

Switzerland national day

New economic pact a natural step in burgeoning relationship

Paul Fivat
AMBASSADOR OF SWITZERLAND TO JAPAN

Switzerland and Japan have enjoyed excellent relations for well over a century and I am delighted that our relationship has taken a further important step this year.



While the first Swiss probably set foot on Japanese soil in the 17th century and another visited in the early 18th, it is at the very end of the Edo Period that the relationship between Switzerland and Japan really began. At that time, Switzerland was in a phase of feverish industrial development and was a large exporter of watches.

It is no surprise, therefore, that the first Swiss to establish lasting ties with Japan were watchmakers in search of overseas markets. The first is Francois Perregaux, who landed in Yokohama in 1860, under French consular protection, to lead a watch importing business. This unofficial Swiss presence was obviously successful as Perregaux re-

mained in Japan until the end of his life and the brand he represented is present here to this day.

The official relationship between our two countries also has its origins in the Swiss watch industry. It was upon the initiative of the "Union horlogère (Watchmaker's Union)" that the Swiss government decided to dispatch an official mission to Japan, a mission that was to be headed by the president of the union, Aimé Humbert of Neuchâtel. Humbert and his delegation, made up of young businessmen upon whom an official capacity had been bestowed, arrived in Japan in 1863 and began negotiations for a commercial treaty with Japan.

The political situation in Japan was, however, not conducive to negotiations, and Humbert had to wait for several months, a period he put to practical use by traveling, taking notes and making sketches, which he later compiled into his gorgeous "Le Japon illustré (Illustrated Japan)," two remarkable tomes of descriptions and pictures of late Edo Japan.

Humbert did finally man-

age to open successful negotiations with the shogunate, and the Treaty of Amity and Commerce between Switzerland and Japan was signed in February 1864, the 10th such treaty concluded by Japan, but the first with a landlocked country. Our relations of friendship and commerce have thus continued for 145 years.

The treaty of 1864 was revised a first time in 1896 to reflect the changes that had occurred in Japan's international situation since the Meiji Restoration and the Japanese victory against Qing China. Another revision took place in 1911, and this third commercial treaty between Switzerland and Japan remained the bedrock of our friendly relations for the rest of the 20th century, a remarkably long time.

Japan and Switzerland are strong exporting nations, and maintaining free markets is essential for both of them. It thus does not come as a surprise that both place considerable importance on the multilateral approach to trade and economic relations, actively participating in the OECD and the GATT/WTO, and that their trade and investment relations have largely taken place under

multilateral rules in recent years. Nevertheless, the development of international trade relations, and the increasing network of bilateral and regional trade arrangements created the need to bring the bilateral framework between Switzerland and Japan up to date.

After a period of exploratory contacts, the two governments decided to go ahead with what was to become the most important bilateral convention between the two countries since 1911: In January 2007, Prime Minister Shinzo Abe and Micheline Calmy-Rey, president of the Swiss Confederation, launched negotiations for an Agreement of Free Trade and Economic Partnership between Japan and Switzerland. The JSFTEPA, as it is known by its acronym, was signed this February by Vice President and Minister of Economy Doris Leuthard and Foreign Minister Hirofumi Nakasone.

The agreement will take effect Sept. 1. This is the first time that Japan has signed an agreement of this kind with a highly industrialized country, and it is the first such agreement between Japan and a European nation.

The agreement binds the

benefits achieved and the commitments undertaken between the two countries under existing multilateral rules, and takes them further, taking into account the converging mutual interests, and the quality of the relationship between the political and regulatory authorities of the two countries.

I think I can say that the agreement has broken new ground and constitutes, for both nations, a very valuable experience for future negotiations with other partners. The agreement creates the conditions and bodies for a permanent dialogue with the participation of the business community to discuss any trade and investment issues, and to identify new opportunities for liberalization. It also introduces new options relating to the movement of people and facilitates cross-border investment, protects intellectual property, and provides a framework for the effective enforcement of competition laws. As such, it contributes to creating an ever more favorable climate for direct investment in both directions.

It is my sincere hope that it will contribute to increased Japanese investment in Switzerland, which, due to its close

geographical, economic and logistic integration in the heart of Europe, is an ideal location for access to the European Union market while maintaining the flexibility to offer favorable conditions to foreign investment.

In order to highlight the entry into force of the JSFTEPA, Vice President Leuthard will visit Japan this October, accompanied by an important business delegation from "economiesuisse," Switzerland's overall economic federation, including leaders of Switzerland's top companies. She will meet government representatives and economic leaders in Japan, and visit Tokyo as well as the Kansai region.

She will also participate in a business symposium, which will discuss the relationship between the two countries, and touch upon topics such as the health and welfare industry, technology as well as the competitive power of the two countries in the international market. Finance, investment, ecology, research and technology, and sustainable development are other topics to be covered, all issues of mutual interest to our countries, economies and societies.

It is a particular honor for me to be able to represent my country in Japan during this important year, and it is with the pride and satisfaction

gained through this common achievement that I greet the readers of The Japan Times on this Aug. 1, Switzerland's National Day.

Congratulations on the Anniversary of the National Day of the Swiss Confederation

Lonza

Lonza Japan Ltd.

Kyowa Shinkawa Bldg 8F, 2-20-8, Shinkawa,
Chuo-ku, Tokyo 104-0033, Japan
Tel: 03-5566-0612 Fax: 03-5566-0619