

フィンランド日本商工会議所年次総会 藤村大使プレゼンテーション

Presentation by H.E. FUJIMURA Kazuhiro, Ambassador of Japan to Finland,

“Japan-Finland towards our Future” on 19<sup>th</sup> May 2022

Hyvää päivää. Arvoisat Juha Pitkänen, Chairman, FJCC, Petteri Kostermä, Vice-Chair, FJCC ja kaikki osallistujat. (ピトカネン会長やコステルマー副会長、参加者の皆様) Kiitoksia kutsusta Japanin kauppakamarin vuosikokoukseen. (本日は年次総会にお招きいただきありがとうございます。)

Olen Fujimura Kazuhiro, Japanin Suomen-suurlähettiläs. Hauska tavata teidät kaikki. Tulin Suomeen vasta 4 (neljä) viikkoa sitten. (皆様に会えて光栄です。4週間前にフィンランドに来たばかりです。)

Today, I would like to present two points. Firstly “Japan’s economic policy and trend”, and then secondly “Prime Minister Sanna Marin’s visit to Japan”.

1. Japan’s economic policy and trend

Now let me start with first topic “Japan’s economic policy and trend”. I would like to introduce to you an economic policy that Prime Minister Kishida Fumio is advocating, which is called “new form of capitalism”.

Capitalism has changed before. Indeed, it has experienced at least two major transformations. One was the transition from laissez-faire to the welfare state. The other was the shift from the welfare state to neoliberalism. In both of these transitions, the pendulum swung between two ideas: “market or state”, “public or private”. But the next transition will be to a “new form of capitalism”, in which the public *and* private sectors work together. Instead of “or,” we will have “*and*”— market *and* state, public *and* private.

Under this new form of capitalism, social challenges can become engines of growth. The government will prime the pump to create new markets in challenging areas, attract private investment, and foster public-private collaborations. In this way, we will address social problems while at the same time driving robust growth. “Kaksi kärpäästä yhdellä iskulla” as we say in Japanese as well as in Finnish. (注：一石二鳥。フィンランド語では一度で2匹の蠅を叩くこと。)

Prime Minister Kishida delivered a speech in London on 5th May, and he conveyed the single message as I quote “The Japanese economy will continue to see robust growth. You can invest in Japan with confidence. Invest in Kishida.” To achieve better and sustainable “new form of capitalism”, there are number of things Japan need to work on. And it requires investment, specifically in four key areas: one: people, two: science, technology and innovation, three: start-ups, and four: green and digital initiatives.

### ① Investment in Human Capital

Let me start with people. Investment in human capital is at the heart of the growth strategy of the Kishida Administration. Japan needs to expand investment in people, both in terms of “flow” and “stock.”

A major challenge for Japan is that, while productivity growth per working hour has been comparable to that of other countries, wage growth has been low. To see this specifically, in 2001, average salary per month in Japan was about 2,230 euros, and in 2021, it is about 2,250 euros. There is almost no difference. This low growth of wage has held back consumption and, by extension, overall economic growth. Japan must foster productivity growth and ensure that wages rise alongside productivity. To do that, the Government of Japan will introduce tax incentives to encourage employers to increase wages. And also the Government of Japan will work with the private sector to create a social atmosphere in which it is normal and natural for pay to rise.

Next, on the stock side, investment in vocational training, recurrent education and lifelong learning is vital. The reality is that investment in education and training in the corporate sector in Japan is much lower than in other countries. The Government of Japan will actively support labour and job mobility by further increasing investment, and promoting the accumulation of human capital. In particular, re-skilling as well as promoting side careers will be important. This might go to be similar system to the scheme Finland has, that is, study leave- “opintovapaa”.

Also the financial assets of Japanese individuals are said to amount to about 14.7 trillion euros. More than half of them is held in bank deposits and cash. In order to double people’s incomes from asset investments, a bold and fundamental shift from savings to investment should be promoted. To this end, the Government of Japan will mobilise all policy measures in advancing the “Doubling Asset-based Incomes Plan”.

## ② Investment in Science and Technology

The second pillar is investment in science, technology and innovation

Unfortunately, current investment in R&D by Japanese companies is far less than that of other developed countries. It was about 103 billion euros and 2.54% per GDP in 2019. The same goes for capital investment. This must be changed. For this purpose, Japan will articulate a national strategy in five fields: AI, quantum technologies, biotechnology, digital and decarbonization. Strong incentives will be offered to companies eager to increase R&D investment in accordance with the national strategy.

## ③ Investment in Start-ups

The third pillar is investing in start-ups. Major Japanese companies, such as Honda and Sony, have been the driving force for the country. They were originally start-ups founded by young entrepreneurs after WWII. So it is our earnest wish to create the next start-up boom in Japan. Japan wishes to

create an environment where young people can jump into start-ups more easily.

Then this will require a set of integrated political measures: such as (1) the creation of start-up campuses, involving leading universities from abroad and (2) the attraction of foreign venture capital, combined with public capital participation in overseas venture capital and so on.

#### ④ Investment in Green and Digital

Last but not least, investment in green and digital initiatives.

Energy security has been given particular importance after Russia's invasion against Ukraine while climate change remains an urgent issue. In addition to renewable energy, Japan will utilize nuclear reactors with safety assurances to contribute to worldwide reduction of dependence on Russian energy. Restarting just one existing nuclear reactor would have the same effect as supplying 1 million tonnes of new LNG per year to the global market.

And of course, investment in digital. Japan will actively promote digital transformation in both the public and private sectors. Earlier, web 1.0, developed based on website, was information from only one direction. Then web 2.0, such as twitter and Facebook, offered communications. However, they have raised concerns about information gathered by particular companies. This time, Japan will develop an environment for the promotion of web 3.0 and achieve a society that facilitates the birth of new services. They will offer communication at the same time prevent the overconcentration of power.

#### 2 Prime Minister Marin's visit to Japan

Distinguished guests, now let me move on to my second topic "Prime Minister Sanna Marin's visit to Japan". As you are all well aware, Prime Minister Marin paid her visit to Japan from 10<sup>th</sup> to 12<sup>th</sup> May along with Minister for Development Cooperation and Foreign Trade, Mr. Ville Skinnari and a business delegation. I was delighted to accompany them and witnessed Japan-Finland relations had strengthened even more.

One of the most significant moments was the bilateral summit meeting between Prime Minister Kishida and Prime Minister Marin on 11<sup>th</sup> May. I would like to share with you five highlights of their meeting.

(1) Prime Minister Marin stated that bilateral relations are in remarkably good condition, and expressed her expectation on strengthening cooperation in a range of areas including digital field such as 5G/6G. Prime Minister Kishida mentioned bilateral economic relations has further developed after Japan-EU EPA entered into effect in 2019 specially in the field of high-technology and renewable energy and expects to strengthen partnerships in the area of science and technology. In addition, he sought cooperation on lifting bans set by EU on food imports from Japan at the earliest.

(2) Then the two leaders highly welcomed an agreement on Working Holiday arrangements between Japan and Finland. Finnish Ambassador Pekka Orpana and I signed the documents in the presence of both Prime Ministers.

(3) Moreover, the two Prime Ministers shared the view that early realization of the UN Security Council reform is necessary and Prime Minister Marin expressed her support over Japan to become a permanent member of the Security Council. In connection with international nuclear disarmament and non-proliferation regime, Prime Minister Kishida stressed the importance of initiatives on the world without nuclear weapons, then they consented to work closely to achieve a meaningful outcome at the 10th Non Proliferation of Nuclear Weapons (NPT) Review Conference to be held in August this year.

(4) Then both Prime Ministers confirmed to enhance the cooperation against climate change. They will focus mainly on deepening partnerships between private companies related to renewable energy sector.

(5) Lastly the two leaders also shared the view on gender equality.

Besides the summit meeting, Prime Minister Marin had tight schedule. One of them was to attend the seminar titled “Societal Impacts of Digitalization- Towards the Society of Beyond 5G/6G”, held at Tokyo University, and Prime Minister Marin delivered a key note speech. Furthermore, she met many important stakeholders including Keidanren (Japan Business Federation) while Minister Skinnari attended a signing

ceremony of a MoU between Riken and CSC for promoting cooperation on supercomputing.

Furthermore, Minister Skinnari attended the opening ceremony of Nokia's Local 5G Lab in Tokyo where I delivered a short speech. I emphasized that Japan aims at achieving Society 5.0, which is data-driven society and that Nokia can play a significant role there. The opening of Nokia's Local 5G Lab is in line with the discussion held during the Kishida-Marin summit meeting, because they advocated further strengthening bilateral relations regarding science and technology.

At almost the same time, on 9<sup>th</sup> May, Minister of Digital Agency, Dr. Makishima Karen from Japan visited Finland and held meetings with Minister Lintilä, Minister Paatero, Minister Skinnari and Minister Harakka. Minister Makishima had fruitful discussion over Finnish advanced approaches on digitalization with Finnish counterparts. Regarding this visit as a kick-off, they agreed to continue discussion and share the knowledge in the field of digital at working level in order to move toward concrete cooperation on matters of common interests.

Now, I would like to briefly introduce to you a green business project between Japanese and Finnish companies. Japanese major electric company The Kansai Electric Power Co., Inc. and one of the largest Finnish wind power developer Ilmatar Energy Ltd held a closing ceremony last night. This is concerning their onshore wind farm project for joint operation in Alajärvi. As it was discussed at the Kishida-Marin summit meeting, this is an example of partnership between companies from two nations in the field of renewable energy to tackle climate change. It is my sincere hope that Japan and Finland will continue to strengthen their cooperation in high technology area as well as renewable energy in the future.

### One more tip to conclude

To conclude my presentation, I would like to share one very hot information to the friends of FJCC. That is, an unprecedented Finnish sauna boom has struck Japan over the past few years. Now after today's sauna-like

heated meeting, I hope you will get cooled down and enjoy saunapuhdas olo -  
cleaned and happy feeling after sauna.

Kiitoksia paljon for your attention.

(End)