Japan-EU summit in Tokyo to focus on enlargement, investment

Japanese and European leaders meet in Tokyo on Tuesday for an annual summit that will focus on economic cooperation, as Japan is achieving the strongest growth among the world's top seven industrialized nations.

The Japan-EU summit is the first since the May enlargement of the Union to 25 nations from 15 and follows on the heels of an historic gathering in Brussels, where union members agreed Friday on a landmark first constitution.

It also comes as Japan is posting the strongest economic growth in the industrialized world, with January-March economic growth pegged at a red-hot 6.1 percent annualized rate, surpassing US growth at 4.4 percent.

Japanese Prime Minister Junichiro Koizumi will meet Irish Prime Minister Bertie Ahern, who holds the rotating EU presidency, along with out-going Commission President Romano Prodi and EU Trade Commissioner Pascal Lamy.

The leaders will focus on "what we can do in common in order to give strong signals to our economies", said Ambassador Bernhard Zepter, delegation head of the European Commission in Japan, at a pre-summit briefing.

"We want to respond positively to the ambition of Prime Minister Junichiro Koizumi to double foreign direct investment" stock in the five years to March 2007, Zepter said, noting that firms in EU nations had invested more in Japan than their US counterparts in the past two years.

Zepter also called on Japanese firms to invest in the 10 new "hungry" members of the union, and to benefit from the "bonanza" of 21.7 billion euros (26.3 billion dollars) in EU funds set aside for 2003-06 to help the newcomers catch their advanced neighbours.

The summit is to be preceded Monday by a Japan-EU business dialogue roundtable and a symposium addressed by Prodi and Lamy, organized by the Nikkei Shimbun economic daily.

Monday's events will cover hot topics such as intellectual property rights in Asia, cooperation in high technology, tariffs, communications, air transport and the debate over the Kyoto Protocol to fight global warming.

The leaders are also expected to address the impending transfer of sovereignty in Iraq, the North Korean nuclear standoff and violence in the Middle East.

According to a draft leaders' statement obtained by AFP, Japan and the EU will also express their "abhorrence" at recent evidence showing the physical and sexual humiliation of Iraqi prisoners at Abu Ghraib prison by US soldiers.

Japan and the EU will urge all troops in Iraq to uphold international law and will welcome "the firm commitment by the relevant governments to bring to justice any individuals responsible", the draft said.

The leaders will reiterate that "respect for human rights and adherence to the rule of law is essential in the fight against terrorism", it said.

Japan and the EU will also call on North Korea to choose a "negotiated agreement" towards the comprehensive, verifiable and irreversible dismantlement of its nuclear programs, saying it would "enhance its own security, improve the humanitarian situation and be in its best interest".

But two topics may overshadow the agenda: Europe's Galileo satellite navigation system, a potential rival to the US GPS network, and above all, the standoff over the International Thermonuclear Experimental Reactor project.

Japan currently has no interest in participating in the EU's answer to the US Global Positioning System (GPS), which is in use in Japan in automobiles and cellphones.

The sides are completely deadlocked over the location of the ITER project, which recently resulted in a public fund bidding war between the EU and Japan.

Experts from the six ITER partners -- the EU, Russia, China, the United States, South Korea and Japan, -- met in Vienna Friday but failed again to agree on a site, Jiji Press and Kyodo news agency reported.

The EU, Moscow and Beijing back a site in Cadarache in southern France, while Washington and Seoul back Tokyo's ambitions to host the site in the northern Japanese village of Rokkasho-mura.

The ITER project, estimated to cost 10 billion euros to build over the next 30 years, aims to produce the fusion energy of the stars and profit from a hydrogen-based energy source that is billed as clean, safe and inexhaustible.

13th EU-Japan Summit - Irish EU Presidency site

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