



## **The Federation of Japanese Chambers of Commerce and Industry in ASEAN**

June 20, 2024

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

### **(The 16<sup>th</sup> Dialogue Between the Secretary-General of ASEAN and the FJCCIA)**

#### **Requests and proposals from Japanese businesses within ASEAN (2024)**

#### **— Expectations for the new ASEAN Economic Community (AEC) Post-2025 Agenda —**

Celebrating the 50<sup>th</sup> anniversary of the friendship and cooperation in 2023, ASEAN and Japan have further deepened the friendly relations and mutual understanding through various programs and projects. This dialogue also marked a milestone with its 15<sup>th</sup> event. We would like to express our gratitude to H.E. Dr. Kao Kim Hourn, Secretary-General of ASEAN, and H.E. Satvinder Singh, Deputy Secretary-General of ASEAN for ASEAN Economic Community, and all the officials of the ASEAN Secretariat for their time.

The year 2023 saw the formulation of “ASEAN-Japan Economic Co-Creation Vision” by the Japanese public and private sectors. This Vision aims to build a secure, prosperous and free economy and society through fair and mutually beneficial economic co-creation, with the trust ASEAN and Japan have nurtured over the past 50 years of friendship and cooperation as driving force. In support of this Vision, the FJCCIA, as a member of ASEAN economic system, would like to make an active contribution through (1) sharing practices for economic growth and overcoming social challenges, (2) being grounded in diverse realities and geopolitical conditions of the region, and (3) promoting two-way exchange of human resources to bring mutually beneficial innovations.

Singapore-based ISEAS - Yusof Ishak Institute says the latest business environment of ASEAN faces challenges and risks such as “unemployment and economic recession”, “climate change and disasters caused by extreme weather conditions”, and “intensifying economic tensions between major powers”. FJCCIA member companies, through their business activities in ASEAN, have become aware of similar risks. The surveys conducted on the member companies by each Japanese Chamber of Commerce and Industry revealed that business confidence deteriorated in 2023 due to factors such as dampened demand in the local market but is expected to recover in 2024. Efforts toward carbon neutrality and dealing with decoupling also need to be addressed as urgent issues.

From a long-term perspective, the FJCCIA is greatly interested in the formulation of the “ASEAN Economic Community (AEC) Post-2025 Agenda”, which will chart the path beyond the AEC Blueprint 2025. According to the IMF, it is expected that ASEAN will grow to become one of the world's top five economic blocs with a GDP of US\$4.38 trillion by 2025, surpassing Japan's nominal GDP. However, if the economic and market integration does not see a progress and the movement of goods, people,

capital, and data is restricted among ASEAN member states, ASEAN will remain merely a group of 10 countries, halving its attractiveness as an investment destination. In order to maximize ASEAN's competitiveness and attractiveness, regional integration is of key importance. For this reason, the FJCCIA would like to support the AEC Post 2025 Agenda.

In this FJCCIA's Requests and Proposals 2024, we have developed a set of recommendations based on six pillars in anticipation of the AEC Post 2025 Agenda. The requests and proposals that we would like to highlight in particular are listed in Appendix I. In addition, as an improvement from the previous dialogue, each Chamber of Commerce scrutinized the proposals and appointed a chamber in charge of the follow-up of each proposal.

During this dialogue, while we update you with the business activities and investment situation of Japanese companies in ASEAN, we would also like to know expectations and requests from the ASEAN side for Japanese companies. It would be great if we could have meaningful discussions based on these Proposals, toward regional prosperity through a new ASEAN Economic Community (AEC).

Finally, I am truly grateful to Secretary-General H.E. Dr. Kao Kim Hourn for planning his attendance to the FJCCIA Dialogue out of his busy schedule meeting with numerous stakeholders and partners amidst the growing importance of ASEAN. I look forward to meeting Secretary-General H.E. Dr. Kao Kim Hourn, Deputy Secretary-General H.E. Satvinder Singh, and all the ASEAN Secretariat officials.



Takero Sawamura

Chairman

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

< Appendixes >

- Six pillars of the Proposals 2024
- Matrix of Proposals 2024



## Six Pillars of the FJCCIA Proposals 2024

<p><b>Pillar of Proposals 1: Seamlessly Connected Single Market and Production Sites</b></p> <ul style="list-style-type: none"> <li>• Keeping markets open for trade and investment</li> <li>• Eliminating Non-Tariff Barriers and cutting down market distorting policies</li> <li>• Promotion of ASEAN Trade in Goods Agreement (ATIGA) and ASEAN Single Window (ASW)</li> <li>• Creating a fair and rules-based competitive environment, addressing unfair trade practices, and strengthening governance</li> </ul>
<p><b>Pillar of Proposals 2: Green Economy and Sustainability</b></p> <ul style="list-style-type: none"> <li>• Clarification of the roadmap toward carbon neutrality</li> <li>• Facilitation and systems for the trade of renewable energy, electricity certificates and carbon credits in a wider region</li> <li>• Promotion of sustainable and responsible investment</li> </ul>
<p><b>Pillar of Proposals 3: Digital Economy and Innovation, and Emerging Technologies</b></p> <ul style="list-style-type: none"> <li>• Promotion of digital economy</li> <li>• Proactive implementation of countermeasures against counterfeit goods on EC sites</li> <li>• Developing legal framework and system for digital data, and data governance</li> </ul>
<p><b>Pillar of Proposals 4: ASEAN Playing an Active Role in the Global Community</b></p> <ul style="list-style-type: none"> <li>• Promoting the utilization of the Regional Comprehensive Economic Partnership (RCEP) Agreement</li> <li>• Upgrading the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement</li> <li>• Preparing for global trends</li> </ul>
<p><b>Pillar of Proposals 5: ASEAN with Resilient and Abundant Human Resources</b></p> <ul style="list-style-type: none"> <li>• Strengthening supply chain connectivity and resilience</li> <li>• Promoting human capital development</li> </ul>
<p><b>Pillar of Proposals 6: Inclusive and Equitable Development</b></p> <ul style="list-style-type: none"> <li>• Environmental issues in the local communities</li> </ul>