

(Sponsored content)

ASEAN Special

Discussions on progress and expectations provide hope

Inclement weather and the imminent threat of Typhoon Shanshan did little to dampen the spirit and enthusiasm of the organizers, presenters, guests and attendees of the Association of Southeast Asian Nations (ASEAN) 51st Anniversary Symposium in Tokyo on Aug. 8, the anniversary of ASEAN's establishment, in Minato Ward.

Organized by the ASEAN-Japan Centre (AJC) and the ASEAN Committee in Tokyo (ACT), the symposium was attended by over 250 people from the Japanese business community, research institutes, Japanese governmental organizations and others. The event featured Deputy Secretary-General of ASEAN for ASEAN Economic Community (AEC) Aladdin Rillo as the keynote speaker. Rillo's presentation centered on the AEC's viewpoint on what is expected at ASEAN's 2018 meetings.

Other speakers included Kyushu University professor Kazushi Shimizu, Ministry of Economy, Trade and Industry Deputy Director-General for Trade Policy Kunihiko Shinoda and senior economist Daisuke Shintani of Mitsui Global Strategic Studies Institute's Asia, China & Oceania Department, Global Economic & Political Studies Division.

These presenters — from ASEAN academia, the Japanese government and the private sector — shared their views and spoke about expectations.

The symposium began with opening remarks by ACT Chairperson and Ambassador of Laos to Japan Viroth Sundara, who cited that ASEAN's most remarkable achievement has been the maintenance of peace, security and stability in Southeast Asia; providing favorable conditions for ASEAN member states' respective socioeconomic development.

Commentary from ASEAN-China Centre (ACC) Secretary-General Chen Dehai, followed. "Since its inception in 2011, the ACC has been committed to implementing the important consensus reached by the leaders of ASEAN and China," he said.

"In recent years, the ACC, AJC and ASEAN-Korea Centre (AKC) have strengthened exchanges while mutual learning maintained good momentum in cooperation to jointly promote regional development."

AKC Secretary-General Lee Hyuk also spoke of the importance of centers such as the AJC, AKC and ACC working with ASEAN as facilitators of regional cooperation. Congratulating the AJC's efforts in helping to realize the "Fukuda Doctrine," a vision set forth in 1977 for Japan's peaceful cooperation with ASEAN, he said that Korea and ASEAN would mark 30 years of dialogue relations in 2019.

Looking ahead to ASEAN's AEC Blueprint 2025, in which it is hoped the AEC will be highly integrated and cohesive, Shimizu presented on the significance of, and issues associated with, ASEAN economic integration. He said ASEAN needed to cooperate to counter current protectionism and work toward realizing the completion of tariff elimination.

Rillo's keynote speech "ASEAN Economic Community — A Model for Economic Integration in Asia?" also addressed issues of integration. "The AEC is a push to reach regional potential, but the goal of an integrated market remains a challenge," he said. He added that it was important to note that the ASEAN model of integration differed to that of the European Union. For starters, there were differences in motivation (political vs. economic), approach (single market vs. monetary union) and governance (light vs. heavy-handed set up).

"The AEC would build ASEAN's resilience and deepen economic integration in a climate of free trade agreements and amid the rise of China and India," he continued. A five-tiered strategy — a highly integrated and cohesive economy; a competitive, innovative and dynamic ASEAN; enhanced connectivity and sectoral cooperation; a resilient, inclusive, people-oriented and people-centered ASEAN; and a global ASEAN — to achieve



Audience listen to a speaker during the Association of Southeast Asian Nations (ASEAN) 51st Anniversary Symposium in Tokyo on Aug. 8. ASEAN-JAPAN CENTRE

the AEC would in turn see a free flow of goods, services, investment, skilled labor and capital.

Rillo shared that the AEC had already achieved some substantial targets, but regulatory and policy barriers, implementation bottlenecks, and political commitment could hamper the AEC's 2025 targets. For 2018, priorities would be using robust mechanisms to minimize the non-

trade barrier effects of non-tariff measures, deliver better facilitation, forge ahead with liberalization, leverage on the benefits of so-called open regionalism and enhance new AEC elements such as financial inclusion and innovation and technology.

These comments were, in part, buttressed by those made by Shinoda. Discussing Japan-ASEAN cooperation toward innovation-led inclusive growth and gov-

ernmental initiatives for the ASEAN-Japan Comprehensive Economic Partnership and Regional Comprehensive Economic Partnership agreements, the METI official said it was natural that opportunities and challenges lay ahead for Japan in trying to meet its ASEAN commitments.

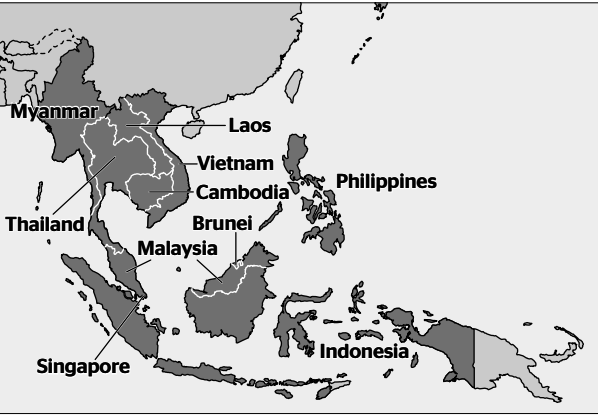
Citing comments from the Federation of Japanese Chambers of Commerce and Industry in ASEAN, Shinoda said a more

transparent, predictable and fair business environment would enhance ASEAN's attractiveness. Flexible and effective mechanisms would forge its competitiveness, while creating innovative business environments would keep ASEAN centrality.

Speaking of an ASEAN-Japan innovation platform, Shinoda mentioned the introduction of ASEAN-Japan-wide connected industries; the joint creation of cutting-edge industries by utilizing artificial intelligence, the "internet of things" and robots; fairs and start-up pitching; the use of e-commerce to support ASEAN enterprises' overseas expansion and promoting business-to-business platforms would all further innovation and cooperation.

Representing the private sector, Shintani said that while the Japan-ASEAN economic partnership is effective and that high expectations of foreign-funded enterprises and an ASEAN-centered manufacturing hub would remain, Japanese businesses could acknowledge and learn from China's efforts in the region. Cooperation with Chinese enterprises in ASEAN markets was key. China not only viewed each ASEAN member country as a potential market, but also as extensions of the Chinese companies they hosted. Shintani mentioned that an ability to adapt to change in each ASEAN market was of utmost importance for Japanese businesses to succeed.

In a question and answer session, and closing remarks of the symposium, AJC Secretary-General Masataka Fujita hinted at whispers of the Trump effect, a world trade war, and sluggish levels of global overseas direct investment. However, amid this gloomy forecast Fujita expressed that the ASEAN community and business environment provides hope, he said. "Further progress of the AEC is also important in combating protectionism," he added, also stating that the further liberalization of services would greatly benefit ASEAN member countries.



Map of ASEAN (left) and the ASEAN flag

Major goals addressed for greater dynamism

"The strength of the Japan-Association of Southeast Asian Nations (ASEAN) relationship was solidified after the signing of the ASEAN-Japan Comprehensive Economic Partnership in 2008," Deputy Secretary-General of ASEAN for ASEAN Economic Community (AEC) Aladdin Rillo told The Japan Times ahead of the ASEAN 51st Anniversary Symposium in Tokyo on Aug. 8.

"Recent modifications to that agreement, including annexes on financial services and telecommunications, the movement of natural persons and investment have only reinforced its relevance," said the former senior economist of the Asian Development Bank Institute in Tokyo.

During his symposium keynote lecture, Rillo addressed AEC 2025 end goals such as eliminating trade barriers, reducing costs and enhancing competitiveness among ASEAN member states. The free-flow of investment, services, skilled labor and capital overseen by the AEC were key, stressing that the AEC itself was an end goal of achieving a highly integrated ASEAN economy and that would signal a more competitive, dynamic and open region.

Rillo also made note of the ASEAN-Japan 10-Year Strategic Economic Cooperation Roadmap (2012–2022) designed to double trade and investment flows by 2022.

"This road map supports the AEC Blueprint 2025 and it's very encouraging, Japan has been very generous to us in terms of funding various AEC initiatives ... and (there is also) the support Japan has given to narrow the development gaps in the region," he said. "Overall, the commitment with Japan is there and I think ASEAN is trying to reciprocate that, but mainly ensuring that we have the right environment for investment and trade."

Part of his role as deputy secretary-general of ASEAN for AEC in helping to foster such an environment is to monitor



Deputy Secretary-General of ASEAN for ASEAN Economic Community (AEC) Aladdin Rillo speaks during the symposium. ASEAN-JAPAN CENTRE

ASEAN's various economic initiatives currently in place for effectiveness, developing the knowledge base of the ASEAN secretariat and to address emerging issues such as the impact of the digital economy on the region.

Results can already be seen in the priority areas of the digital economy, e-commerce and financial technology. "With e-commerce, we're able to transcend many barriers in the market through the more open and transparent flow of information," he said.

He also acknowledged work by the Ministry of Economy, Trade and Industry and investigated how the digital economy can be further utilized to strengthen the ASEAN-Japan economic relationship.

Conversely and indirectly noting the

criticism that ASEAN is big on driving policy, but has little to show for its efforts, Rillo said, "I'm hoping that by strengthening the monitoring component under the AEC, we're able to establish some concrete results."

"ASEAN has been around since 1967 and there's so much knowledge being generated by the region. But that knowledge is not being effectively disseminated to the public. I think this is also a source of misunderstanding (and criticism) because of the lack of information and transparency," he said.

"I'm also hoping that during my term, we will be able to create this new environment coming up with knowledge products that can be disseminated to the public to better understand ASEAN policy and economic integration," he added.

Boosting regional partnership

Messages from the Secretaries-General of ASEAN Centres



From left: AKC SG Lee Hyuk, AJC SG Masataka Fujita, ACC SG Chen Dehai

On the auspicious occasion of the 51st anniversary of the establishment of ASEAN, I would like to congratulate ASEAN on its tremendous achievements and salute the ASEAN-Japan Centre for holding this symposium.

Over the decades, ASEAN has traveled an extraordinary path and has been one of the most successful organizations of regional cooperation. ASEAN is embarking on a new journey of its second 50 years of development. I believe with the joint efforts of ASEAN Member States, ASEAN community building will reach a higher level and make even greater contribution to the development and prosperity of this region.

This year marks the 15th anniversary of ASEAN-China strategic partnership. The ASEAN-China Centre will continue to vigorously promote ASEAN-China practical cooperation and contribute to the common development of the region.

Chen Dehai Secretary-General, ASEAN-China Centre (ACC)

On the occasion of the 51st Founding Anniversary of ASEAN, August 8, 2018, it was my great pleasure and honour to organize the commemorative symposium featuring a keynote lecture by Dr. Aladdin D. Rillo, Deputy Secretary-General of ASEAN in charge of the ASEAN Economic Community (AEC). The symposium was graced with presence of Secretaries-General of the ASEAN-China Centre and the ASEAN-Korea Centre, as well as ASEAN ambassadors based in Tokyo.

It is gratifying that friendly and longstanding ASEAN-Japan relations have been strengthened and broadened year by year in various fields; and the relations have been even enhanced by the development of larger regional cooperative framework. I look forward to continuing work with the people of the ASEAN Member States to fortify amicable relations and cooperation with Japan and within the framework of the East Asia. Three ASEAN Centres can work together towards the common goals to maximize benefits for the ASEAN Member States.

Masataka Fujita Secretary-General, ASEAN-Japan Centre (AJC)

I wish to extend my heartfelt congratulations to the ASEAN-Japan Centre (AJC) and the ASEAN Committee in Tokyo (ACT) on hosting the ASEAN 51st Anniversary Symposium.

Since its foundation, ASEAN has been making a great stride in achieving regional integration in Southeast Asia. Furthermore, by initiating the establishment of the ASEAN+3 Framework in 1997, the ASEAN Regional Forum in 1994 and the East Asia Summit in 2005, ASEAN has been successfully playing its role as a facilitator of regional and global peace and prosperity.

With the ambitious vision as shown in the ASEAN Economic Community (AEC) Blueprint 2025, ASEAN has been actively working to push ahead with regional economic integration. I hope that the goals of the Blueprint will be realized in a fashion which can lay the foundation for a globally-engaged community where Korea, Japan and China can together enhance trade, investment and other cooperation with ASEAN.

I sincerely wish for ASEAN's continued prosperity in the future.

Lee Hyuk Secretary-General, ASEAN-Korea Centre (AKC)



ASEAN-JAPAN CENTRE
(ASEAN Promotion Centre on Trade, Investment and Tourism)

www.asean.or.jp/en/

Shin Onarimon Bldg. 1F, 6-17-19 Shimbashi, Minato-ku, Tokyo 105-0004
TEL: 03-5402-8118 FAX: 03-5402-8003 E-mail: toiawase_ga@asean.or.jp Office Hours: 9:30 a.m. – 5:30 p.m. / Monday – Friday

