

Section 3 Middle East

<Future policy>

The Middle East is a region essential to stable energy supply for Japan. Japan aims to enhance economic cooperation with the region, expand markets there and ensure the stability of the region through support for industrial diversification and improvement of the trade and investment environment, which have become challenges for Middle East countries heavily dependent on oil. Japan will promote lobbying efforts to better ensure the stability of energy supply through measures such as extending the period of rights to oil fields.

<Progress status>

Concerning Saudi Arabia, Deputy Crown Prince Mohammed bin Salman visited Japan in September 2016 and held a meeting with Prime Minister Shinzo Abe. At the meeting, the two leaders agreed to launch the “Japan-Saudi Joint Group for Vision 2030,”³⁵³ a ministerial forum, in order to hold intensive discussions on specific cooperation toward the implementation of the “Vision 2030,” Saudi Arabia’s growth strategy, and Japan’s growth strategy and to hold the first meeting of the group in October 2016.

In October of the same year, the first ministerial meeting of the Japan-Saudi Joint Group for Vision 2030 was held in Riyadh, with the participation of Minister of Economy, Trade and Industry Hiroshige Seko and State Minister for Foreign Affairs Kentaro Sonoura from Japan and Minister of Economy and Planning Adel M. Fakeih, Minister of Commerce and Investment Majid Bin Abdullah Al Qasabi and Minister of Energy, Industry and Mineral Resources Khalid A. Al-Falih from Saudi Arabia and representatives of 33 ministries, agencies and other organizations from the two countries. At the meeting, an agreement was reached on establishing subgroups with respect to major subjects—trade and investment opportunities, investment and finance, energy and industry, SMEs and capacity building, and culture and sports—and discussing specific action plans. At the same time, the first

³⁵³ Outline of the Saudi-Japan Vision 2030

((A) As a new compass for Japan-Saudi cooperation, Japan and Saudi Arabia will aim to leverage synergies of the Saudi Vision 2030, an economic and social blueprint of the government seeking to reduce its dependency on oil and create employment, and Japan’s Growth Strategy seeking to achieve an annual GDP of 600 trillion yen per year.

(B) To maximize these synergies, both sides will develop comprehensive cooperation composed of three pillars: diversity, innovation, and soft values, which is unique to Japan.

(C) Both sides will set broad cooperation areas across nine themes (competitive industry, energy, entertainment and media, healthcare and medical, quality infrastructure, agriculture and food security, SME and capacity building, culture, sports and education, and investment and finance), as prioritized areas in the concrete partnership with participation of 41 Japanese and Saudi Arabian ministries, agencies and organizations.

(D) In order to promote cooperation concerning the nine themes, both sides will also collaborate in enhancing “enablers” to facilitate business, e.g., revision of regulations and provision of incentives.

(E) Both sides will select and implement 31 Front Runner Projects.

(F) In order to promote businesses, both sides will establish a new subgroup for addressing overarching opportunities and challenges and discuss setting up dedicated industrial zones that showcase models of Saudi Arabian economic reform, so-called “Enabler Showcase Zones.” Moreover, they will establish “Saudi-Japan Vision Offices” in Tokyo and Riyadh as bases for continuously following implementation of the Vision 2030.

meetings of the subgroups were held. On this occasion, Minister Seko paid a courtesy call on King Salman Bin Abdulaziz Al-Saud and Deputy Crown Prince Mohammed, and the Saudi side expressed strong expectations for the future enhancement of the two countries' relationship.

In March 2017, King Salman's historic visit to Japan (the first visit to Japan by a Saudi king in 46 years) was seized as an opportunity to reach agreement on the Saudi-Japan Vision 2030, which mapped out the basic direction of bilateral cooperation and specific projects, at his summit meeting with Prime Minister Abe. Under the watch of the two leaders, Minister of Economy, Trade and Industry Seko and Minister of Economy and Planning Adel M. Fakeih, among other officials, signed a memorandum of cooperation concerning the Saudi-Japan Vision 2030 (Figure III-3-3-1). In addition, Minister Seko paid a courtesy call on King Salman, and the formulation of the Saudi-Japan Vision 2030 was welcomed. Moreover, the second ministerial meeting of the Japan-Saudi Joint Group for Vision 2030 was held and discussions were held on steady implementation of the Saudi-Japan Vision 2030 with the participation of Minister Seko and other officials from Japan and Minister of Economy and Planning Adel M. Fakeih and other officials from Saudi Arabia.

Figure III-3-3-1 Saudi-Japan Vision 2030 Business Forum (MOC exchanging ceremony under the watch of the two leaders)



Photo: METI

Concerning Iran, in September, Prime Minister Abe and President Hassan Rouhani held a summit meeting on the occasion of the United Nations General Assembly. President Rouhani expressed hopes to expand economic, trade and investment relationships. Prime Minister Abe explained Japanese initiatives, including establishing a 10 billion dollar financing facility and securing Diet approval for the Japan-Iran Investment Agreement, and called for further efforts by Iran, including the improvement of the business environment. In October, JETRO opened a Japan pavilion at the Tehran International Industry Exhibition as it did in the previous year and 26 Japanese companies participated in it. In December, Foreign Minister Mohammad Javad Zarif, accompanied by representatives of many Iranian companies, visited Japan and held a meeting with Minister Seko. He also participated in a business forum sponsored by JETRO and the Iranian embassy in Japan and called for Japanese companies' further expansion into the Iranian market.

Concerning the UAE, in January and May 2016, State Minister of Economy, Trade and Industry Yosuke Takagi visited the country and held consultations, and in addition, in May of the same year, Minister of State Sultan Ahmed Al Jaber, who is also CEO of the Abu Dhabi National Oil Company

(ADNOC), visited Japan and held meetings with Minister of Economy, Trade and Industry Motoo Hayashi and State Minister of Economy, Trade and Industry Takagi. His visit became a valuable opportunity for such activities as lobbying for the reacquisition of the rights to offshore oil fields that are due to expire in 2018 (Figure III-3-3-2). In November of the same year, State Minister of Economy, Trade and Industry Takagi visited the UAE (Abu Dhabi) and participated in the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), the world's largest fair in this field. In addition, he met with important government officials to reaffirm further promotion of cooperation in a broad range of fields, including energy. In January 2017, Minister Seko visited the UAE (Abu Dhabi) on the occasion of the World Future Energy Summit (WFES) and announced the acquisition of rights to onshore oil fields. In addition, in March of the same year, State Minister of Economy, Trade and Industry Takagi participated in the Global Manufacturing & Industrialization Summit (GMIS), which was held in the UAE (Abu Dhabi) and met with important government officials to reaffirm further promotion of cooperation in a broad range of fields, including energy.

Figure III-3-3-2 Meeting with Minister of State Sultan Ahmed Al Jaber in Abu Dhabi



Photo: METI

With respect to Israel, in December 2016, Prime Minister Benjamin Netanyahu and Prime Minister Shinzo Abe held a summit meeting in Paris, France. In June of the same year, the Ministry of Economy and Industry of the State of Israel and the Ministry of Economy, Trade and Industry held the Second Japan-Israel Economic Dialogue and exchanged opinions about a broad range of fields, including measures to promote investment and trade between the two countries, cooperation in the fields of research and development (R&D) and cybersecurity, and venture policy. In October of the same year, Israeli companies participated in CEATEC (in Tokyo), a fair in the field of IoT. JETRO opened a Japan booth at CyberTech 2016 (in Tel Aviv), a trade fair, in the field of cybersecurity, in January 2017, as it did last year. The Ministry of Economy, Trade and Industry supported such two-way exchanges between companies and provided matching opportunities for many Japanese companies. In January 2017, a signing ceremony for the Agreement for the Liberalization, Promotion and Protection of Investment (Japan-Israel investment agreement) was held.

Concerning Turkey, Prime Minister Abe held a summit meeting with President Recep Tayyip Erdogan on the occasion of the United Nations General Assembly in September 2016. In December of

the same year, State Minister of Economy, Trade and Industry Takagi took advantage of his visit to Australia (WTO ministerial meeting on the EGA) as an opportunity to hold a meeting with Minister of Economy Nihat Zeybekci to exchange opinions about enhancement of investment and the trade relationship and called for further participation by Japanese companies in infrastructure projects in Turkey.

With Qatar, Japan exchanged opinions about further enhancement of the economic relationship, including stable supply of LNG to Japan, through such occasions as the LNG Producer-Consumer Conference 2016, which was held when Minister of Energy and Industry Mohammad Bin Saleh Al-Sada visited Japan in November 2016, and a meeting of the Japan-Qatar Joint Economic Committee.

With respect to Palestine, in November 2016, JETRO and JICA jointly dispatched a Palestine business environment inspection mission comprised of representatives of Japanese companies operating in Israel, Europe and the Middle East and provided support for activities to invigorate exchange between Japanese and Palestine companies.

As for Jordan, in October 2016, King Abdullah II visited Japan and held a summit meeting with Prime Minister Abe. In addition, the Jordan-Japan Business Forum was held, and at the forum, the business environment in Jordan was explained and a meeting for information exchange between Japanese and Jordanian companies was held.

Regarding Egypt, in March 2017, Minister of Electricity and Renewable Energy Mohamed Shaker visited Japan and held a meeting with State Minister of Economy, Trade and Industry Takagi, in which they reaffirmed efforts to further develop the two countries' economic relationships through cooperation in the field of electricity.

Concerning Morocco, in May 2016, the Fourth Japan- Arab Economic Forum was held in Casablanca with the participation of Minister of Economy, Trade and Industry Hayashi. Discussions were held on (A) diversification of the economic relationships between Japan and Arab countries, (B) investment opportunities in Morocco and (C) cooperation in a broad range of fields, including energy, the environment and infrastructure, and the Joint Statement of the 4th Japan- Arab Economic Forum for the Development of the Japan-Arab Economic Relationship (Casablanca Declaration) was issued.