

April 7, 2014

**Statement by Yasuchika Hasegawa, Chairman of Keizai Doyukai
On a Broad Agreement with Australia for
EPA (Economic Partnership Agreement) Negotiation**

1. Today, Japan reached a broad agreement with Australia for EPA (Economic Partnership Agreement) after seven years' negotiation since its start in 2007. It is a big step toward the realization of Free Trade Area of the Asia-Pacific (FTAAP), right after EPA with ASEAN. We appreciate that the progress made in trade liberalization in the agricultural sector is beyond the existing scope.
2. Promoting economic partnership is very important for the Japanese economy to get on the sustainable growth path. We strongly hope today's broad agreement will be a driver to promote the Trans-Pacific Partnership (TPP) trade talks that have a goal of accelerating the growth in Asia Pacific region and establishing a new economic order.
3. A good incentive in liberalizing agriculture is found in a case of a cherry (both Japanese and non-Japanese) that has increased the consumption through product differentiation leveraging the import liberalization. There are two measures to be taken in order to reach a goal of KPI (Key Performance Indicator; Increase 2020 market size of the sixth industry to 10 trillion yen) described in "Japan Revitalization Strategy". They are 1) to disseminate the idea of "market-in" to agricultural industry with originality created by parties involved and 2) to utilize new technologies and various know-hows provided by new entrants from many fields. We would like to support the Strategy through strengthening collaboration further with the agricultural sector.

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