



Foreword from ERIA's President

As we celebrate the momentous 50th year of ASEAN–Japan friendship and cooperation, we take this opportunity to reflect on our shared journey and look forward to a future brimming with immense promise. This book, titled ‘ASEAN–Japan Economic Partnership for a Sustainable and Resilient Future,’ marks this significant milestone, tracing our journey that began with the establishment of the ASEAN–Japan Synthetic Rubber Forum in 1973.

Japan's robust foreign direct investment in ASEAN, bolstered by the Plaza Accord in 1985, has fortified our economic partnership and propelled ASEAN's transformation from a production hub to a global consumption powerhouse with a remarkable \$3.6 trillion GDP and a burgeoning centre of innovation. Even amid the global pandemic, our resilience has shone through, fostering an expansion in the adoption of digital services.

Emerging digital technologies, such as robotics, artificial intelligence (including generative AI), and blockchain, hold the potential to redefine both business and society. This book emphasises the urgent need for swift and effective adoption of these technologies, which are pivotal for achieving inclusive and sustainable regional growth. Special attention is given to the development of human resources capable of harnessing these digital technologies, addressing the digital skills gap that could otherwise hinder growth and exacerbate income disparities.

Today, ASEAN is experiencing phenomenal economic growth, driven in part by its vibrant and dynamic young digital generation. This momentum underscores ASEAN's tremendous potential for the future. However, challenges persist, including disparities in physical, human, and social capital development across countries, urban and rural areas, and industries.

Conversely, Japan, despite having one of the most aged demographic profiles globally, remains a beacon of advanced technologies and possesses significant human and social capital. These attributes position Japan as an

indispensable partner in harnessing ASEAN's potential. It is evident that ASEAN and Japan possess unique advantages and complement each other. Therefore, their economic cooperation must strive to deepen economic integration and co-create innovations for mutual benefit.

Aligned with these challenges and potential solutions, this book presents recommendations across four key themes: 'Promoting Trade and Investment', 'Encouraging a Digital and Innovative Society', 'Aiming for a Sustainable Future', and 'Building a Professional Workforce for the Future.' These recommendations pave the way for fostering a sustainable and resilient ASEAN–Japan economic partnership.

To bring this vision to life, ERIA is poised to launch the Digital Innovation and Sustainable Economy Centre, with generous support from the Japanese government. This centre marks the first step towards the co-creation of the ASEAN and Japanese economies.

As we commemorate this golden jubilee of friendship and cooperation, let this book serve not only as a testament to our shared history but also a blueprint for our journey towards a sustainable, resilient, and digitally empowered future.

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