

Japan-ASEAN Relations

--- Post 2015

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Chargé d'affaires, Minister-Counsellor
Mission of Japan to ASEAN

Outline

1. Japan-ASEAN Relations

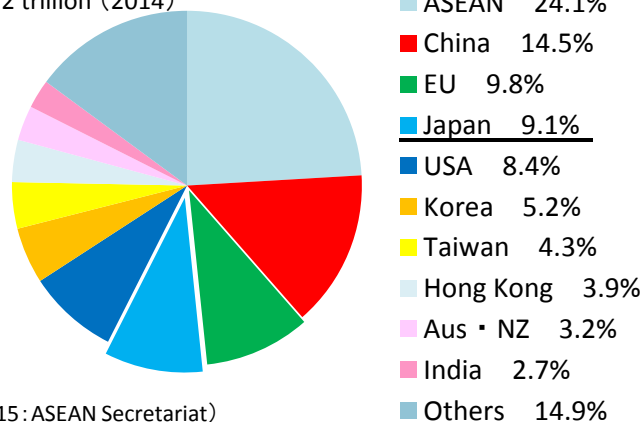
2. Japan's Support to ASEAN Community

Japan-ASEAN relations : Trade & Investment

- For ASEAN, Japan is the **third largest trading partner** after China and the EU.
- For Japan, ASEAN is the **second largest trading partner** after China.
- For ASEAN, Japan is the **second largest investor** after the EU.
- For Japan, ASEAN is the **third largest investment destination** after the US and the EU.

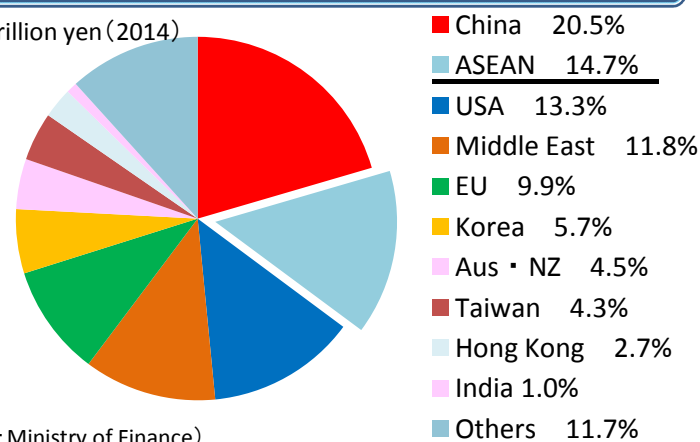
ASEAN's Trading Partners

USD 2 trillion (2014)



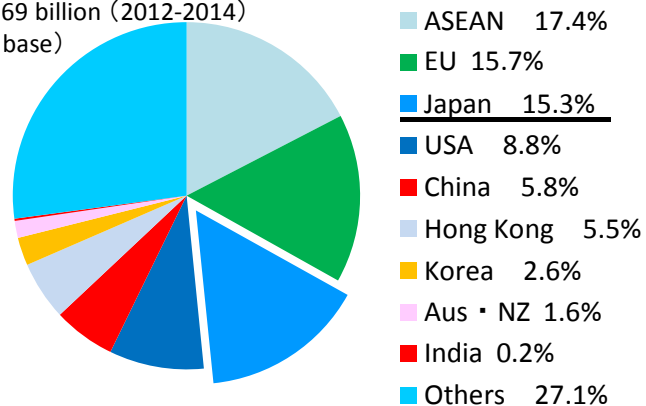
Japan's Trading Partners

159 trillion yen (2014)



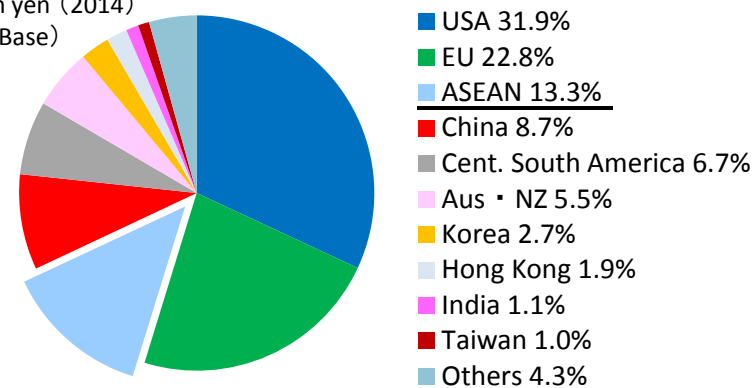
Countries investing in ASEAN

USD 369 billion (2012-2014)
(flow base)

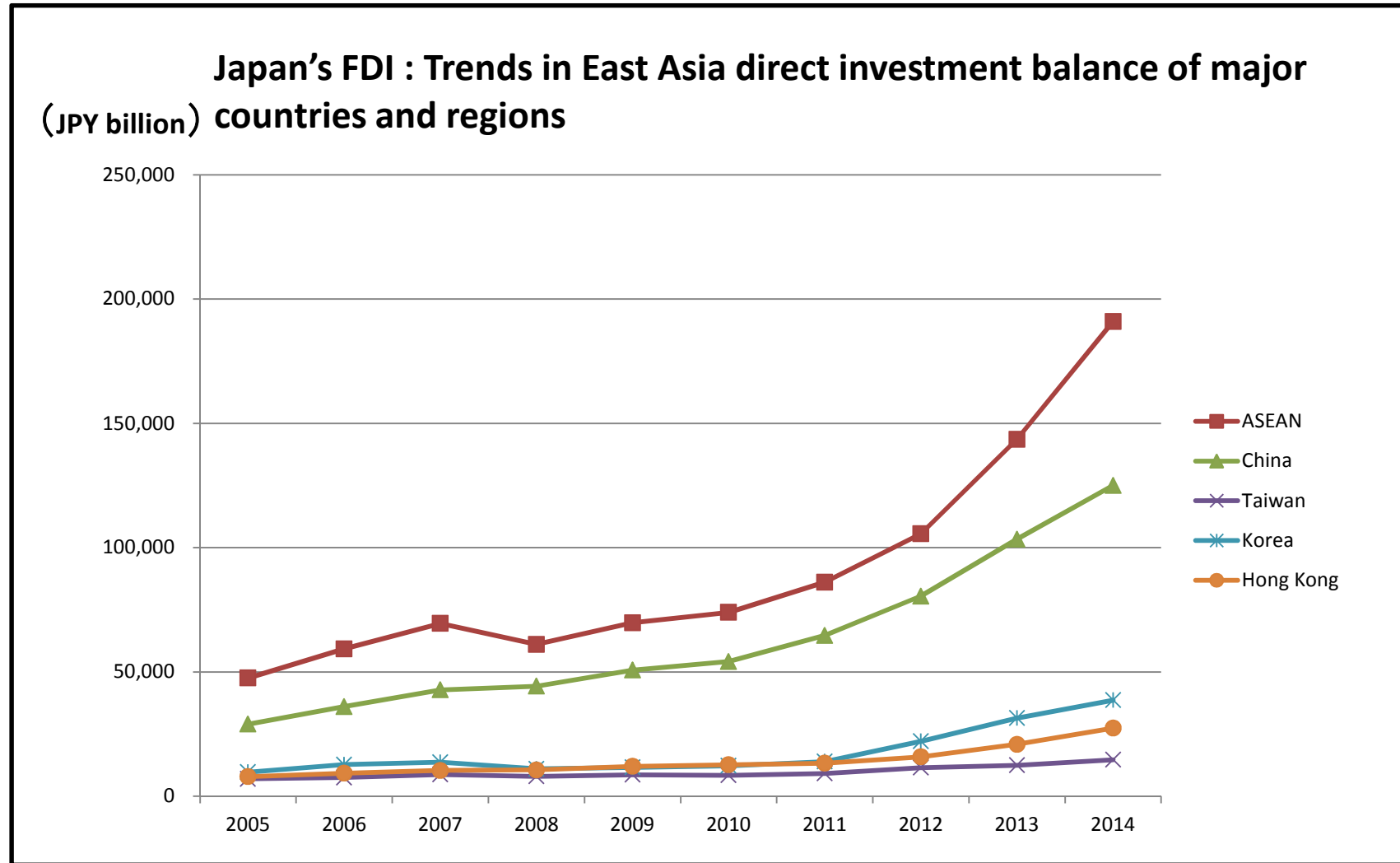


Countries Japan invests in

144 trillion yen (2014)
(Balance Base)



Japan-ASEAN relations : Destination of Japan's FDI



Source: Bank of Japan (stock basis)

Countries Attractive for Japanese Manufacturing Companies

--- Over a Medium-Term Period (Around 3 Years)

2011			2012			2013			2014		
Rank	Country	Rate(%)	Rank	Country	Rate (%)	Rank	Country	Rate (%)	Rank	Country	Rate(%)
1	China	72.8	1	China	62.1	1	Indonesia	44.9	1	India	45.9
2	India	58.6	2	India	56.4	2	India	43.6	2	Indonesia	45.7
3	Thailand	32.5	3	Indonesia	41.8	3	Thailand	38.5	3	China	43.7
4	Viet Nam	31.4	4	Thailand	32.1	4	China	37.5	4	Thailand	35.3
5	Brazil	28.6	5	Viet Nam	31.7	5	Viet Nam	30.3	5	Viet Nam	31.1
5	Indonesia	28.6	6	Brazil	25.7	6	Brazil	23.4	6	Mexico	20.2
7	Russia	12.4	7	Mexico	14.0	7	Mexico	17.2	7	Brazil	16.6
8	USA	9.9	8	Russia	12.5	8	Myanmar	13.1	8	USA	13.2
9	Malaysia	7.7	9	USA	10.3	9	Russia	12.3	9	Russia	12.0
10	Taiwan	6.9	10	Myanmar	9.9	10	USA	11.1	10	Myanmar	11.0
11	Korea	6.1	11	Malaysia	7.0	11	Philippines	8.0	11	Philippines	10.0
12	Mexico	5.7	12	Korea	4.5	12	Malaysia	7.6	12	Malaysia	9.2
13	Singapore	4.9	12	Turkey	4.5	12	Korea	5.7	13	Turkey	5.2
14	Philippines	3.0	14	Taiwan	4.3	14	Taiwan	4.7	14	Singapore	5.0
15	Turkey	2.4	15	Philippines	4.1	15	Turkey	4.7	15	Cambodia	4.0
16	Australia	1.6	16	Singapore	3.1	16	Singapore	3.9	15	Korea	4.0
16	Bangladesh	1.6	17	Cambodia	2.5	17	Cambodia	2.5	17	Taiwan	3.8
16	Cambodia	1.6	18	Australia	2.1	18	Germany	2.0	18	Germany	1.8
19	Myanmar	1.4	19	Bangladesh	1.9	19	South Africa	2.0	19	France	1.4
20	UK	1.2	20	Germany	1.2	20	Laos	1.8	19	Saudi Arabia	1.4
									19	South Africa	1.4



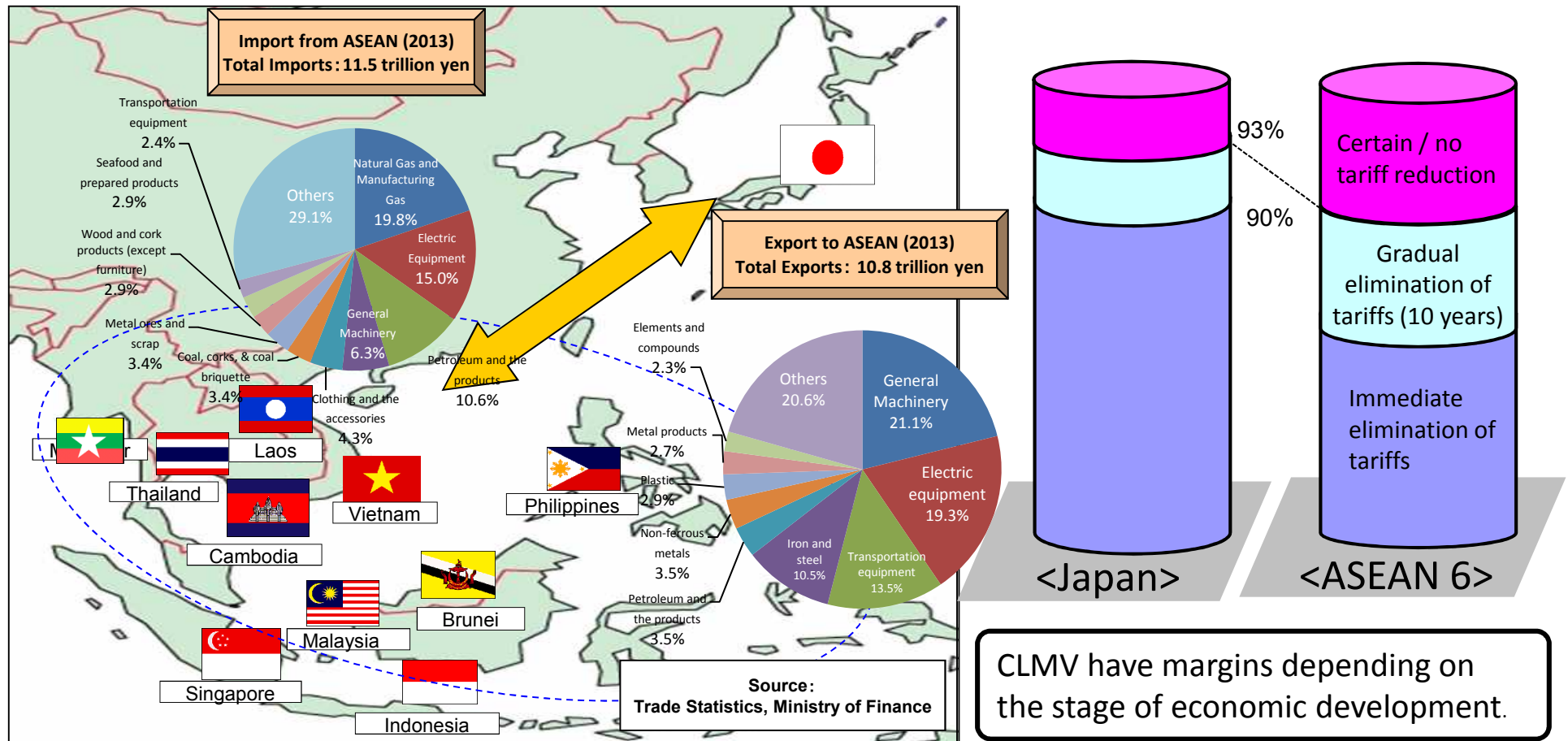
ASEAN member states



(Source) Bank of Japan for International Cooperation

ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement

- Liberalization and facilitation of trade in goods
- Cooperation in the field of intellectual property, agriculture, forestry and fisheries
- Future negotiations on trade in services as well as investment



Japan's Five Principles of ASEAN Diplomacy (2013)

(Address by Prime Minister Shinzo Abe following the Indonesia-Japan Summit on 18 January 2013)

- 1) Protect/promote universal values (freedom, democracy, basic human rights, etc.) with ASEAN member states.
- 2) Ensure in cooperation with ASEAN member states that the free and open seas are governed by laws and rules and not by force, and welcome the United States' rebalancing to the Asia-Pacific region.
- 3) Promote trade and investment, including flows of goods, money, people and services, through various economic partnership networks for Japan's economic revitalization and for the prosperity of both Japan and ASEAN member states.
- 4) Protect/nurture Asia's diverse cultural heritages and traditions.
- 5) Promote youth exchanges to foster mutual understanding.

Japan-ASEAN Commemorative Summit in 2013

- Held in Tokyo in December 2013 to celebrate the **40th anniversary of Japan-ASEAN relations**.
- **Vision Statement on ASEAN-Japan Friendship and Cooperation** and **Joint Statement of the ASEAN-Japan Commemorative Summit** were issued.

VISION STATEMENT ON ASEAN-JAPAN FRIENDSHIP AND COOPERATION

(1) Partners for Peace and Stability

(2) Partners for Prosperity

(3) Partners for Quality of Life

(4) Heart-to-Heart Partners

“Future direction of Japan and ASEAN”

● Strengthen cooperation on maritime security

● Infrastructure projects for strengthening connectivity

● Substantial agreement on negotiations on the investment and services chapter of the AJCEP

● Cooperation package for disaster management
App. 300 billion yen in five years

● Cultural exchange (culture and art exchange & support for Japanese language learners)

● Youth exchange

ODA

App. 2 trillion yen in five years

- Maritime security
- Rule of law

- Strengthening ASEAN connectivity
- Narrowing the development gap in the region

- Disaster management
- Universal Health Coverage (UHC)
- Empowering women

JAIF2.0

(Japan ASEAN Integration Fund)

App. USD 100 million

- Maritime
- Terrorism, Cybersecurity
- Connectivity
- Disaster management

“WA Project - Toward Interactive Asia through Fusion and Harmony”

Japan-ASEAN Cooperation on Disaster Prevention

Cooperation with the AHA Centre (ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management)

AHA Centre: Established in 2011 to promote communication and coordination among National Disaster Management Offices (NDMO) of ASEAN member states and international organizations in the event of regional natural disasters emergencies.



■ Japan's cooperation through JAIF

✓ Develop an integrated disaster prevention ICT system with a focus on the AHA Centre

Provide ICT equipment and software (WebEOC) to the AHA Centre and the NDMOs in CLMV, thereby connecting AHA Centre with all ASEAN NDMOs.

✓ Construction and operation of Disaster Emergency Logistics System for ASEAN (DELSA)

Stockpile emergency relief supplies in the WFP warehouse in Subang airport, Malaysia, and maintain the transportation system used for delivery.

➡ **Utilised in large-scale disasters such as earthquakes in Myanmar, 2012, typhoon Haiyan in the Philippines, 2013, and floods in Myanmar, 2015.**

✓ Disaster-related human resource development project (ACE Program)

6-month training program for executive officers of national NDMOs.



■ Japan's cooperation through JICA (Japan International Cooperation Agency)

✓ Natural disaster risk assessment and Area Business Continuity Plan Formulation for Industrial Agglomerated Areas

✓ Capacity Development for Immediate access and Effective Utilization of Satellite Information for Disaster Management

✓ Strengthening Disaster/Emergency Medicine System

Youth Exchange Program (JENESYS)

JENESYS (Japan-East Asia Network of Exchange for Students and Youths)

- Two-way exchange programme for youths from Japan and ASEAN countries.
- Since its inception in 2007, 23,600 ASEAN youths visited Japan.
- Under JENESYS2015, 1,670 youths are expected to visit Japan.



Traditional culture experience



Sports exchange



Discussion among participants



Homestay



School visit



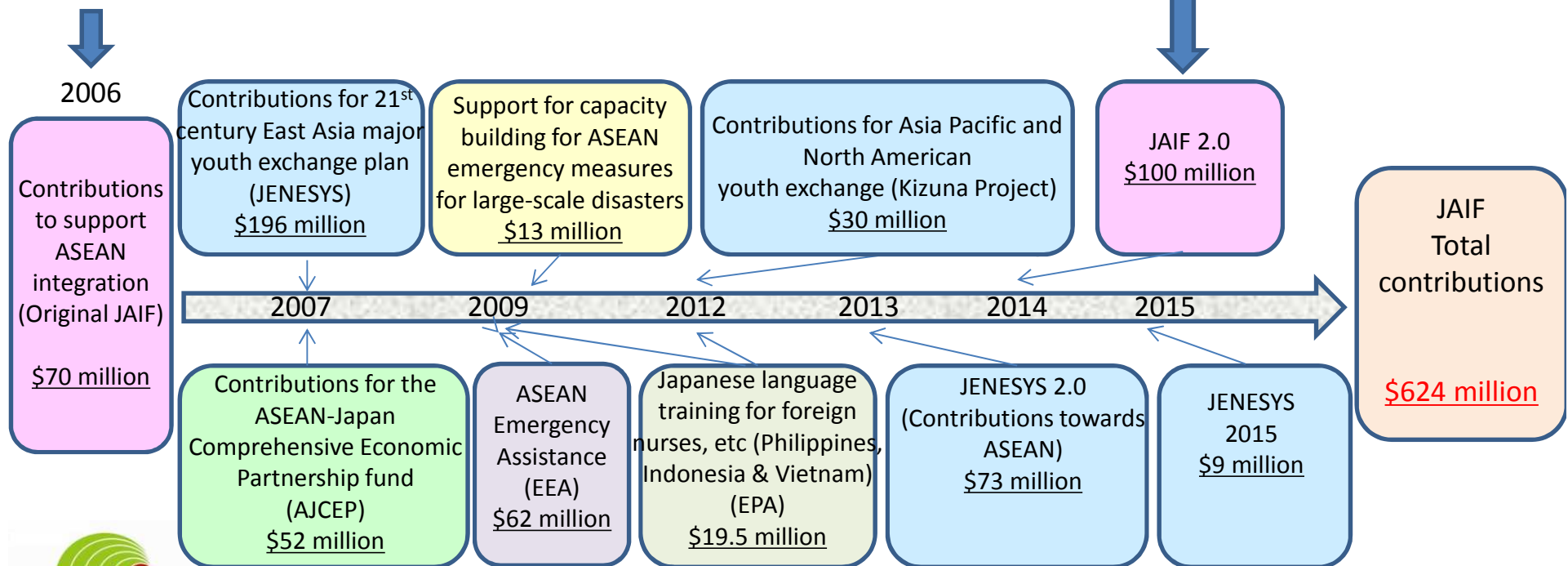
Factory tour

Japan-ASEAN Integration Fund (JAIF)

- To support ASEAN to **realize ASEAN integration**
- To support the **three Communities (Political-Security, Economic, Socio-Cultural)** and **eliminate regional disparities**
- To **promote cooperation** between Japan and ASEAN

Prime Minister Junichiro Koizumi announced in 2005 to set up a fund to support ASEAN integration.

Prime Minister Shinzo Abe announced in 2013 an additional contribution of \$100 million to JAIF 2.0.



✓ To date, approximately 350 projects have been implemented.

Examples of JAIF Projects

【Political and Security】

- Implementation of workshops on Japan- ASEAN Terrorism Dialogue/Cybercrime Dialogue and various workshops under the same framework.
- Research and policy recommendations to strengthen Japan-ASEAN Strategic Partnership by Japan-ASEAN think tank.
- Regional cooperation to address the removal of minefields and mine-related issues within the ASEAN region.
- Seminar on strengthening women's participation in peace-building processes.

【Economy】

- Comprehensive industrial human resources development project (human resource development for highly specialized professionals/ development and dissemination of small and medium-sized enterprises reliability index).
- Establishment of industry-university networks for entrepreneur education to strength the competitiveness of small and medium-sized enterprises from the ASEAN region.
- ASEAN Smart Network (demonstration/ research).
- Taxonomy capacity building to support market access for agricultural trade in the ASEAN region.
- Human resource development to strengthen the operation of preferential rules of origin.

【Society and Culture】

- **AHA Center support**
 - ✓ Integrated Information Communication Technology (ICT) system building support
 - ✓ Disaster Emergency Logistic System for ASEAN (DELSA)
 - ✓ ASEAN disaster management cadet training program (ACE program)
- Promotion of Environmentally Sustainable Cities (ESC) in ASEAN Countries
- **People-to-people Exchange Programs (i.e., JENESYS, JENESYS2.0 (Approx. 27,500 people exchanges between ASEAN and Japan until March 2015), JENESYS 2015)**
- Japan-ASEAN Music Festival, ASEAN-Japan Television Festival
- Improving quality of life for people with disabilities project and capacity building assistance for disabled administrative officials

【Initiative for ASEAN Integration】

- Dispatch and training support for the ASEAN Secretariat administrative officers of CLMV countries.

ASEAN Community Vision 2025

“ASEAN Community Vision 2025” and **“Blueprint 2025”** of three Communities were adopted at the **ASEAN Summit in November 2015**, to realise a **rule-based, people-oriented, people-centred ASEAN**.

ASEAN Political-Security Community

(APSC)

1. Rule-based, people-oriented
People-centred community
2. Peaceful, secure and stable region
3. ASEAN Centrality in a dynamic and outward-looking region
4. Strengthened ASEAN institutional capacity and presence

ASEAN Economic Community (AEC)

1. Highly integrated and cohesive economy
2. Competitive, innovative and dynamic ASEAN

3. Enhanced connectivity and sectoral cooperation
4. Resilient, inclusive, people-oriented and people-centred ASEAN
5. Global ASEAN

ASEAN Socio-Cultural Community

(ASCC)

1. Engages and benefits the people
2. Inclusive
3. Sustainable
4. Resilient
5. Dynamic

Cooperation for ASEAN Political and Security Community (APSC)

1. Rules-Based, People-Oriented, People-Centred Community

- ✓ Human Rights: Support for activities of ASEAN Intergovernmental Commission on Human Rights (AICHR), in such areas as people with disabilities.

2. Peaceful, Secure and Stable Region

- ✓ Defence: Active engagement through ASEAN Defence Ministers Meeting Plus (ADMM+), Japan-ASEAN Defence Ministers Roundtable
- ✓ East Asia Summit
- ✓ Trafficking in persons: Support for the implementation of ASEAN Convention against Trafficking in Persons, Especially Women and Children
- ✓ Peace, conflict management and conflict resolution: Support for activities of ASEAN Institute for Peace and Reconciliation (AIPR)
- ✓ Maritime security: Capacity building of coastal states, support to maintain peace at Sea

3. ASEAN Centrality in a Dynamic and Outward-looking Region

4. Strengthened ASEAN Institutional Capacity and Presence

Cooperation for ASEAN Economic Community (AEC)

1. Highly Integrated and Cohesive Economy

- ✓ Trade facilitation: Capacity building of customs authorities

2. Competitive, Innovative and Dynamic ASEAN

- ✓ Competition Policy: Support for capacity building activities

3. Enhanced Connectivity and Sectoral Cooperation

- ✓ Maritime transport: Hydrographic survey of the Straits of Malacca and Singapore, Support for VTS capacity building
- ✓ ICT: Cooperation based on “ASEAN Smart Network Initiative”

4. Resilient, Inclusive, People-Oriented and People-Centred ASEAN

- ✓ SMEs: Support to implement ASEAN’s Strategic Action Plan for SME Development, Financial inclusion (access to finance for SMEs)
- ✓ Narrowing Development Gap: Support for Laos (ASEAN Chair) and CLMV

5. Global ASEAN

- ✓ Regional Comprehensive Economic Partnership (RCEP)

Cooperation for ASEAN Socio-Cultural Community (ASCC)

1. Engages and benefits the people

- ✓ People-to-people exchange: Support for youth exchanges through JENESYS programmes

2. Inclusive

- ✓ Health: “Japan-ASEAN Health Initiative”, including the Universal Health Coverage (UHC)

3. Sustainable

- ✓ Environment: Support to Environmentally Sustainable Cities

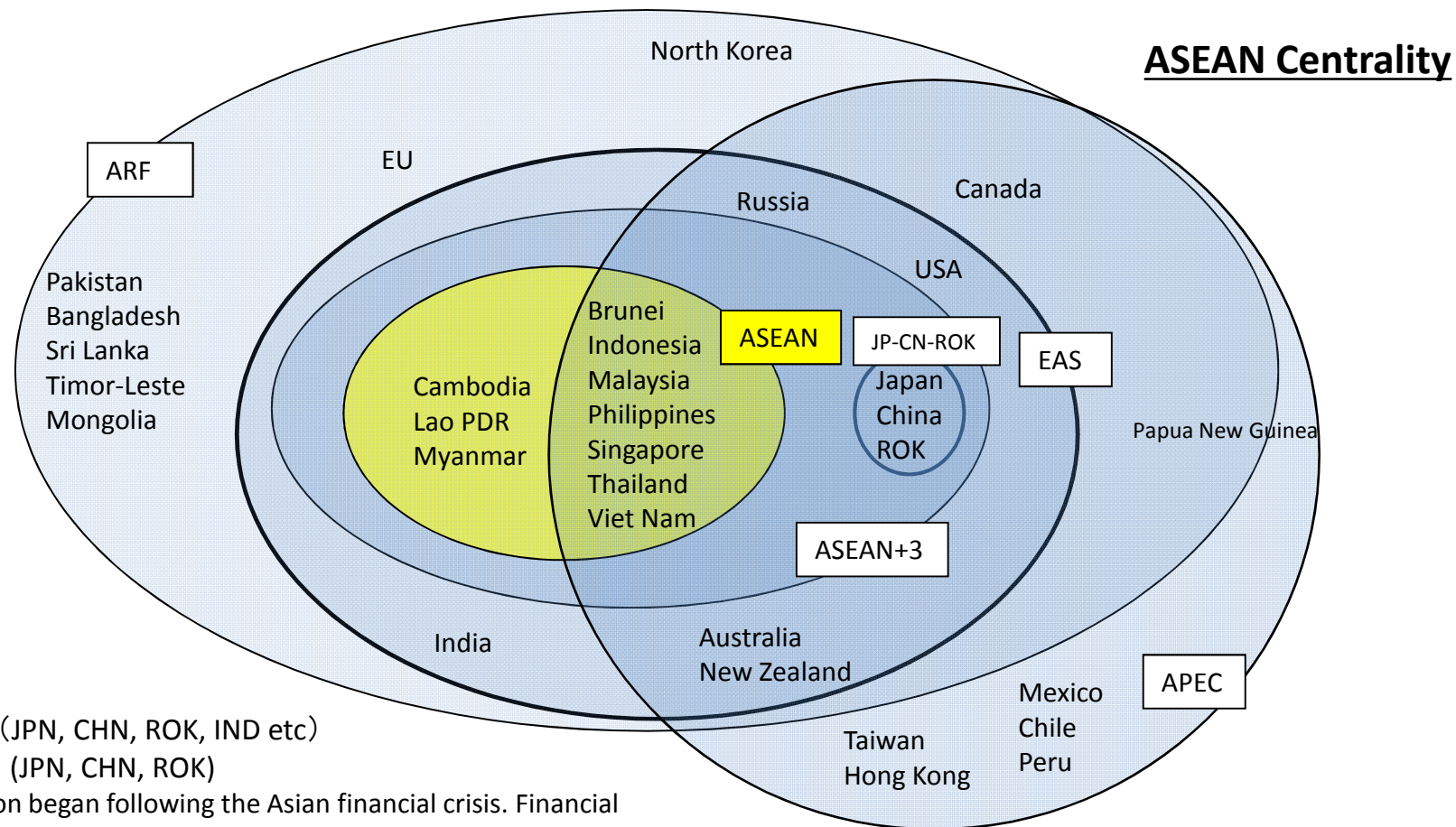
4. Resilient

- ✓ Disaster management
- ✓ Active ageing: Sharing Japan’s experience of an ageing society

5. Dynamic

- ✓ Education: AUN SEED/NET, Development of credit transfer system

Framework of Asia-Pacific regional cooperation



ASEAN+1: (JPN, CHN, ROK, IND etc)

ASEAN+3 : (JPN, CHN, ROK)

Cooperation began following the Asian financial crisis. Financial cooperation in progress. 64 cooperation mechanisms in 22 areas.

EAS :(ASEAN + 8)

Launched in 2005. Leaders-led cooperation framework. 6 priority areas: energy, avian influenza, education, disaster prevention, finance and connectivity

APEC:

Economic integration in Asia Pacific region. Launched in 1989. Promoting prosperity through liberalization & facilitation of trade & investment.

ARF:

Launched in 1994. 26 countries + EU. Trust-building, regional security framework for preventive diplomacy.

Japan-China-ROK:

5 summit meetings have been held since December 2008.

Strengthening of the East Asia Summit (EAS)

◆ East Asia Summit marked its 10th anniversary in 2015

➔ “Kuala Lumpur Declaration on the 10th Anniversary of the EAS” was adopted.

◆ The Declaration states that the EAS will;

- be for dialogue on broad strategic, political and economic issues of common interest and concern in the region, and
- contribute to a rule-based approach in managing inter-state relations, promote strategic trust and help ensure transparent and predictable behaviour.

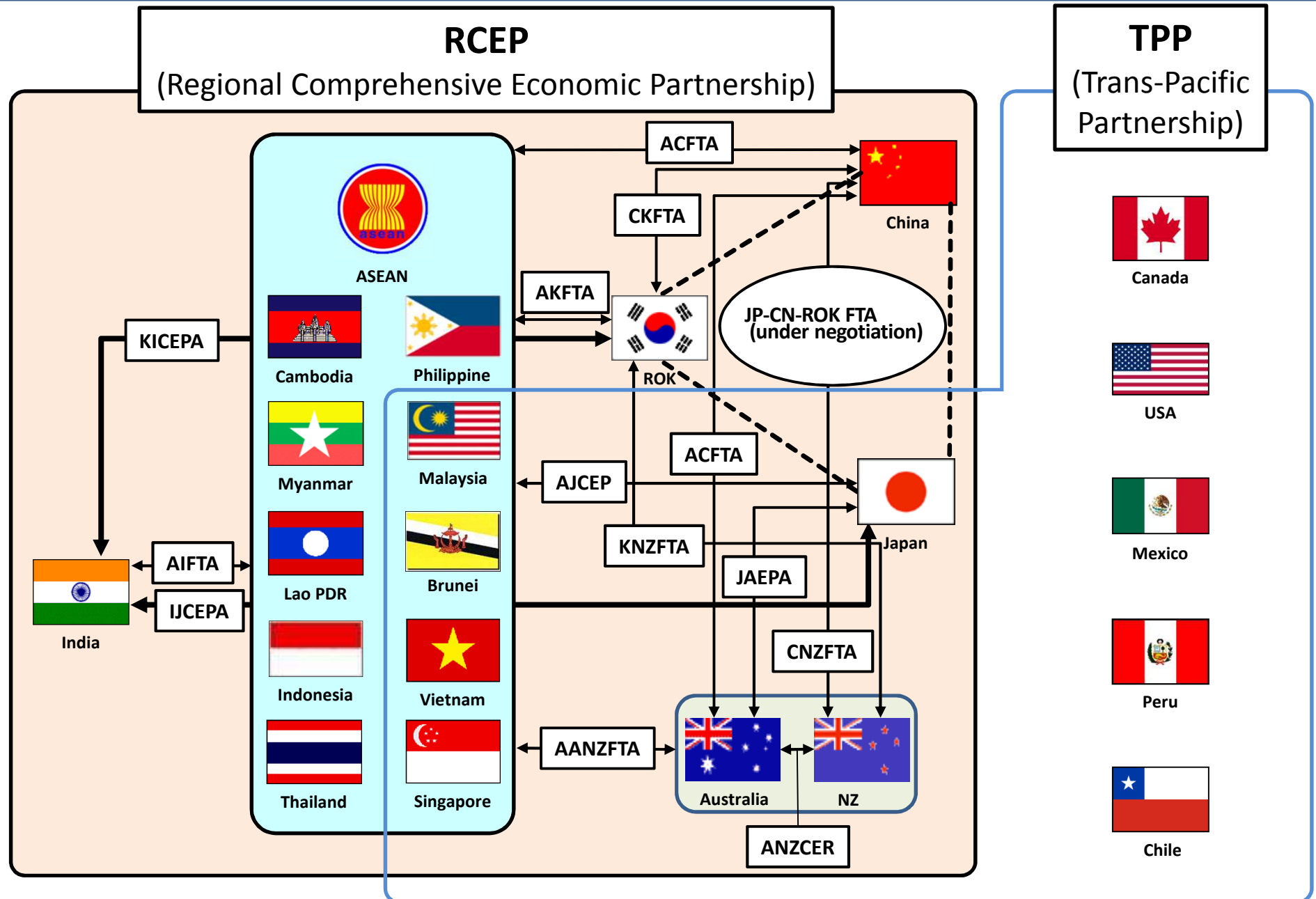
◆ To achieve these, the EAS participating countries will;

- Make the EAS a proactive process, with better preparation, follow-up and timely response to pressing challenges,
- Undertake a periodic review of areas of cooperation, reflecting current priorities, challenges and interests, and
- Establish regular engagement among the EAS Ambassadors in Jakarta.

◆ Japan will contribute to the strengthening of the EAS through;

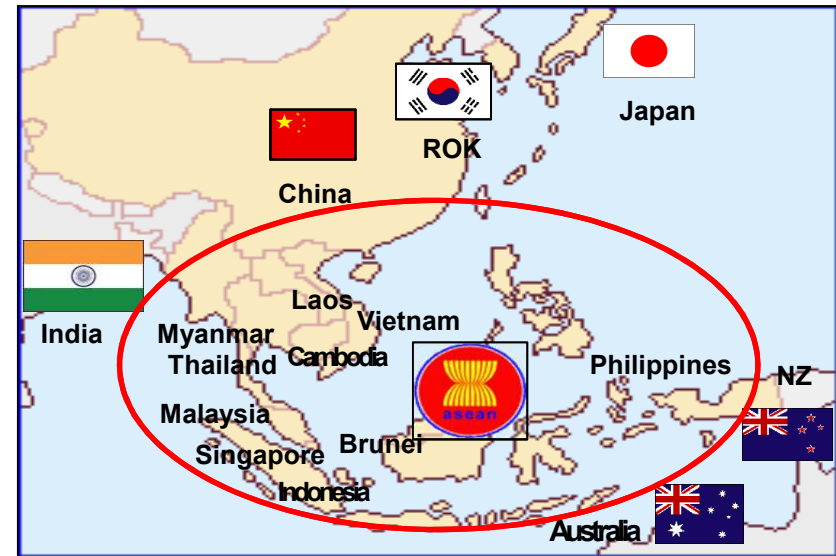
- Actively participating to discussions on strategic and political issues,
- Taking up issues of pressing needs/concerns, and
- Implementing leaders' decisions.

Framework of Asia-Pacific economic cooperation



Regional Comprehensive Economic Partnership (RCEP)

- RCEP negotiations were launched in November 2012 by ASEAN and its FTA Partners.
- In November 2015, the leaders agreed to conclude the negotiations by end 2016.
- ✓ RCEP would encompass;
 - population of about 3.4 billion people (approx. half the world's total population)
 - GDP of about 20 trillion USD (approx. 30% of world's total GDP)
 - total trade of 10 trillion USD (approx. 30% of world's total trade)
- ✓ AEC and existing ASEAN+1 can be a basis for RCEP, but it would cover a broader scope than the existing ASEAN+1, promoting further trade and investment and expanding regional supply chains.
- ✓ ASEAN's intra-regional trade is 24.6% (EU = 59.6%, NAFTA= 40.7%) (2013, UNCTAD). ASEAN needs a market outside the region, especially with the Trans-Pacific Partnership (TPP) soon entering into force.
- ✓ It would lead to a possible Free Trade Area of the Asia Pacific (FTAAP).



For more information on Japan's cooperation for
ASEAN Community,
visit the Mission's website on ASEAN 2025.

<http://www.asean.emb-japan.go.jp/asean2025.html>

Thank you for your attention!