



PRESS RELEASE

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International Trade Associations Urge the Use of Global Best Practices in Privatizing Japan Post

WASHINGTON, D.C.: In a statement released today, a strong group of associations representing the global financial services industry collectively urged Japan to apply global best practices to the privatization of the Japan Post. "This will put both domestic and foreign competitors on a 'level playing field' in the Japanese market" said Robert Vastine, President of the Washington based Coalition of Service Industries (CSI).

The international business group urged that Japan's Postal Privatization Commission consider carefully whether allowing "privileged postal financial institutions" to expand into new businesses prior to having "equal competitive conditions" would actually "heighten user convenience" as the Commission seeks. The business group also reminded the Commission that creating a level playing field was an obligation under Japan's "national treatment" obligations under the General Agreement on Trade in Services (GATS) and Article 2 of the Postal Privatization Law.

"As one of the world's largest financial services centers, allowing privileged postal financial institutions to expand into new businesses before having proper internal control and compliance systems in place could endanger the soundness of Japan's financial markets," said Vastine.

CSI also strongly believes that the postal reform must ensure that all of Japan Post's corporations including *Kampo* (postal insurance), *Yucho* (postal savings) and *Yubin* (postal delivery) are required to meet the same regulatory, financial, tax, transparency and prudential requirements as their private sector competitors.

"A fair and competitive environment in finance, insurance and express delivery services is necessary to ensure the efficiency of Japan Post's entities and the Japanese economy, provide Japanese consumers with the best service at competitive prices and ensure foreign firms equal treatment," said Vastine. "These are important developments which we will continue to monitor closely."

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The U.S. service sector accounts for about 80 percent of GDP and 80 percent of U.S. non-farm employment. It accounts for exports of \$307 billion, with an export surplus of \$51 billion. The U.S. exports far more business, professional and other private services that we import – we sell far more of our services to foreigners than we outsource to them. The U.S. is the world's most competitive services exporter.

Full Statement available at <http://www.uscsi.org>

The U.S. Coalition of Service Industries is the leading U.S. business association representing companies across a broad spectrum of service sectors. CSI is dedicated to reducing barriers to U.S. services exports and mobilizing support for domestic U.S. policies, including tax policies, which enhance the global competitiveness of its members. CSI was formed in 1982 to ensure that U.S. trade in services would become a central goal of U.S. trade policy and trade negotiations. It played a major role in the General Agreement on Trade in Services (GATS) and in the advocacy effort leading to the 1997 World Trade Organization (WTO) Basic Telecommunications and Financial Services Agreements. CSI's knowledge of the process of services trade negotiations, its ties to the WTO and its network of relationships with governments and industry in other countries are unmatched. For a complete list of CSI members, visit our website at www.uscsi.org.