

Press Release



GOI-ERIA-Harvard Symposium Closes, Proposes 'Jakarta Framework on Moving ASEAN Community Forward into 2015 and Beyond'

Jakarta, November 1, 2011 – The two-day joint symposium of Government of Indonesia - the Economic Research Institute for ASEAN and East Asia (ERIA) - Harvard University, concluded business today in Le Meridien Hotel. Under the main theme of “Moving ASEAN Community Forward into 2015 and Beyond”, the symposium discussed various issues on the fulfillment of the ASEAN Economic Community that is due on 2015, and the future challenges beyond the date.



Several recommendations have been produced based on the discussions—dubbed the “*Jakarta Framework on Moving ASEAN Community Forward into 2015 and Beyond*” or Jakarta Framework. The Jakarta Framework was handed over by ERIA Executive Director, Mr. Hidetoshi Nishimura, to H.E. Surin Pitsuwan, Secretary-General of ASEAN. Both will present it to the ASEAN Chair, H.E. Susilo Bambang Yudhoyono and Ministers during the ASEAN Summit in Bali in mid-November.

“I believe this has been an especially productive and profoundly effective symposium,” says Mr. Hidetoshi Nishimura, Executive Director of ERIA. “We believe that the symposium and its recommendations will have a tremendous impact on the materialization of ASEAN Economic Community and the integration of ASEAN beyond 2015”.

Pushing Production Network Frontier for A Competitive and Dynamic Region

Mr. Nishimura presented the *Jakarta Framework* during the concluding ceremony, stating that, “A key element of moving the ASEAN Economic Community forward into 2015 and beyond is how to ensure that the region is competitive and dynamic.” The Jakarta Framework proposes that such condition would be met by pushing the frontier of production networks. The production networks frontier should be pushed outward by integrating the cities and towns of ASEAN with their East Asian counterparts, and inward by deepening agro- and industrial clusters within the countries.

Meanwhile, more competitive ASEAN economic region entails greater intraregional connectivity as well as freer flows of goods, services, capital, and people within the region. At the same time, India and especially China open great opportunity to ASEAN, because of its increasing energy demand and rapid development in transportation.

In the framework, the issues of resiliency, especially food security and energy security, as well as disaster management, have been identified as important challenges to be tackled. Cooperation, transparency, and standardization in energy market are deemed crucial to improve energy efficiency and to avoid dysfunctional market. Currently, ASEAN's response for stronger food security includes the recent APTERR (Asian Plus Three Emergency Rice Reserve). However, ASEAN's increasing demand for food and energy is even more challenging given the risks of natural disasters, for the fact that Asia is the most disaster-prone region in the world.

Jakarta Framework: Comprehensive, Expanding the Current AEC Blueprint

Mr. Nishimura stated that the wide-ranging Jakarta Framework also touches other issues. Innovation, human capital development, productivity growth, and green development are among the issues dissected in the framework. Human resource becomes the key factor that is central to issues. ASEAN's human resource is expected to provide human capital driven-growth, aligned with ASEAN's people oriented, people centered, and people driven vision. For the vision, SME would play crucial role, such as providing employment and boosting economic growth, since currently 96% of total firms in ASEAN are accounted as SMEs.

In the light of the current ASEAN Economic Community (AEC) Blueprint, Jakarta Framework also expands the current narrow focus to include a wider definition of geographic, industrial, and societal inclusiveness. An ERIA study shows greater impact on ASEAN economies would be achieved by greater membership and further trade liberalization. ASEAN is suggested to strengthen the internal consolidation and proceed to include India as dialogue partner in East Asia FTA.

Jakarta Framework also sends the political message that ASEAN is capable to raise its voice in international affairs and institutions, contribute to securing regional and global peace and security, and act as a single community. However preconditions exists, said Dr. Rizal Sukma of Center for Strategic and International Studies (CSIS), who mentioned the need for ASEAN to substantially reform its institutions to cope with the expanding goals.

Representing Indonesia as the current Chair of ASEAN, H.E Ngurah Swajaya, Permanent Representative of Indonesia to ASEAN, concluded that the most important message was there was a consensus on the need for a clear plan of actions to materialize the vision for ASEAN beyond 2015 into a fully functioning single market. H.E. Ngurah Swajaya hopes for ASEAN to become "more equitable region and a more important player in the global community of nations."

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