

**JOINT ANNOUNCEMENT OF
THE JAPANESE PRIME MINISTER AND THE PHILIPPINE PRESIDENT
11 December 2003, Tokyo**

1. The Prime Minister of Japan, His Excellency Junichiro Koizumi, and the President of the Philippines, Her Excellency Gloria Macapagal-Arroyo, held a meeting on 11 December 2003 in Tokyo to discuss concerns of mutual interest in bilateral relations.
2. The two Leaders reaffirmed the two countries' unwavering commitment to strengthening peace and security in the region and to cooperating in the fight against terrorism.
3. The two Leaders discussed the Philippine government's priority to achieve peace and development in Southern Philippines. The Prime Minister reiterated Japan's firm commitment to assisting Philippine government's efforts. The two Leaders took particular note of the signing of the loan agreement with the Japan Bank for International Cooperation for the Autonomous Region of Muslim Mindanao Social Fund for Peace and Development.
4. The two Leaders recalled the decision they made in May 2002, during the visit of Her Excellency Gloria Macapagal-Arroyo to Japan, to set up a mechanism by which discussions could commence between Japan and the Philippines regarding the feasibility of forging a Japan-Philippines Economic Partnership Agreement (JPEPA).
5. Having met again in Tokyo today, the two Leaders recognized the existence over the years of strong economic and strategic ties between the two countries and that such ties have resulted in mutual economic benefits and opportunities.
6. The two Leaders shared the view that an economic partnership that would bring about (a) liberalization of trade and services, (b) facilitation and liberalization of investment, and (c) technical cooperation and capacity-building between the two countries would promote trans-border flow of resources and help create a bigger market that will provide greater opportunities and larger economies of scale for businesses from both sides, which would also have a positive impact on other economies and would develop and enhance the comprehensive economic partnership between Japan and ASEAN.
7. The two Leaders reaffirmed the primacy of the multilateral trading system and stressed that the economic partnership agreements serve as appropriate building blocks that strengthen global trade.
8. In view of the foregoing, the two Leaders decided that the governments of the two countries should enter into negotiation beginning in early 2004, work expeditiously, based upon the discussions and achievements in the Working Group for the JPEPA and the Joint Coordinating Team (JCT), and conclude the JPEPA within a reasonable period of time, taking full consideration of the mutual understandings and sensitivities expressed in the Report submitted by the JCT.