

**Minutes of Cross-Party Group on Japan Meeting**  
**Thursday 17<sup>th</sup> September 2020, Online Virtual Meeting at 18:00**

**Attendees:**

**MSP Attendees**

Dean Lockhart MSP (Convenor)  
Bill Bowman MSP  
Colin Smyth MSP  
Alexander Stewart MSP  
Liam McArthur MSP  
Tom Mason MSP

**Speakers**

Mr Nozomu Takaoka (Consul General of Japan)

**Attendees**

Ms Masami Fujimoto (Deputy Consul General of Japan)  
Liz Cameron (Scottish Chambers of Commerce)  
Alexia Haramis (Scottish Chambers of Commerce)  
Ken Sutherland (Canon Medical Research Europe)  
Alan Johnston (University of Edinburgh)  
Peter Mowforth (Institute of E-Commerce)  
Stuart Hamilton (Scottish Chambers of Commerce)  
Atsuko Clement (STGA Blue Badge Guide)  
Jo Graham (Whisky Ambassador)  
Scott Johnstone (SLA)  
Neil Francis (Scottish Enterprise)  
Hannah Watson (Scottish Government)  
Kerry Bryson (Stirling University)  
Tahira Nasim (Scottish Enterprise)  
Peter Adam (Add Energy)  
Professor Aaron Moore (Edinburgh University)  
Joey Soehardjo (Individual)  
Jenifer Martin (Individual)  
Miki Inamura (Individual)  
Doug Cook (Asia Scotland Institute)  
Lesley-Anne Campbell (Office of Dean Lockhart MSP)

**Apologies for Absence:**

Jamie Halcro Johnston MSP  
Ronnie Watt  
Frederick Stewart  
Suzanne Strain  
Lola Nicolas  
Victoria Hayes  
Julia McIntyre

Thomas Heald  
Sandip Mahajan  
Ruta Noreika

## **Welcome**

Dean Lockhart MSP (DL) welcomed everyone to the meeting. DL thanked the Consul General of Japan, Mr Nozomu Takaoka (CG) for agreeing to speak and extended his best wishes to Mr Yoshihide Suga, on his appointment as Prime Minister of Japan. He explained the primary purpose of the meeting was to receive a presentation from the Consul General on the new Japan-UK Comprehensive Economic Partnership Agreement (CEPA) and to then discuss it.

## **Presentation – Consul General of Japan, Mr Nozomu Takaoka (NT)**

NT thanked the Convener for the opportunity to present to the CPG. He congratulated DL on his excellent timing for the meeting, given that the EPA was achieved only 6 days ago, and the new Prime Minister was elected only the day before.

NT began by noting the legacy of the former Prime Minister in the areas of security and in promoting free trade. On the latter, he highlighted the delivery of the Japan-EU EPA in February 2019 and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). He explained against this background the CEPA was agreed in principle.

NT highlighted the CEPA's implications for future Japan-Scotland economic relations, including the significant increase in 'geographical indications' which would benefit Scottish products. He went on to discuss the benefits of the agreement in terms of digital and data which he considered would benefit the Scottish Fin Tech sector. The Consul General identified the opportunities for increased trade, offering the automobile sector as an example, but highlighting the added importance of the UK achieving a satisfactory BREXIT deal with Europe and minimizing tariffs as this would encourage increased FDI from Japan.

Detail on the Consul General's presentation is attached to these minutes.

## **Discussion on the CEPA**

DL thanked NT for his presentation and invited questions from those present.

Liz Cameron (LC) commented on the opportunities presented by the CEPA and asked NT what he thought ought to be the priority sectors for development. NT explained that given Japan's distance from the UK and their opportunity to obtain cheaper products locally, he thought the focus should be on high quality products. NT added Japanese consumers sought quality products and they were very aware of UK prestige offerings; and he thought given the increasing tourism in Japan there was also an opportunity to sell British quality products in Japan.

Alexia Haramis (AH) explained that the Scottish Chambers of Commerce were seeking to stimulate trade opportunities for Scottish businesses by conducting 'virtual' trade missions. She explained they were planning to conduct a 'virtual' trade mission to three cities in Japan, Tokyo, Osaka and Nagasaki, in February 2021 with the intention of promoting B2B trade connections in these unprecedented times. NT emphasized the importance of sustaining trading connections, the interest

in promoting the use of digital platforms to support trade and ecommerce in Japan and offered some examples of organisations interested in such virtual events.

Doug Cook asked about the Japanese business organisations that Scottish businesses should be dealing with. NT commented on the work of the Japanese External Trade Organisation and how they were focused on foreign companies, particularly encouraging inward investment. He also highlighted the excellent work being done by Dr Stephen Baker of SDI in supporting companies seeking access to Japan. In response to a question from DL, NT explained that business organisations in Japan tended to work on a prefecture/local level rather than at a national level.

Neil Francis (NF) questioned whether the CEPA would result in further FDI from Japan and, if so, in what sectors. NT reiterated his earlier commentary, that Japanese companies don't just see trade with UK or Scotland in a bilateral sense, rather they see trading with Scotland and UK as a gateway to Europe and thus it was important for the UK to deliver a good Brexit deal with Europe, with reasonable tariffs, to incentivise Japanese direct investment. ND suggested that further opportunities could arise with a relaxation on the 'rules of origin' in the CEPA. Scott Johnstone enquired whether the EPA would encourage increased collaboration in the areas of R&D and innovation. NT responded that as general economic activity was promoted, so too would R&D. In response to a further question from Liz Cameron, NT offered some thoughts as to how Scottish businesses could continue to trade with Japan in spite of COVID and quarantine restrictions.

DL was keen to understand when the detail and associated practical implications of the CEPA would emerge. NT explained the CEPA would require formal Japanese government approval, but he anticipated that this could be achieved by the end of the year and then more details would become available. Conscious of NT's previous experience with SME's in Japan, DL asked his view on what measures had helped Japanese SME's during COVID. NT explained that economic activity had dropped substantially as a result of COVID, but the Government's subsidy had provided much needed support. However, he added that equally important was the 'unofficial' collaborative support provided by local organisations and residents.

In response to a question from Peter Mowforth there followed a long discussion on Ecommerce, its relevance to the UK and Japanese economies and the benefits the CEPA would provide if it included an ECommerce free trade arrangement. Given the interest and relevance of this issue DL recommended ECommerce should be considered as a separate agenda item on a future Japan CPG.

DL concluded the discussion by thanking NT and commenting that the CEPA presented an exciting new chapter in UK/Scotland Japan relationships. He requested that if attendees had agenda items for the next Japan CPG, they should notify him.

#### **AOB.**

Mr Frederick Stewart, a member of the Order of Scottish Samurai, who was unable to attend the meeting offered a note to the Secretary explaining as an amateur historian he had a keen interest in the Far East and was pleased that the UK and Japan had signed an EPA. He provided some interesting historical notes which are enclosed with these minutes.

Dr Petra McLay, Chair of the Japanese Language Group for Scottish Schools provided the Secretary a message from the Sendagaya Japanese Institute Group in Tokyo regarding Japanese language training. The message is enclosed with these minutes.

#### **Minutes of the Last Meeting.**

The minutes of the previous meeting were approved.

**Actions Arising.**

Agenda items for the next meeting to be forwarded to DL

Ecommerce to be included as an agenda item at a future meeting

**AGM**

**Election of Office Bearers**

It was proposed that DL continue as Convener with Jamie Halcro-Johnston MSP and Maureen Watt MSP as Deputies and Doug Cook taking over the role of Secretariat. Bill Bowman MSP seconded.

**Meeting closed**