

The United States continues to see growth in foreign direct investment at a rate faster than the growth in the overall economy, with the stock of FDI passing $1.6 trillion in 2005. In May 2007, President Bush reaffirmed the continuing commitment of the United States to open investment and invited other nations to join the United States in supporting open investment policies and protecting international investment. The Department of Commerce launched the *Invest in America* initiative to complement state efforts to create jobs and growth through inward investment, and Treasury Secretary Paulson announced that the United States would undertake a number of additional initiatives to support investment.

The individual issues related to improving the investment climate in Japan that were discussed in the past year include: (i) facilitation of cross-border mergers and acquisitions, (ii) deregulation in the field of education, and (iii) labor-related laws and systems. Issues related to the improvement of the investment climate in the United States that were raised by Japan include: (i) visa and other consular issues, (ii) maritime counterterrorism measures and secure trade, and (iii) the Exon-Florio amendment to the U.S. Defense Production Act of 1950.

Also, through the meeting of experts on investment agreements, both government exchanged their views and experiences on their respective investment agreements and found that both countries take the same basic principles and approaches. Both sides agreed to continue discussion.

Public outreach under this Initiative over the past year included investment seminars in October 2006 in Sendai and Yokohama and an Invest-in-Japan symposium in November 2006 in San Jose, California.

Both Japan and the United States welcome foreign direct investment. Under the U.S.-Japan Investment Initiative, the two governments intend to continue constructive discussions on ways to improve the investment climate in both countries and to implement various activities to facilitate foreign direct investment.

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I. Introduction

The U.S.-Japan Investment Initiative was established in June 2001 by President Bush and then-Prime Minister Koizumi as a forum for exchanges of views on ways to improve the climate for foreign direct investment climate in both countries within the framework of the U.S.-Japan Economic Partnership for Growth. This Initiative is chaired jointly by Japan's Ministry of Economy, Trade and Industry (METI) and the U.S. State Department, and two working group meetings have been held since last year's Investment report, on October 31, 2006 and April 13, 2007. At these meetings the two governments discussed ways to enhance the climate for foreign direct investment in their respective countries and suggested possible measures for improvement. In addition, to deepen our discussion and explore future policy options, a meeting of experts on investment agreements under the working group was held on February 22, 2007.

As part of the Initiative's public outreach program, an Invest-in-Japan Symposium was held in November 2006 in San Jose, California. Preparations are underway for other symposia in October 2007 in Washington, DC, and Miami, Florida. Following the Investment Seminars held in Sendai and Yokohama in October 2006, a seminar is also planned for Osaka in September 2007 (see Appendix 1).

In the context of global economic development, the importance of foreign direct investment (FDI) has been recognized in numerous countries. FDI is an effective measure in vitalizing economies by enabling access to new technologies and innovative know-how, resulting in the supply of new products and services and the creation of employment opportunities. Furthermore, such cross-border investment and M&A activities may also contribute to the strengthening of multilateral international economic relations.

Recognizing this, the Initiative plays an important role in allowing the U.S. and Japanese governments to share views on improving the FDI environment in their respective countries, and in contributing to the economic growth of both countries.

This 2007 annual report demonstrates the progress made through this year's Initiatives activities including a review of the current situation of FDI in both countries and a summary of meetings and outreach programs.

II. Current Situation of Foreign Direct Investment in Japan and the United States

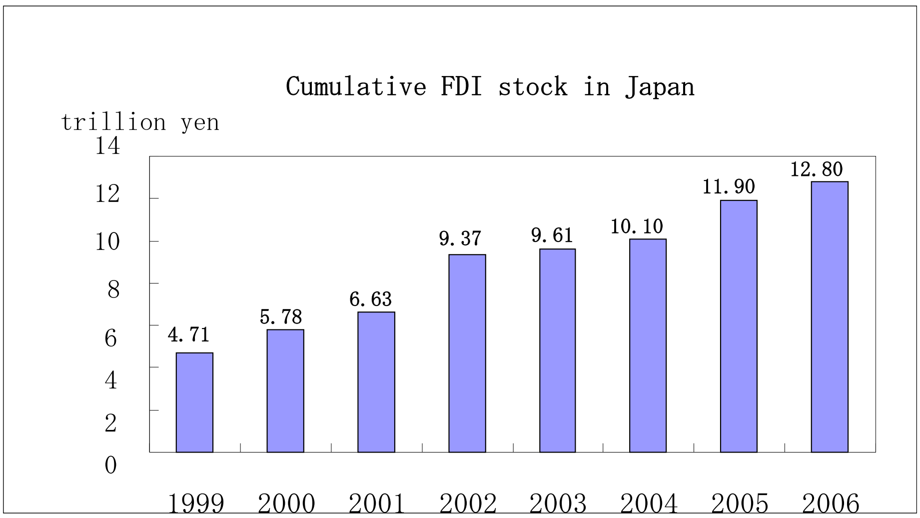
1. FDI in Japan

(1) FDI Trends in Japan

In Japan, FDI has been increasing significantly since the latter half of the 1990s. Factors contributing to this growth include the improved attractiveness for business activities in Japan as a result of reforms in various areas such as corporate laws, bankruptcy-related laws and corporate accounting systems, the expansion of business fields open to foreign companies as a result of deregulation in certain sectors, the decrease in cross-shareholdings by Japanese companies, and worldwide increase in the number and scale of mergers and acquisitions as a result of intensified corporate restructuring and greater global liquidity.

In recent years, through continuous efforts of structural reform and policy measures to promote FDI initiated by the Koizumi Cabinet and succeeded by Prime Minister Abe, the Government of Japan has successfully increased FDI in Japan, resulting in FDI stocks of ¥12.8 trillion at the end of 2006 (or $110 billion at the exchange rate of 116 yen/dollar, the official annual average exchange rate of the IMF *International Financial Statistics* for the year 2006).

At the end of 2006, FDI in Japan was 94% larger than in the year 2001, which nearly reached former Prime Minister Koizumi's goal of doubling the FDI stock in Japan in five years.

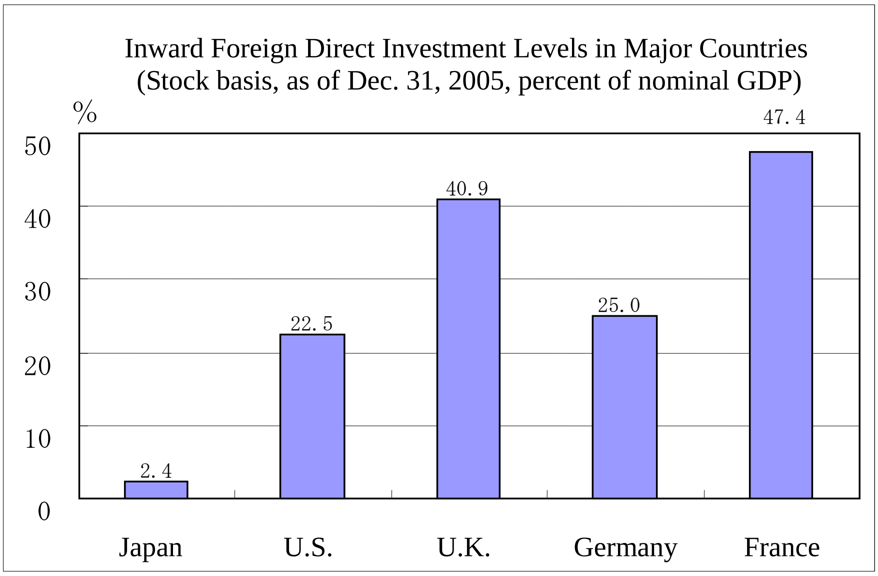


Source: Statistics on the balance of foreign assets and liabilities, Ministry of Finance/Bank of Japan

Note: The definition of statistics was changed in 2005. Subsequent year figures include capital reserves, which were not included in previous year figures.

Of this ¥12.8 trillion, direct investment from the United States accounts for ¥5.0 trillion. Investment from the EU accounts for ¥4.7 trillion, and that from ASEAN accounts for ¥513 billion.

Although FDI in Japan has been increasing rapidly in recent years, its share of GDP is still extremely small when compared to that of other major advanced countries. Currently, the share is 2.4% in Japan, while it is 22.5% in the United States, 40.9% in the U.K., 25.0% in Germany and 47.4% in France. According to the *World Investment Report 2006* issued by the United Nations Conference on Trade and Development (UNCTAD), Japan is ranked as low as 131st among 141 countries in terms of the ratio of FDI to GDP, although Japan's Inward FDI Potential Index is ranked 22nd.



Source: *IMF International Financial Statistics*

(2) Efforts to Support FDI in Japan

A. Program for the Promotion of Foreign Direct Investment in Japan

In January 2003, former Prime Minister Koizumi declared that his goal was to "double the FDI stock in Japan in five years." In March of the same year, the Japan Investment Council (JIC) headed by the Prime Minister issued the "Program for the

Promotion of Foreign Direct Investment in Japan." Since then, government-wide efforts have been made to improve the business environment and review administrative procedures in relation to this Program. As described above, the goal of doubling the FDI stock was almost realized.

B. Program for Acceleration of Foreign Direct Investment in Japan

During the JIC meeting in March 2006, the government decided to take further steps to promote FDI and announced a new goal of "doubling the FDI stock in Japan by raising it to the level of 5% of GDP by 2010." In response to this, the "Program for Acceleration of Foreign Direct Investment in Japan" was established during the JIC meeting in June 2006.

Major Fields of the "Program for Acceleration of Foreign Direct Investment in Japan"

(1) Promote investment in local regions

・Provide seamless support for all processes, from inducement to company set-up and expansion to promote the creation of new business using regional resources. (Work to utilize foreign corporate technology and know-how by coordinating with SME and regional measures, providing know-how on company set-up, etc., and promoting information exchange between regional communities and foreign corporations.)

・Facilitate improvement of autonomous regional inducement environment by promoting special zones to encourage FDI in Japan. (Review special zone system.)

(2) Improve the comprehensive investment environment with a sense of urgency

・Encourage foreign corporate moves into Japan by promptly addressing remaining issues for greater restructuring flexibility, to include cross-border M&A. (Institutional improvement for triangular mergers)

・Expedite more efficient, smoother international movement of people and goods as a global economic and industrial center. (Improve airports and seaports, ease acceptance of high-quality foreign personnel.)

・Aim to become a global center of innovation by strengthening human resource development and R&D infrastructure. (Improve research, educational centers, promote personnel exchanges among industry, academia, and government.)

・Enhance Japan's attractiveness to foreign personnel by improving their living environment for an easier life in Japan. (Improve the environment for medical care for foreigners and education for their children.)

(3) Promote greater understanding by public information activity

・Local government leaders work to promote understanding of local residents by supporting measures to strengthen regional activities. (Hold regional Japan Investment Councils.)
・Powerfully impress foreign corporations with Japan's measures by implementing large overseas seminars and sales campaigns at the highest level by Cabinet ministers and local government leaders.

C. Policies under the Abe Administration

The Abe Administration has continued with and accelerated structural reform, which former Prime Minister Koizumi focused on for the last five years, stressing the need to establish a “Strategy for Growth” through “innovation power” and “open approaches.” Promoting FDI is one of the most important policies for “open approaches.” Prime Minister Abe has been expressing his deep commitment for promoting FDI and confirming his intent to realize “Program for Acceleration of Foreign Direct Investment in Japan” as early as possible. During the U.S.-Japan summit meeting on April 27, Prime Minister Abe explained Japan’s approaches of openness and his determination to carry out structural reform and President Bush expressed his support for an aggressive economic reform agenda.

(3) Japan’s Strengths

Japan’s GDP grew by 2.6% in real terms in 2006 and 2.4% (annualized rate) in the first quarter of 2007, marking the ninth consecutive quarter of growth and confirming the stable growth of Japan’s economy. This recovery has been continuous for 63 consecutive months as of April 2007 and has emerged as the longest post-World War II period of continuous economic growth, exceeding the record set by the Izanagi Boom (which lasted for 57 consecutive months between November 1965 and July 1970). Growth in real terms during October-December 2006 (annual increase of 5.5%) was at the highest level since the 2003 October-December period (annual increase of 6.3%).

According to the *World Investment Report 2006* by UNCTAD, Japan is ranked 22nd among 141 countries in terms of the Inward FDI Potential Index as an indicator of attractiveness. This high evaluation is because Japan has an enormous market accounting for about 11% of world GDP; rich human resources with valuable expertise; a well-organized infrastructure in the fields of information and communication; and a good business environment with improved laws and systems poised to catch up with the trend of economic globalization.

2. FDI in the United States

(1) FDI Trends in the United States

The United States attracts significant FDI inflows from countries around the world due to its open economy, strong growth, and high rate of return to capital. Deregulation and technological change have made the United States particularly attractive to investors. FDI inflows into the United States, which peaked at over 3% of GDP in 2000, slowed in 2001-2002, largely due to the global economic slowdown and the effects of the post-"dot-com" boom, increased economic uncertainty, and the worldwide decline in mergers and acquisitions. FDI inflows recovered in subsequent years, with year-on-year growth in the foreign direct investment position of the United States reaching 7.5% in 2005. FDI has generated jobs and increased productivity, contributing to economic successes during periods of U.S. economic growth. During periods of economic weakness, it has played a key role in diversifying and stabilizing the economy. For example, in the 1980s FDI from Japan and other countries provided a critical catalyst for change, which resulted in increased U.S. competitiveness, employment and productivity.

Foreign Direct Investment Position in the United States on a Historical Cost Basis, 2000-2005

Year end	Billions of Dollars	Percent Change from Preceding Year
2000	1,256.9	31.5
2001	1,344.0	6.9
2002	1,327.2	-1.3
2003	1,395.2	5.1
2004	1,520.7	9.0
2005	1,635.3	7.5

Source: *Survey of Current Business* (April 2007), Bureau of Economic Analysis, Department of Commerce

In 2005, the most recent year for which data is available, the stock of foreign direct investment in the United States was up from the previous peak in 2004; FDI measured at historical costs totaled more than $1.6 trillion (see chart above). The largest investment positions are held by the United Kingdom (17%), Japan (12%), Germany (11%), Netherlands (10%), Canada (9%) and France (9%).

Foreign Investment Outlays in the United States
by Type of Investment, 2000-2005
(millions of dollars)

	2000	2001	2002	2003	2004	2005
Total Outlays	335,629	147,109	54, 519	63,591	86,219	86,823
By type of investment:						
U.S. business acquired	322,703	138,091	43,442	50,212	72,738	79,220
U.S. business established	12,926	9,017	11,077	13,379	13,481	7,603

Source: *Foreign Direct Investment in the United States* (June 2006),
Bureau of Economic Analysis, Department of Commerce

Foreign capital makes an important contribution to the U.S. economy. In 2005, U.S. affiliates of foreign companies directly employed 5.1 million people and indirectly supported 4.6 million more. Foreign firms accounted for 5.7% of U.S. economic output in that year. Investment by Japanese companies accounted for 614,000 jobs in 2004 and almost 1% of U.S private-sector GDP. For example, in 2005 Honda employed 12,200 persons in its Ohio manufacturing plants and 27,500 persons nationwide; by 2008, it expects to employ 2,400 more. Toyota estimated it had created over 32,000 direct positions and 386,000 total jobs in the United States, including direct, dealer and supplier employees and jobs created through their spending, with direct investment totaling $13.9 billion dollars in 2005.

(2) Efforts to Support FDI in the United States

A. Federal Efforts

On May 10, 2007, President Bush issued a statement that reaffirmed the continuing commitment of the United States to advancing open economies, including open investment and trade. Noting that the United States, as both the largest investor and the largest recipient of investment in the world, has a key stake in promoting an open global investment regime, the President stated that "the United States unequivocally supports international investment in this country and is equally committed to securing fair, equitable, and nondiscriminatory treatment for U.S. investors abroad." He pointed out that both inbound and outbound investment stimulate growth, create jobs, enhance productivity, and foster competitiveness at home and in international markets. The President committed to ensure that the United States remains the most attractive place in the world to invest, and invited other nations to join the Untied States in supporting open investment policies and protecting international investments. The President also committed to advancing free and fair trade, including working aggressively to conclude the World Trade Organization's Doha Development Agenda negotiations and securing congressional approval of U.S. free trade agreements with several countries. The President's statement, with an accompanying policy statement addressing the domestic climate for foreign investment, barriers to investment, the WTO rules-based trading system, and the international investment environment can be found at
http://www.whitehouse.gov/news/releases/2007/05/20070510-3.html.

Building on the President's statement, Treasury Secretary Paulson told the Forum on International Investment on May 10 that "when a foreign investor makes a direct investment in our nation, it is the ultimate vote of confidence in our economy." Noting that the fear of foreign investment may be resurfacing in a post-9/11 world, he acknowledged that we must take every precaution to protect our national security but cautioned that "this doesn't mean we should refuse investment capital that can create jobs and revitalize communities, or that we should discourage it by raising concerns that foreign investment may not be as welcome as it was in the past." Secretary Paulson stated that "the President's policy statement makes clear that the administration will not retreat. We welcome foreign investment and the benefits it brings to communities across America." He said the administration would undertake a number of additional initiatives in support of open investment in the months ahead, with some already underway. The Secretary's remarks are available at http://www.treasury.gov/press/releases/hp398.htm.

One of the efforts already begun is the Department of Commerce's *Invest in America* initiative. Through this initiative, the global resources of the Department of Commerce's International Trade Administration provide a platform to educate international investors on the advantages that come with investing in the United States. The *Invest in America* initiative will work with state officials to develop a supportive message that complements state-level efforts to create jobs and economic growth through inward investment. The initiative's efforts will focus on outreach to foreign governments and investors, outreach to state governments, and addressing business climate concerns. More information on this initiative can be found at www.investamerica.gov.

B. State Efforts

Most American states have international affairs offices that promote investment by offering a wide variety of services and information for companies interested in investing in their state. Many states even maintain offices in cities abroad to encourage trade and investment. For example, the California Business Portal (http://www.calbusiness.ca.gov/cedpfi.asp) directs foreign investors to a guidebook on setting up a business, information on investment incentives, and services including site selection and workforce planning. The Indiana Economic Development Corporation maintains offices in eight foreign locations, including Tokyo, and provides such services through its web site as permit and regulatory assistance, information on grants and incentives, site selection and industry specific initiatives (http://www.in.gov/iedc/international). The Global Business Development Team of the South Carolina Department of Commerce provides assistance for foreign investors through three international offices in Tokyo, Munich and Shanghai. Ten Japanese companies have invested in the state. The Department produces a guide book, "Opportunities for Japanese Manufactures in South Carolina" (http://www.sccommerce.com/teamscpdfs/JapanManufacturing.pdf), which provides information on South Carolina's business tax structure and financial incentives, promotes the state's friendly environment, and surveys the history of Japanese business in South Carolina. The web site of the Colorado International Trade Office (http://www.state.co.us/oed/ito/invest/invest.html) provides information in Japanese, Spanish, German and French, as well as a detailed online guide for interested investors (http://www.state.co.us/oed/guide). Another example is New York's Empire State

Development International Division, which works in close coordination with ten regional offices in New York State and nine foreign offices, including Japan, to promote foreign investment. All services are free of charge and include business plan development, site identification, access to state and local incentive programs, assistance with permits, training assistance and other services. More information can be found at: (http://www.nylovesbiz.com/International/Foreign_Direct_Investment.asp).

Many states and localities in the United States offer incentives including tax exemptions and targeted investment in infrastructure. It is the investment climate in the United States, however, based on strong legal institutions, an open economy, an educated and productive workforce, and an attitude that welcomes foreign investment that is largely responsible for U.S. success in attracting FDI.

(3) U.S. Strengths

The market size and openness of the U.S. economy continue to make the United States an attractive investment destination. Since the attacks of September 11, 2001, the United States has implemented measures to enhance the security of legitimate travel and trade for the country and its trading partners. In doing so, the United States has strived to ensure that such measures do not hinder trade and investment flows. The Government of the United States takes this as an opportunity to identify new ways to speed the flow of legitimate business and to increase logistical integration between domestic and foreign businesses without compromising the integrity of the security measures in place. Through the use of IT and other technologies, the United States is working to ensure that legitimate trade and investment can flow in a seamless, secure fashion even faster than before. In designing and implementing these new systems, the Government of the United States continues to welcome the views of the private sector and key trading nations, including Japan, to ensure that the new measures meet the desired goals without impeding legitimate trade and investment flows. During their April 26-27 Summit, President Bush and Prime Minister Abe welcomed bilateral cooperation to make trade flows more secure and more efficient.

III. Discussions in the U.S.-Japan Investment Initiative 2006-2007

1. U.S. Concerns

(1) Cross-border Mergers and Acquisitions (M&A)

The Government of the United States called attention to the importance of not imposing serious restrictions on triangular mergers using foreign stocks as “consideration” in cross-border M&A upon entry into force of the Corporate Code provisions relating to triangular mergers on May 1, 2007.

Before the entry into force of the new provisions of the Corporate Code relating to triangular mergers, the Government of Japan examined whether or not it was necessary to revise related provisions of the Ministry of Justice Ordinance. The government decided not to revise the provisions of the ordinance related to the level of shareholder approval required for triangular mergers (which means that the requirements for approval are the same as for equivalent domestic transactions, i.e., "special resolutions" not “extraordinary resolutions” when non-transfer-restricted shares are used as merger consideration.) The government revised provisions in the Ministry of Justice Ordinance related to the type of information that must be disclosed by a target company (i.e., disappearing company) in a triangular merger to its shareholders in order to protect the interests of these shareholders. The amendments of the Ministry of Justice Ordinance came into effect on May 1 of this year.

As for the taxation of triangular mergers, the Government of Japan also established a system to allow tax deferral of capital gains in the case of triangular mergers in line with the current tax system as it applies to corporate restructuring and based on the principle of non-discrimination between domestic and foreign capital. The Government of the United States expressed its concern that the proposed criteria for tax deferral lacked clarity and the Government of Japan worked to clarify the requirements with respect to the existence of business and business relationship between the surviving company and the target company.

The United States stated its view that it will be important to see whether the new rules succeed in facilitating new foreign investment into Japan, including how they are implemented and how many companies actually use the triangular merger provisions.

The Government of the United States requested an explanation as to how the Government of Japan evaluated the current state of defensive measures against hostile takeover bids. The Government of Japan responded that, based on the recognition that the number of companies introducing defensive measures is steadily increasing, it will continuously implement follow-up measures so as to ensure that defensive measures against hostile takeovers contribute to ensuring and increasing corporate value and shareholders' common interests, as outlined in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released in May 2005. (As of the middle of May, 2007, there are about 340 listed companies in Japan that have already introduced defensive measures against hostile takeover bids.)

(2) Education

The Government of the United States welcomed the fact that a fourth branch of a U.S. university in Japan was officially designated as a "Foreign University Branch in Japan" in September 2006, and in accordance with this designation, students who complete courses at this institution were accorded the right to enter Japanese graduate schools in corresponding programs, among other benefits.

In addition, the Government of the United States continued to urge that a solution be found to resolve taxation problems regarding "Foreign University Branches in Japan." It requested further information on the status of efforts by Temple University Japan Campus – one of the "Foreign University Branches in Japan" – to become a school juridical person ("gakko hojin") as well as on measures to ease requirements regarding private ownership of land and buildings upon the establishment of private universities.

The Government of Japan outlined the state of consultations with Temple University Japan Campus, aiming towards the establishment of university and school juridical persons. It also explained the settling in December 2006 of a complaint regarding the application of preferential tax status for Foreign University Branches in Japan, submitted to the Cabinet Office's former Office of Trade and Investment Ombudsman (OTO) by Temple University Japan Campus and the American Chamber of Commerce in Japan. A settlement was reached after Temple University Japan Campus expressed its satisfaction regarding the Government of Japan's response. At the same time, the Government of Japan explained that, as of April 2007, establishment of private universities could be approved in Japan without ownership of land and buildings provided that certain prerequisites are met.

The Government of the United States welcomed these efforts by the Government of Japan and the news that the Ministry of Education, Culture, Sports, Science and Technology had met with Temple University Japan Campus to discuss the requirements for the status as a university and "gakko hojin."

(3) Labor-related Laws and Systems

The Government of the United States suggested that improving labor mobility can be a key to enhancing Japan's appeal to foreign investment, strengthening the competitiveness of both U.S. and Japanese companies in Japan, and giving Japanese workers the flexibility and freedom they need to provide for their own futures. The United States highlighted the following three requests:

(i) To agree to raise the tax-deductible contribution limits for defined contribution pensions;

(ii) To introduce monetary settlements in cases of disputed dismissals as an alternative to reinstatement in former positions; and

(iii) To work for the introduction of a white-collar exemption that would replace the current restricted working hours scheme for supervisory and managerial employees under the Labor Standards Act, in order to better foster worker capacity.

In response to the above suggestions, the Government of Japan explained as follows.

(i) As for the defined contribution pension system including the tax-deductible contribution limits on defined contribution pension plans, discussions by a Corporate Pension Study Group have been moving ahead since October 2006.

(ii) The Government of Japan will continue to study the issue of financial settlement for dismissals by also considering existing trends in dispute settlement.

(iii) The Government of Japan will continue to study issues concerning an ideal working hours framework that considers the actual working conditions of white-collar workers.

(4) Research Group for the Study of the International Investment Climate Under the Global Economy

Pursuant to discussions regarding investment, the Government of the United States expressed its interest in the “Research Group for the Study of the International Investment Climate Under the Global Economy,” and requested an explanation of the purpose and make-up of this group.

The Government of Japan established the research group in question, consisting of people ranging from representatives of the economic sphere to intellectuals, in December 2006, with the aim of considering how best to respond to various problems incurred as a by-product of the increase in international investment activities and changes in the security environment, while maintaining its commitment to a free and open international investment climate. The Government of Japan explained that, although discussions on matters such as reevaluation of the specific scope of regulation are now underway within this research group, discussions are continuing while taking precautions to ensure that any changes in regulations do not hinder the flow of FDI into Japan.

The Government of the United States welcomed the explanation by the Government of Japan, and requested that further meetings be held following the conclusion of the report of the study group.

2. Japan's Concerns

(1) Visas

The Government of Japan again expressed its strong desire that timely issuance and renewal of visas are essential to efficient cross-border business operations. The Government of Japan believes that the inability to revalidate visas in the United States is a significant burden and potentially disruptive to business operations. The Government of Japan also requested a status report on considerations to establish a procedure to revalidate E visas in nearby third countries. It noted that the Fifth Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative in June 2006 said that the United States would study the possibility of resuming revalidation of visas within the United States and asked the U.S. Government to strongly consider this option. The Government of Japan also requested that the Government of the United States further expand the number of visa-issuing posts in Japan to include Fukuoka and Nagoya.

In response, the Government of the United States explained that collecting biometric data during the revalidation process is a legal requirement and that it is technically impossible to collect such data within the United States. The U.S. Embassy in Tokyo has been accommodating the travel needs of Japanese business applicants by maintaining an online visa appointment system that enables appointments to be made up to three months in advance. More detailed information is available at the following websites: http://tokyo.usembassy.gov and http://travel.state.gov/visa_services.html. U.S. embassies and consulates in Canada and Mexico have limited resources to accommodate the renewals of Japanese business people's visas, and do not renew E visas. They offer appointments through their websites, accessible at http://www.nvars.com. The Department of State is exploring improved information sharing that will make it easier for some applicants to apply for renewals outside their home countries. The Department of State and the Department of Homeland Security are working cooperatively toward improving visa revalidation procedures worldwide.

The Government of the United States noted that the pilot program introduced in April 2006 to conduct non-immigrant visa interviews in Sapporo on a bi-monthly basis had been successful. Based on this positive experience, the Government of the United States addressed physical limitations and workload constraints at the U.S. Consulate in Fukuoka in order to resume visa services there, similar to the Sapporo model. Visa issuance resumed in Fukuoka in May 2007 in cooperation with the U.S. Consulate General Osaka-Kobe.

The Government of the United States remains deeply interested in exploring ways to use technology to enhance security and facilitate visa issuance. Through discussions between Foreign Minister Aso, Secretary of State Rice and Homeland Security Secretary Chertoff, the two countries have discussed the issue at the highest levels. At the same time, the two governments continue to have regular working level discussions on visa issues, and the Government of the United States suggested that this would be an appropriate venue to address visa validity.

(2) Cargo Security

The Governments of the United States and Japan both expressed the view that it is important to take into account the need to facilitate international trade while improving transport security.

The Government of Japan expressed its view that the issue of secure trade involves the entire supply chain, so that countries should consider the combined impact of all measures on the entire chain and realize the efficiency throughout the supply chain, especially before implementing new programs in this area. It also sought to ensure the integrity and harmonization of secure trade programs worldwide. Japan expressed concern that U.S. requirements to provide cargo manifests twenty-four hours in advance of lading for maritime shipments, under the Trade Act of 2002, are causing delays and additional expense for shippers, extending shipping lead times and increasing inventory levels, and cited data about the increased cost of such recent U.S. measures. The Government of Japan recommended that the United States evaluate the reasonableness of security measures which have already been introduced to take in to consideration the impact on the entire supply chain. Japan pointed out the importance of providing incentive for the private sector to implement security measures and develop innovative technology. Finally, Japan believed that the U.S. and Japan, as two of the world's leading trading nations, must take the initiative to improve secure trade standards through appropriate multilateral organizations.

The Government of the United States advised that the cargo manifest requirement is an essential element of its counter-terrorism efforts which would continue. Both Governments desire to facilitate legitimate trade while recognizing the need to continue to improve transport security and make every effort toward enhancement of compatibility between trade facilitation and security. With this objective in mind, President Bush and Prime Minister Abe endorsed enhanced bilateral efforts to make trade flows more secure and more efficient. The two governments will continue to discuss secure trade issues in a joint task force, which held its first meeting in March 2007 with participation of the full range of relevant government agencies from both countries. The Government of Japan asked to retain the option of raising this topic under the Investment Initiative in the future if there were specific issues relevant to the Initiative's work.

(3) Exon-Florio Provision

The Government of Japan understands the necessity of regulations for national security reasons but has on numerous occasions, and again this year, expressed concern that the mechanism lacks predictability and transparency and thereby inhibits investment. Japan also expressed concerns about pending legislation to amend Exon-Florio and requested a report on the status of this legislation.

In response to Japan's concerns, the United States said that it remains committed to maintaining an open investment policy while managing a process to identify and address possible threats to national security. It noted that the Exon-Florio provision is implemented by the Committee on Foreign Investment in the United States (CFIUS), which seeks to serve U.S. investment policy through thorough reviews that protect national security while maintaining the traditionally open investment policy of the United States. Implementing regulations have established a voluntary system of notification. CFIUS encourages parties to transactions that may be particularly complex to pre-notify CFIUS of their intent to file a voluntary notification. Reviews are conducted on a transaction-by-transaction basis. CFIUS endeavors to provide parties to a transaction with ample opportunity to explain the proposed transaction, both to provide due process and to ensure that the most complete and accurate information is obtained to inform the Executive Branch decision making process. CFIUS shares with parties the reasons for initiating an investigation, to the extent permitted by U.S. law, and consistent with its mandate to advise the President on matters of national security. Because the process deals with national security and business proprietary information, the Exon-Florio provision provides that information supplied by the companies in a filing is held confidential and is not made public, except in the case of an administrative or judicial action or proceeding. The President retains the authority to review concluded transactions only when the transactions are not notified to CFIUS, or in cases in which parties have omitted material information or submitted false or misleading material information during CFIUS review.

The United States reported that the House of Representatives passed the National Security Foreign Investment Reform and Strengthened Transparency Act of 2007 on February 28, 2007 by unanimous vote, noting that the Senate planned to take up the issue soon. As the legislative process continues, the Administration intends to work with the House and Senate to update the CFIUS process based upon the following principles: further integration of national security interests in a post 9/11 environment; continuing to welcome foreign investments in the United States; and preserving what works best about CFIUS, while making improvements where needed and maintaining the integrity of the decision-making process. In implementing these principles, the Administration will seek to preserve the professionalism and independence of CFIUS and protect sensitive proprietary information provided by companies. The U.S. further noted that, in addressing potential threats to its national security that may be posed by a specific transaction, the U.S. has taken great care to avoid unnecessary impediments to foreign investment. The Treasury Department maintains a website which explains the CFIUS process, and the Treasury, the State Department and other CFIUS member departments and agencies work closely with companies involved in the process to understand their concerns and address them.

IV. Results of Meeting of Experts on Investment Agreements

In February 2007, investment experts from the U.S. and Japanese Governments met under the Investment Initiative Working Group to increase understanding of each others' objectives and experience in negotiating their respective investment agreements. The discussion was intended to explore options for possible future work under the Investment Initiative and to identify concepts that may be important to our cooperation under the Sub-Cabinet Economic Dialogue information exchange on free trade agreements (FTAs). The experts compared sample bilateral investment treaties (BITs) and FTA investment chapters for each country. [Note: Lists of investment-related agreements of both governments are attached as Appendix 3 & 4]

With respect to BITs, the experts concluded that the approaches of the United States and Japan are similar both on investment protection and on liberalization. The two governments both put a priority on guaranteeing national treatment and most-favored-nation treatment, with limited exceptions, and covering the full life-cycle of investment ("pre and post" establishment phase). Both governments take a "negative list" approach to the scheduling of measures in specific sectors that do not conform to core obligations. In their BITs, both governments also seek a guarantee of the customary international law standard of "fair and equitable treatment" as a key minimum standard of investment protection; prohibit a set of performance requirements that goes beyond what is disciplined in the WTO TRIMs Agreement; and include provisions regarding compensation for expropriation, compensation for damages caused by strife, and free transfers. The experts noted that U.S. and Japanese approaches differ in their handling of dispute settlement, with U.S. agreements allowing investors to initiate damage claims for breach of investment authorizations and certain concession contracts as well as claims for breach of a substantive obligation of the agreement. Dispute settlement procedures in Japanese agreements, by contrast, generally cover only disputes arising from a breach of the agreement itself. Other differences between the U.S. and Japanese texts include exceptions to the agreement.

Japan and the United States agreed to continue their examination of investment climate in both countries by reaching out to the private sector, starting with international business chambers in both countries. Further discussions with respect to our approaches toward investment issues under our respective FTAs with third countries will be taken up under the Sub-Cabinet Economic Dialogue's FTA information exchange.

V. Conclusion

Six years have passed since the June 2001 establishment of the Investment Initiative under the framework of the U.S.-Japan Economic Partnership for Growth, and the two governments' activities to further improve the investment climate in their respective countries and raise people's understanding of the role of inward direct investment have taken root. Moreover, the public programs under this Investment Initiative are effectively working not only to publicize the benefits of inward FDI but also to provide opportunities for companies of both countries to meet and discuss concrete business opportunities that have facilitated investment, job creation and growth.

Through the discussion of this year's activities of the Investment Initiative, both sides recognized the importance of continuing to advance open investment regimes both at home and in third countries.

In Japan, recent efforts to promote reform and the combined efforts of central and local governments to promote FDI have brought about a steady increase in inward investment that nearly reached the goal set by former Prime Minister Koizumi of doubling the stock of FDI. The Abe administration has expressed its continuing commitments to the promotion of FDI as one of its key policy goals and to the new goal to further increase FDI into Japan to the equivalent of 5% of the country's GDP by 2010. In order to achieve this goal, it is necessary for the Government of Japan to carry on its active efforts to attract foreign investment. The Government of Japan will work toward further improvement of the business environment through continued efforts to address issues identified in the Initiative.

The United States restated its commitment to a free and open international investment regime and expressed appreciation for the Japanese investment in the United States. The U.S. explained the laws and policies it uses to review the potential national security impact of proposed foreign investments in the U.S. and noted that the vast majority of foreign investment into the United States remains untouched by national security screening procedures. The Government of the United States will continue to carefully consider opinions and suggestions from Japan expressed in the Initiative.

The two sides successfully introduced a new approach into this year's Initiative. Through the meeting of experts on investment agreements, both governments exchanged their views and experiences on their respective investment agreements and found that they follow a similar basic principle and approach. The both sides agreed to continue discussion.

The U.S.-Japan Investment Initiative will continue its activities under the direction of the leaders of the two countries. Both governments will continue efforts to promote measures to improve the investment climates in their respective countries by taking into consideration the importance of both economies in the global economy, and the necessity of further growth of both economies, with an understanding of the significance of this Investment Initiative and FDI.

Appendix 1: Invest-in-Japan Symposium, Seminar

Every year, the U.S.-Japan Investment Initiative holds symposiums in the United States to give publicity to the Japanese investment environment, as well as seminars in local cities in Japan to lecture on the mutual benefits obtainable from foreign direct investment.

In November 2006, when the Initiative entered its sixth year, an Invest-in-Japan symposium was held in San Jose, California.

This symposium featured panel discussions by Kozo Yamamoto, Vice Minister of Economy, Trade and Industry, and experts from both countries, that fostered active debates on the state of the Japanese investment environment and gave successful examples of direct investment in Japan. The exchange of opinions gave the 200 participants in the symposium a good opportunity to learn about the Japanese investment environment, contributing to mutual understanding between the two countries. Preparations are underway for subsequent seminars to be held in Washington DC and Miami in October 2007.

Investment seminars in Japan were held in Sendai and Yokohama in October 2006, in conjunction with the CEATEC (Combined Exhibition of Advanced Technologies) exhibition, in order to encourage more companies from the United States to participate therein. Both seminars provided occasions for regions to promote their attractiveness as investment targets. Both cities actively attracted investment, with the participation of local administrators as well as numerous local entities with vested interests, all of whom enjoyed the exchange. This year's seminar will be held in Osaka in September 2007.

Appendix 2: Examples of Recent Entries of U.S. Companies

There are many U.S. companies that are investing in Japan by obtaining support from the Invest Japan Business Support Centers (IBSC) of the Japan External Trade Organization (JETRO). The following seven companies all entered the Japanese market in 2006.

○MapInfo Inc.

This company is renowned throughout the world for its sales of electronic map information and related services. It is already enjoying favorable sales growth in the Japanese market via its agency. The company founded its branch office in Tokyo in March 2007, aiming to further expand its sales. JETRO has assisted the company by offering it a tenant office in IBSC Tokyo, holding conferences at IBSC Hall, as well as providing information on office properties and human resources and supporting PR activities.

○Bioenvision Inc.

This is a NASDAQ-listed company with its main office in New York, which is currently developing and selling "Evoltra," a cancer remedy that has been accorded orphan drug status in the North American and European markets. The company established a base in Japan in February 2007, and it is planning to inaugurate sales in the Japanese market after obtaining approval pursuant to clinical trials. JETRO has provided information on human resources, advice related to clinical trials and approval, and support for establishing a base in Japan.

○Darim Japan (Darim Japan YK)

This is an IT company that produces footage streaming technology. It possesses technologies including MPEG encoding as used in remote monitoring systems for digital video production. The company's Japan branch was established in Nagoya in April 2006, with the aim of expanding its customer base and promoting customer support services in the Japanese market. JETRO has assisted the company by offering it a tenant office in IBSC Nagoya and also helped the company open a bank account and implement PR activities.

○Active Power Japan (Active Power Inc.)

This company manufactures and sells uninterruptible power supplies (UPS) for power generation, transmission and distribution as well as power for industrial use. The technology produced by this company is used widely not only in the manufacturing field but also in areas including telecommunications, the medical and welfare sector, finance, and the military. It is a NASDAQ-listed company with its main office in Austin, Texas, and it has already entered the European, Middle Eastern and North African markets. The company's Japan branch was established in Tokyo in February 2007 as a stepping-stone to make way for wider access to the Asian market, aimed at expansion of its marketing outlets and the promotion of customer support services in Japan. JETRO assisted the company by offering consultation on the procedures for incorporation, taxation and labor services. In addition, JETRO has provided market information obtained by way of a custom-made survey.

○Cooper Standard Automotive Japan K.K.

This is a comprehensive auto parts manufacturer in the U.S. with about 20,000 employees and 61 business bases in 15 countries worldwide, including those in Japan. Based on its sales growth in the Asian region in 2006, it established a business base in Nagoya, near Toyota Motors' base, in order to strategically reinforce its operation in Asia. The company is considering promoting the sale of its products to those involved in the design and development stages of Toyota, Nissan and Mazda vehicles destined for the North American and European markets. JETRO has provided wide-ranging assistance to the company, including offering it a tenant office in IBSC Nagoya, supporting it in its procurement of human resources, helping it locate office and residential property, providing information related to municipal incentives, and supporting its PR activities (press releases), achieving success over a three-year period.

○KK Labcyte

This company focuses on technology designed to separate and move liquid by using acoustics for the purpose of designing and manufacturing pipetting devices for research purposes. The characteristics of its products are such that they can prevent pollution produced through cross-contamination by moving liquid without touching it. The company's Japan branch was established in October 2006 with the aim of implementing market research, sales and after-sales services pertaining to the product. JETRO provided information on offices wherein services related to substitute registration, taxes and social insurance policies are provided as a unit, and assisted it by providing it a tenant office in IBSC Tokyo.

○Fox Technologies Japan KK

This company provides IT solutions aimed at protecting companies' financial reporting data from malicious acts such as destruction, falsification, deletion, etc., and preventing unauthorized alteration of such data. In the U.S, companies are becoming increasingly conscious of the accuracy and credibility of financial reports, in accordance with the Sarbanes Oxley Act (SOX Act), a law concerning financial matters, and there is a strong need for products aimed at providing companies with such solutions. Because it has already been decided that a Japanese version of the SOX Act will be introduced, the company established a Japan branch in 2006 in order to market its solutions to Japanese companies. JETRO has supported the company by providing information on where to outsource tax and accounting work and offering it a tenant office in IBSC Tokyo.

Appendix 3: U.S. Investment Related Agreements

1. U.S. Bilateral Investment Treaties (BITs)

http://www.state.gov/e/eb/rls/fs/2006/22422.htm

Country	Date of Signature	Date Entered into Force
Albania	January 11, 1995	January 4, 1998
Argentina	November 14, 1991	October 20, 1994
Armenia	September 23, 1992	March 29, 1996
Azerbaijan	August 1, 1997	August 2, 2001
Bahrain	September 29, 1999	May 30, 2001
Bangladesh	March 12, 1986	July 25, 1989
Belarus	January 15, 1994	N/A[1]
Bolivia	April 17, 1998	June 6, 2001
Bulgaria	September 23, 1992	June 2, 1994
Cameroon	February 26, 1986	April 6, 1989
Congo, Democratic Republic of the [2]	August 3, 1984	July 28, 1989
Congo, Republic of the (Brazzaville)	February 12, 1990	August 13, 1994
Croatia	July 13, 1996	June 20, 2001
Czech Republic [3]	October 22, 1991	December 19, 1992
Ecuador	August 27, 1993	May 11, 1997
Egypt	March 11, 1986	June 27, 1992
El Salvador	March 10, 1999	N/A[1]
Estonia	April 19, 1994	February 16, 1997
Georgia	March 7, 1994	August 17, 1997
Grenada	May 2, 1986	March 3, 1989
Haiti	December 13, 1983	N/A[4]
Honduras	July 1, 1995	July 11, 2001

Jamaica	February 4, 1994	March 7, 1997
Jordan	July 2, 1997	June 12, 2003
Kazakhstan	May 19, 1992	January 12, 1994
Kyrgyzstan	January 19, 1993	January 12, 1994
Latvia	January 13, 1995	December 26, 1996
Lithuania	January 14, 1998	November 22, 2001
Moldova	April 21, 1993	November 25, 1994
Mongolia	October 6, 1994	January 1, 1997
Morocco	July 22, 1985	May 29, 1991
Mozambique	December 1, 1998	March 3, 2005
Nicaragua	July 1, 1995	N/A[6]
Panama	October 27, 1982	May 30, 1991
Panama (Amendment)	June 1, 2000	May 14, 2001
Poland	March 21, 1990	August 6, 1994
Romania	May 28, 1992	January 15, 1994
Russia	June 17, 1992	N/A[5]
Senegal	December 6, 1983	October 25, 1990
Slovakia [3]	October 22, 1991	December 19, 1992
Sri Lanka	September 20, 1991	May 1, 1993
Trinidad & Tobago	September 26, 1994	December 26, 1996
Tunisia	May 15, 1990	February 7, 1993
Turkey	December 3, 1985	May 18, 1990
Ukraine	March 4, 1994	November 16, 1996
Uruguay	November 4, 2005	November 1, 2006
Uzbekistan	December 16, 1994	N/A[1]

1. Entry into force pending exchange of instruments of ratification.
2. Formerly Zaire.
3. Treaty signed on October 22, 1991, with the Czech and Slovak Federal Republic and has been in force for the Czech Republic and Slovakia as separate states since January 1, 1993.

4. Entry into force pending domestic ratification process by both Parties and exchange of instruments of ratification.
5. Entry into force pending other Party's domestic ratification process and exchange of instruments of ratification by both Parties.
6. Entry into force pending U.S.'s domestic ratification process and exchange of instruments of ratification by both Parties.

2. U.S. Model Bilateral Investment Treaty (most recent dates from 2004)
http://www.state.gov/e/eb/rls/othr/38602.htm

3. Trade Agreements with Investment Provisions

Multilateral: WTO

Regional and Bilateral:

a. North American Free Trade Agreement (NAFTA):
Chapter 11: Investment
http://www.mac.doc.gov/nafta/naftatext.html

b. Australia FTA: Chapter 11 Investment
http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Final_Text/Section_Index.html

c. Chile FTA: Chapter 10 Investment
http://www.ustr.gov/Trade_Agreements/Bilateral/Chile_FTA/Final_Texts/Section_Index.html

d. Central America- Dominican Republic (CAFTA-DR) Chapter 10 Investment
http://www.ustr.gov/Trade_Agreements/Bilateral/CAFTA/CAFTA-DR_Final_Texts/Section_Index.html

e. Colombia Trade Promotion Agreement (TPA) (signed, not in force)
Chapter 10 Investment
http://www.ustr.gov/Trade_Agreements/Bilateral/Colombia_FTA/Final_Text/Section_Index.html

f. Israel FTA: Article 13 Trade-Related Performance Requirements
http://www.mac.doc.gov/tcc/data/commerce_html/TCC_Documents/IsraelFreeTrade.html

g. Morocco FTA: Chapter 10 Investment
http://www.ustr.gov/Trade_Agreements/Bilateral/Morocco_FTA/FInal_Text/Section_Index.html

h. Oman FTA: Chapter 10 Investment (signed, not yet in force)
http://www.ustr.gov/Trade_Agreements/Bilateral/Oman_FTA/Final_Text/Section_Index.html

i. Panama FTA: (negotiations completed, not signed)
http://www.ustr.gov/Trade_Agreements/Bilateral/Panama_FTA/Section_Index.html

j. Peru TPA: Chapter 10 Investment (signed, not in force)
http://www.ustr.gov/Trade_Agreements/Bilateral/Peru_TPA/Final_Texts/Section_Index.html

k. Singapore FTA: Chapter 15 Investment, Including Annexes 15A, 15B, 15C and 15D (Pages 155-183 of Agreement), and related exchanges of letters
http://www.ustr.gov/Trade_Agreements/Bilateral/Singapore_FTA/Final_Texts/Section_Index.html

l. Republic of Korea FTA (KORUS) (negotiations completed, not yet signed)
http://www.ustr.gov/Trade_Agreements/Bilateral/Republic_of_Korea_FTA/Draft_Text/Section_Index.html

*** Note:** Investment-related obligations may also be found in the chapters on Financial Services and Transparency of the recent trade agreements listed above.

4. Trade and Investment Framework Agreements (TIFAs)

http://www.ustr.gov/Trade_Agreements/TIFA/Section_Index.html

U.S. - Central Asian TIFA (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan)
U.S. - Common Market for Eastern and Southern Africa (COMESA) TIFA
U.S. - West African Economic and Monetary Union (WAEMU) TIFA
U.S.-Afghanistan TIFA
U.S.-Algeria TIFA
U.S.-ASEAN TIFA
U.S.-Bahrain TIFA
U.S.-Brunei TIFA
U.S.-Cambodia TIFA
U.S.-Ghana TIFA
U.S.-Indonesia TIFA
U.S.-Kuwait TIFA
U.S.-Malaysia TIFA
U.S.-Mauritius TIFA
U.S.-Mozambique TIFA
U.S.-New Zealand TIFA
U.S.-Nigeria TIFA
U.S.-Pakistan TIFA
U.S.-Qatar TIFA
U.S.-Saudi Arabia TIFA
U.S.-South Africa TIFA
U.S.-Thailand TIFA
U.S.-Tunisia TIFA
U.S.-United Arab Emirates TIFA
U.S.-Yemen TIFA

5. Other Related Information

A. OECD work on investment agreements:
www.oecd.org/daf/investment/agreements

B. UNCTAD BIT search engine:
http://www.unctadxi.org/templates/DocSearch____779.aspx

C. ASEAN initiative:
http://www.ustr.gov/Trade_Agreements/Regional/Enterprise_for_ASEAN_Initiative/Section_Index.html

D. SICE website on BITs in Western Hemisphere region:
http://www.sice.oas.org/cp_bits/english99/listagrs.asp#Bilateral%20Investment%20Treaties

E. APEC Investment Experts Group investment work, including the project of identifying core elements in investment agreements:
http://www.apec.org/apec/apec_groups/committees/committee_on_trade/investment_experts.html#investment

F. OECD Policy Framework on Investment:
http://www.oecd.org/document/61/0,2340,en_2649_34893_33696253_1_1_1_1,00.html

Appendix 4: Japanese Investment Related Agreements

○BITs of Japan

-Protection

	Date of Signature	Date Entered into Force
Japan-Egypt	Jan, 1977	Jan, 1978
Japan-Sri Lanka	Mar, 1982	Aug, 1982
Japan-China	Aug, 1988	May, 1989
Japan-Turkey	Feb, 1992	Mar, 1993
Japan-Hong Kong	May, 1997	Jun, 1997
Japan-Pakistan	Mar, 1998	May, 2002
Japan-Bangladesh	Nov, 1998	Aug, 1999
Japan-Russia	Nov, 1998	May, 2000
Japan-Mongolia	Feb, 2001	Mar, 2002

-Protection and Liberalization

	Date of Signature	Date Entered into Force
Japan- S. Korea[1]	Mar, 2002	Jan, 2003
Japan-Vietnam[2]	Nov, 2003	Dec, 2004

○Investment chapter of FTAs between Japan and other countries

	Date of Signature	Date Entered into Force
Japan-Singapore FTA[3]	Jan, 2002	Nov, 2002
Japan-Mexico FTA[4]	Sep, 2004	Apr, 2005
Japan-Malaysia FTA[5]	Dec, 2005	Jul, 2006
Japan-Philippine FTA[6]	Sep, 2006	-
Japan-Chile FTA[7]	Mar, 2007	
Japan-Thailand FTA[8]	Apr, 2007	

1 http://www.bilaterals.org/IMG/pdf/korea_japan.pdf
2 http://www.mofa.go.jp/region/asia-paci/vietnam/agree0311.pdf
3 http://www.mofa.go.jp/region/asia-paci/singapore/jsepa.html
4 http://www.mofa.go.jp/region/latin/mexico/agreement/index.html
5 http://www.meti.go.jp/policy/trade_policy/epa/html/malaysia_epa_text_e.htm
6 http://www.mofa.go.jp/region/asia-paci/philippine/epa0609/index.html
7 http://www.mofa.go.jp/policy/economy/fta/chile.html
8 http://www.mofa.go.jp/policy/economy/fta/thailand.html

○BITs and investment chapter of FTAs in Asia (for example)

AIA (ASEAN Investment Area)

http://www.aseansec.org/6467.htm (2001)

http://www.aseansec.org/6466.htm (1998)

Agreement among ASEAN for Promotion and Protection of Investments

http://www.aseansec.org/6464.htm (1987)

Thailand-Australia FTA (TAFTA)

http://www.dfat.gov.au/trade/negotiations/aust-thai/aus-thai_FTA_text.pdf

○Multilateral Investment Treaty

Energy Charter Treaty (ECT)

http://www.encharter.org//upload/9/1205206745157511581920497147435321319351908602 13f2543v3.pdf

WTO (TRIM, GATS)

http://www.wto.org/english/docs_e/legal_e/18-trims.pdf

http://www.wto.org/english/docs_e/legal_e/26-gats.pdf

OECD (MAI) -discontinued in April 1998

http://www1.oecd.org/daf/mai/pdf/ng/ng987r1e.pdf

OECD Code of Liberalization of capital movements

http://www.oecd.org/dataoecd/10/62/4844455.pdf

Multinational Corporation GL

http://www.oecd.org/dataoecd/23/33/37439881.pdf

FTA model measures discussed in APEC (tentative, Jan, 2007)