

# Office of the President



FY2021 witnessed the continued wrath of twin health and economic crises across the world. The office of the president of ERIA rose to the challenge generated by disruptions in physical connectivity and provided uninterrupted policy relations services to the stakeholders through research and dialogues. The economic integration process in the East Asia Summit region and the ASEAN Community building process were served virtually, round the year. A unique, though inevitable, feature of this FY was the increased interest of stakeholders from outside the region, arising from the international concerns over the resiliency of supply chains from Asia, the growing impact of strategic relations on trade policies, and seeking pathways for rebuilding and recovery through international cooperation. These were achieved through increased research inputs to Ministerial and official proceedings in member countries of EAS, joint works with multilateral organisations and think tanks, and working for concrete plans for greater economic connectivity in Asia, and with Africa and Europe. Policy relation activities covered traditional areas of trade and economic cooperation and issues that constitute new frontiers of global value chains, investments, connectivity and new supply chains, and infrastructure development. The bilateral and regional interests of partners of ASEAN such as the European Union (EU), the United Kingdom (UK), and the United States (US), and a multilateral agenda for development through forums such as the Group of Twenty (G20), the Organisation for Economic Co-operation and Development (OECD), and the Asia Europe Meeting (ASEM) were of special concern in 2021. The agenda for recovery and rebuilding was a common element of all the policy relation activities.

## **A. Research Works for the EAS Members and their Dialogue Partners**

The policy relations office supports several policy and research initiatives of EAS member countries and the Dialogue Partners of EAS. The support activities for the ASEAN and the EAS, and the Dialogue Partners were marked by three important features. First, the continued prevalence of the COVID-19 pandemic and its adverse effects on economic linkages around the world led to the evaluation of the resiliency of supply chains, investment dynamics, and the rebuilding strategies for production and distribution (supply-chains) links. Continued investments for infrastructure, digital economy, and development cooperation were other crucial areas of policy interest amongst governments and multilateral bodies. Second, the Dialogue Partners of ASEAN deepened their need for participating in and developing the economic architecture in the Indo-Pacific region, with ASEAN at the centre of the architecture. Third, with governments being pre-engaged with containing the health crisis and rejuvenating the economic recovery plans, the cooperation agenda amongst the multilateral organisations to support the governments in dealing with the economic, social, and institutional capacities required greater inputs and resources. These three features determined the demand-side work in the policy relations unit, which was performed through relevant research and policy writings and through the interactive features of the Internet, which facilitated exchange of works and ideas with governments and international organisations in and outside Asia.



On the supply side, the findings of ERIA's survey of supply chain resiliency in ASEAN and India were interpreted and converted into policy writings for mapping the supply-chain scenario during the pandemic and in the context of US–China trade tensions. A vital study on changing dynamics of supply chains and investments in Asia was conducted to present a policy prognosis for the global value chains (GVCs) in manufacturing, investment trends, and the roadmap for participation in the digital economy in Southeast and the East Asia region in the post COVID-19 period.

On the demand side, the Asia Europe Meeting (ASEM) Plenary Study on 'Multilateral Cooperation for Resilient, Sustainable, and Rules-Based Future for ASEM' was presented to the leaders of Asia and Europe in the 13th ASEM Summit meeting in Cambodia in November 2021. The study was released by the Deputy Prime Minister and Foreign Minister of Cambodia on the eve of the ASEM summit. Prime Minister Hun Sen, the host and chair of 13th ASEM, expressed his deep appreciation for ERIA's study in the plenary session of the ASEM summit. The President of ERIA and policy relations office attended the ASEM Summit as observers.

On the demand from the UK Mission to ASEAN, another study was undertaken to study the UK–ASEAN supply chains and trade integration. The study was presented to the UK–ASEAN Economic Ministers meeting in August 2021. The demand for further evidence on changing economic architecture in Indo–Pacific has led to the initiation of the study on regional integration and supply chain linkages in the Indo–Pacific, which covers the intra-Asia, the Pacific, Asia–EU, and the Asia–US axes of trade and investment linkages.

## **B. Support to Host Country Indonesia for G20**

With the G20 presidency of Indonesia in 2022, the focus of policy relations was on providing early support towards the preparatory activities of T20 and Ministerial meetings. The G20 Research Forum was set up in fulfilment of this mandate, which will continue into the next presidencies of India, South Africa, and Brazil. The G20 Research Forum will support the ministerial and Sherpa track, and work as the repository of action taken on G20 leaders' statements. ERIA, LPEM-FEB UI (Indonesia), and RIS (India) would form the Research Forum initially, and prepare their institutions for their specific role and contribution in the upcoming two G20 summits. The Forum will also induct important members like OECD, SAIIA, JICA, and ADB with their long standing contribution to G20 meetings and activities.

Along with the G20 support tasks, the policy relations office is an early contributor to India, the G20 Chair in 2023, for policy discussions on reforms in T20, and for bringing the development cooperation agenda into focus in the G20.

## **C. Collaboration with Multilateral Organisations**

### *Organisation for Economic Co-operation and Development (OECD)*

The policy relations office of the president of ERIA supported the OECD in its preparatory works for the G20 in Trade and Agriculture matters, through its collaboration with and participation in the meetings of the Trade and Agriculture Directorate. The policy relations office helped the Global Relations Secretariat

(GRS) of OECD to develop the theme and the concept paper of the OECD Southeast Asia Regional Forum 2021 held on 20 May 2021. ERIA continued to support and attend the Southeast Asia Regional Programme (SEARP). The work of OECD Development Center was supported through collaboration in their programme for Transforming Asian Economies. The policy relations office contributed to the OECD Southeast and East Asia, and India Economic Outlook through policy inputs in the Ninth OECD-ERIA-ADB-ADB-AMRO Roundtable. In April 2021, the ERIA-OECD MoU for joint works and activity in the next 5 years was renewed and jointly signed by Angel Gurría, Secretary General of OECD and Prof Hidetoshi Nishimura, President of ERIA.

### **World Bank**

The World Bank is in the process of replacing the 'Ease of Doing Business' Index with an improved 'Business Enabling Environment' (BEE) Index. The purpose of the project is to advocate policy reform and to inform economic research and specific policy advice. The policy relations office was invited by the World Bank to contribute to the concept note and indicators for the International Trade section of the Index. ERIA will continue to provide support in finalising the BEE index during 2022.

## **D. Support to Stakeholders**

The policy relations office participated in several workshops and symposiums in Australia, Belgium, Cambodia, China, Germany, India, France, and Singapore, bringing in the stakeholders in Asia Pacific and Europe, and the partners of ASEAN and East Asia closer, through dissemination of East Asian economic cooperation experience and through demonstrating the value of free trade and economic cooperation. It has written extensively in several regional newspapers and online platforms on the issues of connectivity, GVCs, and sustainable financing and development issues before East Asia. It is expected that such advocacy and research dissemination activities will support the policymaking on trade and economic cooperation amongst the stakeholders, and contribute to the recovery and rebuilding of economies in the post-COVID-19 period.