



50th Year of
ASEAN-Japan
Friendship and Cooperation

Deepening AOIP Cooperation for The Epicentrum of Growth

Commemorating The 50th Year of ASEAN-Japan Friendship and Cooperation

Hideyuki Tanaka

**Chair, Sub-Committee on ASEAN Economic Relations,
Keidanren(Japan Business Federation)**

**Member of the Audit & Supervisory Board(Chairperson),
Mitsui Sumitomo Insurance Co.,Ltd**

Keidanren
Policy & Action



September, 2023



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Member of the Audit & Supervisory Board(Chairperson),
Mitsui Sumitomo Insurance Co.,Ltd

At Keidanren

- June, 2021 Chair, Sub-Committee on ASEAN Economic Relations, Committee on Asia and Oceania
- May, 2022- February, 2023 member of Expert Panel for the 50th Year of ASEAN-Japan Friendship and Cooperation (the Ministry of Foreign Affairs of Japan)

At Mitsui Sumitomo Insurance

- April, 2016 Executive Officer, General Manager of International Dept.
- April, 2017 Executive Officer, Chairman of MSIG Holdings (Asia) Pte. Ltd
- April, 2019 Managing Executive Officer, Chairman of MSIG Holdings (Asia) Pte. Ltd
- April, 2020 Managing Executive Officer, Deputy Head of International Operations, Head of Asian Operations
- June, 2022 Member of the Audit & Supervisory Board(Chairperson)

1. Keidanren (Japan Business Federation)

- Keidanren's Efforts on ASEAN
- Policy Proposals: Japan-ASEAN Relations in the New Era(June, 2021)

2. How Japan Cooperate with ASEAN

- International Situation Surrounding Japan and ASEAN
- Expectations toward Japanese companies
- ASEAN Economy From the Japanese Perspective
- Priorities for the ASEAN Economy
- How Japan Cooperate with ASEAN

3. Business Activities in ASEAN

- Business Activities in ASEAN – Mitsui Sumitomo Insurance(MSIG)
- Initiatives of MSIG

4. Japan Plays a Role in ASEAN-Japan Cooperation(Conclusion)

- How Japan Will Play Its Role
- From Keidanren's Perspective
- Tackling Climate Crisis Together

Keidanren Policy & Action

Japan Business Federation

- Comprehensive economic organization with a membership comprised of;
 - 1,512 representative companies
 - 107 nation wide industrial associations and the regional economic organizations
- Support corporate activities which contribute to the sustainable development of the Japanese economy and improvement in the quality of life for the Japanese people



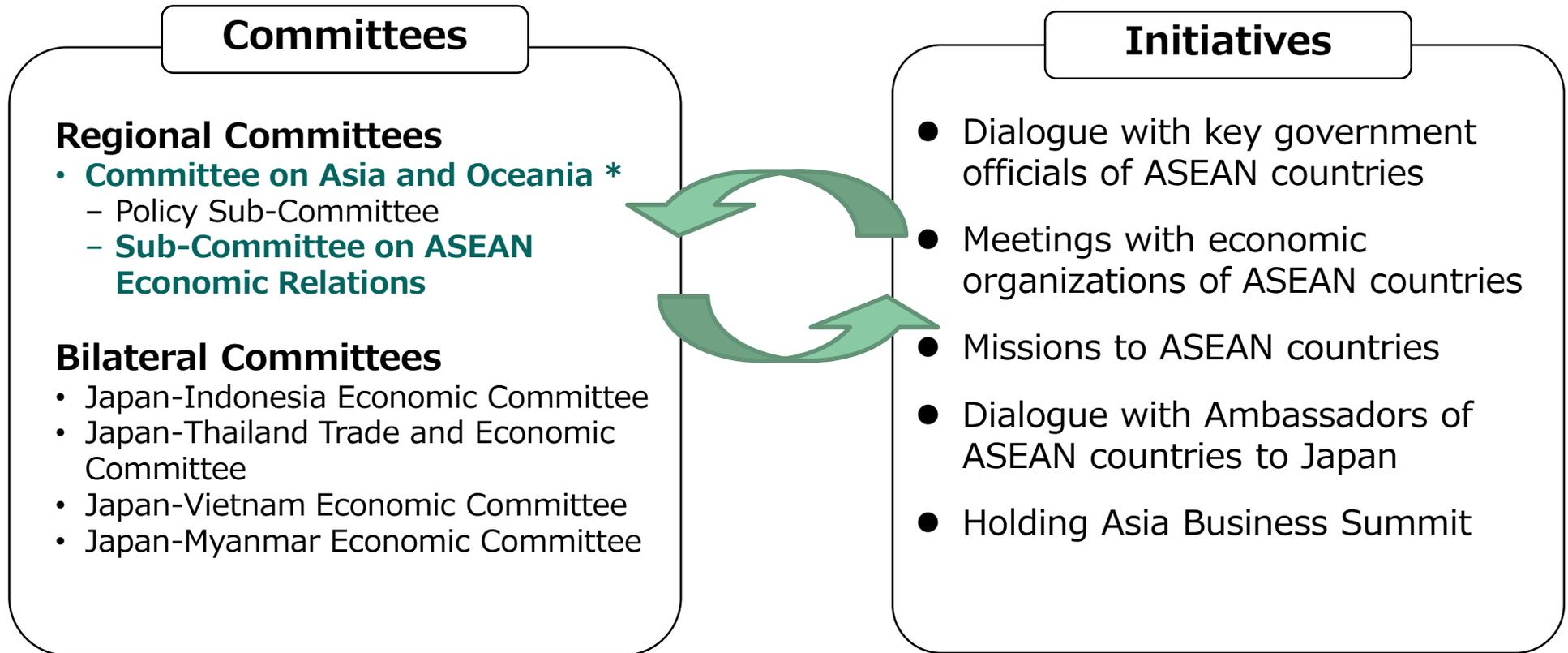
- ✓ Establish consensus in the business community
- ✓ Communicate with a wide range of stakeholders
- ✓ Strives for the resolution on international issues and the development of close relations through policy dialogue



Priority initiatives for fiscal 2023

1. Achieve Growth through Science, Technology, and Innovation
2. Create an Ample Middle Class
3. Build Attractive Regional Communities and Economies
4. Reform the Fiscal and Taxation Systems to Support Strong Economic Growth
5. Rebuild a Free and Open International Economic Order
6. Contribute to the Success of Expo 2025 Osaka, Kansai, Japan

Promote private-sector economic diplomacy.
Engage in activities from regional and bilateral perspectives to deepen and expand relations through various types of exchanges.



* [Committee on Asia and Oceania](#) was established in 1986 (originally named Committee on Asia). The committee promotes economic exchange with governments, business communities, international organizations on promoting regional economic integration, wide-area infrastructure development, and other key issues.

Japan-ASEAN Relations:

- Geographical proximity
- Building multi-tiered relations: bilateral, regional, with ASEAN
- Building partnerships and cooperative relationships by government and private sector for development and prosperity through social infrastructure construction, conclusion of FTAs, etc.

Since mid-1980s

- Vigorous business expansion tapping ASEAN countries' rich labor force, diligent people, potential for market expansion, steady progress in infrastructure building, and other advantages
- Expansion of trade and investment



Present

- (Manufacturing industries)
 - Pivotal position as core of overseas production bases
 - Extensive global supply chains as source of international competitiveness
- (Non-manufacturing industries)
 - Support for manufacturing industries through logistics, financial, insurance, and other services
 - Addressing expanding consumption needs and domestic demand

Japanese companies in ASEAN grow with ASEAN countries while playing a major role in job creation and human resources development

► Japan and ASEAN are **inseparable partners** bound by strong ties

Japan-ASEAN realization of dynamic growth and resolution of social issues:

<Cooperation> Continue trade and investment in infrastructure and diverse industrial sectors, and undertake human resources development, technology transfer, etc. taking into consideration of diversity and needs of each country

<Co-creation> Respond to climate change and other issues common to Japan and ASEAN

<Opening up new growth areas> Startup cooperation through DX promotion to realize Society 5.0

Five Actions toward realizing sustainable ASEAN society

Dynamic Growth

(1) Building hard and soft social infrastructure for greater Connectivity

- (a) Promote quality infrastructure building
Build roads, bridges, ports, airports, electric power facilities, and other quality infrastructure for greater connectivity build digitized trade platform
- (b) Improve institutional infrastructure
Improve institutional infrastructure through early RCEP effectuation and better business environment
- (c) Fortify global supply chains

Resolution of Social Issues

(2) Realization of sustainable growth

- (a) Respond to climate change issues
Disseminate decarbonization technologies such as energy conservation, renewable energy, and others in ASEAN. Provide support through sustainable finance
- (b) Build society with low ecological footprint
Share technology and knowhow for dealing with marine plastic waste and other issues
- (c) Work on disaster prevention and reduction
Share Japan's hard/soft knowledge and experience
- (d) Promote cooperation in medical and healthcare services

3) Using digital technology (4) HR development (5) Personal exchanges

Based on the policy proposals, in June 2021, Sub-Committee on ASEAN Economic Relations was established under Committee on Asia and Oceania to further promote coordination and cooperative relations with ASEAN countries.

Keidanren will engage in dialogue with ASEAN countries and promote cooperation and co-creation, focusing on the following areas:

1. Building hard and soft social infrastructure for greater connectivity

(1) Building hard infrastructure

- ✓ Roll out quality infrastructure (build high grade roads, bridges, railroads, ports, airports, electric power facilities etc.)
- ✓ Continue to develop and operate industrial parks to serve as core of regional industries
- ✓ Build infrastructure secured against cyber attacks
- ✓ Cooperate in building comfortable cities that tackle traffic congestion and other urban issues

(2) Building soft infrastructure

- ✓ Work for early effectuation of RCEP, positive application of the agreement, and India's membership
- ✓ Capacity building for greater administrative efficiency and streamlining
- ✓ Improve business environment, including streamlining central and local government administrative procedures
- ✓ Facilitate trade procedures with digital trade platforms
- ✓ Use technology to improve logistics efficiency

2. Realization of sustainable growth

(1) Realizing green growth

- ✓ Deploy Japanese companies' technology and knowhow in ASEAN countries
- ✓ Cooperate toward realization of carbon-free society, including during the transition period

(2) Building society with low ecological footprint

- ✓ Continue corporate activities contributing to tackling marine plastic waste issue, preventing soil and water pollution, forest conservation, etc.

(3) Working on disaster prevention and mitigation

- ✓ Share knowledge and experience in disaster response in both hard and soft aspects
- ✓ Support personnel training of disaster prevention
- ✓ Set up and promote financing, insurance, and other financial systems to support speedy post-disaster reconstruction

(4) Cooperation in medical and healthcare services

- ✓ Enhance personnel development in medical and nursing care service
- ✓ Build IT-based healthcare and medical service infrastructure using life course data, AI, telemedicine, etc.

3. Using digital technology to open up new growth areas and realize Society 5.0

(1) Cooperation with startups

- ✓ Create opportunities for Japan-ASEAN startup collaboration
- ✓ Support building an innovation ecosystem linking Japan and ASEAN

(2) Realizing smart society

- ✓ Cooperate for early effective deployment of 5G and Beyond 5G as foundation of smart society and build key telecommunication networks including submarine cables, etc.
- ✓ Participate in realization of smart cities through deployment of ICT platforms
- ✓ Implement contactless solutions for “with-corona” and “post-corona” eras using biometric authentication and other technologies
- ✓ Japan-ASEAN collaboration in international standardization
- ✓ Support cybersecurity personnel training
- ✓ Support deployment of system infrastructure based on “security by design”

(3) Cooperation and participation in rulemaking

- ✓ Cooperate in making international rules based on principle of data free flow with trust
- ✓ Make rules in response to changes in society due to advances in digitization, e.g. in personal information protection

4. Human resources development

- ✓ Nurture human assets not limited to acquiring skills
- ✓ Expand cooperation and student exchange programs between Japanese and ASEAN universities

5. Promotion of personal exchanges

(1) Promotion of tourism, etc.

- ✓ Revitalize local communities through attraction of tourists
- ✓ Promote traditional culture, food and cuisine, pop culture, etc.

(2) Keidanren’s initiatives—holding policy dialogues

- ✓ Create and conduct activities under Subcommittee on ASEAN Economic Relations, in cooperation with Committee on Asia and Oceania
- ✓ Send missions to ASEAN states to hold policy dialogues
- ✓ Exchange views with ASEAN states’ embassies in Tokyo

□ Tectonic shifts in the international order

- 2008~ **Stagnation of the Western-led international order**
The financial crisis, Beijing Olympics, China's GDP ranked 2nd, The belt and Road Initiative (50% of foreign aid goes to Africa, 30% to Asia, 70% of total goes to infrastructure development in those countries)
- 2016~ **Emerged great power conflict**
Brexit, Trump Administration and U.S.-China Conflict, FOIP advocated by Japan
- 2020~ **Era of world order restructuring**
Covid 19 and decoupling, Convergence of cyber and real, U.S. capitol attack, Collapse of one country, two systems in China and Hong Kong, Constitutional Reform in Russia (extension of presidential term, strengthening the authority of the Federal Security Council)

(Reference to lecture material by Prof. Hiroshi Nakanishi, Kyoto University)

□ Fluctuations in People's Consciousness in the Face of Crisis

- Inequality between developed countries and the so-called the Global South, and doubts about global capitalism, caused by the emergence of climate change.
The Global South, which is only 10% responsible for the climate change crisis, estimates that it will bear 90% of the costs of responding to the crisis by 2030
- Concerns about liberal democratic orientation (Stagnation of democracy due to rise of China and COVID19, stance of countries in UN Resolutions on Russia's Invasion of Ukraine)

It is precisely in such a crisis of humanity that nations should strive to restore the circle of solidarity. Japan should also play a role in avoiding decoupling.

- ✓ Japan's history, experience, and position can be shared with the Global South
- ✓ Based on the premise of a multipolar world, it is important to share the "attitude of creating the society we should aim for together"



H.E. Dr. Kao Kim Hourn,
Secretary-General of ASEAN

- ✓ **Digital Transformation**
Cross-regional expansion of business through the use of digital technology
- ✓ **Circular economy**
Support for decarbonization technologies, human resource education, and program building
- ✓ **Supply chain connectivity**
Regional integration, trade liberalization, and utilization of advantageous labor costs relative to China



Mr. Arsjad Rasjid,
Chairman of ASEAN-BAC

@Keidanren

- ✓ **Centrality, Autonomy (Purpose)**
- ✓ **Innovation (Vehicle)**
- ✓ **Inclusivity (essential)**



High economic growth

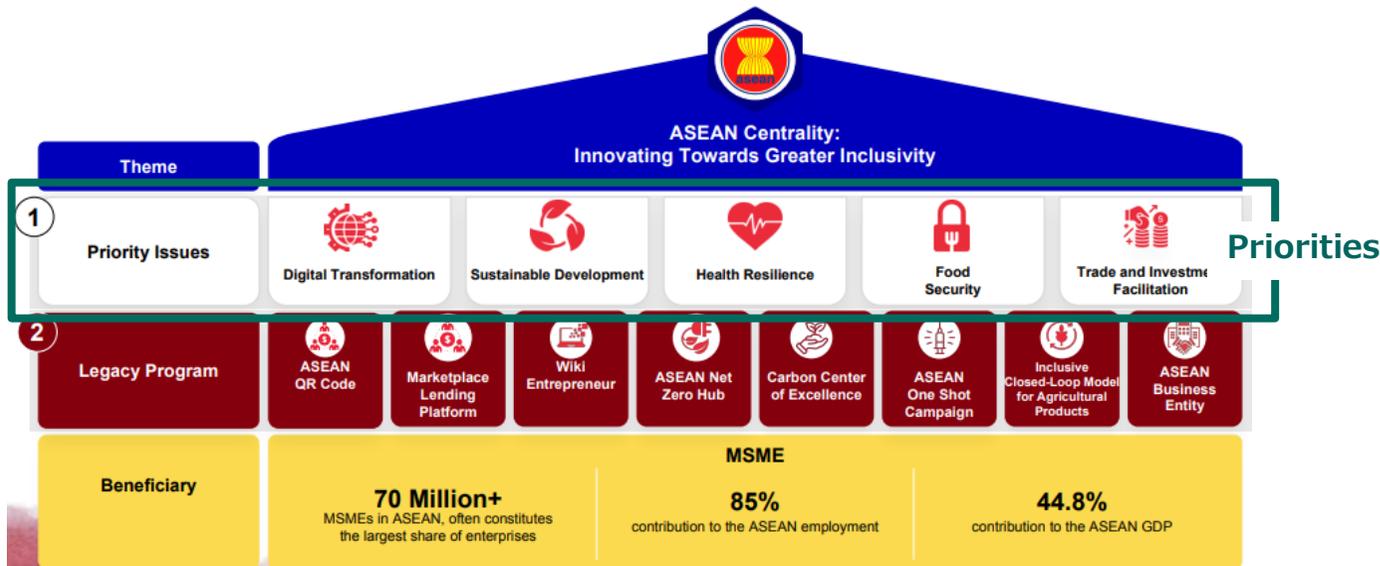
- Growth forecast of around 5% in 2023 and 2024, population (670 million) growing until 2050
- Economic scale is expected to exceed Japan's by around 2030(current GDP is 2/3 of Japan's)
- ✓ Large-scale investment in ASEAN by China, South Korea, and others; expectations for Japan are tangible

Economic disparities within the region (and competition among countries in attracting investment)

- High income country (Singapore, Brunei)
- Upper middle income country (Malaysia, Thailand, Indonesia)
- Lower middle income country (Philippines, Vietnam, Laos, Cambodia, Myanmar)
- ✓ Struggling to break out of the "middle-income country trap," innovation creation and industrial upgrading are important.

The foundation of the economy is MSME (85% of employment, 45% of GDP)

- 80% of workers (non-agricultural sector) are employed in the informal economy in Indonesia, Myanmar, Cambodia, Laos
- More than 30% of the urban population lives in slums in Myanmar, Cambodia, the Philippines, and Indonesia
- ✓ Social vulnerabilities associated with "compressed economic development," including rapid urbanization, economic disparities between urban and rural areas and among citizens, and an aging population



During 2020, the economic fallout of the pandemic within ASEAN was severe and is still ongoing.

- ↓ 8.4% Fall in working hours
- ↓ 7.8% Reduction of labour income
- ↓ 10.6M Total jobs lost

The impacts of the pandemic have not been evenly distributed: certain groups, including **women and migrant workers**, have been hit disproportionately.

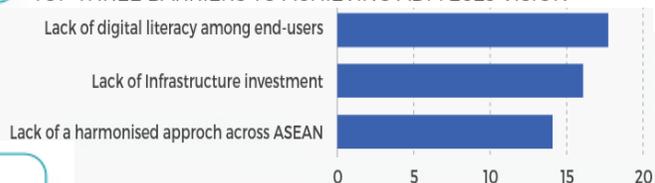


Digital Transformation

Digital transformation can boost ASEAN growth, empowers MSMEs, and encourages responsible ethical tech use

✓ While the digital economy is growing with the spread of e-commerce and digital payments, improving digital literacy and digital infrastructure is necessary

TOP THREE BARRIERS TO ACHIEVING ADM 2025 VISION



(出所) ASEAN DIGITAL MASTERPLAN2025



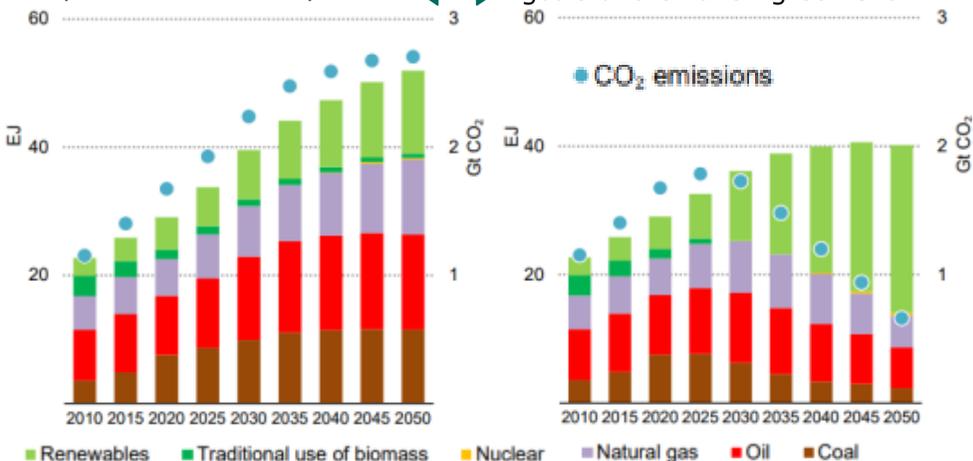
Sustainable Development

Equitable access to clean energy, financial incentives, and renewables are key for Net Zero in Southeast Asia

✓ Need to introduce new technology and financial support in order to meet the Paris Agreement levels

Expressed countries' policies

Scenarios needed to achieve the goals of the Paris Agreement



(Reference: Southeast Asia Energy Outlook2022)



Health Resilience

Prioritize on One ASEAN Healthcare Market, VTD R&D Manufacturing and de-risking private sector investment in healthcare

✓ With an aging population, it is necessary to improve access to medical care and the disparity in between large cities and rural areas

Number of beds and doctors per population

	Number of beds occupied (hospital)		Number of doctors		Urbanization rate
	per10,000people	Year	per10,000people	Year	%
Vietnam	32	2013	8	2016	38.8
Brunei	29	2017	16	2017	78.9
Singapore	25	2017	25	2019	100.0
Thailand	21	2005	10	2020	52.9
Malaysia	19	2017	23	2020	78.2
Laos	15	2012	4	2020	37.6
Myanmar	10	2017	7	2019	31.8
Indonesia	10	2017	6	2020	57.9
Philippines	10	2014	8	2020	48.0
Cambodia	9	2016	2	2014	25.1
Japan	130	2018	25	2018	92.0
OECD	50	2018	38	2017	-

(Reference: Daiwa Institute of Research)



Food Security

Strengthen food security, promote sustainable production, enhance information systems, and identify nutrition-enhancing agricultural mechanisms for sustainable ASEAN food systems

✓ Food security based on price, and quality is important

	Singapore	Malaysia	Thailand	Indonesia	Vietnam	Philippines	Laos	Myanmar	Cambodia
Grain self-sufficiency	10%	31%	146%	100%	105%	81%	109%	105%	105%
Food Security	76.7	67.9	64.0	59.5	60.3	55.7	46.4	56.5	51.5

- Singapore's: overall self-sufficiency rate
- Indicators based on price of food, access to food, quality and safety, and susceptibility to natural resource risks (Worst0-100Best)

(Reference: JETRO)

□ Respect the circumstances of the partner country (Centrality) and work with local people to build a resilient economy and society (Inclusivity)

- Both manufacturing and non-manufacturing industry
- Physical capital + human capital, intangible assets, and social capital

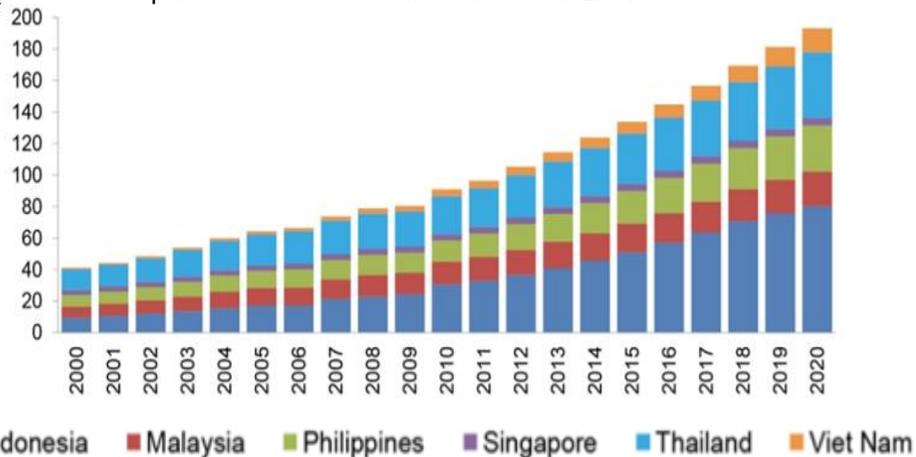


- To develop local economies and realize safe, secure, and fair societies by breaking out of the middle-income country trap and reducing disparities

▶ Leading to Free and Open International Order

Japan's Direct Investment Earnings from ASEAN

Population of the middle class in ASEAN



	Amount (100mil(JPY))				Proportion
	2019	2020	2021	2022	
ASEAN	26,009	22,593	21,917	37,213	100.0
Manufacturing Sector	15,848	12,388	11,898	18,937	50.9
Food	1,282	1,376	1,949	1,236	3.3
Chemical/Medicine	1,425	1,224	1,413	2,453	6.6
Rubber/Leather	306	851	208	837	2.2
Metal	616	647	705	1,933	5.2
Machinery	1,148	1,014	921	1,355	3.6
Electrical equipment	2,204	2,143	2,131	2,643	7.1
Transportation equipment	7,624	4,495	3,603	7,086	19.0
Non-manufacturing Sector	10,161	10,205	10,019	18,277	49.1
Transportation	427	563	548	1,025	2.8
Telecommunications	466	263	318	935	2.5
Wholesale/Retail	3,777	4,019	4,516	8,658	23.3
Finance/Insurance	4,115	4,391	3,767	5,815	15.6

(Reference: Asia Development Bank Institute working paper series)

(Reference: JETRO)

Developing non-life and life insurance businesses in all ASEAN countries to support active investment and business activities and stable livelihoods.

- ✓ Entered into Thailand in 1934, and now operating in 10 ASEAN countries
- ✓ Collaboration with local capital to enhance network in the country
- ✓ Appointment of local management with market knowledge and employment of local people
- ✓ Develop human resources through personnel exchange with head office



- ✓ The largest general insurance group in the ASEAN region
- ✓ 70% of premium comes from the local business



For sustainable growth in ASEAN

- To a safe and secure society
- Support for the economic foundation (expansion of investment and the middle class)
- Respect for culture diversity



- Improving the resilience of local economies through the provision of insurance (Philippines)



Provide high quality insurance products through the local network

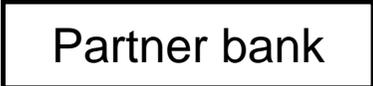


Support for active investment and the security of people's businesses and life

- Microinsurance supports the micro-small businesses and revitalizing the local economy



Microinsurance



Micro loan



Small business owners



Prompt payment for living and business in unforeseen circumstances

- Injuries to business owners
- Damage caused by fire, flood, etc.



Support for the Challenges of highly motivated people and local economic development

Images: website of Bank of the Philippine Islands

<https://www.bpi.com.ph/covid-19-service/banko-urges-micro-entrepreneurs-to-go-digital>
<https://www.bpi.com.ph/bpi/newsroom-articles/2020/banko-offers-term-extension>

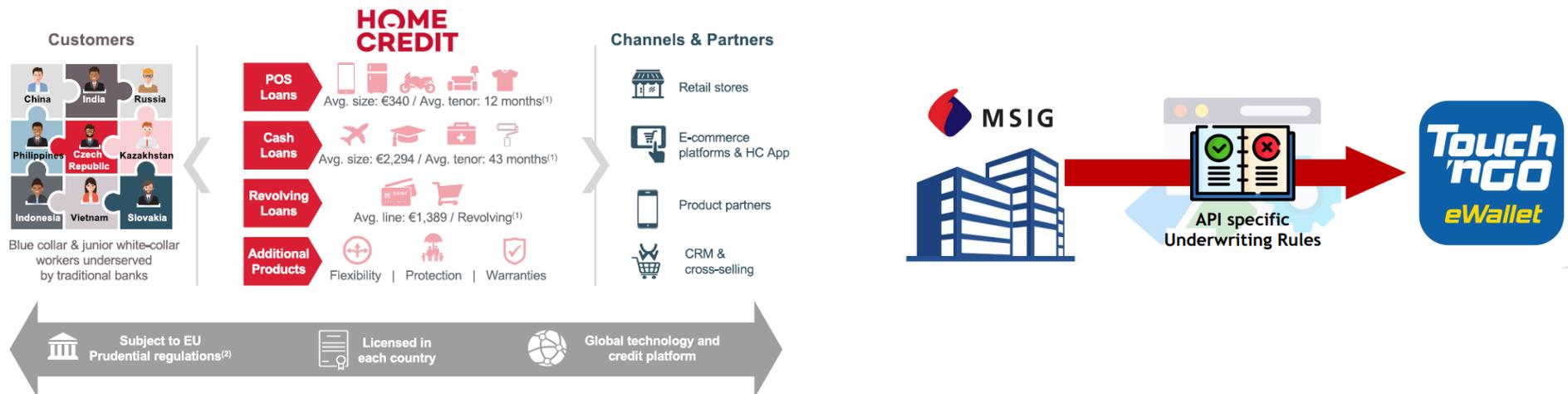
● Partnerships with global loan providers (Indonesia, Philippines, Vietnam)

- ✓ Partnering with global loan providers to sell insurance products that provide coverage for purchased goods such as home appliances, as well as risks such as injury and illness.
- ✓ Promoting the penetration of insurance that guarantees a secure life with a simple product design to meet the needs of buyers.

● Partnerships with leading e-money providers (Malaysia)

- ✓ Focused on the fact that many people, regardless of income, have electronic money account
- ✓ Formed partnership with e-money providers to create a system that allows customers to purchase insurance products online
- ✓ Developed simple, low-cost insurance products
- ✓ Policy support (incentives) to promote insurance was also a boost

Underpinning the lives of low, middle-income people and contributing to the expansion of ASEAN's middle class



Notes:
1. Data during 1H2019
2. As an indirect subsidiary of PPF Financial Holdings, Home Credit is subject to EU prudential regulations on a consolidated basis through the supervision of PPF Financial Holdings by the Czech National Bank

● Initiatives for a Safe Society (Indonesia)

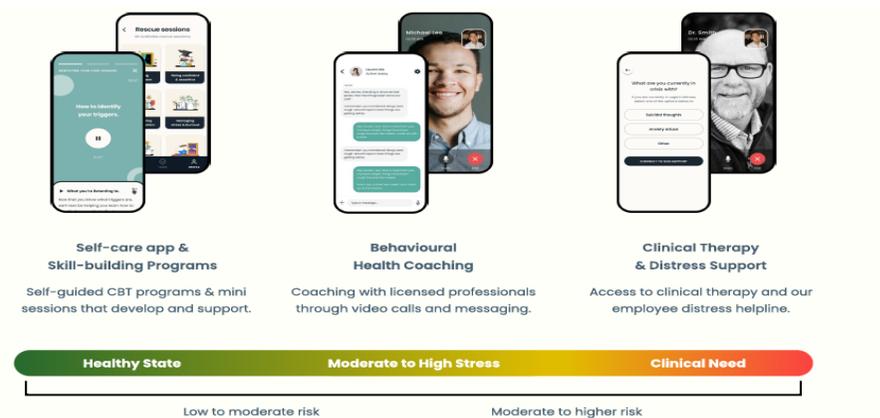
- ✓ Collecting road data through smartphones installed in local companies' vehicles for efficient road repair
- ✓ Aiming to reduce traffic congestion and traffic accidents



Road condition

● Health care in collaboration with startups (Singapore)

- ✓ Offering digital wellness programs to corporate employee insurance enrollees



Aiming to strengthen local economies and societies through stable business activities and secure livelihoods for people

● Southeast Asia Disaster Risk Insurance Facility(SEADRIF)

Building ASEAN's financial resilience against climate shocks and disasters



Underwriting reinsurance

Insurance Company

Insurance contract

Government of Laos

- Cambodia, Indonesia, Laos, Myanmar, Singapore, and Japan agreed to establish in 2018
- Japan and other countries provide funding, first phase to establish a scheme for flood risk in Laos

- ✓ In the event of a flood of a certain magnitude, insurance claims are paid to the government
- ✓ Government uses the funds for emergency response and recovery

- Providing advice and financial services to help people secure funds for recovery immediately after a disaster, reducing the impact of disasters on people's livelihoods.

Improve the financial resilience of ASEAN countries to disaster risk through disaster risk insurance, recovery financing and solutions

● Tropical Forest Regeneration Project (Indonesia)

Restoration and rehabilitation of wildlife protection forests in Yogyakarta Special Region



October, 2005



March, 2022

Planted 400,000 native tree species, useful species, fruit trees in Java



● Reforestation and creation of sustainable communities

- ✓ Restoration and rehabilitation of wildlife protection forests (absorbed approximately 31,700 tons of CO2 over the past 14 years)
- ✓ Contributed to the sustainability of the local economy through agricultural technology guidance and fruit tree supply
- ✓ Raising awareness of the importance of forests through environmental education for elementary and junior high school teachers and students



● Fire insurance for indigenous people (Malaysia)

- ✓ Collaborated with EPIC Homes, a social enterprise dedicated to improving the living conditions of indigenous people in Malaysia, to provide dedicated fire insurance for homes offered to indigenous people who had been left behind in urban areas.



- ✓ Indigenous people can live in peace of mind
- ✓ Sponsors (donors) are relieved of the fear of losing the value of their donations due to fires, making it easier for them to participate in the project.



The Report of Expert Panel for the 50th Year of ASEAN-Japan Friendship and Cooperation

Three pillars of a new ASEAN-Japan partnership for cooperation

(February 2023, MOFA of Japan)

1. Shaping a regional order which is free, open, rules-based and fair

ASEAN and Japan maintain and enhance the role of ASEAN architecture with respect for ASEAN centrality and unity. In addition, ASEAN and Japan cooperate in establishing a fair regional order based on rules through the coordination between the “ASEAN Outlook on the Indo-Pacific (AOIP)” and a “Free and Open Indo-Pacific (FOIP).”

(Promote joint efforts to ease tensions in the region over the long term, strengthen the ASEAN architecture, support the strengthening of the ASEAN Secretariat's structure and functions, and promote cooperation in the security field, etc.)

2. Building a society which fulfills economic prosperity, sustainability, and equity

Our long-term strategy goal is to develop a society which fulfills prosperity, sustainability and equity simultaneously. Linking AOIP and FOIP would enhance synergy among different cooperation in multiple areas. (Maintain and strengthen a free, open and fair economic order, development through stimulating and sophisticating the economy, cooperation for social development and equity, and achieve a sustainable and resilient society, etc.)

3. Mutual understanding and trust as the platform for a renewed ASEAN-Japan partnership

Expand a multilayered people-to-people network that brings new generations across different segments of our society. Taking into account the dynamics in ASEAN countries, such new network is critical to design a new ASEAN-Japan relationship following the economic growth, social maturation/diversification, and the empowered civil society. (Promote multilayered mutual communication and intellectual and cultural exchange between ASEAN and Japan; maintain and enhance opportunities for networking and dialogue between young high-level talents in Japan and ASEAN; etc.)

- **Presence and influence as a country with economic power**
- **Understanding of the issues facing ASEAN countries, deployment of technologies and contribution to the development of local economies**

- Eliminating traffic congestion and making society more resilient to natural disasters, and promoting investment by improving the investment environment (e.g., regulations)
- Energy transition in response to the rapid decarbonization demand by the international community, led by Europe, while taking into account the circumstances of ASEAN countries
- Healthcare and disaster prevention/mitigation through social implementation of digital technology
- Raising the level of education, developing tourism resources, and breaking out of the middle-income trap (high value-added economy, co-creation for the development of science and technology)

Respecting the diversity of ASEAN countries, ASEAN and Japan will work together as equal partners to achieve the ideal society where economic growth leads to social resilience (expansion of the middle class).

✓ **Japan needs to develop effective private diplomacy.**

- Development of Japanese science and technology in the fields of Digital transformation, Green Transformation, and biotechnology, as well as disaster prevention/mitigation, healthcare, and other technologies for a safe and secure society
- Promoting Japanese cultural attractions such as entertainment contents and Japanese food
- Tourism strategy to showcase Japan's safe, secure, and affluent society

✓ **Japan continues to transform itself to become and remain the vision of society it aspires to be.**

- Development of smart cities and compact cities that are adapted to an aging society and declining population and are safe, secure, and easy to live in
- Realization of a fair society that forms a thick middle class and achieves DE&I
- Formation of a pool of highly skilled human resources and educational reforms, including the invitation of foreign students

- **Aiming to realize "safe, secure, and trustworthy society" and "solid economic development" of ASEAN countries.**

(The development of ASEAN countries is also conducive to Japan's national interests)

▶ **There are many areas where Japan's strengths can meet ASEAN's needs.**

Japan and ASEAN share the vision of what we are aiming for and will work together to achieve it by utilizing technology.

✓ **Building hard and soft social infrastructure**

- Building an efficient urban transportation system, development of a disaster-resilient society (urban planning, infrastructure development, disaster prevention and reduction), and Improvement of a more predictable trading and investment environment based on rules.

✓ **Realization of sustainable growth**

- Conservation of abundant nature (forest protection, approach to plastic marine debris), transition to a decarbonized society through the introduction of energy-saving technologies and energy transitions appropriate to each country's circumstances, and promotion of the healthcare industry.

✓ **Using digital technology and develop new growth areas**

- Transition to a smart society, strengthening cyber security

✓ **HR development and promoting personnel exchanges**

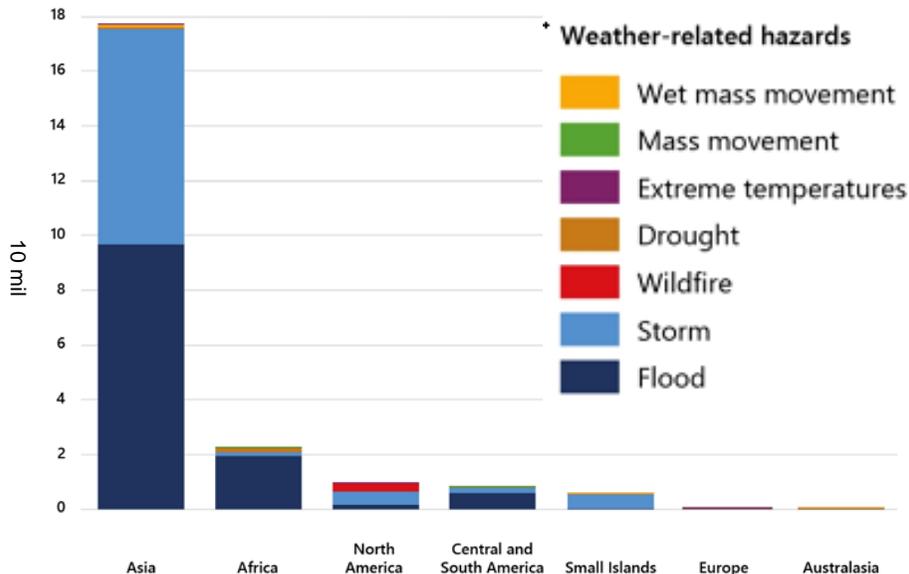
- Enhancement of the education system, shift to consumption that pursues quality (consumption of goods and consumption of things), shift of labor force to value-added industries, and expansion of the middle class (break out of the middle-income trap).

- The physical and economic impacts of climate change are significant in the Global South, and we need to improve hard and soft social infrastructure to tackle climate crisis together.
 - In India, only 5% of economic losses from natural disasters were covered by insurance in 2021. (UK 75%, Australia 62%, US 56%, France 51%, Germany 42% (2011-2021 average))
 - Floods are the most underinsured disaster in terms of economic losses (\$61.8 billion (global total, 2021))

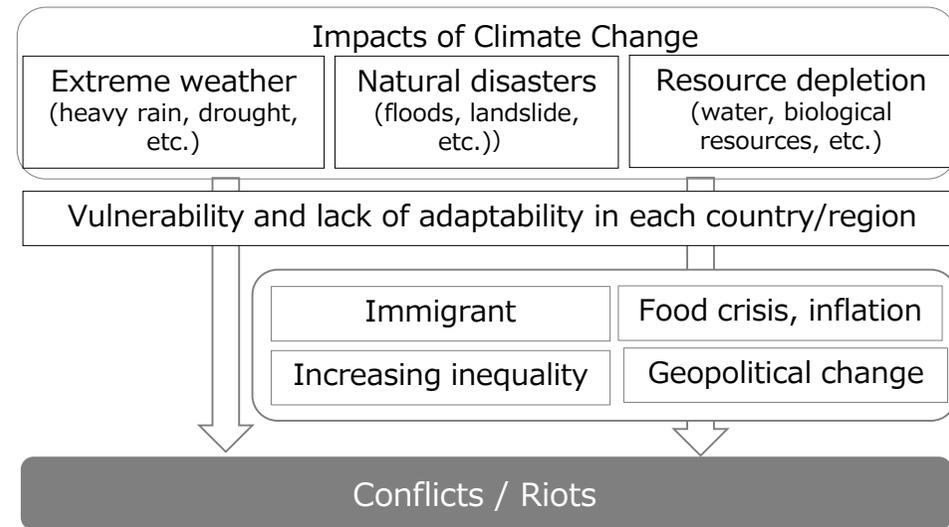
- ✓ Japan should share its history, experience, and position with countries in Asia-Pacific region through dialogue, working with countries with which it has close relations.
- ✓ It is important to work together to create an inclusive and resilient society, based on the origins and the current situation of each country.

Average annual weather-related displacements, 2010–2020

Average number of people displaced annually by selected weather-related events from 2010 to 2020 by region



Correlation Diagram of Climate Change Issues



(source: "Japan-style Development Cooperation" Katsuo Matsumoto, JICA)

- **The impact of climate change poses a major risk to the economies and societies of each country. It is important to work together on a global scale, with “Mitigation” and “Adaptation” .**

Mitigation

- Support for energy transitions in line with the actual circumstances in each country, including their renewable energy potential (promotion of “Asia Zero Emission Community”)
- Financing support to promote energy transitions

Adaptation

- Loss and Damage Assistance Package for Adverse Effects of Climate Change (assistance in establishing and participating in World Bank-led or locally-driven programs)
- Development of infrastructure to sustain business activities and livelihoods under climate change
- Provision of inclusive products and services to support the livelihoods of people vulnerable to natural disasters (e.g. microfinance)

- ✓ Mitsui Sumitomo Insurance has been participating in the World Bank framework and local initiatives to support the resilience of local communities



- ▣ Pacific: Catastrophe Risk Assessment and Financing Initiative (Samoa, Tonga, Cook Islands)
- Established under the leadership of the World Bank
- Promptly provide reconstruction funds to affected countries in the event of damage from windstorms, earthquakes, and tsunamis



- ▣ Southeast Disaster Risk Insurance Facility (Laos)
- ▣ Crop Insurance Program (Thailand)
- Thai Government Compensation (Farmer Support Program) Supplementary Insurance Scheme
- Compensation to farmers when rice or corn is damaged by flood, drought, wind, cold, disease, etc.

- ▣ Support for Private insurance and financial market growth support in Pacific island countries (Tonga, Samoa, Solomon Islands, Vanuatu, Cook Islands)
- Asian Development Bank Projects
- Evaluate and propose policies necessary to provide low-cost catastrophic risk insurance in each country

Thank you very much for your kind attention