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DIALOGUE SPÉCIAL AU NIVEAU MINISTÉRIEL AVEC DES PAYS INVITÉS

26 MAI 1999

***LA COHERENCE DES POLITIQUES DANS L'ÉCONOMIE MONDIALE :
AVANTAGES ET ENJEUX DE L'INTERDEPENDANCE***

JAPON

Déclaration

**Mr. Nobutaka MACHIMURA
State Secretary for Foreign Affairs**

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SPECIAL DIALOGUE AT MINISTERIAL LEVEL WITH INVITED COUNTRIES

26 MAY 1999

***POLICY COHERENCE IN THE GLOBAL ECONOMY:
OPPORTUNITIES AND CHALLENGES OF INTERDEPENDENCE***

JAPAN

Statement

**Mr. Nobutaka MACHIMURA
State Secretary for Foreign Affairs**

**Statement by Mr. Nobutaka MACHIMURA,
Japanese State Secretary for Foreign Affairs
given at the OECD Council Meeting at Ministerial Level
26 May 1999**

Special Dialogue with Non-Members

Mr. Chairman, distinguished colleagues,

It is my pleasure to warmly welcome our special guests today. I would also like to commend the OECD for holding this Special Dialogue with Non-Members.

The Asian financial crisis, which broke out in 1997 and spread throughout the world, has affected various economies developed and developing alike, and had influence on the lives of ordinary citizens. This experience made clear to all of us exactly how interdependent the world has become.

Asian countries have been addressing such issues as 1) economic revitalization, 2) structural reform and human resource development, 3) assistance to the socially vulnerable, and 4) currency stabilization. In order to support these efforts, Japan announced and implemented assistance measures totaling approximately \$80 billion in order to secure the recovery of the Asian economies. At the recent Sixth APEC Finance Ministers Meeting in Malaysia, we also announced "The Resource Mobilization Plan for Asia" which provides assistance for the mobilization of private funds totaling up to \$17 billion for Asia.

The time has past when the OECD countries as a group more or less assumed the leadership role in world economic management. Today, in this globalized world, fostering growth and sustainable development in the world economy cannot be achieved unless all countries, including non OECD member countries, assume their proper role and responsibilities.

More specifically, appropriate measures broadly aligned to achieve better efficiency need to be taken, such as the implementation of proper

macro-economic policies, the promotion of trade and investment liberalization and regulatory reform. At the same time, such measures as the provision of social safety nets are needed to compensate for the negative effects of globalization.

In other words, with the development of globalization and growing interdependence, a non OECD member country, if it wishes to continue its development, must integrate itself into the world economy. As the Secretary-General mentioned, such a process is not without pain and economic cost, but benefits are certain. And there is no alternative.

Over thirty years ago, Japan decided to become a member of the OECD, which was a hard political decision given Japan's economic situation at that time because it required Japan to accept two OECD Codes, namely, the Code of Liberalization of Capital Movements, and the Code of Liberalization of Current Invisible Operations. Once this decision was taken, however, it dramatically accelerated the liberalization of trade in services and capital movements, promoted Japan's integration into the world economy, and greatly contributed to its subsequent economic growth.

The process of integration into a global economy is an on-going one. Japan today, as it pursues structural reform to make economic recovery sustainable, is helped by the OECD which provides the sound analytical basis for the importance of structural reform, including regulatory reform, in the context of the current trends in the world economy.

Mr. Chairman,

The past fifty years have shown that the OECD's advocacy of the fundamental values of democracy and free market economy is on mark. Let me conclude my remarks by renewing my determination to remain actively involved in the OECD's cooperation activities with the non-members.

Thank you