



ASEAN SME Policy Index 2018 Launched in Singapore

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The Economic Research Institute for ASEAN and East Asia (ERIA) and the Organisation for Economic Co-operation and Development (OECD), the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME), supported by the Government of Canada, officially launched the ASEAN SME Policy Index (ASPI) 2018 on 1 September 2018.

The ASEAN SME Policy Index 2018 maps and benchmarks SME development policies across ASEAN Member States (AMS). The assessment cuts across eight different policy areas related to SME development, namely: i) productivity, technology, and innovation; ii) environmental policies and SMEs; iii) access to finance; iv) access to market and

internationalisation; v) institutional framework; vi) legislation, regulation, and tax; vii) entrepreneurial education and skills; and viii) social and inclusive entrepreneurship.

The event took place in the Dutch Pavilion, Shangri-La Hotel, Singapore, on the margin of the 50th ASEAN Economic Ministers (AEM) Meetings. Representatives from the ASEAN Economic Community, the Government of Canada, OECD, ERIA, and ACCMSME delivered their brief remarks to open the event.

In his remarks, Hon Aladdin D. Rillo, Deputy Secretary-General for ASEAN Economic Community, highlighted how the ASPI 2018 covered important aspects of MSME development such as access to finance and MSME integration to global value chains. He also recognised the value of organising the report into both regional and country chapters that allows ASEAN Member States (AMS) to reap benefits from having a deeper view into specific aspects of MSME development in their countries.

There were five notable findings of the ASEAN SME Policy Index 2018. First, ASEAN countries have made significant advances in SME policy, notably in the areas of business development services, access to e-commerce and GVC integration. Second, MSMEs operate mainly in wholesale and retail trade, with high levels of informality. Third, SME development is an increasing priority for policy makers across ASEAN as they seek to establish a broader base for growth while ensuring that it is resilient and inclusive. Fourth, most



ERIA's Senior Policy Fellow Tan Sri Datuk Dr Rebecca Fatima Sta Maria talked about ERIA's continuous support during the development of ASPI 2018 together with the OECD team and expressed gratitude to all parties involved.

ASEAN countries are active in the area of SME policy and apply a mix of horizontal and targeted approaches. Fifth, some AMS regard SME policy as a core tool to enhance welfare.

Mr Andreas Schaal, Director of OECD Global Relations and OECD G20 Sous Sherpa, underlined how the ASPI 2018 could serve as a call for action for AMS to boost MSME competitiveness and promote inclusive growth. Meanwhile, H.E. Ms Marie-Louise Hannan, Ambassador of Canada to ASEAN, touched upon the Government of Canada's support throughout the ASPI 2018 project and reaffirmed their support for further SME development in the region, especially related to women entrepreneurship and empowerment.

The Chair of ACCMSME Mr Lor Sathya extended the highest appreciation for the hard work dedicated for the ASPI 2018 and the benefits it would bring for all

AMS. Similarly, ERIA's Senior Policy Fellow Tan Sri Datuk Dr Rebecca Fatima Sta Maria talked about ERIA's continuous support during the development of ASPI 2018 together with the OECD team and expressed gratitude to all parties involved.

The report can be accessed online here: <http://www.oecd.org/southeast-asia/sme-policy-index-asean-2018-9789264305328-en.htm> ■

ERIA Hosts Discussion on ASEAN with Visiting Mission from Japan



'ERIA is a Sherpa for ASEAN and that means that for ERIA, every year we undertake certain activities in support of the particular ASEAN chair... this has led to ERIA's contribution to [projects like] the Comprehensive Asia Development Plan, a request of the East Asia Summit,' said Dr Intal.

The Economic Research Institute for ASEAN and East Asia (ERIA) hosted a discussion on ASEAN and ASEAN Community with a visiting mission headed by the ASEAN Study Group in Tokyo (ASGT) and ASEAN-Japan Centre (AJC), on 7 September 2018.

The discussion covered a range of policy developments occurring across ASEAN that ERIA economists are currently researching. These topics included: i) ERIA research and its integration with ASEAN; ii) trade and investment; and iii) innovation: what and how to promote, the role of ASEAN and ASEAN Member States (AMS).

ERIA's Senior Economist Dr Ponciano S. Intal, Jr. began the discussion by providing context of ERIA research activities. He stated that ERIA has a mandate to contribute to ASEAN and East Asia integration. Dr Intal explained that this mandate

requires ERIA to be responsive in its recommendations and ensure that policy recommendations must be analytically strong but very policy oriented.

'ERIA is a Sherpa for ASEAN and that means that for ERIA, every year we undertake certain activities in support of the particular ASEAN chair... this has led to ERIA's contribution to [projects like] the Comprehensive Asia Development Plan, a request of the East Asia Summit,' said Dr Intal. He also explained that projects like the Comprehensive Asia Development Plan framework have 'influenced the ASEAN connectivity framework, so you are seeing where the thinking in ERIA helps with the thinking and strategies of ASEAN.'

The following two speakers, Senior Economist Dr Dionisius A. Narjoko and Economist Dr Doan Thi Thanh Ha focused on how trade

and investment are being further integrated throughout ASEAN. Dr Narjoko explained how his research model on the ASEAN Framework Agreement on Services demonstrates the benefits for the ASEAN community as a result of continuing service liberalisation. He emphasised that continued service liberalisation will have the potential to improve productivity and correspondingly result in price reductions ranging from 10%-20% along with real income gains and increasing flows of regional FDI across ASEAN.

In her research, Dr Doan discussed the costs and benefits of non-tariff measures (NTM) and how costs that result from legitimate NTMs that improve safety standards can be limited.

'NTMs can actually be good,' said Dr Doan. 'When we think about NTMs, especially from the business perspec-

-tive we tend to refer to a very small sub-sect of NTMs which we call non-tariff barriers because of their distortion effects. Even if an NTM is legitimate, it can cause a cost for importers and exporters because of the compliance cost. We have [created a] NTM database which was completed two years ago. We are now completing our second round update... and can see that the total number of [NTMs] have increased fourfold.'

In her final thoughts, Dr Doan concluded that as the trend of growing NTMs continues to prevail, especially in countries that are modernising, developing harmonised international guidelines that emphasises good regulatory practices based on the World Trade Organization's streamlining NTM toolkit can encourage protection of consumer, human, and environmental welfare while limiting barriers to trade.

The final two speakers focused on innovation as they discussed what innovation means for ASEAN and how it can be promoted. These discussions were led by Dr Masahito Ambashi and Dr Venkatachalam Anbumozhi, which focused on innovation policy across ASEAN and Industry 4.0, respectively.

Dr Ambashi highlighted that the progress of innovation in AMS has not appeared to be satisfactory. To lessen the large discrepancy in the levels of innovative activities across AMS, policies for individual AMS may need reform. Dr Ambashi further discussed how globalisation has changed the framework of the innovation economy and concluded that policy reforms should include: i) further promotion of service trade liberalisation; ii) introduction of policies to facilitate the free



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movement of natural persons, especially highly skilled immigrants; and iii) formulation of initiatives to promote innovation that creates or entails more synergies and positive feedbacks across AMS.

As the final speaker, Dr Anbumozhi explained the development of Industry 4.0 (I4R) and the Circular Economy (CE) and the need to evaluate how prepared ASEAN is to engage within these developments. 'There is a commonality between I4R and CE. Both are based on renewed technologies: information technologies, cyber-physical systems, network communications, simulation, big data [and advanced data analytics], and intelligent tools for support of human workers,' stated Dr Anbumozhi.

To develop an assessment framework of I4R and CE, a suit of indicators assessing policies, business strategies, and support mechanisms were created. The assessment was performed at the macro, meso, and micro levels with pilot testing done in selected countries and sectors with the vision

of this resource acting as a living and progressive document to help assess policy support for I4R. Estimating that those who establish themselves as I4R leaders could capture an additional 20-25% of economic benefits, increases the importance of ensuring access and support for the adoption of these technologies. By ensuring access, AMS will be able to limit the widening of gaps between countries, companies, and workers. ■

ERIA Holds the 9th ASEAN Connectivity Symposium in Singapore



'Connectivity is at the ground level where people feel it on the skin', and, 'it is about the mind and symbols, and how we think about ASEAN.' Some practical examples include the ASEAN Universities Network and an Open Skies policy', said Dr Rebecca Fatima Sta Maria, Senior Policy Fellow at ERIA

President of ERIA Prof Hidetoshi Nishimura noted in his opening remarks at the 9th ASEAN Connectivity Symposium that the Comprehensive Asia Development Plan, with its focus on soft and hard infrastructure, was developed as a recovery plan following the global financial crisis of 2008. Nearly a decade later, physical connectivity remains important but, 'digital connectivity and upgrading the soft side of connectivity infrastructure are becoming increasingly important'.

The Symposium, with the theme 'Towards Effective Implementation of the Master Plan on ASEAN Connectivity 2025', was held on 6 September at the Mandarin Orchard Hotel, Singapore. It was organised by the Government of Singapore, co-hosted with the ASEAN Secretariat and ERIA.

Attended by around 150 participants, including Chairs of the ASEAN

Connectivity Coordinating Committee, Dialogue Partners, Sectoral Body Chairs, leaders from the private sector, academia, and international organisations, the day's proceedings were divided into four sessions around the themes: Implementation of the Master Plan of ASEAN Connectivity, Mobilizing Resources for Infrastructure Projects in ASEAN, Connecting the Cities in ASEAN, and Empowering ASEAN MSMEs in the Digital Economy. These themes were chosen as seamless connectivity is seen as the key to unlock the potential gains of the digital economy through ensuring a smooth flow of information, seamless logistics, and the free flow of capital.

In the opening panel, Mr Lim Chze Cheen, Director of the ASEAN Connectivity Division of the ASEAN Secretariat, gave an update of progress concerning connectivity within ASEAN. He noted

that the essence of connectivity includes efficiency, inclusivity, and transparency, with the challenge of translating vision to reality.

For Tan Sri Datuk Dr Rebecca Fatima Sta Maria, Senior Policy Fellow at ERIA, 'connectivity is at the ground level where people feel it on the skin', and, 'it is about the mind and symbols, and how we think about ASEAN.' Some practical examples include the ASEAN Universities Network and an Open Skies policy.

Mr Chris Humphrey, Executive Director of the EU-ASEAN Business Council also brought up the issue of Open Skies, which he believed would make a significant difference in ASEAN. He also focused on the challenge of mobilising funds to support the development of physical infrastructure as well as issues around non-tariff barriers in the region.

Former Secretary-General of ASEAN,

Ambassador Ong Keng Yong, still sees insufficient engagement within ASEAN, with people not knowing how best to use ASEAN, and regulators unable to work with a regional perspective. Problems are exacerbated by constant changes in the political and bureaucratic leadership, as well as an increasing

focus on security concerns.

In summing up after in-depth discussions throughout the day, Ambassador Tan Hung Seng, Chair of the ASEAN Connectivity Coordinating Committee and Singapore's Permanent Representative to ASEAN, noted

that connectivity is a work in progress constituting many components. Furthermore, he said that achieving connectivity is a long-term, complex and cross-cutting objective that will require both engagement with the private sector as well as the citizens of the region to ensure a people-centred and people-oriented ASEAN. ■

ERIA Congratulates Prof Armida Alisjahbana for Appointment as UN ESCAP Executive Secretary



'Ms Alisjahbana's wealth of experience and the depth of her insights will be a very valuable asset to UN ESCAP,' said Prof Nishimura.

The President of the Economic Research Institute for ASEAN and East Asia (ERIA), Prof Hidetoshi Nishimura, offered his congratulations to Prof Armida Salsiah Alisjahbana for her appointment as the Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). 'Ms Alisjahbana's wealth of experience and the depth of her insights will be a very valuable asset to UN ESCAP,' said Prof Nishimura.

Prof Alisjahbana has been serving on ERIA's Governing Board since 2015. She is a Professor of Economics at Universitas Padjadjaran in Bandung,

Indonesia. She served as the Minister of National Development Planning and the Head of the National Development Planning Agency for Indonesia from 2009 to 2014. In the same period, she was the Alternate Governor of the World Bank and Alternate Governor of the Asian Development Bank, representing the Government of Indonesia.

Since 2016, she served as Director for the Center for Sustainable Development Goals Studies at Universitas Padjadjaran and Vice-Chair of the Indonesian Academy of Sciences. She is also a member of the Indonesian Academy

of Sciences (Akademi Ilmu Pengetahuan Indonesia), the Forum of Statistics Community (Forum Masyarakat Statistik or Advisory Council of the Indonesian Statistics), the International Advisory Board of the Bulletin of Indonesian Economic Studies and Council Member of the Regional Science Association International.

The Governing Board is the decision-making body of ERIA and consists of the Secretary General of ASEAN and representatives from each of the 16 member countries, all of whom have backgrounds in academia, business, and policymaking. ■

Adaptation Road Maps for Disaster Resilience and Climate Change Presented



The road maps, addressing distributional impacts of disasters and climate change, have been developed by government officials as a step towards strengthening preparedness and developing regional resilience against potential threats to food security.

Government officials from Cambodia, Lao PDR, Myanmar and Viet Nam came together in Siem Reap on 30-31 August to present the Adaptation Road Maps each national delegation had developed for their country.

The road maps, addressing distributional impacts of disasters and climate change, have been developed by government officials as a step towards strengthening preparedness and developing regional resilience against potential threats to food security. The road maps are the culmination of efforts by the participants who have met and participated in four previous workshops on this issue.

At the Capacity Building Workshop, the Adaptation Road Maps were peer reviewed by colleagues from the other countries before discussants also raised comments and gave further inputs to the studies. The discussants, along with the chair of each panel, were all experts in their

field, coming from a wide variety of institutions including the United States Department of Agriculture, International Food Policy Research Institute, the Asian Institute of Technology, the University of Technology, Vienna, Smart Farm Agriculture Center, Korea, the National University of Singapore and the Nanyang Technological University. The workshop included a panel discussion with Knowledge Partners to discuss the Implementation of Road Maps.

The major issues that arose from the presentation and discussions around the adaptation road maps focused around new initiatives in bridging financial gaps, institutional effectiveness, investment opportunities, further technologies, and capacity development for having effective future implementation in all CLMV countries.

The workshop also included a fieldtrip to a model greenhouse outside of the city. The 850 sq. m

site is focusing on the production of organic crops. The model site is an example of an automated smart system where, under certain weather conditions, the irrigation pipes self-activate. The model farm, which sells its produce locally, has allowed the farmer to increase his production and income. ■

ERIA Participates in 50th ASEAN Economic Ministers' and Related Meetings



Photo Credit: ASEAN Secretariat

Prof Hidetoshi Nishimura opened the ERIA presentation by thanking the ministers for continued support and briefly presenting the outcomes from ERIA's 11th Governing Board Meeting

Singapore: On 1 September 2018, the ASEAN Ministers and the eight other Economic Ministers that make up the East Asia Summit (Australia, China, India, Japan, Republic of Korea, New Zealand, the Russian Federation and the United States) held the Sixth Economic Ministers' Meeting during the ASEAN Economic Ministers' Meetings in Singapore last week.

ERIA was honoured to be invited to present a discussion paper titled 'Regional Economic Integration: Managing the Challenges of Emerging Trade and Investment Issues'.

Prof Nishimura opened the ERIA presentation by thanking the ministers for continued support and briefly presenting the outcomes from ERIA's 11th Governing Board Meeting before introducing Tan Sri Dr Rebecca Sta Maria, ERIA Senior

Policy Fellow, who presented the Discussion Paper.

The Discussion Paper focused on how to manage three key challenges the region is facing:

- Keeping markets open and fair;
- Maintaining a transparent and predictable trade and investment environment that promotes integration; and
- Optimising the use of new technologies and innovation, artificial intelligence, disruptive technologies and/or technological advancement.

And then offering three areas for consideration by the Ministers:

- The impact of policy changes on trade and investment on value chain in the region; is the region's environment robust enough?

- Introduction of dialogue mechanisms, similar to the ASEAN Trade Facilitation-Joint Consultative Committee (ATF-JCC) mechanism, to focus on transparency, coherence in the rules and disciplines, to enhance the regional business environment; and
- Initiatives to deepen EAS cooperation in the digital-economy policies, as well as capacity building to enable more MSMEs to take advantage of technological advancement in e-Commerce and fintech.

Minister Chan of Singapore thanked ERIA for the presentation. The subsequent Joint Media Statement (JMS) contained the following statement:

'The Ministers congratulated the Economic Research Institute for

ASEAN and East Asia (ERIA) on its 10th Anniversary and welcomed the report of the 11th ERIA Governing Board Meeting. The Ministers commended ERIA's contribution, as a regional think-tank, in supporting regional integration through its research activities, and encouraged ERIA to continue providing targeted high-quality research on topics that highlight and address the challenges facing the region.'

The Joint Media Statement concluded with the following statement:

The Ministers recognised the importance of ongoing work to maximise the opportunities of, and address the challenges presented by, the digital economy and the rise of regional and global value chains, as part of their efforts to promote economic growth and integration in the region.

Also on 1 September, ERIA participated in the Seventh AEM-Canada Consultations to present the results of a Joint Feasibility Study on the proposed FTA which indicated that both ASEAN and Canada will benefit from the Agreement.

Prof Nishimura highlighted three key points:

First, compared to complete tariff elimination between ASEAN and Canada, there are larger potential gains through NTM reduction, trade facilitation improvement, and service and investment liberalization.

Second, the reduction of NTMs and the improvement of trade facilitation resulting from the potential FTA can benefit ASEAN and Canada not only from promoting bilateral trade and investment, but also from improving

connections with their third-party trading partners via 'spill-over' effects.

Third, in addition to its impacts on ASEAN's external trade, the potential agreement will have positive impacts on intra-ASEAN trade as well, in particular trade between non-CPTPP and CPTPP ASEAN member states.

The Joint Media Statement for the consultation referred to the Joint Feasibility Study:

'3. The Ministers welcomed the completion of the Joint Feasibility Study for an ASEAN-Canada FTA, which was jointly conducted by the Economic Research Institute for ASEAN and East Asia (ERIA) on ASEAN's behalf and Global Affairs Canada. The study showed potential gains for ASEAN and Canada from an FTA, with positive impact on trade and investment flows. In this context, the Ministers also welcomed the outcomes of the first set of Exploratory Discussions for a possible ASEAN-Canada FTA, covering the areas of trade in goods, investment, and services, which provided ASEAN and Canada the opportunity to gain a better understanding of each other's approaches to these areas in an FTA. The Ministers agreed that more dialogue is needed at the experts' level to enhance mutual understand on a range of FTA areas and directed officials to intensify discussions with a view to completing exploratory discussions in 2019.'

The Joint Media Statement also mentioned the 'ASEAN SME Policy Index 2018' which was produced by ERIA in collaboration with the OECD.

'5. The Ministers expressed their

appreciation for Canada's ongoing support to ASEAN's efforts to promote inclusive and innovation-led growth through technical assistance. The Ministers noted various initiatives being supported by Canada in collaboration with relevant ASEAN sectoral bodies. The Ministers particularly welcomed the launch of the report 'ASEAN SME Policy Index 2018' in Singapore on the sidelines of the fiftieth ASEAN Economic Ministers Meeting, which maps and benchmarks SME development policies across ASEAN and provides a set of policy recommendations based on good practice experience in the region as well as in OECD countries with an aim to support the MSME development in ASEAN, and thanked Canada for its support.'

ERIA's study on ASEAN-Russia trade and economic relations was also referred to in the JMS for the Seventh AEM-Russia Consultations for the ERIA RFTA Joint Seminar held in December 2017

6. The Ministers noted the progress in the preparation of the Report of ERIA-RFTA Joint Seminar held on 19 December, 2017 in Moscow. ■

ERIA and Universitas Respati Indonesia Hold Workshop on Oral Care Assessment for Elderly Caregivers



Special Advisor to the President of ERIA for Healthcare and Long-term Care Policy Dr Otsuke Komazawa gave a brief overview about the establishment of ERIA and its Healthcare Unit, which specialised in conducting research projects on healthcare and long-term care.

The Economic Research Institute for ASEAN and East Asia (ERIA) and the Centre for Family and Ageing Studies (CeFAS) Universitas Respati Indonesia (URINDO) held a workshop 'Oral Care Assessment for Elderly Caregivers', to mark the commencement of a collaborative research project that will be conducted by ERIA, URINDO, and Nagasaki University of Japan.

The workshop was held in Jakarta on 28 August 2018 at the main campus of URINDO and was attended by about 20 participants from the Japanese team (Nagasaki University), CeFAS URINDO, and also EPA returnees.¹ Prior to the workshop,

1. Under the bilateral Economic Partnership Agreement (EPA) between the Government of Indonesia and Japan, Indonesian nurses or certified caregivers are provided with the chance to work in Japan for several years as candidate registered nurses or candidate certified caregivers. After several years of employment in Japan, they will be qualified to take national examinations in Japan for registered nurses or certified caregivers. If they pass the exams, they can renew their work permits in Japan as skilled workers; however, if they fail, they will be obliged to return to Indonesia. 'EPA

on 27 August 2018, the workshop participants were brought on a field trip to visit the care facilities for older people, where they could see the condition of public and private care facilities in Jakarta.

The workshop was officially opened by the Rector of URINDO, Prof Tri Budi Raharjo. In her opening remarks, she expressed her gratitude to ERIA and Nagasaki University for undertaking the research project 'Career Path of Care Workforce'. She expressed her belief that the workshop will be beneficial for Asian countries, particularly Japan, Indonesia, and other ASEAN member states. Prof Raharjo also hoped that the output of the workshop would improve the healthcare of the elderly, which in the long run would improve the quality of life of the elderly.

returnees' refers to the nurses and caregivers who returned to Indonesia because they failed to pass the national exams of Japan, as well as those who intentionally returned to Indonesia even though they passed the exams.

As the leader of the Japan-side for this research project, Prof Yuko Hirano gave an overview and explained the aim of the project and this workshop. She also introduced the project members from Japan: Prof Misako Higashijima, an expert on Occupational Therapy at Nagasaki University and Dr Reiko Ogawa, who is an associate professor at Graduate School of Social Science at Chiba University. Dr Ogawa's research activities are focused on gender, care, and migration.

According to Prof Hirano, because of a higher percentage of senior citizens than any other country (25%-30% of the population is more than 65 years old), Japan has been trying to produce as many certified and professional caregivers as possible. Therefore, the country can be a good place to provide trainings for foreign caregivers. This study will investigate how Indonesian caregivers who have worked in Japan and obtained some experience in the field of long-term

care (especially oral care) could apply their skills and knowledge when they return to Indonesia. Experts of medical science, cultural anthropologists, and sociologists are involved in the project. Through this multi-disciplinary approach, the researchers can analyse the cultural differences between Indonesia and Japan in oral care through various perspectives, so that they can suggest parts of oral care practiced in Japan that could be applied in Indonesia's ageing society in the future. The research team also hope to discover Indonesian good practices for long-term care which can be brought back to Japan. This research project is expected to promote mutual understanding and transfer of skills and knowledge between both countries.

On this occasion, Special Advisor to the President of ERIA for Healthcare and Long-term Care Policy Dr Osuke Komazawa gave a brief overview about the establishment of ERIA and its Healthcare Unit, which specialised in conducting research projects on healthcare and long-term care. One of ERIA's missions is to provide policy recommendations to governments of ASEAN member states and East Asian countries. Since its inception, ERIA's research has been focused on economic integration of the region and the development of ASEAN Economic Community. As part of ERIA's expansion to conduct research related to ASEAN Socio-cultural Community, the Healthcare Unit has tried to find a way to have a good relationship and network with expert researchers who can collaborate in the research about ageing.

Dr Komazawa stated that this workshop spearheaded ERIA's foray into research for population ageing. Furthermore, he said that the ultimate goal of this project was



Dr Osuke Komazawa, Special Advisor to the President of ERIA for Healthcare and Long-term Care Policy, together with Prof Tri Budi Rahardjo, Rector of URINDO, during the 'Oral Care Assessment for Elderly Caregivers' Workshop held in Jakarta, 28 August 2018.

to elevate the status of caregivers, so that people could remain active and healthy as they go through their ageing process. Assuming that the demographic transition from high to low fertility and mortality will accelerate globally, the world population ageing will increasingly intensify; therefore, endeavours like this study is indispensable to realise sustainable development in an ageing world.

After the opening session, Prof Higashijima and Prof Hirano presented the findings of their field trip to the care facilities for older people held prior to the workshop. These facilities are located in Jakarta, and include both a public and a private one. Prof Higashijima showed the case of one of the residents of the public care facility, who seemed to have the second lowest physical and mental function in the facility. This resident needed help to eat; however, Prof Higashijima found that

with a slight adjustment of tableware, the resident could eat on his own.

In the last part of the workshop, the participants discussed the validity of an assessment list for oral care drafted by Prof Higashijima. The participants argued that some items in the assessment list could not be applied to Indonesia due to the realities of practice, cultural differences, and many more. One of the objectives of the workshop would be to create standards that can be applied by both countries, Indonesia and Japan. ■

Prof Yamanaka Participates in the 35th General Assembly of the International Council of Women



Prof Yamanaka was one of the speakers of 1st panel discussion 'Empower A Woman, Transform A Society' and she spoke about women's empowerment in political, economic and education fields.

Prof Akiko Yamanaka, Special Advisor to the President of ERIA, delivered a speech to the 35th General Assembly (GA) of the International Council of Women (ICW) 'Transforming Society through Women's Empowerment' held from 12 – 19 September 2018 in Yogyakarta, Indonesia.

This event was hosted by the Indonesian Women's Congress (Kowani), the oldest and largest women's organization in Indonesia which is celebrating its 90 anniversary this year.

The Assembly was attended by 200 delegations from 80 countries as well as 1000 representatives of women's organizations and more than 2000 participants from all over Indonesia and ministers and ambassadors in Indonesia. H.E. Joko Widodo, President of the Republic of Indonesia, officially opened the conference.

Prof Yamanaka was one of the speakers of 1st panel discussion 'Empower A Woman, Transform A Society' and she spoke about women's empowerment in political, economic and education fields.

In giving examples of the reconstruction processes in the aftermath of the 2011 Great East Japan Earthquake, she emphasized the importance of adapting the concept of 'preventive diplomacy' not only to conflict and war, human security, water security, food security, and energy security, but to respond to natural disasters as well.

In conclusion, she pointed out three things that will be key for raising awareness for future peace and stability of the international community: first, ensuring social resilience; second, addressing common interests; and third, establishing an age of balance.

Before the conference, she visited ERIA's headquarters in Jakarta and had a meeting with Prof. Bambang Subiyanto, Vice President of Indonesian Institute of Sciences (LIPI) on 11 September. ■

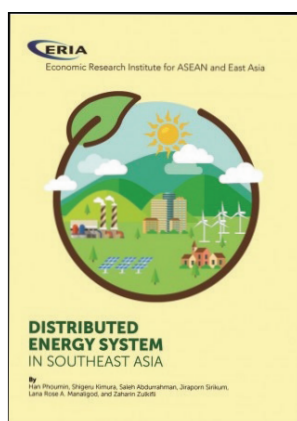
Publications



Innovation Policy in ASEAN

Edited by Masahito Ambashi

Innovation Policy in ASEAN is a first attempt at a comprehensive innovation study of ASEAN. The book includes not only an overall theoretical framework for ASEAN, but also individual country analyses based on detailed data, empirics, case studies including both those of success and of failure, and concrete policy recommendations ranging from national to ASEAN-wide regional innovation policies. For ASEAN it is important not only to increase investment in R&D and innovative activities, but also to enhance innovation capability's physical and intangible characteristics, and improve the environment where innovation tends to take place. In the face of this significant challenge, achieving innovation can help each ASEAN Member State sophisticate its economies and industrial structures in the years to come. The book aims to provide insights for all stakeholders wishing to examine innovation policies in the region.



Distributed Energy System in Southeast Asia

By Han Phoumin, Shigeru Kimura, Saleh Abdurrahman, Jiraporn Sirikum, Lana Rose A. Manaligod, Zaharin Zulkifli

The study of distributed energy systems (DES) in ASEAN highlights the potential role DES could play in enhancing electricity access and provide energy solutions as a modern energy system in response to increasing energy demand. This study assesses the overall status and policies of DES in selected ASEAN countries through a literature survey and information exchanges from meetings and conferences within the region. The study also attempted to estimate the DES-related renewable energy capacity and investment needed for the period 2013–2040. It found that DES is modern small power generation with the flexibility to provide electricity to end-users more effectively due to its advantages of lower investment cost and ease of handling compared with large national power plants. The study recommends ASEAN should carefully design friendly policies to support DES both using a top-down policy approach through use of renewable energy targets know as Renewable Portfolio Standard (RPS) and other policies such as fiscal incentives (e.g. exemptions from VAT, fuel tax, income tax, import and export duties, and local taxes, and accelerated depreciation through premium tariff rates such as fit-in-tariffs). In addition to the above policies, DES could be deployed more effectively if financial institutions were to provide support through risk-reduction mechanisms and by improving the profitability aspects of DES-related renewable investment. Finally, the study suggests that DES-related investment opportunities are large, and that DES will provide jobs and many business opportunities. DES is a modern generation system and its deployment will help to address the electricity supply shortage in ASEAN countries.



ASEM Connectivity Inventory

By Anita Prakash Maaïke Okano-Heijmans, Wouter Zweers, Brigitte Dekke

The Asia Europe Meeting Pathfinders Group on Connectivity (APGC) has recognised ERIA as a key knowledge organisation to support the work on ASEM connectivity. In preparation for the 12th ASEM Summit and for taking the ASEM connectivity task forward, ERIA and Clingendael Institute prepared the 'ASEM Connectivity Inventory' for the APGC. The Report contains enumerations and qualitative analysis of ASEM connectivity activities since 2014, and gives recommendations on structure, processes, and coordination in the ASEM connectivity mechanisms. The report was presented to the APGC and the senior officials meeting in September, 2018.



Infrastructure and Industrialisation: Ensuring Sustainable and Inclusive Growth in Africa

By Anita Prakash

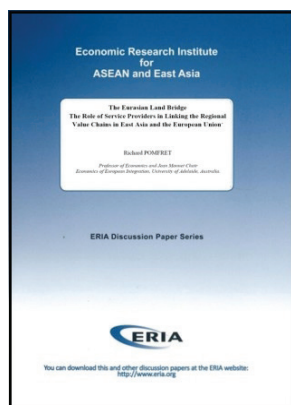
Africa's economy is on a growth curve where development and investment plans must focus on the expansion of infrastructure, capacities, and institutions. Infrastructure development, which allows investing economies and companies to target the higher end of industrial value chains, will help to diversify the African economy and trade patterns, promote value-added production of goods and services, and boost consumption. Infrastructure planning and investment must be responsive to the development priorities of a country or subregion if infrastructure is to be an agent for growth and the narrowing of development gaps.



Balancing Investment and Development Assistance in Africa: Growth Prospects from Asia-Africa Connectivity

By Anita Prakash

Africa's young demography and developing economy require integration and expansion into the global value chains. Asia can share its growth experience with Africa. Africa can benefit from trade, investment, and development cooperation through a measured combination of investments and development assistance. The policy challenge facing the countries of Africa and their development partners is to balance official development assistance programmes with foreign direct investment initiatives, as physical, institutional, and human resource capacities must grow simultaneously.



Technoeconomic Assessment of Microgrids in Myanmar

By Masako Numata, Masahiro Sugiyama, Gento Mogi, Wunna Swe, Venkatachalam Anbumozhi

The electrification rate of Myanmar is the second-lowest in Asia, so its improvement is an urgent matter. Sustainable Development Goal 7 recognises the importance of energy access and calls for finding a way to realise the Government of Myanmar's goal to reach 100% electrification by 2030. To achieve this ambitious target, both centralised (main-grid extension) and decentralised approaches should be considered. In this study, we focused on distributed microgrids amongst electrification options. In Myanmar, as in other developing countries of the Association of Southeast Asian Nations (ASEAN), diesel generators are widely used as power sources of microgrids. Considering the global trend of renewable energy, especially opportunities available for solar photovoltaics (PVs), power sources should be selected carefully. When discussing possible power sources, cost-competitiveness is an important aspect. Therefore, we researched the question: How cost-competitive are microgrids powered by solar PVs compared to conventional diesel power source? We used the primary data collected through interviews and field surveys and calculated the levelised cost of electricity (LCOE) of microgrids. Our results show that solar PVs and batteries are cost-competitive compared with diesel in off-grid areas where diesel fuel prices are much higher than in urban areas. However, to improve efficiency, daytime use of electricity (e.g. productive use) needs to be promoted.



ERIA Annual Report 2017

ERIA's 2017 Annual Report presents the Institute's various research and research-related activities, events, and seminars, and its capacity building, policy design, communication, and publications achievements during fiscal year 2017. ERIA celebrated the ASEAN's golden anniversary with the ASEAN@50 Project, by publishing a five-volume set of books, and holding three public seminars and a High Level Forum with the Government of the Philippines. The message from the ERIA President, Prof Hidetoshi Nishimura, also shows how ERIA expanded the scope of its research in fiscal year 2017, through inclusion of research on ageing populations and health care, and through the establishment of a policy design department.



Publications Catalogue 2018

ERIA publishes books, research reports, discussion papers, and policy briefs to share and disseminate its research findings and policy recommendations. These publications cover a wide range of subject matter on deepening economic integration, narrowing development gaps, and sustainable development – the three pillars under which ERIA conducts research. ERIA is also highly involved in energy-related research. ERIA also co-publishes with international academic and professional printing houses. In fiscal year 2017, ERIA produced five books in commemoration of the golden anniversary of the Association of Southeast Asian Nations. We also produced 10 research project reports, 14 discussion papers, and 7 policy briefs.

Upcoming Events

The Workshop on Trade in Services Agreement (Negative List Approach)

Date: 1-3 October 2018
Venue: Bangkok, Thailand

The 7th ERIA Editors' Roundtable

Date: 6-7 October 2018
Venue: Singapore

ERIA Final Workshop on International Regulatory Cooperation in ASEAN

Date: 10 October 2018
Venue: Kuala Lumpur, Malaysia

ERIA Project Workshop on 'Market Size of Solid Waste Management in ASEAN

Date: 12 October 2018
Venue: Jakarta, Indonesia

The First Workshop of Digital Economy, Innovation and East Asia's Competitiveness in GVCs Phase III

Date: 15-16 October 2018
Venue: Singapore

The Third Senior Official Meeting for APGC (ASEM Pathfinder Group on Connectivity)

Date: 15-17 October 2018
Venue: Brussels, Belgium

The Second Workshop of Better Expenditure Management of Infrastructure Finance

Date: 17-18 October 2018
Venue: Jakarta, Indonesia

ERIA's 10th Anniversary

Date: 18 October 2018
Venue: Tokyo, Japan

The 12th Asia-Europe Meeting (ASEM) Summit

Date: 18 October 2018
Venue: Brussels, Belgium

The Book Launch of "Social Protection Goals in East Asia: Strategies and Methods to Generate Fiscal Space"

Date: 19 October 2018
Venue: Jakarta, Indonesia

About Us

The Economic Research Institute for ASEAN and East Asia (ERIA) is an international organisation based in Jakarta, Indonesia that conducts in-dept research on issues facing the people and governments of ASEAN and East Asia.

ERIA works closely with the ASEAN Secretariat and research institutes from across East Asia and beyond to provide innovative and analytical research and policy recommendations. Our projects are organised under three research pillars:

- Deepening Economic Integration
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