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Following the US and what you have said about climate change and education, I will turn to Mr. Sano, and after his presentation we will move to the Middle East before going to the east of Europe.

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I enjoyed a short visit to Rabat yesterday evening, and I was very much impressed. One impressive thing is the stature of the guards at the monuments. They are all tall, almost two meters, and I am only 1.65. I took a picture of them. I learned that some Moroccans had immigrated into France in order to play football. This is a kind of legal and welcome immigration from Morocco. One can see that if immigrants have some kind of talent or there is some other good reason, many developed countries can find a good reason to accept them, but if it is a burden to them, they may find reasons to stop it.

Let me just make three points.

The first is about anti-globalization, populism and, as one of moderators said, the established intellectuals. I would like to go back to the 1999 WTO conference in Seattle. President Clinton aimed to launch a new round after the Uruguay Round in 1994 to establish the WTO. This Seattle meeting was a complete mess, with 400 arrested demonstrators. The conference failed to launch a new round because of the anti-globalization movement led by the established intellectuals.

NGOs and developing countries largely sponsored this anti-WTO movement by stressing the disadvantages to developing countries.

At Seattle, developed countries intended to include new issues such as investment and so on in the round in addition to traditional issues of trade and services. The biggest issue at that time for NGOs was that the governments of the developed countries were on the side of global companies. The US was strongly supporting globalization in order to benefit rapidly globalizing US companies.

By the way, to my understanding, globalization and internationalization are different, as the terms are applied to companies. International companies respect local authorities and local rules, but global companies wish to keep their own global standards throughout their operations and to push all the host countries to accept those standards. That is the big difference between global and international companies.

One significant issue we discussed at the Seattle conference was the so-called Investor-State Dispute Settlement, whereby global companies can raise any kind of complaint or claim directly to a host government. This was a new and important dimension at the time when many bi-lateral investment agreements were entered into. But if you read the US MCA, you will find that the U.S. removed the ISDS clause from the agreement between Canada and the U.S. just one year ago. In the TPP negotiations during the Obama Administration, the U.S. had from the beginning strongly urged the inclusion of this clause in
the TPP. As you know, under the Trump Administration, the U.S. finally pulled out of the TPP, giving as one reason that it included an ISDS clause.

What a surprising development!

The U.S., on behalf of all the global companies, initially proposed the ISDS, but finally the U.S. withdrew it, insisting instead on local rules. That is one of the principal phenomena of regression in this area, and it concerns neither trade nor services but rather investment regulations.

The second point I would like to raise is the US vs China.

I talked about the impact on Japan of the US-China trade war, and I said that this is no longer a trade war and that Japan needs to prepare for a long period during which the US-China relationship will evolve dramatically.

We do not know the consequences. They might be dire or they might be favorable.

In fact, this war is about hegemony, in particular in the field of cyber-technology, cyberspace, AI and so forth. Vice President Pence cited quantum computing, Internet, cyberattacks on some kinds of cyber-technologies or domestic interventions, in addition to intellectual property rights issue, bilateral trade issues, etc., hence the core part is not really trade.

Maybe we could appreciate the benefits of the EU’s approach when we are addressing these kinds of questions in cyberspace. Part, but not all, of the solution would be something like GDPR, the General Data Protection Regulation, adopted by the EU, and many companies, including global ones, have to abide by this regulation. That might be a good starting point to tackle the issue.

The third point concerns North Korea. For the time being, the real winner seems to be Chairman Kim Jong-un. President Trump is not having any success in that sense, even though he says he protected the mainland by stopping the further development of ICBMs with nuclear weapons.

However, the real issue for Japan and some other neighboring countries and some other countries in the international community, is denuclearization, by which I mean the elimination of all nuclear weapons from the Korean Peninsula.

I do not think that that will happen. When North Korea raised the issue of a peace treaty, the US in particular was not ready to commence discussions about that kind of agreement with North Korea, China and so on. The reason why Japan is not so concerned is that the situation has not changed for more than 30 years. From the beginning of the development by North Korea of its nuclear program, Japan was always under the constant threat of nuclear attack and mid-range missiles.

The US’s principal issue seems to be ICBMs, so when North Korea committed not to develop or launch any ICBMs, Trump could say that the U.S. is completely safe, but Japan, Korea and other neighboring countries are not safe at all. However, because the players and their concerns are different, denuclearization in the broader sense will not go forward soon.

Japan is not really the main player in this negotiation. I have to tell you so. Does Japan have any alternatives? No, I do not think so. There is no way to go along with North Korea, so I am pessimistic about the future of the Peninsula situation, as usual.