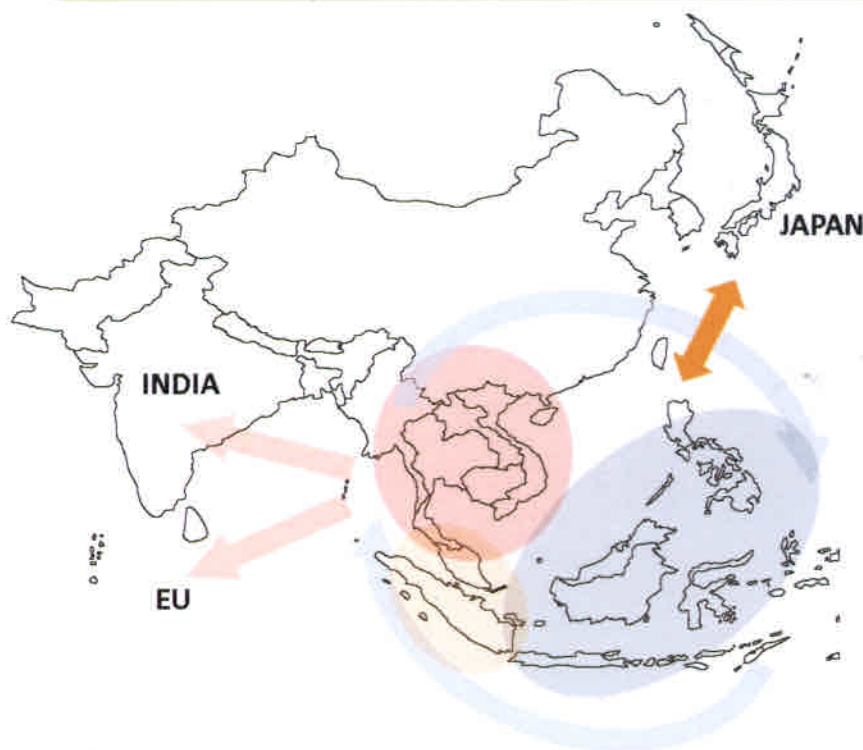




JAPAN-ASEAN COOPERATION ON ASEAN CONNECTIVITY

Japan's strong interest in supporting ASEAN Connectivity

'Growth of Japan goes with growth of ASEAN' in situations that ASEAN increase its presence in international community and ASEAN-Japan relationship becomes closer and closer (refer to last page).



Expected effect by supporting ASEAN Connectivity

- ◆ Participation in the development of ASEAN Infrastructure and its institutional systems
- ◆ Increase of FDI (foreign direct investment) by Japanese firms toward ASEAN
- ◆ Development of goods mobilization to India and EU etc. through ASEAN

**Strengthen
JAPAN-ASEAN
Connectivity**

JAPAN's vision to support ASEAN Connectivity

Japan proposed 2 visions on the occasion of JAPAN-ASEAN Foreign Ministers' Meeting in July 2011.

VISION 1

Formation of the Vital Artery for East-West and Southern Economic Corridor in the Mekong Region

VISION 2

Maritime ASEAN Economic Corridor

Along the above corridors,

Large economic impact for ASEAN countries is expected.
(according to surveys by ERIA)

FDI from Japan is highly concentrated.

JAPAN's vision to support ASEAN Connectivity

VISION 1: Formation of the Vital Artery for East-West and Southern Economic Corridors



Development of 2 Economic Corridors

Southern Economic Corridor (SEC)

Ho Chi Minh ~ Phnom Penh ~ Bangkok ~ Dawei

East-West Economic Corridor (EWEC)

Da Nang ~ Mawlamyaing

<Expected Impact>

- ✓ By connecting major industrial cities in the Southern Mekong area, the region will develop as the vital artery of industry.
- ✓ Great reduction of transportation time.
- ✓ Reduction of risk from sea accidents and piracy by bypassing the Strait of Malacca.
- ✓ Connect South China Sea and Indian Ocean.

VISION 2: Maritime ASEAN Economic Corridor



Infrastructure Development
to strengthen connectivity of the
Maritime ASEAN Region

Revitalization of regional economy of
Maritime ASEAN

<Expected Impact>

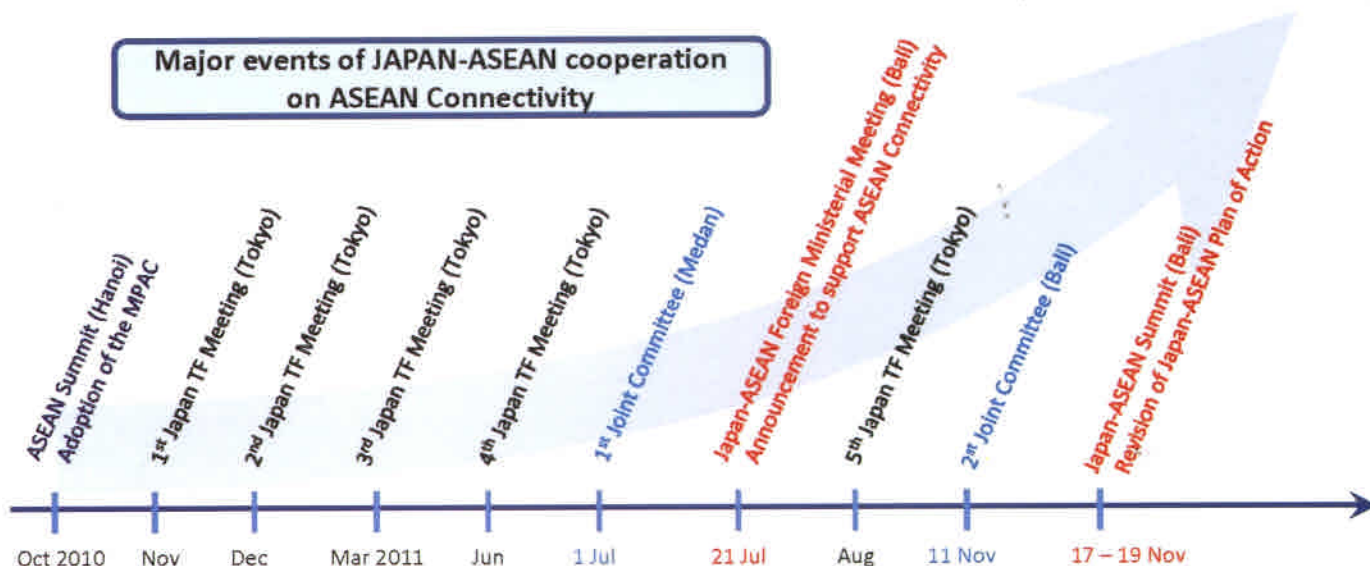
- ✓ Development of Ports, Roads, Power grids, ICT etc.
- ✓ Nurturing of Shipping and Ship-building industry
(Introduction of modernized vessels such as RoRo Vessel, etc.)
- ✓ Revitalization of production activities by improvement of transportation of goods

Japanese Task force to support ASEAN Connectivity, Joint Committee with ACCC (ASEAN Connectivity Coordination Committee)

Japanese government and private sector established
“Japanese Task Force to support ASEAN Connectivity”,
and we keep close relationship with ASEAN side such as
ACCC (ASEAN Connectivity Coordination Committee).



Major events of JAPAN-ASEAN cooperation on ASEAN Connectivity



Projects proposed by Japan at Joint Committee of ACCC and Japan

Japan proposed ASEAN Connectivity projects like the followings on the occasion of the 1st Joint Committee of ACCC and Japanese Task force at Medan on 1st July;

Study on the RoRo Network

- ✓ This project is one of the 15 prioritized projects of Master Plan on ASEAN Connectivity (MPAC).
- ✓ The objective of this project is to establish efficient and competitive shipping routes and enhance maritime transportation in ASEAN region.
- ✓ Japanese advanced technology and experience will help the study and implementation of ASEAN RoRo network.
- ✓ This project is expected to kick into gear after obtaining Sectoral Body's approval for ToR. (December, 2011)
- ✓ Preparatory activities were already started, like a sight-visit program inviting ASEAN leading countries (Philippines and Indonesia) to an international RoRo ship operation site at Hakata, Fukuoka prefecture, Japan.

Sight-visit of International RoRo at Hakata, Fukuoka prefecture, Japan.



Character of "RoRo" Ship

RoRo (Roll-on / Roll-off) Ship

- ✓ Vessel designed for wheeled cargo such as automobiles, trucks, trailers or railroad cars to drive on and off by their own wheels.
- ✓ Efficient and speedy loading and unloading.
- ✓ Expensive handling equipment such as gantry crane is NOT required on port side.
- ✓ Special structure and design in shipbuilding are required.

Japanese technology and experience of "RoRo"

- ✓ Many RoRo Ships have been operated in Japan due to geographical reason and necessity of maritime logistics between ports with various capacity.
- ✓ Japan has not only domestic route but also international RoRo ship route (Hakata – Shanghai).
- ✓ Japan has No. 1 share of RoRo ship building. Many Japanese shipyard can produce RoRo ships. Many Japanese RoRo are operated around the world.
- ✓ Technical advantages in RoRo ship building such as fixing wheeled cargo, intensity and large cargo space.

Scheduled Route of RoRo in Japan



ROLL - ON!

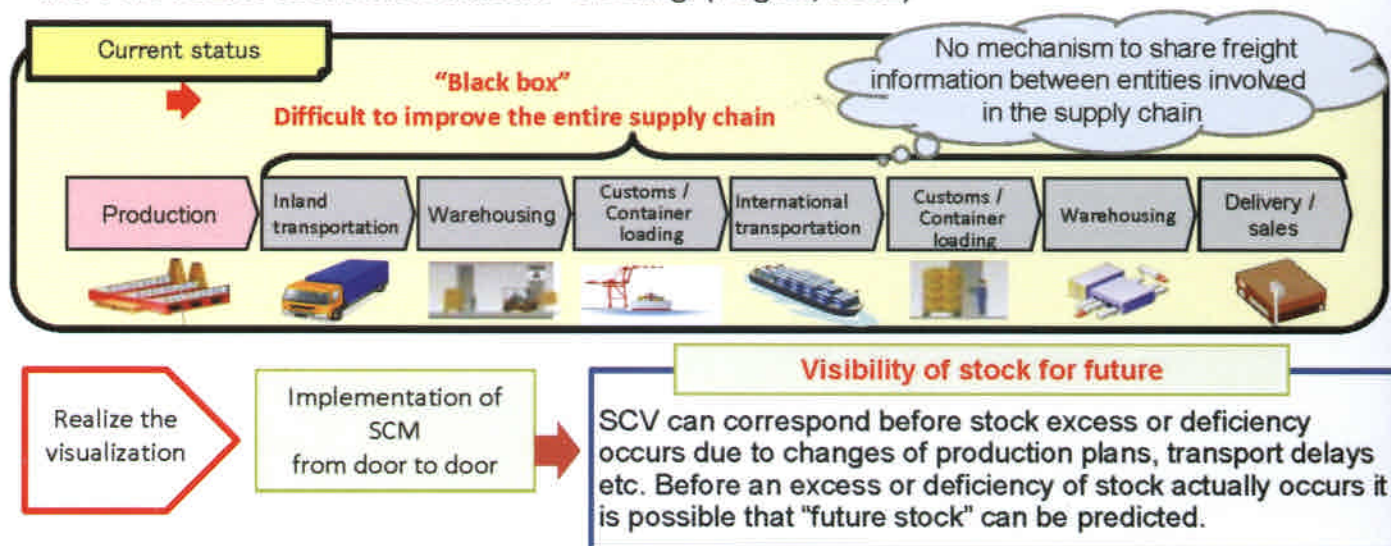
ROLL - OFF!!

Efficient Loading & Unloading !!!

Projects proposed by Japan at Joint Committee of ACCC and Japan

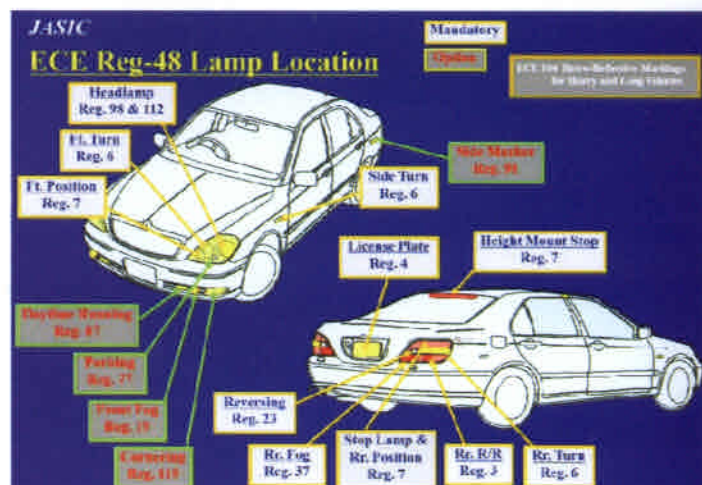
The establishment of Supply Chain Visibility Platform for ASEAN Countries

- ✓ The objective of this project is to improve supply chain management by visualizing the whole process on a real time basis, identifying bottle necks and implementing appropriate measures in timely manner.
- ✓ Japan and ASEAN approved to implement this project in JAPAN-ASEAN Economic Ministers' Meeting. (August, 2011)



Developing and Operationalising MRAs and Establishing Common Rules for Standards and Conformity Assessment Procedures for Automotives

- ✓ The objective of this project is to assist development of ASEAN-wide harmonized vehicle regulations and certification, and this project will help strengthen ASEAN standard for environment-related and safety regulation for motor vehicles.
- ✓ ASEAN Land Transport Working Group welcomed Japan's proposal on the assistance for this project. (August, 2011)



Projects proposed by Japan at Joint Committee of ACCC and Japan

Development of ASEAN Smart Network

- ✓ The concept of the ASEAN Smart Network is ICT utilizations using a new generation high speed network, which connects person to person and machine to machine (M2M) toward 2015.
- ✓ This project will develop ICT infrastructure and promote ICT utilizations.
- ✓ Japan received ASEAN Secretariat's note informing that ASEAN TELCOM approved Joint implementation by ASEAN and Japan for F/S on ASEAN Smart network. (August, 2011)



ICT as an Engine for New Socio-economic Growth



Financial Arrangement by Japan to Support ASEAN Connectivity

Japan will pursue the best mix of financial arrangements with ODA, OOF and Private Fund through assistance towards ASEAN Connectivity.

Official Development Assistance (ODA)	
◆ Yen Loan	◆ Technical Assistance
◆ Grant Aid	◆ JICA's Private Sector Investment Fund
Other Official Flows (OOF)	
Utilize new financial mechanisms to promote packaged overseas infrastructure operations. (Investment fund for infrastructure development such as clean energy, railways and etc..)	
Private Fund	
Mobilize private fund by using governmental assistance, investment finance and insurance through ODA and OOF as leverage.	

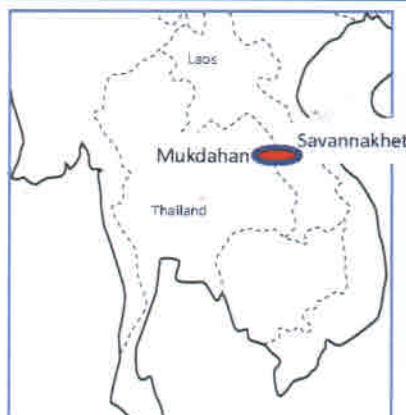
Ongoing/Implemented projects supported by Japan in ASEAN

Japan has already conducted many projects with ASEAN countries to enhance Physical / Institutional / People to people Connectivity like the followings;

Contribution to Physical Connectivity

Second Mekong International Bridge between Thailand and Laos

- ✓ This project is to construct a 1,600 meters (2 lane) bridge between Savannakhet, Laos, and Mukdahan, Thailand to promote development of East-West Corridor, completed December, 2006.
- ✓ Japan supported this project by ODA loan.



The Project for the Improvement of the National Road No. 1 (Cambodia)

- ✓ Japan has assisted the improvement of the National Road No. 1 in Cambodia, which is part of Asia Highway No.1, by Grant aid since 2005.
- ✓ In the phase 1 and phase 2 project, reconstruction of 42km road and replacement of 3 bridges between Neak Loeung and Koki Market were already completed.
- ✓ The phase 3 project also was completed June, 2011, which is 9.1 km road improvement from Koki Market to the point located 4km from Monivong Bridge, Phnom Penh.
- ✓ And now, the Neak Loeung Bridge over the Mekong river is under construction by Japanese grant aid.



(before)

Completion of phase 3 project

(after!)



Hanoi - Ho Chi Minh City Railway Line Bridges Safety Improvement Project

- ✓ This project is to repair 44 bridges on a railway between Hanoi and Ho Chi Minh (1,700km) to improve railway safety and shorten time of transport.
- ✓ Japan supported this by ODA loan.



Ongoing/Implemented projects supported by Japan in ASEAN

Contribution to Physical Connectivity

SIHANOUKVILLE PORT URGENT EXPANSION PROJECT

- ✓ This project supported by Japanese ODA loan is to improve the container berth and install large cargo handling to deal with sharply rising cargo demand, and thereby increase the efficiency of cargo transport.
- ✓ This is followed by the Sihanoukville Port Multipurpose Terminal Development Project, which is also supported by Japanese ODA loan.



DOMESTIC SHIPPING MODERNIZATION PROGRAM (Philippines)

- ✓ This project is to improve safety and efficiency of maritime transportation by providing maritime related industries with low-interest and mid/long term finance from Japanese ODA loan (Two step loan scheme).
- ✓ The phase 1 project was used for buying/repairing ships, and the phase 2 for shipyards, training/education facilities, etc.



Capacity Building for Maritime Safety and Security (Indonesia, Malaysia, Philippines, etc.)

- ✓ Japan has conducted technical assistance to enhance capacity of maritime safety and security by dispatching experts, Joint training with Japan Coast Guard ships, and so on.
- ✓ Financial assistance was also provided such as patrol ships, maritime telecommunication system, vessel traffic service system, etc.



The Project for Improvement of International Telephone Switching System

- ✓ This project is to provide Enterprise of Telecommunications Lao with new telephone switching system for the executive use of international connection. Before this, there was a problem of insufficient circuit capacity because of increasing demand and old switching system shared by domestic/international communication.
- ✓ Japan supported this by Grant aid, total amount was 219 million Yen. Diplomatic notes was signed June, 2003.



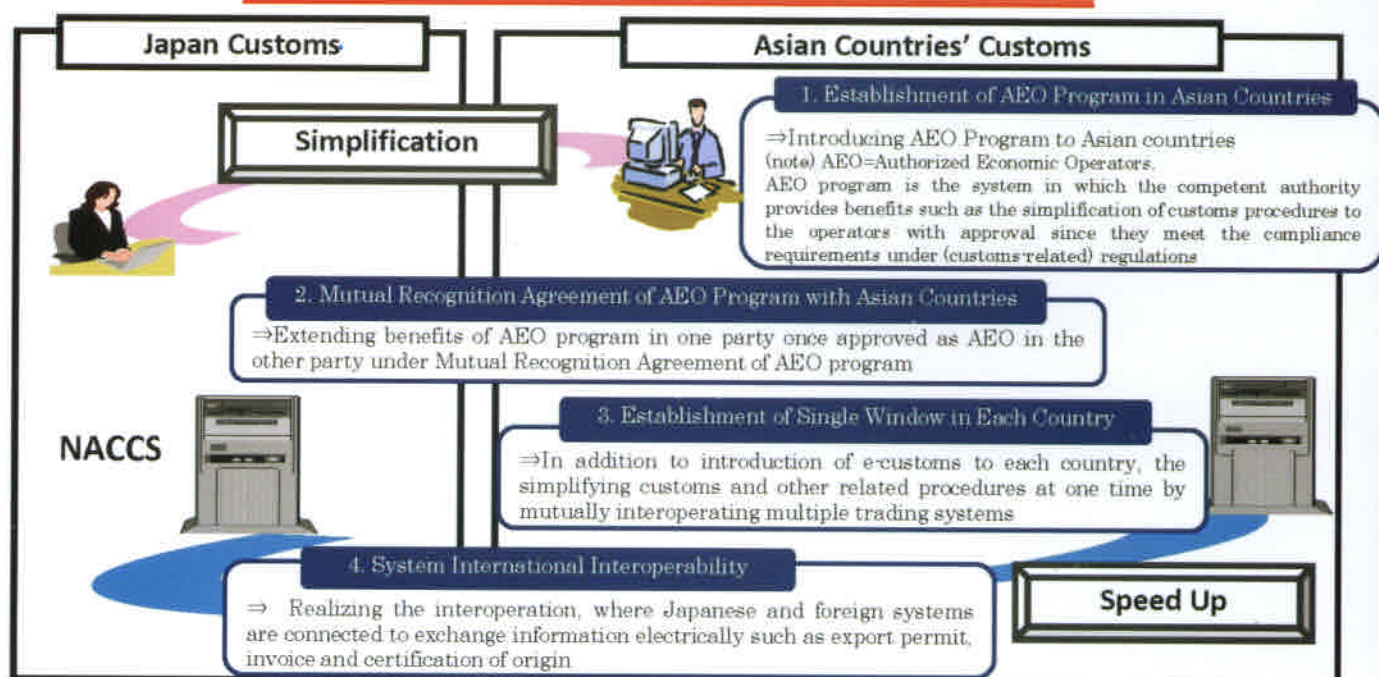
Ongoing/Implemented projects supported by Japan in ASEAN

Contribution to Institutional Connectivity

Realization of Trade Facilitation by Further Improvement of Customs Procedure -Asia Cargo Highway-

- ✓ Japan and ASEAN agreed to share the concept of an "Asia cargo Highway" as a common goal on the occasion of ASEAN-Japan Directors/Commissioners Meeting on Trade Facilitation.

Concept of "Asia Cargo Highway" Initiative

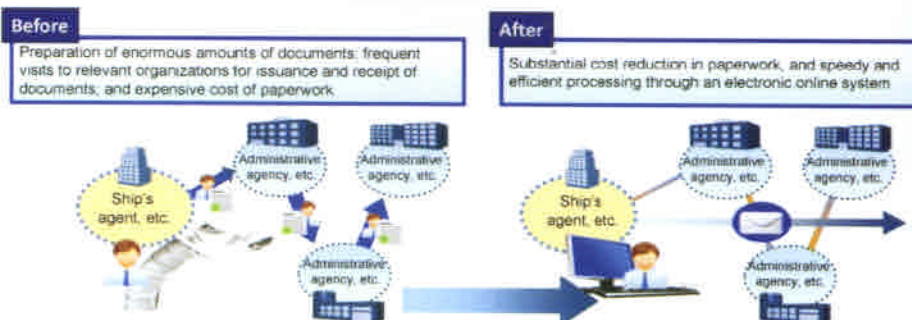


Creating the Seamless Cargo Flow among Asian Countries and Japan

Technical Cooperation in the Field of the Introduction of Port Electric Data Interchange (EDI)

- ✓ Introduction of Port EDI will improve efficiency in maritime transportation by standardization of the filling documents and computerization in port related procedures.

- ✓ Japanese contribution to introduction of port EDI in ASEAN region has been discussed on occasion of ASEAN-Japan transportation sector meetings, and technical cooperation (seminar, research and distribution of guideline) will be conducted by Japan.



Ongoing/Implemented projects supported by Japan in ASEAN

Contribution to People to People Connectivity

JENESYS Program

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

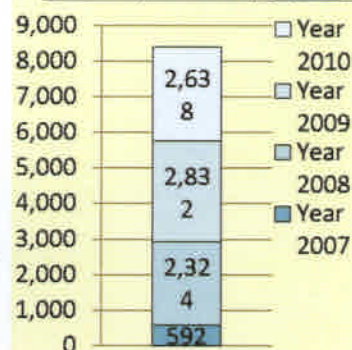
✓ JENESYS is a program to invite young people to Japan mainly from the EAS member states with the purpose of establishing a basis of Asia's stalwart solidarity by expanding youth exchange.

✓ JENESYS program was kicked off after announcement by Japanese prime minister at 2nd EAS.

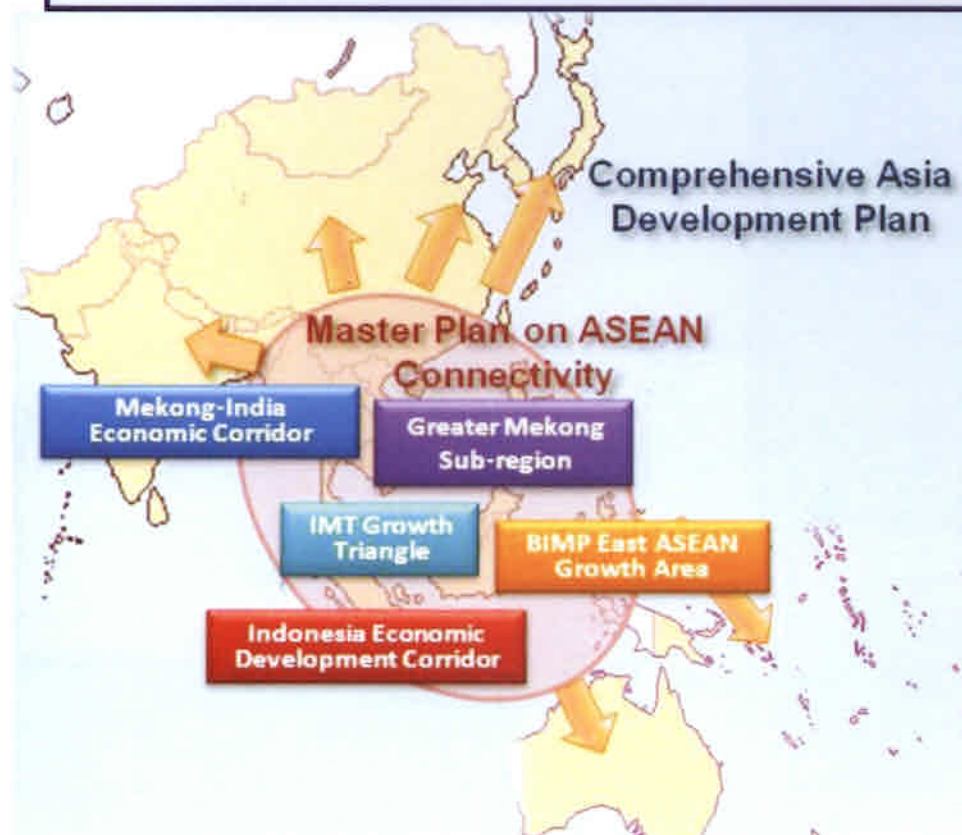
8,657 students/youths participated in this program from 2007 to 2010.

The number of participants in ASEAN Countries

Total (2007-2010); **8,657**



Toward 'East Asia-wide' Connectivity



➤ Connectivity enhancement among East Asian countries, beyond ASEAN, is important for economic development of this region as a whole.

➤ Comprehensive Asia Development Plan (CADP), which covers whole East Asian region, was reported to and appreciated by leaders at East Asia Summit in October 2010.

➤ If all corridors under CADP are implemented, cumulative gains in regional GDP over 10 years are 54.77%.

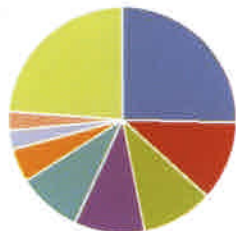
ASEAN-Japan Relationship

Trade and Investment

Trade

Japan as seen from ASEAN

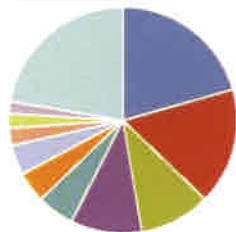
ASEAN's Trading Partners



Japan is among major trading partners for ASEAN
(based on ASEAN Trade Database 2010)

Total inter-regional trade: \$2,043 bil. Trade with Japan: \$160.8 bil

Countries Investing to ASEAN



Japan is a major investor for ASEAN
(based on ASEAN FDI Database, 2008-2010)

Total investment to ASEAN: \$ 161 bil. Investment from Japan: 16bil.

ASEAN as seen from Japan

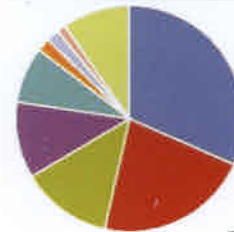
Japan's Trading Partners



ASEAN is a second largest trading partner for Japan (based on 2010 figures)

Japan's total trade: ¥128 tril. Trade with ASEAN: ¥18.7 tril

Countries Japan is Invest to



ASEAN is one of the major investment destinations for Japan (based on 2010 data)

Japan's FDI to ASEAN: ¥ 7,397 bil. Cf. total FDI: ¥ 67.69 tril

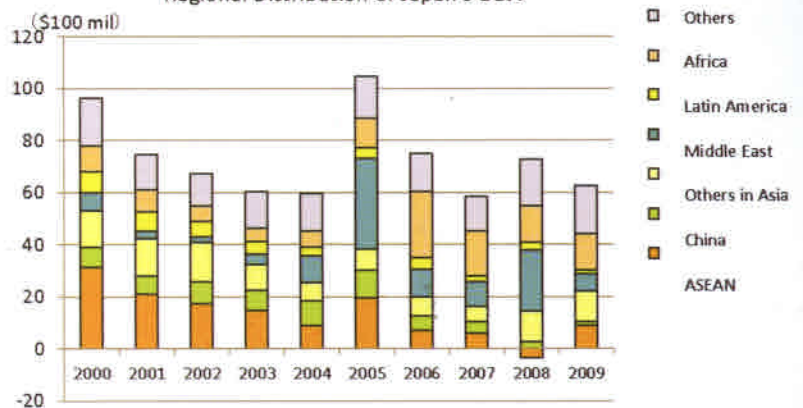
ODA

Major Recipients of Japan's ODA (2009)



In 2009, 36.5% of Japan's bilateral ODA is for Asia.
ODA for ASEAN (\$ 894 mil) is 14.7 % of total ODA provided bilaterally (\$ 6.08 bil)

Regional Distribution of Japan's ODA



MISSION OF JAPAN TO ASEAN

Office : Jl. M.H. Thamrin No.24, Jakarta 10350, Indonesia

Phone : +62-21-3190-4901, Fax : +62-3983-9699

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