Can Japan remain relevant to ASEAN?

- Beyond Strategic Partners-

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Ambassador of Japan to ASEAN
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1. Japan-ASEAN relations

(1) Brief History

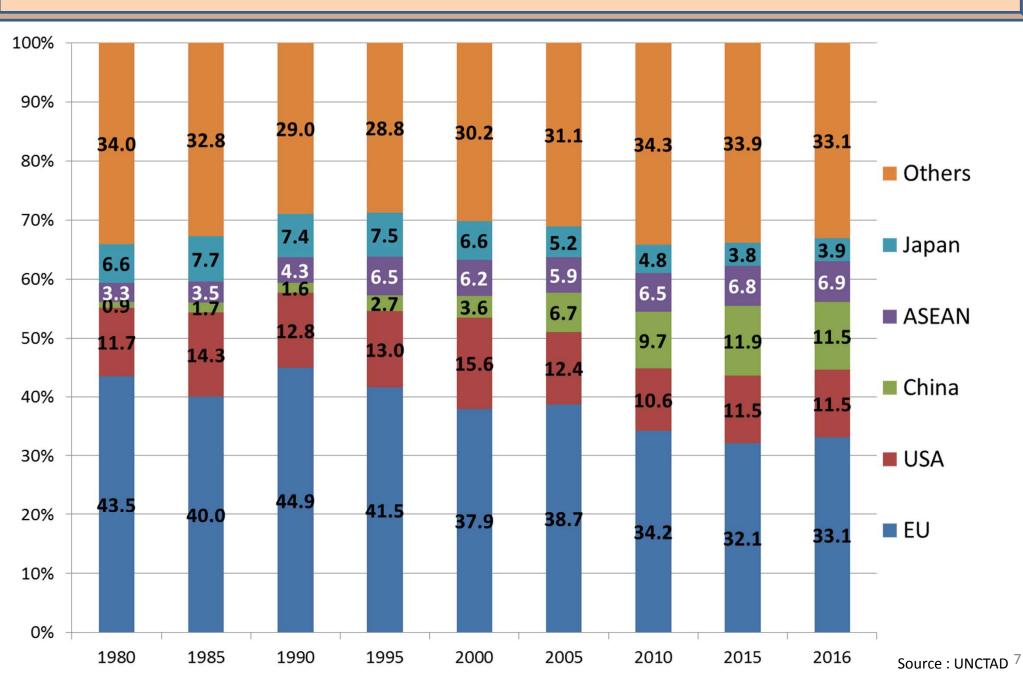
Brief History of Japan-ASEAN Relations

- 1967: Founding of ASEAN
- 1973: ASEAN-Japan relations began with the establishment of the Forum on Synthetic Rubber
- 1977: 1st ASEAN-Japan Summit and declaration of the Fukuda Doctrine
 - (1) Never become a military power
 - (2) Build heart-to-heart relations with ASEAN countries
 - (3) Japan and ASEAN as equal partners
- 1997: 1st ASEAN Plus Three (Japan, China, Republic of Korea (ROK)) Summit
- 2003: ASEAN-Japan Commemorative Summit Adoption of the *"Tokyo Declaration"*
 - (1) "Strategic Partnership" for regional peace, stability, and prosperity
 - (2) Cooperation for developing an East Asian Community based on universal values and rules
- 2004: Japan's accession to the Treaty of Amity and Cooperation in Southeast Asia
- 2005: 1st East Asia Summit
- 2008: Entry into force of the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement
- 2011: Establishment of the Mission of Japan to ASEAN in Jakarta
- 2013: ASEAN-Japan Commemorative Summit

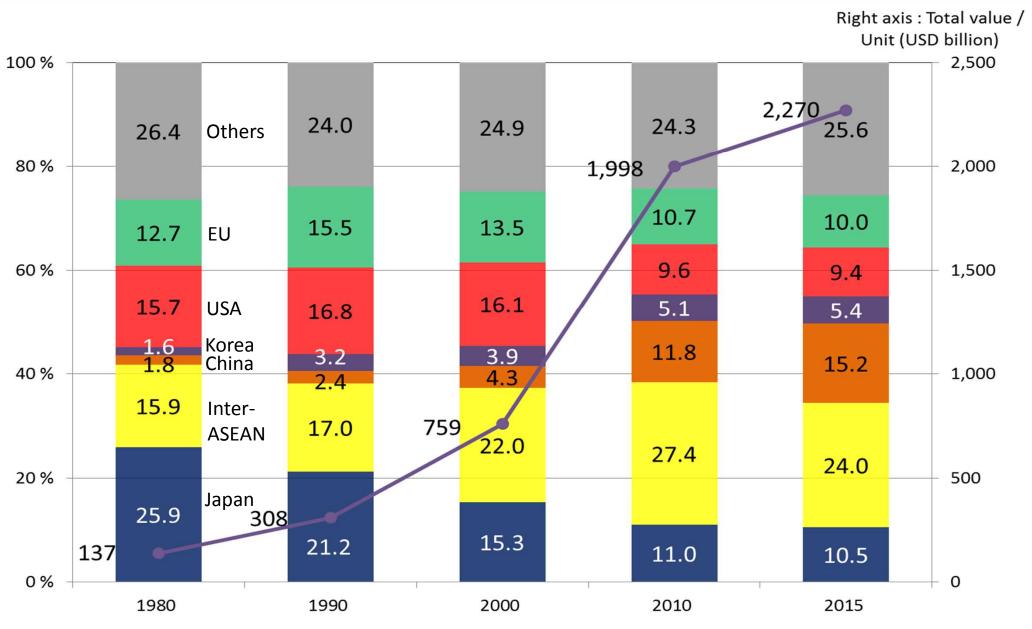
 Adoption of the "Vision Statement on ASEAN-JAPAN Friendship and Cooperation"
- 2015: Establishment of the ASEAN Community
- 2017: 50th anniversary of ASEAN

(2)ASEAN's economic progress and relation with Japan

ASEAN's Share in the Total World Trade

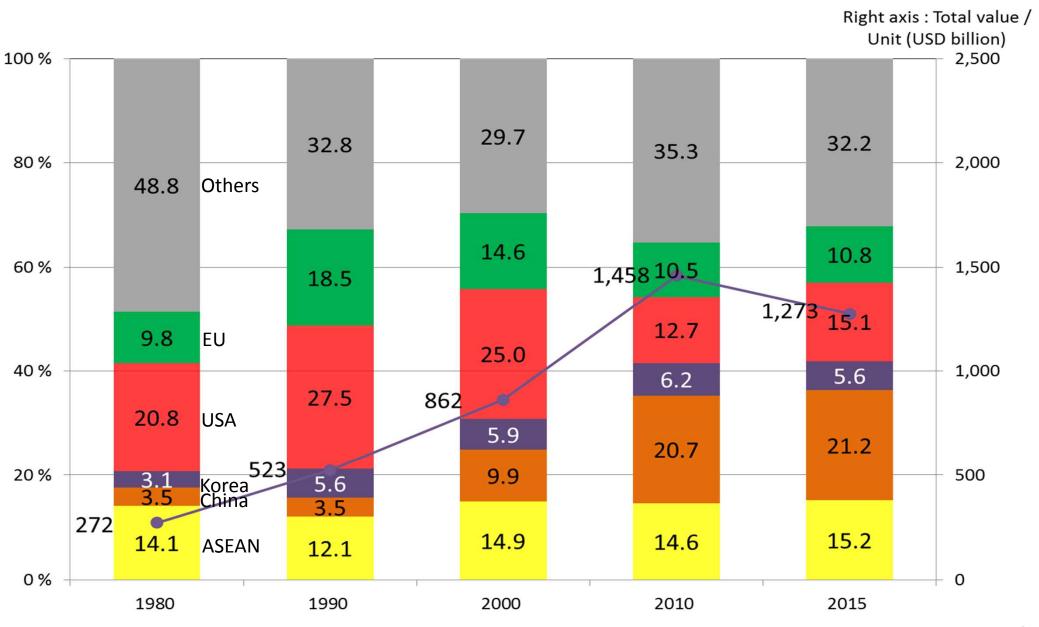


ASEAN's Major Trading Partners



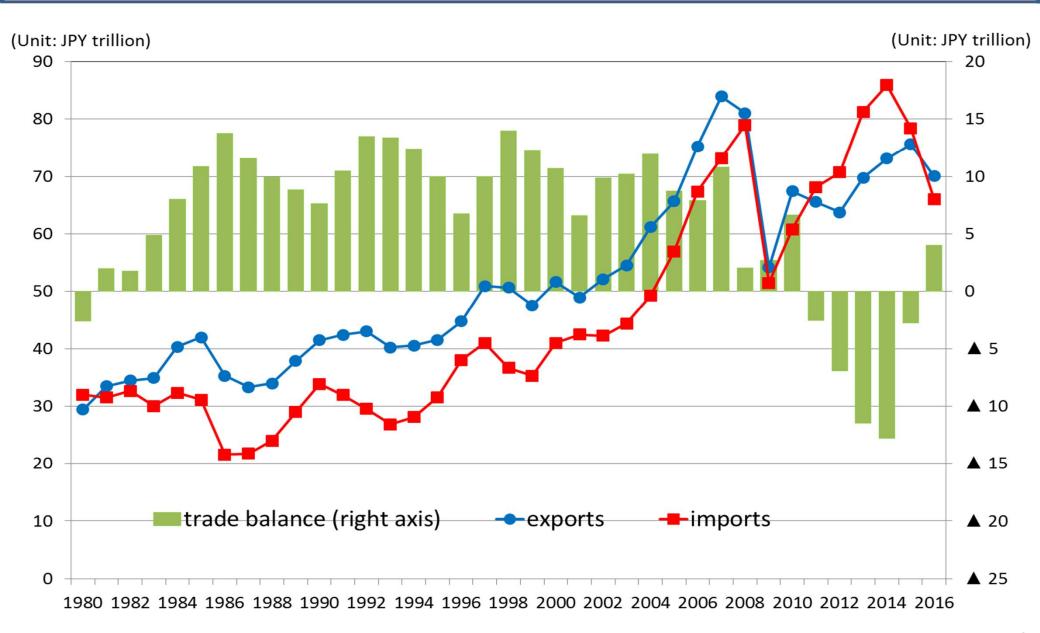
Source: ASEAN Merchandise Trade Statistics Database

Japan's Major Trading Partners

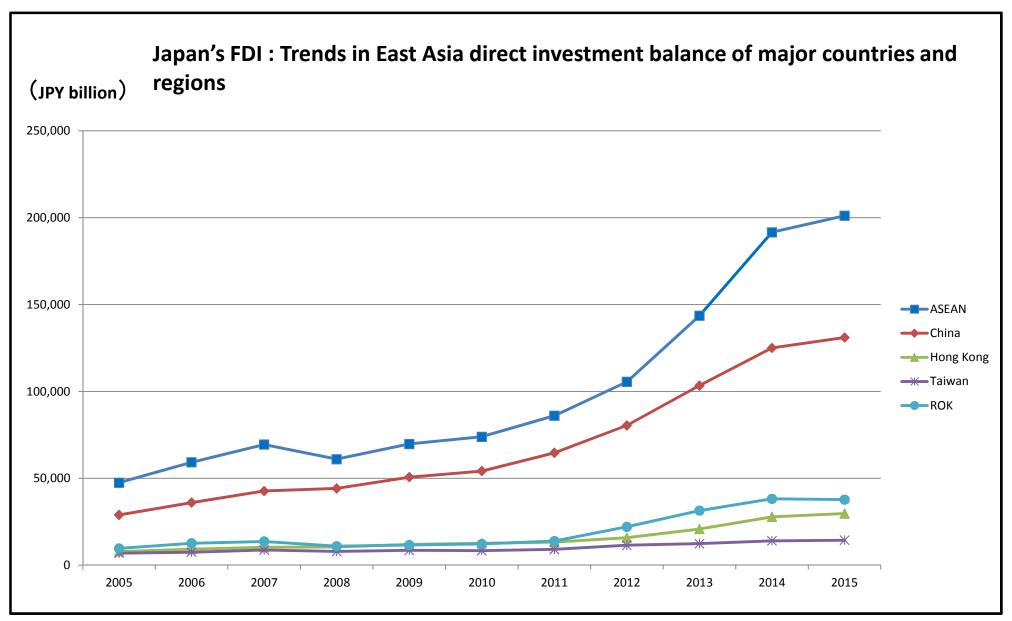


Source: JETRO "Japanese Trade and Investment Statistics"

Japan's Trade Balance



Destination of Japan's FDI



Source: Bank of Japan (stock basis)

(3) Japanese companies in ASEAN

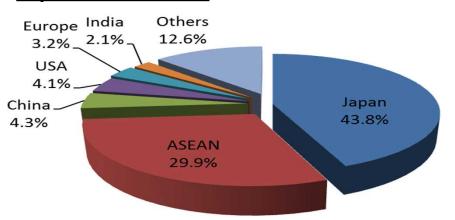
Japanese Companies in ASEAN

Membership of Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA)

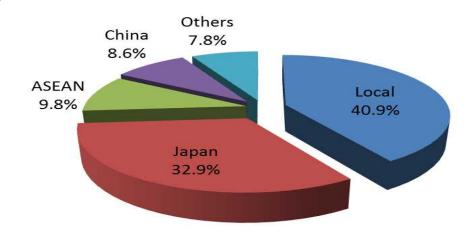
Country	June 2014	June 2015	June 2016
Brunei	3	3	3
Cambodia	168	192	218
Indonesia	703	743	786
Lao PDR	71	77	79
Malaysia	582	607	610
Myanmar	168	239	310
Philippines	721	745	776
Singapore	801	832	854
Thailand	1,552	1,624	1,716
Viet Nam	1,323	1,463	1,562
Total	6,092	6,525	6,914

Activities of Japanese Companies in ASEAN

Export destinations



Average ratio of raw materials and parts procurement sources



Source: FJCCIA

Countries/Areas Targeted by Japanese Manufacturing Companies Over a Medium-Term Period (Around 3 Years)

2013				
Rank	Country	Rate (%)		
1	Indonesia	44.9		
2	India	43.6		
3	Thailand	38.5		
4	China	37.5		
5	Viet Nam	30.3		
6	Brazil	23.4		
7	Mexico	17.2		
8	Myanmar	13.1		
9	Russia	12.3		
10	USA	11.1		
11	Philippines	8.0		
12	Malaysia	7.6		
12	Korea	5.7		
14	Taiwan	4.7		
15	Turkey	4.7		
16	Singapore	3.9		
17	Cambodia	2.5		
18	Germany	2.0		
19	South Africa	2.0		
20	Laos	1.8		

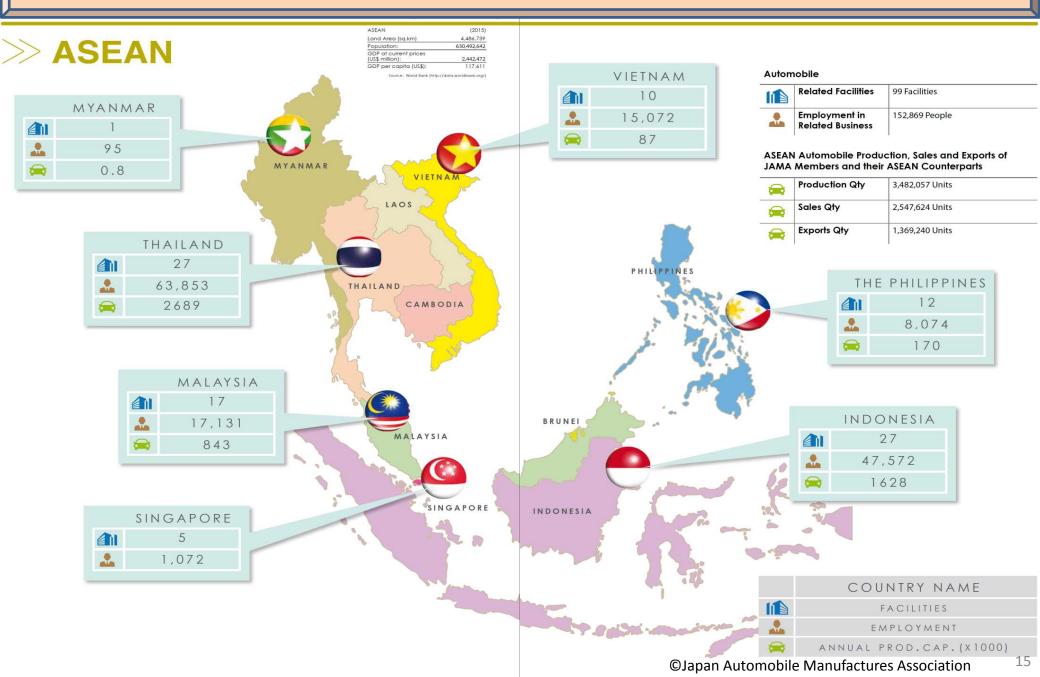
2014				
Rank	Country	Rate(%)		
1	India	45.9		
2	Indonesia	45.7		
3	China	43.7		
4	Thailand	35.3		
5	Viet Nam	31.1		
6	Mexico	20.2		
7	Brazil	16.6		
8	USA	13.2		
9	Russia	12.0		
10	Myanmar	11.0		
11	Philippines	10.0		
12	Malaysia	9.2		
13	Turkey	5.2		
14	Singapore	5.0		
15	Cambodia	4.0		
15	Korea	4.0		
17	Taiwan	3.8		
18	Germany	1.8		
19	France	1.4		
19	Saudi Arabia	1.4		
19	South Africa	1.4		

2015		
Rank	Country	Rate(%)
1	India	40.4
2	Indonesia	38.8
2	China	38.8
4	Thailand	30.7
5	Viet Nam	27.5
6	Mexico	23.6
7	USA	16.6
8	Philippines	11.5
9	Brazil	11.1
10	Myanmar	7.9
11	Malaysia	6.2
12	Russia	5.5
13	Singapore	4.6
14	Turkey	3.9
14	Korea	3.9
16	Taiwan	3.7
17	Cambodia	3.2
17	Germany	3.2
19	Saudi Arabia	1.6
20	Bangladesh	1.4
20	Laos	1.4
20	UK	1.4

2016			
Rank	Country	Rate (%)	
1	India	47.6	
2	China	42.0	
3	Indonesia	35.8	
4	Viet Nam	32.7	
5	Thailand	29.4	
6	Mexico	25.9	
7	USA	19.3	
8	Philippines	10.6	
9	Myanmar	10.1	
10	Brazil	7.2	
11	Malaysia	6.8	
12	Singapore	4.8	
13	Taiwan	4.6	
14	Germany	4.1	
15	Russia	3.5	
16	Korea	3.1	
17	Cambodia	2.5	
17	Turkey	2.5	
19	Australia	2.3	
20	Iran	1.7	

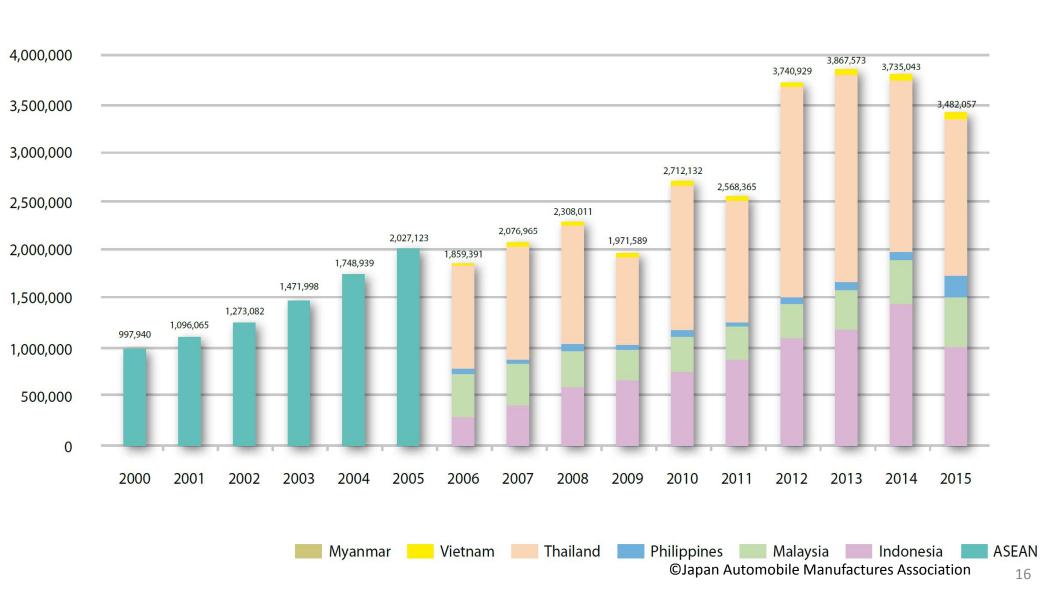


Automobile Production Facilities in ASEAN in 2015 and Related Data



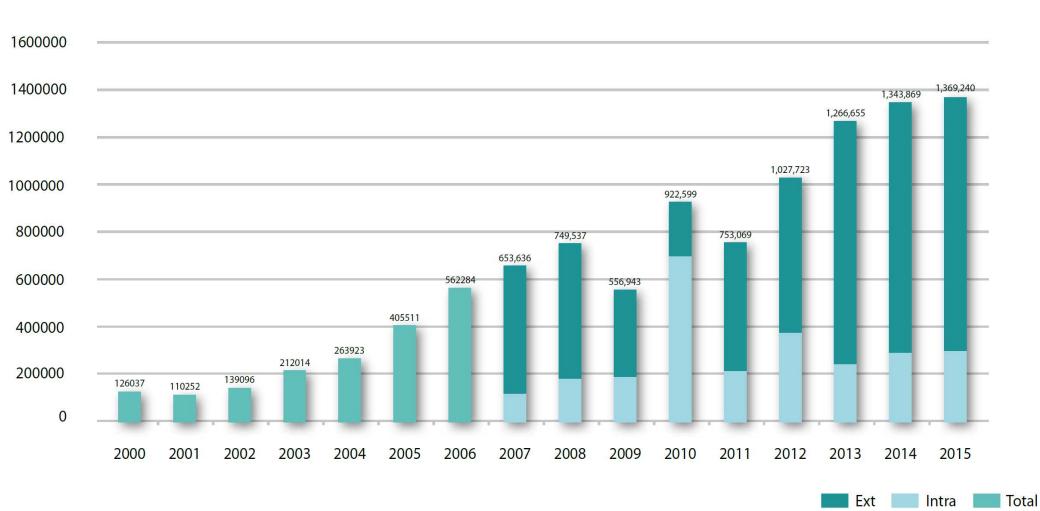
ASEAN Automobile Production by Japanese and related manufactures

A total of 3.5 million units of passenger cars, trucks and buses were produced in 2015, a small drop of 7% compared to the previous year caused by reduced demand related to global economic downtrends.



ASEAN Automobile Exports by Japanese and related manufactures

In 2015, a total of 1.37 million units of passenger cars, trucks and buses were exported by JAMA member companies and their ASEAN counterparts, representing a 2% surge compared to previous years. Among these, 1.0 million units were bound for destinations outside ASEAN, with the remaining classified as intra-ASEAN exports. ASEAN, a key strategic partner of JAMA member companies, has become a core production base, with ever-greater outbound sales expected in future.



2. Japan-ASEAN cooperation

(1) Overview

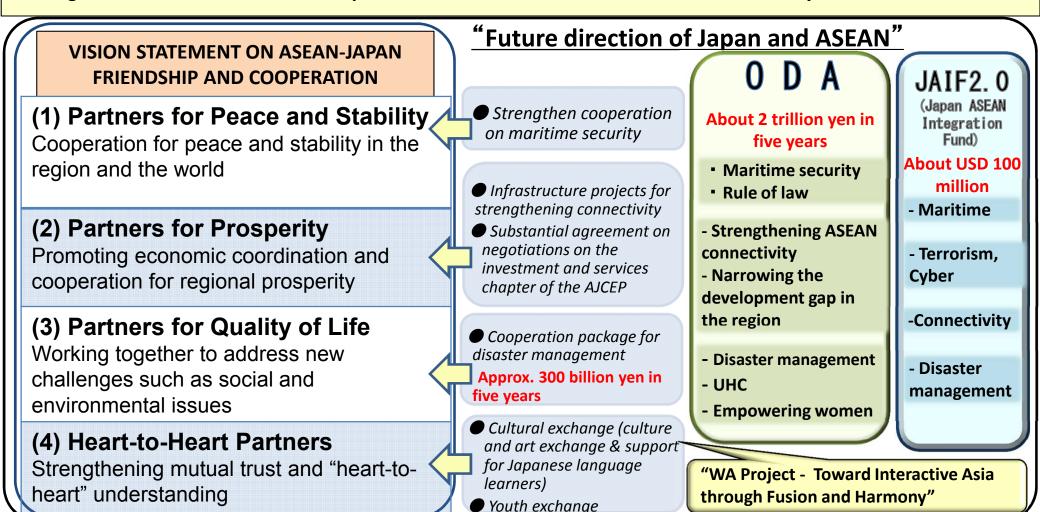
Five Principles of Japan's ASEAN Diplomacy

Prime Minister Abe announced the five principles of Japan's ASEAN diplomacy when he officially visited several Southeast Asian countries and gave a presentation in Indonesia in January 2013.

- Protect and promote together with ASEAN member states universal values such as freedom, democracy and basic human rights
- Ensure in cooperation with ASEAN member states that the free and open seas, which are the most vital common asset, are governed by laws and rules and not by force, and to welcome the United State's rebalancing to the Asia-Pacific region
- Further promote trade and investment, including flows of goods, money, people and services, through various economic partnership networks, for Japan's economic revitalization and prosperity of both Japan and ASEAN member states
- Protect and nurture Asia's diverse cultural heritages and traditions
- Promote exchanges among the young generations to further foster mutual understanding

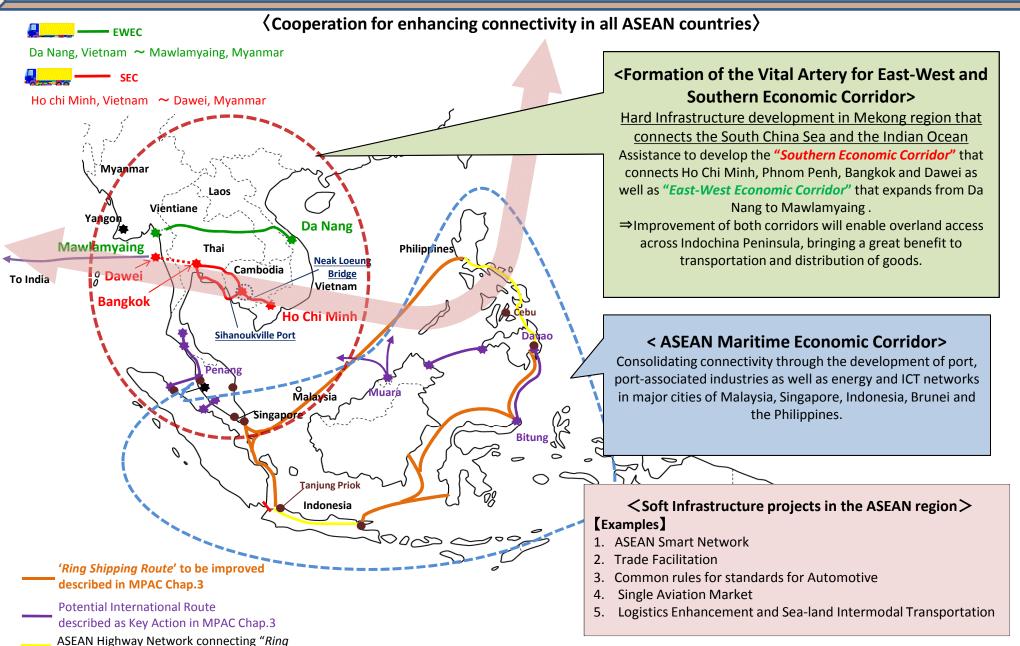
The Japan-ASEAN Commemorative Summit

- OThe Japan-ASEAN Commemorative Summit was held in Tokyo in December 2013 to celebrate the 40th anniversary of Japan-ASEAN relations.
- OA Vision Statement on ASEAN-Japan Friendship and Cooperation was adopted and a Joint Statement of the ASEAN-Japan Commemorative Summit was issued to express Japan and ASEAN's common recognition of regional and global issues in the context of Japan-ASEAN relations in the international community.



(2)For "ASEAN Economic Community" (AEC)

Japan's Vision for Supporting ASEAN Connectivity

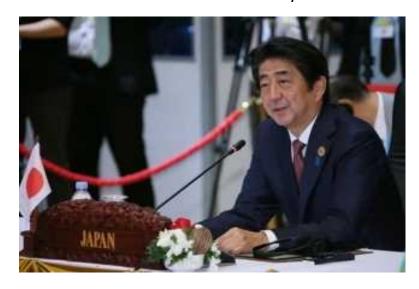


Shipping Route"

"Vibrant and effective connectivity"



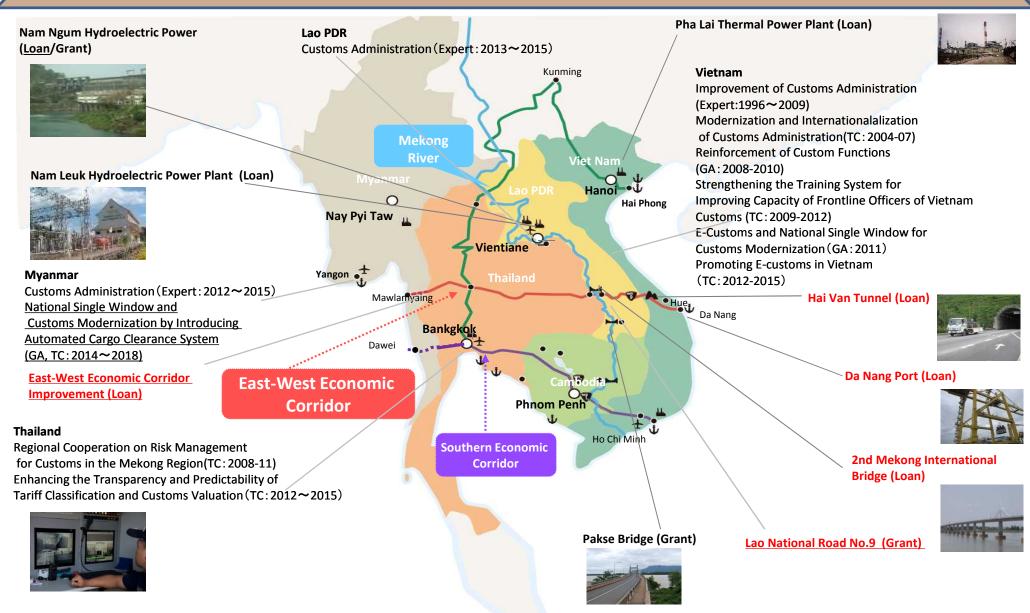
Following the proposal made by Foreign Minister Fumio Kishida on May 2, 2016, "Japan-Mekong Connectivity Initiative" was launched at the 9th Mekong-Japan Foreign Ministers' Meeting on July 25, 2016 in order to realize a vibrant and effective connectivity.



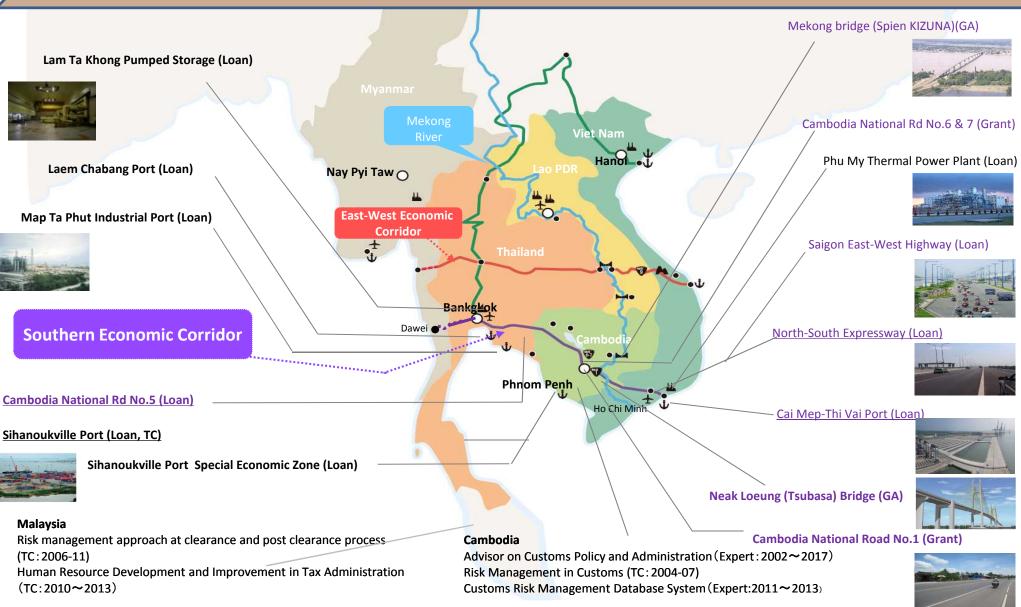
"Infrastructure in the region is interconnected and utilized through institutional improvements and development of the surrounding areas"

Prime Minister Shinzo Abe elaborated Japan's cooperation on strengthening connectivity including the idea of vibrant and effective connectivity at ASEAN-Japan Summit Meeting. (September 7, 2016, Vientiane)

Japan's contributions to Infrastructure in Mekong Region(East-West Economic Corridor)

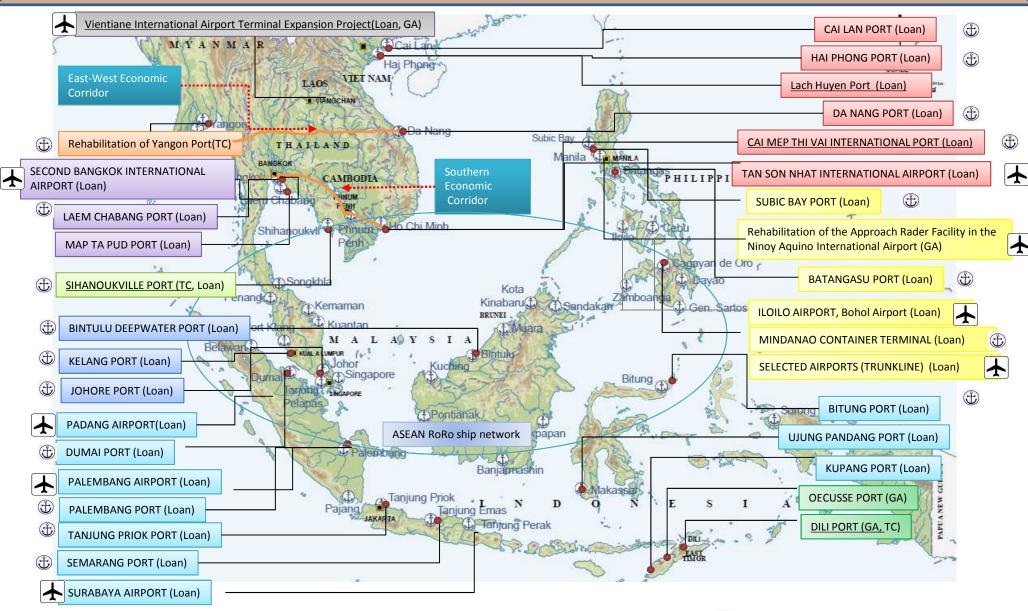


Japan's contributions to Infrastructure in Mekong Region(Southern Economic Corridor)



Japan's contributions to Infrastructure

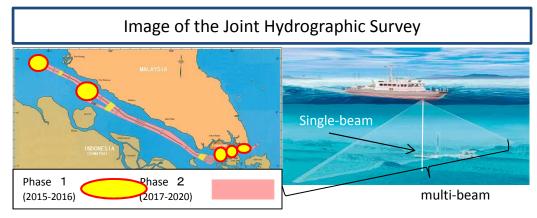
Maritime and Air Economic Corridor



Japan's soft infrastructure projects for ASEAN connectivity

OJoint Hydrographic Survey of the Straits of Malacca and Singapore

Ensures safety of navigation and protection of the marine environment in the Straits of Malacca and Singapore by updating electronic navigational charts (ENCs) with multi-beam echo-sounder technology. <Japan-ASEAN Integration Fund (JAIF)>



ODevelopment of VTS (Vessel Traffic Service) Operator's Capacity

Secures safety of navigation for maritime transport through the development of VTS operator's capacity in accordance with international standards and the establishment of the ASEAN Regional Training Center. .<Japan-ASEAN Integration Fund (JAIF)>

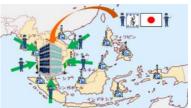


Image of Corporation



Training Center (Malaysia)



Image of Training Center

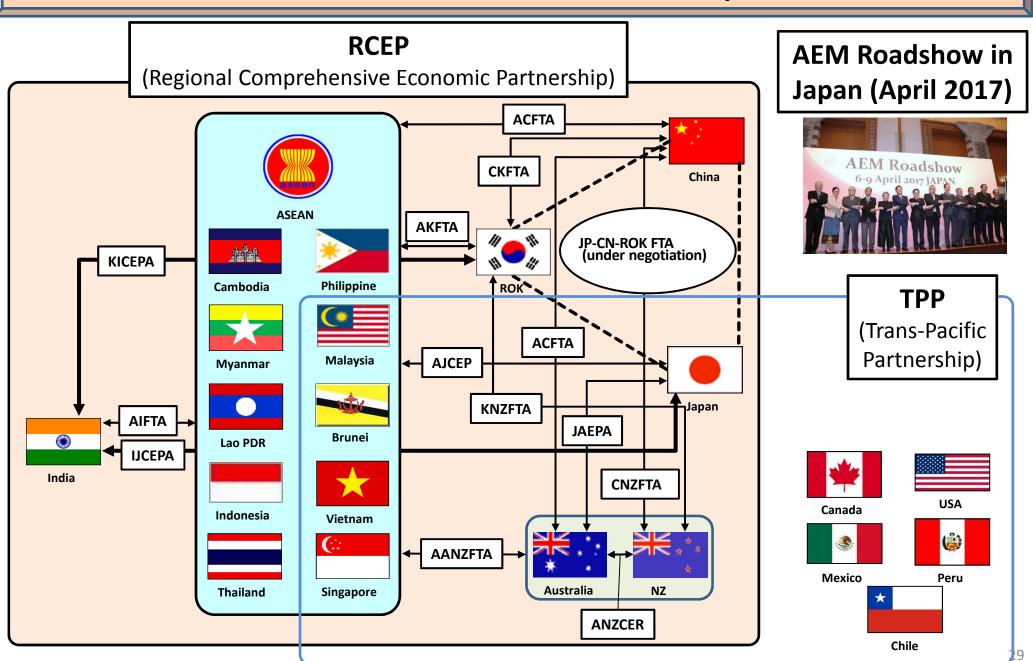
OJoint Research on Road Technologies for ASEAN Cross-Border Corridors

Creates technical references on road pavement and overloading control to improve quality of transit highway networks for better connectivity.



The 1st ASEAN – Japan Experts Group Meeting on Joint Research on Road Technologies for ASEAN Cross-Border Corridors

Framework of Asia-Pacific economic cooperation



(3)For "ASEAN Socio-Cultural Community" (ASCC)

Japan-ASEAN Cooperation on Disaster Prevention

- Support to AADMER (ASEAN Agreement on Disaster Management and Emergency Response) Work Programme 2016-2020
- Cooperation with the AHA Centre (ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management)



<u>AHA Centre</u>: 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
- ✓ <u>Develop an integrated disaster prevention ICT system with a focus on the AHA Centre</u>

 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.

- ✓ <u>Disaster-related human resource development project (ACE Program)</u>
 6-month training program for executive officers of national NDMOs.
- ✓ ASEAN ERAT Transformation Project Phase I
- Japan's cooperation through JICA (Japan International Cooperation Agency)
- ✓ The project of Building Disaster and Climate Resilient Cities in ASEAN
- ✓ The Project of Strengthening Institutional and Policy Framework on DRR and CCA Integration
- ✓ The Project for Strengthening the ASEAN Regional Capacity on Disaster Health Management (ASEAN ARCH Project)31

Youth Exchange Program (JENESYS)

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

Two-way exchange program for youths from Japan and ASEAN countries.

To promote mutual trust and understanding among the peoples of Japan and the Asia-Pacific region, and to build a basis for future friendship and cooperation.

> To promote a global understanding of Japan's society, history, diverse culture, politics,

economics and diplomatic relations.



Traditional culture experience



Discussion among participants



Sports exchange



Homestay



School visit



Factory tour

The First ASEAN University Student Council Union Conference was held on 14-20 March 2017 in Hiroshima, Japan ,with the theme of peacebuilding and youth leadership, in commemoration of the ASEAN's 50th Anniversary.



The First ASEAN University Student Council Union Conference

Youth Exchange Program (JENESYS)

Over 30,000 ASEAN youths visited Japan through JENESYS since 2007.

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

- Implemented from 2007 to 2012

2. Kizuna (bond) Project(The Youth-Exchange Project with Asia-Oceania and North America)

- Implemented from 2012 to 2013

- Aims at promoting global understanding of Japan's revival efforts in response to the Great East Japan Earthquake

3. JENESYS 2.0

- Implemented from 2013 to 2015

4. JENESYS 2015

- Implemented from 2015 to 2016

4. JENESYS 2016

- Ongoing from 2016

Invited from **ASEAN** to Japan Approx.

13,500 people

Approx.

Approx.

2,300 people

Approx.

700 people

Dispatched from

Japan to ASEAN

Approx.

300 people

Approx.

2,600 people

Total

Approx.

14,200 people

Approx. 600 people Approx. 10,700 people

Approx. 1,600 people

10,100 people

Approx. 200 people Approx. 1,800 people

Approx. 3,000people

Approx. 200 people Approx. 3,200 people

AUN/SEED-Net

(ASEAN University Network Southeast Asia Engineering Education Development Network Project)

Network of 40 Engineering Universities

10 ASEAN countries 26 Member Institutions

- University of Yangon
- Yangon Technological University
- Chulalongkorn University
- King Mongkut's Institute of Technology Ladkrabang
- Burapha University
- Kasetsart University
- Thammasat University

Institute of Technology of Cambodia

- Universiti Sains Malaysia
- Universiti Malaya
- Universiti Putra Malaysia
- Universiti Teknologi Malaysia
- National University of Singapore
- Nanyang Technological University

Japan 14 Supporting Universities

National University of Laos

- •Hanoi University of Science and Technology
- Ho Chi Minh City University of Technology

- Hokkaido University
- Keio University
- Kyoto University
- Kyushu University
- Nagoya University
- National Graduate Institute for Policy Studies
- Osaka University
- Shibaura Institute of Technology
- Tohoku University
- Tokai University
- Tokyo Institute of Technology
- Toyohashi University of Technology
- •The University of Tokyo
- Waseda University

•University of the Philippines – Diliman

- De La Salle University
- Mindanao State University Iligan Institute of Technology
- Universiti Brunei Darussalam
- Universiti Teknologi Brunei
- Institut Teknologi Bandung
- Universitas Gadjah Mada
- Institut Teknologi Sepuluh Nopember
- Universitas Indonesia

Color code for Related Universies

- Japanese Supporting Univ.
- Host Institution
 - Non host Institution

Project Timeline

Phase 1: 2003 - 2008

Phase 2: 2008 - 2013

Phase 3: 2013 - 2018

Way Forward

Establishment of Framework

Strengthening and Promote Network

Addressing Common Regional Issues and Industry

AUN/SEED-Net

Objectives of the Project Phase 3

Project Purpose to be achieved by March 2018

A region-wide system for advanced research and education is established by Member Institutions, in collaboration with Japanese Supporting Universities .

1. Capacity development of academic staff of Member Institutions

2. Academic networking among member universities in ASEAN and Japan

- 3. Contribute to solving the **common regional issues**
- 4. Linkage between universities and industry

AUN/SEED-Net

Activities: Programs for Graduate Degree, Research and Networking



Graduate Degree Program (1,293 Scholarships)

- **741**, Master's in ASEAN
- 240, PhD Sandwich in ASEAN & Japan
- 11, Integrated Program in ASEAN & Japan
- **58**, PhD in Singapore
- **243**, PhD in Japan



Research Programs (213 Research Projects)

- 47, Collaborative Research with Industry (CRI)
- 45, Collaborative Research Program for Common Regional Issues (CRC)
- **121**, Collaborative Research Program for Alumni members (CRA)

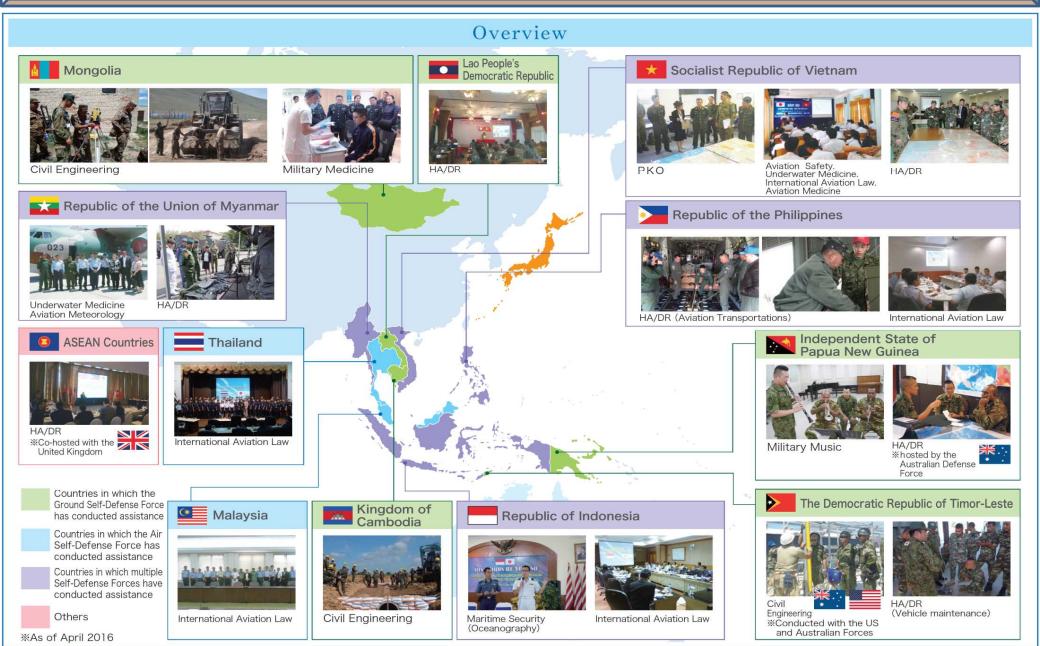


Mobility/Networking (More than 700 Trips)

- Research Fellowship (RF)
- Short-term Research Program in Japan (SRJP)
- Short-term Visit Program in ASEAN (SVAS)
- Japanese Professor Dispatch Program (JPDP)

(4) For "ASEAN Political-Security Community" (APSC)

Japan's Defense Capacity Building Assistance



Maritime security cooperation

Japan is a maritime nation, and consistently regards the stability of the region based on "Rule of Law" of the ocean as important. Japan steadily implements hard and soft ODA cooperation in the areas of maritime security for the nations facing sea lanes.

Wiet Nam

Malaysia

ndonesia

Thailand

Myanmar

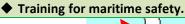
- Vessels, Human Development, Equipment

Viet Nam

- ◆ Non-Project Grant Aid (Grant, FY2014, JPY 500 million)
 Providing 6 used vessels (completed in November,
 2015) and equipment related to maritime safety.
- ◆ The Economic and Social Development Programme (Grant, FY2015, JPY 200 million) Providing several used vessels and equipment related to maritime safety (addition to the above).
- ◆ Maritime Security and Safety Capacity Improvement Project (Loan, JPY 38,482 million)

Pledging to Provide 6 new patrol vessels.

=Technical Cooperation=





For anti-terrorism and anti-piracy in Malacca/Singapore Straits

- ✓ Project for Improvement of Equipment for Maritime Security Enhancement (Grant, FY2007/FY2008, JPY 751 million) Enhancing the equipment for the Malaysian Maritime Enforcement Agency(MMEA) and Marine Police (laser cameras, radio direction finders, speed boats, etc.).
- ✓ The Project for Strengthening the Capabilities for Preventing Sea Smuggling and Other Illegal Activities (Grant, FY2008, JPY 714 million)
 - Providing the equipment for the Royal Malaysian Customs (speed boats and hand held thermal imagers).
- ◆ The Economic and Social Development Programme (Grant , FY2016, JPY 700 million)

Providing equipment and services related to maritime safety.

=Technical Cooperation=

♦ Experts to MMEA since 2005, now improving education and training system for the maritime academy under MMEA.

The Philippines

- ◆ The Project for Enhancement of Communications System for Maritime Safety and Security (Grant, FY2007, JPY 609 million) Enhancing the communication system among the PCG headquarters and Coast Guard districts.
 - Maritime Safety Capability Improvement Project for the Philippine Coast Guard (Loan, FY2013, JPY 18,732 million) Providing 10 new patrol vessels (Now building). 3 vessels have arrived at the Philippines.
- ◆ Maritime Safety Capability Improvement Project for the Philippine Coast Guard (Phase 2) (Loan, FY2016, JPY 16,455 million) Providing 2 large patrol vessels.
- ◆ The Economic and Social Development Programme (Grant, FY2016, JPY 600 million)

 Providing high-speed boats and other equipment.
- ◆ The Project for Enhancement of Communications System of PCG (Grant, FY2013, JPY 1,152 million) Enhancing the communications system and introducing Vessel Traffic Management System(VTMS).

=Technical Cooperation=

♦ Experts to PCG since 2002.

Indonesia

- ◆ For anti-terrorism and anti-piracy in Malacca/Singapore Straits
- ✓ The Project for Construction of Patrol Vessels for the Prevention of Piracy, Maritime Terrorism and Proliferation of Weapons (Grant, FY2006, JPY1,921 million)

 Providing 3 new patrol vessels for Marine Police.
- ✓ The Project for Improvement of Port Security System (Grant, FY2008, JPY 545 million)
 Providing X-ray baggage inspection equipment, metal detectors, etc. for major 8 ports.
- ✓ The Project for Enhancement of Vessel Traffic System in Malacca and Singapore Straits (Grant, FY2008/FY2010, JPY3,005 million)

Introducing Vessel Traffic Service (VTS) system.

=Technical Cooperation=

- **◆** Experts to Directorate General of Sea Transportation since 2006 (started new phase in March, 2015).
- **♦** Experts to BAKORKAMLA (Indonesian Maritime Security Coordination Body) from 2008 to 2011.

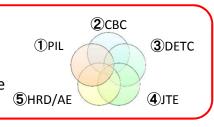
Vientiane Vision: Japan's Defense Cooperation Initiative with ASEAN

Contents

Future Direction of Japan-ASEAN Defense Cooperation: Toward the "ASEAN-Wide" Practical Cooperation

- (1) Purpose: In addition to the cooperation with "Individual ASEAN Member States," "ASEAN-Wide" cooperation will be expanded through promoting practical cooperation with a view to 1. respecting and promoting shared principles such as freedom, democracy and basic human rights, 2. promoting and enhancing the rule of law, 3. supporting ASEAN efforts to strengthen its centrality and unity which is a cornerstone of regional cooperation
- (2) **Direction:** In order to contribute to regional peace, security and prosperity, future Japan-ASEAN defense cooperation will be focused on the following three points
 - > To consolidate the order based on the principles of international law governing peaceful conduct among states, Japan supports ASEAN efforts to uphold principles of international law, especially in the field of maritime and air space
 - > To promote maritime security which is a foundation for the regional peace and prosperity, Japan supports ASEAN efforts to build up capabilities for Intelligence, Surveillance and Reconnaissance (ISR) and Search and Rescue (SAR) at sea and air space
 - > To cope with increasingly diversifying and complex security issues, Japan supports ASEAN efforts to build up capabilities in various fields
- (3) Measures: Conducting practical defense cooperation by effectively combining the following diverse measures
 - 1 Promotion of International Law (PIL): sharing understanding and experience regarding international law, especially in the field of maritime security, through i.e. conducting researches and sponsoring seminars, etc., with a view to its effective implementation.
- 2 Capacity Building Cooperation (CBC): conducting CBC in various fields such as HA/DR, PKO, landmine and UXO clearance, cyber security, defense buildup planning (sharing know-how), etc.
- 3 Defense Equipment and Technology Cooperation (DETC): transferring equipment and technology, developing human resources regarding DETC, holding seminars on defense industries, etc.
- 4 Joint Training and Exercises (JTE): continued participation in multilateral joint training and exercises, inviting ASEAN observers to Self-Defense Forces' training, etc.
- 5 Human Resource Development and Academic Exchange (HRD/AE): Inviting Opinion Leaders from ASEAN, etc.

In addition to the cooperation with "Individual ASEAN Member States," "ASEAN-Wide" cooperation will be expanded through combining diverse measures





Japan-ASEAN Ship-Rider Cooperation Program by JS IZUMO in South China Sea from 19 - 23 June 2017.