Keidanren Policy & Action

Toward the Fair, Equitable, Resilient and Sustainable Trade and Investment Environment — Proposal for the Reconstruction of the Free and Open International Economic Order— (Provisional translation)

I Changes in the Trade and Investment Environment

Fears of a Shift to a Bloc Economy

 The global economy has shifted from "integration" to "dispersion." If the world were divided into blocs, the world would lose about 2.5-7% of its GDP. <u>Action is required to</u> <u>avoid further "dispersion."</u>

Growing Importance of Economic Security

The security scope has extended to the economic field. Excessive dependence on specific countries and regions should be avoided. <u>It is necessary to strengthen supply</u> <u>chains by enhancing cooperation with like-minded</u> <u>countries and to establish rules aimed at deterring</u> <u>economic coercion.</u>

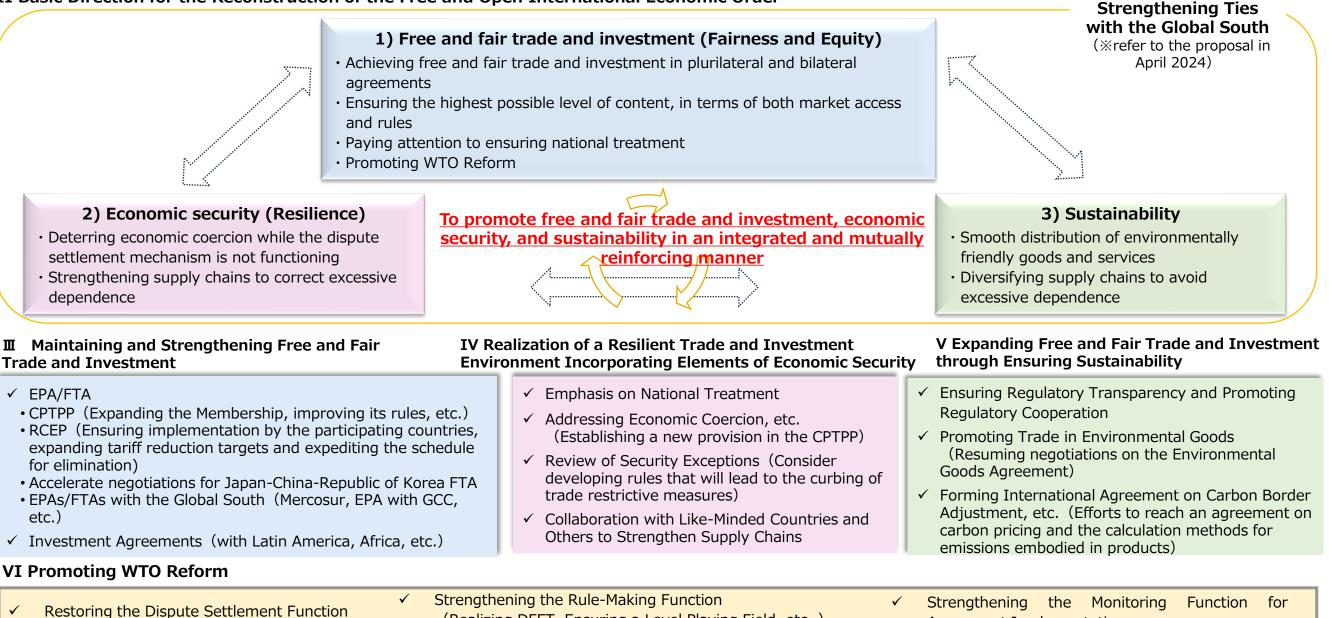
Growing Importance of Sustainability

Countermeasures against climate change sometimes create tension with free and fair trade and investment. Supply of some essential GX goods depends heavily on specific countries and regions. It is necessary to create rules for smooth trade and to strengthen supply chains by enhancing cooperation with like-minded countries.

Agreement Implementation

The time has come to reconstruct a free and open international economic order. This proposal goes into the details of the "reconstruction" and seeks to stimulate domestic and international debate by presenting the basic direction for the reconstruction and current possible measures. The knowledge gained through these discussions will be utilized in the formulation of the "Future Design 2040".

II Basic Direction for the Reconstruction of the Free and Open International Economic Order



(Realizing DFFT, Ensuring a Level Playing Field, etc.)