It is my great honor being able to speak at this House as an Employer Representative of Japan.

Asia has been demonstrating steady economic growth functioning as the growth engine for the global prosperity. The Asian Development Bank estimates that the average GDP growth of Asian region will edge up to 6.3% in 2015 and 2016, bringing about economic ripple effect to other regions. Establishment of the ASEAN Economic Community this year and the movement towards regional integration through concluding economic partnership agreements (EPAs) such as TPP and RCEP would also offer a momentum. These EPAs would enhance supply chains and thereby bring about prosperity throughout the region provided that decent work is ensured.

Japan is also on the way of revitalizing its economy through implementing the growth strategy, namely the "Third Arrow of Abenomics". Nominal GDP growth of Japan in calendar year 2014 was 1.6%. Although private consumption is still weak showing 0.8% growth, private capital investment has marked 5.2% growth reflecting an anticipation towards economic recovery.

Keidanren has announced its vision "Towards the Creation of a More Affluent and Vibrant Japan" in January this year. The vision aims at achieving nominal GDP growth of 3.4% in 2020. In achieving this target, creation of lively working environments is one of the pillar.

In order to achieve sustained growth through creating lively working environments, increasing employment opportunities is the key. Promoting direct investment to sectors with high employment capacity and fostering SMEs would contribute to this end. It is vital for each ILO member country to provide a business environment where enterprises could invest with confidence. This includes transparent domestic laws and taxation, sufficient
infrastructure, easy access to energy, adequate social security, and public support for SMEs etc.

Business sector should play an important role in fostering human resources aiming at sustained employment. Many Japanese companies doing business in developing countries have been initiating vocational training and on-the-job-training (OJT) so that local subsidiaries could be managed by locally hired personnel. Actually there are examples of locally hired employees promoted to managing director of the subsidiaries or becoming an entrepreneur.

ILO could work with the tripartite in organizing vocational training programs. Especially, there is a need for fostering entrepreneurs in developing countries where employment opportunities are limited. ILO’s accumulation of best practices in this field would be helpful.

Even if jobs are created by promoting investment and fostering SMEs, decent work would not be realized unless domestic policies of each country allows for an adequate labor protection policies. That is to say, tripartite of each country must collaborate with a view to establishing policies related to wages and working hours which are not only worker friendly but also business friendly. An extraordinary wage increase disregarding the paying capacity may cause an enterprise to withdraw from the market and result in unemployment. Also, in order to achieve compatibility between labor protection and productivity, it is important to pursue labor efficiency.

I am fully convinced that the ILO could play an important role in advising the tripartite by sharing information and offering consultations as to how labor protection could be compatible with industrial productivity.

Last but not least, may I emphasize once again that employers of Japan are committed to creating jobs by pursuing growth strategies while ensuring decent work through tripartite collaboration, making the utmost use of the wisdom of the ILO.

Thank you.

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