

**Welcoming remarks by the Ambassador of Japan**  
**(May 18, 2004)**

Ladies and gentlemen,

First, allow me to welcome you to this 5th Meeting of the Eurasian Corporate Governance Roundtable and I am pleased to have this opportunity of addressing you all today.

It was truly a surprise for me that Ukraine is already a long way into very serious discussions about Corporate Governance issue, and not just at the level of Government but at the level of business corporations as well. I view this as a very positive sign of great potential for future efficient development of the Ukrainian business.

The importance of Corporate Governance in Ukraine becomes ever more evident as Ukrainian enterprises seek possibilities to attract much needed foreign investments in order to promote further economic development in the country. As all Ukrainian companies strive to ensure successful performance under new conditions of market economy it is the Corporate Governance that becomes a vital element in this process. This is also very important as your country is trying hard to get rid of the negative legacy of underperforming soviet-style enterprises.

The so-called Japan's miracle in 1960's and 70's was, to a great extent, owed to a favorable economic environment as well as the Japanese Government's policy aimed at maximizing the efficiency of domestic resources in order to be able to export high-quality manufactured products. Yet, for the past 10 years of economic slump the Japanese management system has come to face an enormous challenge as a result of fierce global competition, not only from developed countries but also from the newly industrialized states. The Government as well as the private sector realized the

need to undergo structural change. Thus, many Japanese business corporations had to adopt Corporate Governance principles to continue attracting domestic as well as foreign investments.

Take one example – Nissan company which made an astonishing comeback as one of the Japanese business leaders after 3 years of struggling through wide-ranging reforms.

Understanding all the importance of this issue Japan has become a major contributor into the Eurasian Roundtable on Corporate Governance. Also, our Embassy has continuously assisted Ukraine in developing effective market-based economy. So, last November the Embassy organized the Japan Investment Seminar for Ukraine which was held in German Düsseldorf, we are in the final stages of concluding bilateral Technical Cooperation Agreement expected to be signed during the visit of the Ukrainian Foreign Minister Gryshchenko to Japan next month, and also the first Yen Loan Project is nicely shaping up at the moment.

It is also obvious that the recent expansion of the European Union would have a positive impact on Ukraine, given that the country will proceed with economic and institutional reforms. All this calls for a great potential of Ukraine to be put to practical domain.

Thank you for your attention.