

Joint Declaration of Intent
of the Ministry of Economy, Trade and Industry of Japan,
the Ministry of Internal Affairs and Communications of Japan
and the Federal Ministry for Economic Affairs and Energy
of the Federal Republic of Germany,
on economic policy and economic cooperation

In the end of October 2018, the Ministry of Economy, Trade and Industry of Japan (METI), the Ministry of Internal Affairs and Communications of Japan (MIC) and the Federal Ministry for Economic Affairs and Energy of the Federal Republic of Germany (BMWi) affirmed the successful development of economic and political relations between METI and MIC and BMWi (referred to as “sides”; collectively as “all sides”), notably the steady progress based on the Hannover Declaration, and renewed the intention to further strengthen the bilateral economic cooperation, including, but not limited to, the following areas:

1. Multilateral and bilateral trade policy

METI and BMWi stress the importance of free trade, open markets and the rules-based multilateral trading system centred at the WTO.

METI and BMWi commit to a modernisation of the WTO in its three functions and welcome as a first step that Japan and the EU will co-sponsor together with the U.S. a proposal to strengthen transparency in the WTO and to improve compliance with notification obligations. At the same time, METI and BMWi are committed to the development of stronger WTO rules on industrial subsidies so as to achieve a level playing field. In this regard METI and BMWi welcome their work together with the U.S. in the context of the trilateral cooperation.

METI and BMWi welcome the conclusion of the EU-Japan Economic Partnership Agreement and support a rapid entry into force of the agreement. It is an important signal for free trade and against protectionism and an additional impetus to trade both between the EU and Japan and between Japan and Germany.

2. Economic policy consultations

Japan and Germany are export-oriented countries, therefore METI and BMWi reaffirm the importance of further deepening their bilateral political dialogue in the area of external economic

policy, including the established and already successful dialogue on director general level in the field of critical technology control.

To further deepen mutual understanding on the economic issues, METI and BMWi reaffirm that the Japanese-German economic policy consultations between METI and BMWi at Vice-Minister level have been an important instrument to deepen the political exchange and share the intention to further accelerate Japanese-German economic relations.

3. Industrial policy cooperation

Japan and Germany are highly industrialised countries with a highly competitive industrial sector. Industries in both countries face new challenges, e.g. in the field of digitalisation, and desire to reap the benefits from implementing new technologies in order to stay competitive. Bilateral cooperation aims to help both countries to learn from each other, to strengthen the competitiveness of their industry by promoting cooperation between companies, research institutes and platforms in both countries, and to strive for international solutions in international fora.

In February 2016 METI and BMWi decided to launch an industrial policy dialogue at Director-General level. It covers a wide range of industrial policy issues, especially all issues related to the more specific industrial cooperation projects mentioned below but also further industrial policy measures.

a. Industrie 4.0 / Connected Industries

METI and BMWi share the view that the digitalisation and linking of production processes along the whole global value chain via the internet offers great economic potential for the economies of both countries. Both sides highly commend the fact that the bilateral cooperation so far has yielded a large number of fruitful results, including the holding of bilateral and multilateral conferences in the fields of smart manufacturing and cybersecurity, publication of a joint report on international standardisation on smart manufacturing facilitated by a cooperation platform between Plattform Industrie 4.0 and the Robot Revolution & Industrial IoT Initiative, international regulatory reform, SME development and mutual visits of SMEs with IoT capability to both countries.

MIC and BMWi welcome the progress made based on the Memorandum of Understanding between the National Institute of Information and Communications Technology (NICT) and the German Research Center for Artificial Intelligence (DFKI), including serving as the chair and vice-chairs of Flexible Factory Partner Alliance (FFPA).

MIC and BMWi intend to intensify their cooperation, including in the new fields of digital skills and training and digital business models.

b. Automotive / e-mobility

METI and BMWi have been cooperating in the field of electric mobility and its standardisation for more than 5 years now. Both sides welcome the recent progress, including information exchange on next-generation charging infrastructure and joint research on internal combustion. Both sides intend to intensify their cooperation, e.g. in the field of research and development regarding automated and connected vehicles.

c. Exploration and use of outer space for peaceful purposes

METI, MIC and BMWi welcomed the ongoing effort to expand space industry cooperation such as exchanging public-private delegations from both countries. All sides have also confirmed the importance of further cooperation in the area of space sector including remote sensing and space laser communications. This should contribute to strengthening the industrial competitiveness of Japan and Germany.

d. Research and Development

METI and BMWi welcome joint research cooperations between Japanese and German companies.

e. Start-ups

METI and BMWi share the view that the development of start-ups plays a growing role in achieving economic growth in both countries. Both sides recognise the importance of exploring further opportunities to promote the development of start-ups.

4. Digital cooperation

MIC, METI and BMWi express their satisfaction with the longstanding successful cooperation in the field of digital policy and are determined to further deepen their dialogue and collaboration. All sides envisage including enterprises in the dialogue, aiming to provide them with a forum for exchanging new trends and experiences within their businesses.

a. Digital policies

MIC and BMWi welcome that both sides and the private sector of both countries have developed bilateral digital policy cooperation through a Vice-Ministerial framework of the Japan-Germany ICT Policy Dialogue. The areas of further cooperation depend on the latest developments and upcoming questions and should include, but not be limited to, industrial cybersecurity, international standardisation, regulatory policy and international regulatory reform, internet governance, support for small and medium-sized enterprises and start-ups, development and training of human resources, research and development and emerging technologies like artificial intelligence, big data, internet of things and others.

b. Artificial intelligence / internet of things

The focus of the envisaged cooperation should be on the development of innovative solutions of digital component technologies of artificial intelligence (AI), internet of things (IoT) and industrial communication. The projects should foster the attainment of the common political objective of enhancing productivity in the entire economy and implementing the sustainable development goals. Achievements and applications like services and platforms will be important in both industrial and non-industrial areas.

Japan and Germany share the view that cooperation among platforms, the building of ecosystems and the shaping of alliances are important ways to harness the potential of AI/IoT. In this regard, MIC and BMWi welcome the discussion on possible joint research in the field of industrial IoT/AI to promote cooperation in the private sector.

METI and BMWi welcome the progress made based on the Memorandum of Understanding between the National Institute of Advanced Industrial Science and Technology (AIST) and DFKI, including the holding of a joint workshop on artificial intelligence and the discussion of possible joint research between the two research organisations.

MIC and BMWi also welcome joint research between Japanese and German companies in the field of artificial intelligence.

c. Cybersecurity

MIC and BMWi welcome the successive discussions on ICT measures against cyber attacks between relevant organisations such as, as well as the sharing of best practices on policy, operational and technical measures for counteracting rapidly increasing cyber threats including the vulnerability of the IoT.

5. Energy policy cooperation

Japan and Germany rely on energy systems that are secure, economically affordable and sustainable. Both countries face the challenge of transformation towards low greenhouse-gas-emission energy systems in line with the goals of the Paris Agreement. METI and BMWi recognise the inherent opportunities for innovation, competitiveness, growth and employment. Acknowledging the importance of international collaboration, all sides will continue and further deepen their cooperation on:

- a. Increasing deployment and system integration of renewable energy technologies
- b. Decarbonising energy systems through sustainable technologies such as hydrogen
- c. Increasing energy efficiency

METI, MIC and BMWi underline their common interest in intensifying cooperation in the aforementioned areas. The continued interest of companies from both countries in cooperation in the areas mentioned will form the basis for this.

Other areas of cooperation may also be taken into account if they are of interest to companies on all sides.

This Joint Declaration of Intent was signed in Tokyo the end of October 2018 in triplicate in the English language.

For the Ministry of Economy, Trade and Industry of Japan	For the Ministry of Internal Affairs and Communications of Japan	For the Federal Ministry for Economic Affairs and Energy of the Federal Republic of Germany
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Hiroshige Seko Minister of Economy, Trade and Industry	Masatoshi Ishida Minister of Internal Affairs and Communications	Peter Altmaier Federal Minister for Economic Affairs and Energy
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