

## ASEAN forums

## ASEAN's future regional, global roles

The ASEAN-Japan Centre held the kickoff event in a series of ASEAN Update Seminars in Tokyo on Aug. 1, a week before ASEAN Day, Aug. 8, which marks ASEAN's founding 47 years ago.

The series of update seminars, one of which was held in Nagoya on Aug. 4, will be held around Japan and are meant to raise awareness of ASEAN's activities prior to the launch of ASEAN Economic Community (AEC) by the end of 2015. The AEC will strengthen the economic unity of ASEAN member countries.

The kickoff seminar, supported by the Japan External Trade Organization (JETRO) and Keidanren was held in a packed conference room in central Tokyo with 362 attendees greeted with opening remarks by ASEAN-Japan Centre Secretary General Yoshikuni Ohnishi.

**AEC challenges**

Following the opening remarks, the keynote speech was delivered by Pushpanathan Sundram, a former deputy secretary-general of ASEAN for the AEC from 2009 to 2012.

Pushpanathan started his presentation by first speaking about the ASEAN economy, stressing the growth in the region.

ASEAN, whose 10 members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, has a population of 617 million and is growing at a faster rate than either China or India with an annual aver-

age rate of 1.45 percent. ASEAN is expected to achieve an economic growth rate of 5 to 6 percent from now through 2017.

ASEAN is pulling in about \$128 billion in terms of foreign direct investment, which is seven times more than the flow to India and more than the flow of \$117 billion to China in 2013, he said.

Pushpanathan also stressed the expansion of the middle class and abundance of the population under the age of 30 in ASEAN, saying consumer demand for educational services, household goods and services will increase.

Pushpanathan then moved on to the subject of the AEC, under which member countries aim to deepen their economic unity by realizing the free flow of goods and services, lowering or eliminating tariffs and doing other things to lift various barriers.

In the seminar, he said the challenges for the AEC are the differences in the readiness of

**'Environment will be a focus'**

Pushpanathan Sundram

individual ASEAN member states to achieve the AEC targets, impediments to trade in the form of increasing non-tariff barriers, lack of harmonization of regulatory standards and complexities with customs clearance.

Pushpanathan also touched on ASEAN's relations with Japan. The two parties cele-

brated 40 years of friendship and cooperation last year.

"The ASEAN-Japan relationship is one of the most important economic and strategic partnerships for ASEAN," Pushpanathan said.

ASEAN, however, needs to tackle some operational issues to attract more Japanese businesses, such as streamlining customs procedures, eliminating non-tariff barriers to trade, promoting regulatory convergence and standards harmonization.

Under the ASEAN-Japan 10-year Strategic Economic Cooperation adopted in August 2012, ASEAN and Japan will look at supporting the creation of new business in the fields of healthcare and green and creative industries, he said.

**ASEAN's history**

Following Pushpanathan, Susumu Yamakage, an Aoyama Gakuin University professor of international relations delivered a presentation, explaining how ASEAN has developed since its inception in 1967.

ASEAN was originally formed to promote peace and prosperity in the region. By the time the membership expanded to the current 10 countries, the region's economy was prospering and world geopolitics were changing, shifting ASEAN's objectives from peace and prosperity to connectivity (among ASEAN member countries) and centrality (or the central role ASEAN plays in the global politics and economy), Yamakage said.

The shift took place in the



Audience members listen to a presentation at the ASEAN Update Seminar held in Tokyo on August 1. ASEAN-JAPAN CENTRE

2000s, when ASEAN adopted the declaration of forming the AEC, ASEAN Political-Security Community and ASEAN Socio-Cultural Community and began preparing for it. At the moment, there are no concrete timelines to realizing the APSC and ASCC.

The connectivity among members is important as it helps to narrow the development gap. In terms of physical connectivity, ASEAN has been building roads and other infrastructure connecting member countries, implementing

systems and regulations to make it easy for people to move within the region.

On centrality, ASEAN has taken the initiative to organize various meetings with Japan, China, the U.S., India, Russia and other countries collectively, not individually. Such frameworks include ASEAN plus three (Japan, China and South Korea) and RCEP, or Regional Comprehensive Economic Partnership, which includes ASEAN, Japan, China, South Korea, India, Australia and New Zealand.

**Private sector's view**

The next speaker, Hideyasu Tamura, principal deputy director, Asia and Pacific Region, Trade Policy Bureau in the Ministry of Economy, Trade and Industry, presented viewpoints from the private sector.

Trade, direct investment and other economic exchange between Japan and ASEAN has constantly been active. Recently, not only manufacturers but also companies in the services sector such as retailers and logistics companies are entering the ASEAN market, helping the region's employment situation, he said.

The challenges in doing business in within ASEAN include unstable electricity supplies and rising wages. Tamura said he would like ASEAN to have more free trade agreements with other countries or deepen its existing agreements, which would increase the advantages of doing business in ASEAN dramatically, he said.

**Panel discussion**

After Tamura's speech, a panel discussion was moderated by Yamakage and participated in by Pushpanathan, Tamura and Songkane Luangmunithone, director, Trade and Investment Division, ASEAN-Japan Centre.

After Yamakage asked what comes after the AEC, Pushpanathan said the AEC will not be like the EU, which is a customs union, meaning no customs are levied for goods moving within the region.

"Environment will be a focus," Pushpanathan said, suggesting the AEC will strengthen cooperation in environmental businesses.

Songkane said, "The ASEAN will be more integrated for sure." The challenges after the formation of the AEC is "political commitment," he added.

Tamura said the AEC should develop new value after 2015. For example, the AEC should strengthen health care, social security, the environment and energy, he added.

Also, "it would be beneficial to Japanese companies if they can compare the social systems of each AEC member country," he said.

On diplomacy with China, Songkane said, "I come from Laos, and we need investment from the world. We should not be selective on where investment comes from, and all FDI to Laos is welcomed."

Tamura said Japanese makers view China and ASEAN separately. They have many different strategies and are flexible whatever the geopolitical situation is.

## AEC to further ASEAN's future goals

The ASEAN Economic Community, which will be formed by the end of 2015, will probably be launched at about 70 or 80 percent of its final incarnation, a former deputy secretary-general of ASEAN for the AEC said.

"I am very optimistic that we will achieve forming the community in 2015, but it will not be 100 percent. We will probably achieve around 70 or 80 percent," Pushpanathan Sundram told The Japan Times before the kickoff of the series of ASEAN Update Seminars on Aug. 1.

The AEC is composed of ASEAN member countries. The AEC has various goals aimed at achieving economic unity such as free flow of goods and services, lowering or eliminating tariffs and lifting non-tariff barriers to trade and other cross-nation economic activities.



Pushpanathan Sundram (left) and Susumu Yamakage SATOKO KAWASAKI

As the deputy secretary-general of ASEAN for the AEC from 2009 to 2012, he has worked on helping the ASEAN economy. His current job is to



"basically conduct analysis on the AEC and the future of the Asia Pacific region," he said. He gives companies a variety of advice on doing busi-

ness in the ASEAN region. "The idea is to view the AEC as one economic entity," he said.

Aoyama Gakuin University Professor of International Relations Susumu Yamakage said, "The formation of the AEC by the end of 2015 is an achievement of one goal. It will not be a perfect one, but will be an achievement of something."

"It doesn't matter if it won't be a 100-percent achievement. The important thing is that ASEAN has a goal. Having a goal and stepping forward is ASEAN's history," he said.

It may be difficult to reach compromises in all of the issues facing the region because of the diversity of the AEC members, he added.

Businesses welcome the move and are looking forward to the success of the AEC, he said.



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**ASEAN-JAPAN CENTRE**

(ASEAN Promotion Centre on Trade, Investment and Tourism)

**The ASEAN Information Hub in Japan**

The ASEAN-Japan Centre is an intergovernmental organization established by the Governments of ASEAN Member States and Japan in 1981. It has been promoting exports from ASEAN to Japan while revitalizing investment, tourism as well as people-to-people exchanges among the ASEAN region and Japan through organization of exhibitions of ASEAN products, seminars and workshops, dispatch and invitation of missions, publication and information service, among others.

**Admission Free! ASEAN Update Seminar Series**

As ASEAN accelerates its preparations to establish the ASEAN Community by 2015, there are growing needs for information especially on the ASEAN economic integration, which enhances ASEAN to become a single market and production base, among the general public as well as the business community in Japan. To address the information needs, the ASEAN-Japan Centre will conduct the ASEAN Update Seminar Series, which will provide information on the latest developments on the ASEAN Community throughout Japan in fiscal 2014.

For more details and the latest schedule of the Seminar Series, please refer to the Centre's website or contact the Investment Section of the Centre (Tel: 03-5402-8006). The announcement and registration form for the seminars will be uploaded at the Centre's website at <http://www.asean.or.jp/ja/invest/about/eventinfo.html> in due course.

**<Potential Themes for the Seminars (As of August 2014)>**

- ASEAN Socio-Cultural Community
- ASEAN towards the liberalization of trade in goods
- ASEAN towards the liberalization of trade in services, investment and migration
- Energy, telecommunication and IT in ASEAN
- ASEAN towards the integration of financial services and capital
- Intellectual property rights (IPRs) in ASEAN
- Japanese enterprises operating in ASEAN and ASEAN Economic Community
- ASEAN's plan of infrastructures
- Japan-ASEAN relations

\* Seminars will be held in cities in Japan like Tokyo, Osaka and Nagoya and in some ASEAN Member States  
\* Japanese-English simultaneous interpretation is available throughout the seminar series  
\* Themes are subject to change

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