

December 2016

The 25th German-Japanese Forum

Dear Chancellor Merkel,

Dear Prime Minister Abe,

The 25th Annual German-Japanese Forum met in Berlin from Oct. 18 to Oct. 20, 2016 to discuss issues of mutual concern. We would like to thank you both sincerely for the hospitality extended to us by your governments at the opening reception given by the German Foreign Office and the dinner on the evening of our first full day of deliberations by H.E. Ambassador Takeshi Yagi. We also express our gratitude to Mr. Volker Kauder, MdB, who once more made it possible for us to meet in the Reichstag building of the German parliament. The members of the Forum particularly appreciated that you, Madam Chancellor, took some time to meet with us despite the extraordinary summit meeting with the presidents of France, Russia and the Ukraine on that same afternoon, and that you gave us the opportunity to discuss the issues further in the Chancellery with Minister of State Helge Braun, so as to convey some initial conclusions directly to him.

Allow us to follow up those meetings with this letter, which summarizes our deliberations and highlights the most important conclusions.

In our first session (“Domestic Challenges and Political Response”), we exchanged views on recent socio-economic and political developments in our two countries and regions. In the case of Japan, in addition to a discussion on the efficacy of Abenomics, questions and concerns related mostly to developments within the East Asian region (North Korea, China), in world trade (TPP, TTIP) and to the implication of Brexit for Japan. For Germany, we discussed the likely outcome of Brexit negotiations and the future of Germany’s role in a European Union without Britain, but also the refugee situation and the rise of populism. Our Japanese colleagues expressed concern about the implications of Brexit and the rise of populism in the EU. From the German side, we were assured that keeping the EU of 27 together would be the highest priority for German foreign policy. It was striking to us how often participants expressed a sense of amazement at how closely linked domestic and external affairs have become. We recognize that **governments, therefore, need to make the**

case for change more effectively and persuade citizens that they will continue to be able to shape the risks and opportunities of globalization for the benefit of our societies and citizens. The importance of political education in the school curriculum was stressed in this regard.

In the second session (“Foreign Policy Challenges – Global Security”), we discussed the ongoing changes in our respective security environments. Again, it was striking to observe how closely intertwined the foreign policies of America and China, but also the various crises the world presently is facing, were with domestic developments. Thus, our discussions identified **nationalism and populism** in their different manifestations as important challenges to governments. In the United States, those forces have already affected America’s power and influence around the world, and put domestic constraints on America’s willingness and ability to provide international leadership. This **relative decline in US leadership** happens at a time when China’s transition towards a global power, Russia’s increasingly assertive military and hybrid warfare policies and the threats posed by North Korea’s growing nuclear weapons capabilities all are demanding **prudent but firm common responses by the West**. The need for “common responses” implies that the West has to **strengthen its capacity for effective multilateral action** and, through such action, to shape the future international order that now seems quite uncertain. **Both Germany and Japan will, therefore, have to assume more responsibility**. In this context, **we strongly recommend that your governments work towards the early completion of the EU – Japan Free Trade Agreement**. This would send a clear signal of the continued support of our two countries for an open, rules-based international economic order and against the populist anti-globalization sentiments that presently threaten to undermine the capacity of governments in Europe and the US to conduct constructive foreign policies. Whereas Germany is struggling to cope with a large influx of migrants and refugees, Japan also faces a potential problem with refugees from North Korea and it was recognized that **there needs to be a more coordinated approach in planning for contingencies**. Likewise, **the group recommends that the two governments work more closely to coordinate its China policies**. We also recommend that **the two countries work together more closely and more effectively in supporting development and better governance in Africa south of the Sahara**.

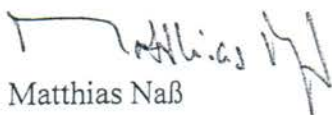
In session three (“Digital Revolution”), we discussed the implications of digitalisation for our industries, economies, societies and politics and concluded that their

importance is difficult to overestimate. We find ourselves at the threshold of a new, third phase of internet development, which will hugely deepen the interconnectedness not only of people but also of things. The capacity to innovate and accelerate adaptation will be crucial for our societies' future international competitiveness. Education has a key role to play in this context: thus, **the group recommends enhanced cooperation between the two countries in IT education in the classroom, IT training of teachers and fostering a culture of entrepreneurship.**

The future evolution of cyberspace poses many important political questions. What are the implications of the third phase of internet development for individual freedom and political participation? How can we assure that the internet evolution will be compatible with democratic forms of governance? How can we contain the risks inherent in the military or criminal uses of cyberspace? It is too early to make specific recommendations on those and related questions but **we did agree that closer exchange and cooperation between our two countries on cyberspace issues were highly desirable and should be promoted as a matter of urgency.**

Allow us, again, to thank you for the continuous support that you, Chancellor Merkel and Prime Minister Abe, provide to the German-Japanese Forum. We highly appreciate the interest in our work shown by your governments.

Respectfully Yours,



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German Chairman



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