

ERIA Launches Myanmar National Energy Statistics 2019

INDEX

Featured Story	1
Top Stories	3
Publications	7
Upcoming Events	12

The Economic Research Institute for ASEAN and East Asia (ERIA), together with the Ministry of Electricity and Energy of the Union of Myanmar, launched Myanmar National Energy Statistics 2019 in Nay Pyi Taw on 11 March 2019.

In his welcome address, H.E. U Win Khaing, the Minister of Electricity and Energy, underlined the importance of statistics for government in decision making and policymaking, which are essential for good governance. He added that Myanmar’s energy policy was generally aimed at ensuring energy efficiency through development activity.

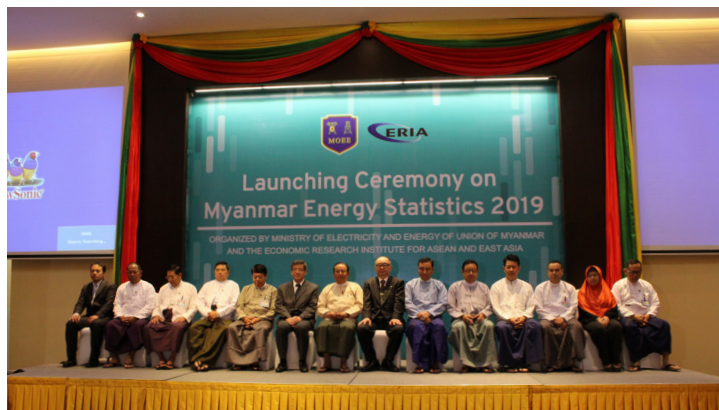
ERIA’s President Prof Hidetoshi Nishimura summarised the various cooperation that ERIA and the Government of Myanmar have undertaken over the years, which have

increasingly strengthened the working relationship. Prior to the National Energy Statistics, ERIA and the Ministry of Electricity and Energy launched the first Myanmar Natural Gas Master Plan in December 2018. Prof Nishimura stated in his remarks the development of a variety of energy sources is important for Myanmar.

'Myanmar is endowed with rich gas and hydropower resources in quantities, but gas will be depleted year by year according to the 'Myanmar Gas Master Plan'. Therefore, hydropower development in future will be crucial. Myanmar could shift to hydropower from gas power generation and use electricity from the hydropower not only for domestic purposes, but also exports. In parallel, import of LNG will be very important policy for Myanmar,' said Prof Nishimura. 'In addition, since biomass will be dominant energy continuously, sophisticated use of biomass such as highly efficient cooking stove and power generation will be an appropriate policy for Myanmar.'

Prof Nishimura went on to explain that the newly launched Myanmar National Energy Statistics 2019 contained historical energy balance tables from 2000 to 2016, which were produced based on the country's primary energy data such as fossil fuels, electricity, and biomass. He also highlighted the importance of annual updates of the energy statistics, which would be conducted by the Oil and Gas Planning Department (OGPD) in the Ministry and expressed ERIA's support for the updates.

'Reliable energy statistics would enable MOEE to establish realistic and practical energy policies to secure energy supply to Myanmar with affordability, accessibility, security, and safety,' said Prof



The Economic Research Institute for ASEAN and East Asia (ERIA), together with the Ministry of Electricity and Energy of the Union of Myanmar, launched Myanmar National Energy Statistics 2019 in Nay Pyi Taw on 11 March 2019.

Nishimura.

ERIA's Special Adviser to the President on Energy Affairs, Mr Shigeru Kimura, delivered the Keynote Speech on the Importance of Energy Statistics. In his remarks, Mr Kimura provided a brief summary of the content of energy statistics and energy balance table. He highlighted the importance of energy balance table in making appropriate energy policies.

'The energy balance table should be produced based on reliable primary energy data and it should be timely, transparent, accurate, and sufficient coverage,' said Mr Kimura. He added that there were several recommended measures to update the energy balance table, namely: (i) assign one section to engage primary energy data collection as hub; (ii) regularly collect accurate primary energy data from all the stakeholders; (iii) establish the collection system using information technology; and (iv) increase the capacity of energy statisticians by joining energy statistics training.

Ms Swe Swe Tan from the OGPD

introduced the Primary Energy Data in Myanmar, while Ms Cecilya Malik, an ASEAN Energy Expert from Indonesia, explained the details of the Energy Demand Survey. Mr Shigeru Kimura introduced the Energy Demand-Supply Analysis of Myanmar and delivered the closing remarks.

Prior to the official launch, the ERIA delegation, which consisted of Prof Nishimura, Mr Kimura, and Dr Alloysius Joko Purwanto, met with Minister U Win Khaing. In the meeting, Prof Nishimura briefly summarised ERIA's achievements in the past year, including its recent achievement of improving to the 14th ranking globally from the 24th ranking in the previous year in the category of International Economics Policy Think Tanks based on the 2018 Global Go To Think Tank Index Report (GGTTI) conducted by the Think Tanks and Civil Societies Program (TTSCSP) at the University of Pennsylvania. Moreover, Prof Nishimura and Minister U Win Khaing discussed opportunities for future cooperation between ERIA and the Ministry. ■

ERIA and Ministry of Mines and Energy Publish Cambodia Basic Energy Plan



The Basic Energy Plan sets out many medium-term targets, which would need to be reviewed every five years after the government's implementation of programmes and actions aimed at achieving the targets set.

The Economic Research Institute for ASEAN and East Asia (ERIA), in cooperation with the Ministry of Mines and Energy of the Kingdom of Cambodia, launched the new publication Cambodia Basic Energy Plan in Phnom Penh on 20 March 2019.

'This basic energy plan applies a common approach to analysing each energy field – Oil, Electricity, Renewable, Energy Security, and Energy Outlook. The first step is to analyse the current energy issues in Cambodia in each energy field. The second step is to establish the appropriate targets for solving the issues. And the third step is to produce energy action plans, policies, and roadmaps for achieving those targets. The plan aims for energy supply to Cambodia with affordability, accessibility, sustainable security, and safety. It also provides suggestions for creating a transparent energy market,' said

Mr Shigeru Kimura, ERIA's Special Advisor to the President on Energy Affairs, in his opening remarks.

He added that the Basic Energy Plan sets out many medium-term targets, which would need to be reviewed every five years after the government's implementation of programmes and actions aimed at achieving the targets set.

Secretary of State of the Ministry of Mines and Energy, H.E. Dith Tina, stated his appreciation for the collaboration between the Ministry and ERIA over the years. He expressed his hope that energy investors would be able to use this book to find opportunity to invest in the energy sector in Cambodia.

Mr Atsushi Taketani from the Ministry of Economy, Trade and Industry delivered his speech followed by the introduction of the Basic Master Plan by Mr Kimura and a panel

discussion on Energy Efficiency and Conservation (EEC) and Petroleum moderated by ERIA's Energy Economist Dr Han Phoumin.

ERIA has worked with the Ministry to produce the Cambodia National Energy Statistics in 2016.

'At present, Cambodia has both the Cambodia Energy Data and the Statistics and Cambodia Basic Energy Plan. These will help Cambodia's with its domestic energy policy, as well as enhance its regional energy cooperation with other ASEAN member countries, and other regional and international bodies such as the ASEAN Centre for Energy (ACE) and the International Energy Agency (IEA) that require data from time to time for policy and analysis,' said Mr Kimura. ■

ERIA Hosts Workshop on Long-term Care for Elderly Caregivers in Indonesia



The project is specifically designed for caregivers with the hope of contributing to Indonesia's healthcare workers as well as creating a standard for caregivers of the elderly.

The Economic Research Institute for ASEAN and East Asia (ERIA) in cooperation with Universitas Respati Indonesia (URINDO) held an 'International Workshop for Research Dissemination: Need Assessment for Long-term Care including Oral Care for Indonesian Elderly Caregiver' on 20 March 2019 in ERIA's Jakarta Office.

The workshop was part of an ongoing research project spearheaded by an Indonesian and Japanese team. The project focuses on long-term care in the Indonesian provinces of Jakarta, Banten, West Java, and Yogyakarta. After successfully completing the project, the research team is seeking to expand the research to other Asian countries by utilising the model which would be developed through Indonesian site.

The project is specifically designed for caregivers with the hope of contributing to Indonesia's healthcare workers as well as

creating a standardised care for caregivers of the elderly. The collaboration between the Indonesian and Japanese teams were partly due to the significant presence of Indonesian caregivers within Japan's long-term elderly care. Prof Yuko Hirano as a Graduate School of Biomedical Sciences Professor at Nagasaki University stated that there are approximately 1,494 Indonesian caregivers who are based in Japan.

Prof Yuko Hirano from the Institute of Biomedical Sciences in Nagasaki University stated that there are approximately 1,792 Indonesian caregivers that have been dispatched from Indonesia through Japan-Indonesia Economic Partnership Agreement, since 2008. Prof. Hirano mentioned that more and more Indonesian caregivers would enter Japan through another track, such as Technical Internship Training Program, Specified Skilled Worker, and students who enrolled to caregiver course in Japan.

Meanwhile, there has also been a growing pressure in Indonesia to focus on the elderly citizens, which is expected to make up 13.2% of the country's population by 2025, according to the Rector of URINDO Prof Tri Budi W. Rahardjo.

During the event, the speakers emphasised on a number of key issues, including paying focus to oral care of elderly people due to increased health risks if neglected. Oral care is important because it requires more invasive care; therefore, the caregivers need appropriate knowledge and skills on oral care for the elderly. At the event, participants were introduced to the 'Higashijima Oral Care List'. The module has continuously been developed since its creation to sure that it can become a universal dule of oral care for the elderly.

The event included a lively discussion regarding the challenges facing Indonesia's elderly population from participants who are directly involved

in assisting elderly people. The participants comprised of professionals from private and

public healthcare institutions. After the conclusion of the event, the Indonesian and Japanese teams will

forge onwards in completing the research project, taking into account the input from event participants. ■

ERIA and JETRO Bangkok Hold Workshop on Human Resources for Health and Elderly Care in Asia

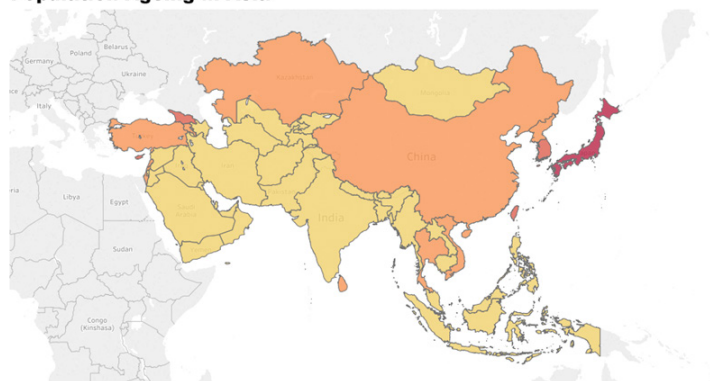


The findings of this study indicated implication for policies on labour and employment, as well as human resource development in the healthcare sector.

The Economic Research Institute for ASEAN and East Asia (ERIA) and Japan External Trade Organization (JETRO) Bangkok co-hosted a joint research workshop on Human Resources for Health and Elderly Care in Asia. The workshop was held in Jakarta on 11 February 2019.

The participants of the workshop were members of ERIA's research project 'Human Resources for Health and Elderly Care in Asia'. In a broader context, the findings of this study indicated implication for policies on labour and employment, as well as human resource development in the healthcare sector. Moreover, it provided various perspectives on nursing and elderly care, as well as the practice of employing care workers from overseas.

Population Ageing in Asia



Source: Asia Health and Wellbeing Initiative (AHWIN) website

Dr Osuke Komazawa, Special Advisor on Healthcare and Long Term Care Policy from ERIA and Yuko Tsujita, Senior Research Fellow from JETRO Bangkok delivered the welcome remarks for the workshop.

Afterwards, researchers presented country-based studies from Indonesia, Malaysia, Thailand, and the Philippines. ■

Prof Mari Pangestu Assigned to ERIA's Governing Board



Prof Pangestu replaced Prof Dr Armida Salsiah Alisjahbana, who had to resign from her post as a Governing Board member following her appointment as the Executive Secretary of the UNESCAP.

Professor Mari Elka Pangestu, former Minister of Trade and former Minister of Tourism and Creative Economy of Indonesia, has been assigned by H.E Enggartiasto Lukita, Indonesia's Minister of Trade, to represent the Indonesian government in the Governing Board of the Economic Research Institute for ASEAN and East Asia's (ERIA).

Prof Pangestu replaced Prof Dr Armida Salsiah Alisjahbana, who had to resign from her post as a Governing Board member following her appointment as the Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). She is Professor of International Economics at the University of Indonesia, Senior Fellow at Columbia School of International and Public Affairs, Board Member of Indonesia Bureau of Economic Research (IBER) and on the Board of Trustees, Centre

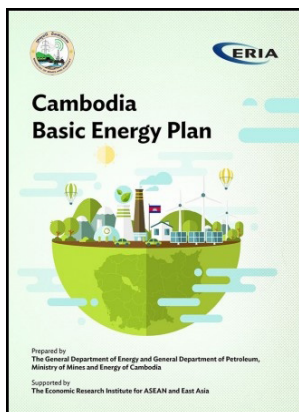
for Strategic and International Studies Foundation, Jakarta.

She currently serves on a number of boards such as the Leadership Council of the UN Sustainable Development Solutions Network (SDSN); Member of the High Level Commission on Carbon Prices; Distinguished Fellow Asia Global Institute, University of Hong Kong; Board Member to Australia Indonesia Council; Member of Editorial Board of Bulletin of Indonesian Economic Studies, ANU; Member of the Global Future Council on Trade and Investment, World Economic Forum; and President of the United in Diversity (UID) Foundation, Jakarta.

Prof Pangestu worked with Jeffrey Sachs on the UN Secretary General Millennium Development Goals (MDGs) Review (2003-2005), was the WTO Group-33 Chairperson (2005-2011), and was nominated

as candidate for the WTO Director General (2013). In March 2018, she received the 2018 Distinguished Fellow Award by Eisenhower Fellowships. She obtained her BA and MA from the Australian National University (ANU), and her PhD from the University of California Davis. ■

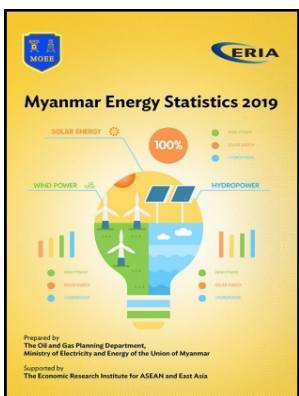
Publications



Cambodia Basic Energy Plan

Prepared by Ministry of Mines and Energy of Cambodia, and supported by ERIA

The Cambodia Basic Energy Plan is the first ever publication of energy policy targets with numerical values, as much as possible, for each energy field such as oil, electricity supply, renewable energy, energy efficiency, energy security, and the energy outlook. This basic energy plan applies a common approach to analysing each energy field including current issues and establishing the appropriate targets for solving the issues, and provides action plans, policies, and roadmaps for achieving those targets. The plan aims for energy supply to Cambodia with affordability and accessibility, and it provides suggestions for creating a transparent energy market. The plan sets out many medium-term targets. These targets will need to be reviewed every 5 years after the government’s implementation of programmes and actions aimed at achieving the targets set.

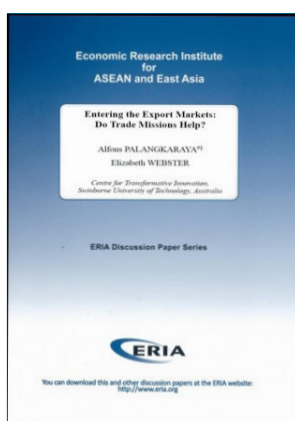


Myanmar Energy Statistics 2019

Prepared by Ministry of Electricity and Energy of the Union of Myanmar, and supported by ERIA

Insufficient information and inadequate capacity to carry out comprehensive energy planning are identified as the main contributing factors to the current circumstances of the energy sector in The Republic of the Union of Myanmar. To help overcome these constraints, the Ministry of Electricity and Energy (MEE) requested technical support from the Economic Research Institute for ASEAN and East Asia (ERIA). ERIA’s president responded very positively to Myanmar’s request, and ERIA has deployed technical staff and expertise to support staff of the Oil and Gas Planning Department (OGPD) of the MEE with data collection and analysis for the formulation of this ‘Myanmar Energy Statistics 2019’.

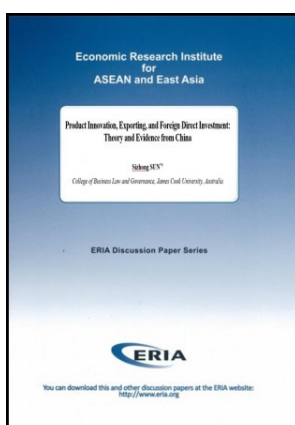
This project and publication have greatly enhanced energy policy planning in Myanmar. To ensure the sustainability of the Project, the OGPD will establish a systematic collection of energy data from the electricity sector, Myanmar Oil and Gas Enterprise (MOGE), Myanmar Petrochemical Enterprise, Myanmar Petroleum Products Enterprise, and other related sectors, so energy data and statistics can continue to be published. Having good energy statistics will allow Myanmar to contribute to and share data with ASEAN, International Energy Agency, Joint Organization Data Initiative (JODI), and other international forums and organisations.



Entering the Export Market: Do Trade Missions Help?

By Alfons Palangkaraya and Elizabeth Webster

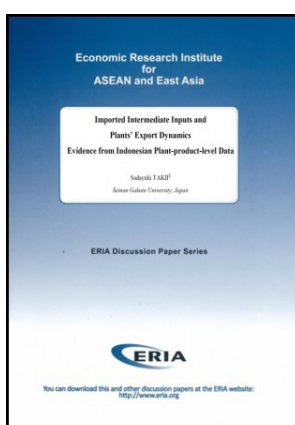
In this paper, we investigate the impact of trade missions on export performance. Using the census of participant data of the State of Victoria trade missions during 2010–2013, we estimate the impact of trade missions at the extensive and intensive margins by employing matched difference-in-differences analyses. We find, on average, the missions increased participating firms' export value by more than 170%. We also find non-exporting (at the time of the mission) participants were 26 percentage points more likely to become exporters after the missions. There is evidence for diminishing returns for repeat participants and that the impact varies by the size and sector of the participants and by the destination country of the trade mission.



Product Innovation, Exporting, and Foreign Direct Investment: Theory and Evidence from China

By Sizhong Sun

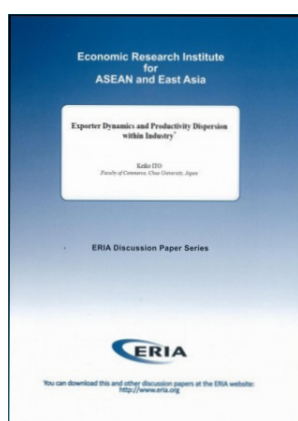
This paper explores the inter-connection between domestic firms' product innovation, exporting, and the presence of foreign direct investment (FDI). We first set up a theoretical model where, in a monopolistically competitive market, heterogeneous firms first make an optimal decision on product innovation and then set prices for their products in both the domestic and foreign markets. Under mild assumptions, the theoretical model generates a set of population moments, which are applied using data on eight three-digit manufacturing industries in China. We find evidence that firms' product innovation is positively correlated with their export revenue, and the presence of FDI affects firms' product innovation and export behaviour both directly and indirectly (via its impact on product innovation), albeit not in all industries. The findings have significant implications for policymakers, not only in China but also other developing countries.



Imported Intermediate Inputs and Plants' Export Dynamics: Evidence from Indonesian Plant-product-level Data

By Sadayuki Takii

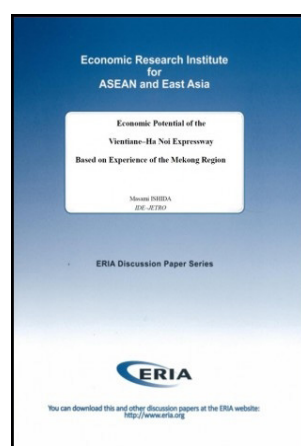
This paper asks the question of whether the use of imported intermediate inputs leads to an expansion of plant-level export scope. Using a panel dataset constructed from Indonesian plant-product-level data, the number of plant exports is regressed on the number of intermediate inputs imported by the plant. The results of the instrumental variable estimation support the hypothesis that importing leads to export expansion. The results also indicate that importing intermediate inputs from East Asian countries promotes the expansion of export to advanced countries.



Exporter Dynamics and Productivity Dispersion within Industry

By Keiko Ito

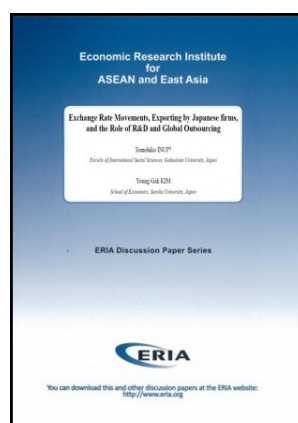
This paper uses firm-level panel data for Japan to examine between-firm productivity dispersion, and explore whether export market entry improves productivity and accelerates productivity catch-up by new exporters in relation to frontier firms. Even though a sizable number of firms start exporting every year, this paper's results show that, on average, these new exporters' productivity growth rates tends to deteriorate after export market entry. The results also imply that in the case of Japan the sluggish productivity growth experienced by almost all firms may be attributable to the very low or even negative productivity growth of national frontier firms or top exporters.



Economic Potential of the Vientiane – Ha Noi Expressway Based on Experience of the Mekong Region

By Masami Ishida

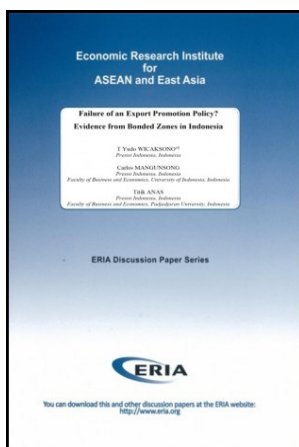
The Vientiane–Ha Noi Expressway (VHE) will connect the capitals of Lao People's Democratic Republic (Lao PDR) and Viet Nam, which have established special relations in politics, security, and ideology. Vientiane, however, has closer economic relations with Thailand than with Viet Nam and is further from Ha Noi than from Bangkok. Lao PDR trade is skewed towards Europe and India but weaker with the Pacific island countries, with which the VHE has the potential to increase trade. The economic effects of developing an expressway in northern Viet Nam show that the VHE could promote tourism, attract foreign direct investment, and create agricultural infrastructure for supplying vegetables and fruits to major cities; such effect on foreign direct investment is verified statistically. To ensure the VHE's success, cross-border costs need to be reduced on both sides, and relations amongst friendship cities and provinces in Lao PDR, Viet Nam, and Thailand need to be deepened and expanded.



Exchange Rate Movements, Exporting by Japanese Firms and the Role of R&D and Global Outsourcing

By Tomohiko Unui and Young Gak Kim

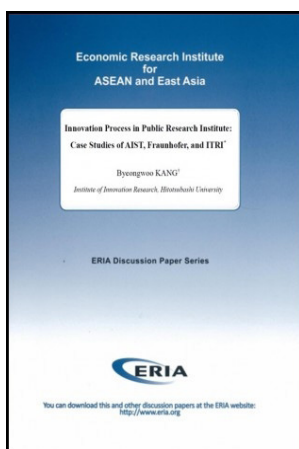
We investigate the effect of the exchange rate on Japanese firms' performance in the international markets, using a comprehensive Japanese firm-level dataset. We examine the effect of firm characteristics on firm export dynamics at the firm–region export level. The estimation results overall indicate that a depreciation in the exchange rate may play an important role in export expansion or entry, but a limited role in additional entry to a new regional market. The results also indicate that Japanese firms strategically utilise imports to alleviate negative shocks from the exchange rate on exports for price competitiveness.



Failure of an Export Promotion Policy? Evidence from Bonded Zones in Indonesia

By T. Yudo Wicaksono, Carlos Mangunsong, and Titik Anas

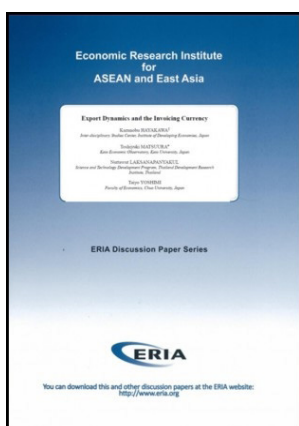
This study investigates the impact of the bonded-zone policy on firms' performance, employment, and extensive and intensive margins of exports, using Indonesia's medium-large manufacturing establishment database. We use modified difference-in-differences models to estimate the impact of the zones and exploit differences in the timing of zone approval as our identification strategy. Using a novel procedure to construct a data set of firms in bonded zones, we identified firms in bonded zones. We identified bonded-zone locations by using presidential, ministerial, and customs decrees that clearly lay out locations of the zones at the village level. We then linked this information with information from Statistik Industri. We consider the heterogeneity of factors that may bias the impact of the bonded-zone policy. Our research finds no consistent evidence that the zones promote exports either intensively or extensively. We do find, however, that bonded zones increase employment although not very robustly.



Innovation Process in Public Research Institute: Case Studies of AIST, Fraunhofer, and ITRI

By Byeongwoo Kang

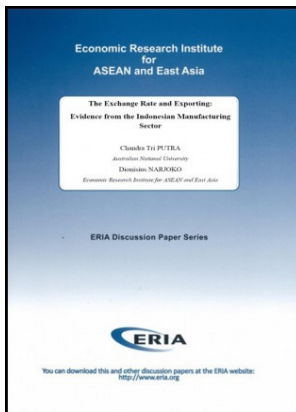
The design of national innovation systems has attracted attention from scholars and policymakers. Firms, universities, and government organisations (including public research institutes) are defined as the three major players, and interactions between the players are considered the key to a successful national innovation system. However, public research institutes are relatively understudied compared to firms and universities, even though their contribution to national innovation is not trivial. This paper aims to understand the detailed processes and reveals practical information regarding the innovation process in public research institutes. Focusing on the National Institute of Advanced Industrial Science and Technology (AIST) in Japan, Fraunhofer-Gesellschaft (Fraunhofer) in Germany, and the Industrial Technology Research Institute (ITRI) in Taiwan, this paper analyses and compares innovation processes of public research institutes with their patent data. Based on findings, this study further discusses issues for better management of public research institutes.



Export Dynamics and the Invoicing Currency

By Kazunobu Hayakawa, Toshiyuki Matsuura, Nuttawut Laksanapanyakul, and Taiyo Yoshimi

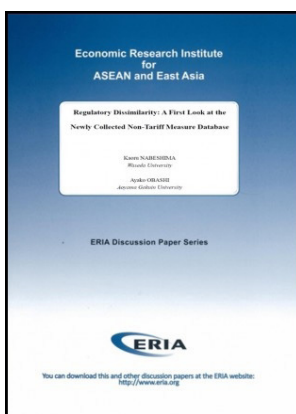
In this paper, using finely disaggregated firm-level export data for Thailand, we examine how firms' export experience is related to the dynamic choice of the invoicing currency. We present evidence that the majority of exporters seldom change the invoicing currency for the same product/destination during the sample period. This evidence implies that changing the invoicing currency is costly for exporters. We also find that even after controlling for export size, the probability of choosing the export country's currency, or the producers' currency (PC) for the first export is significantly higher than for the export of the second and subsequent products/destinations. Assuming importers are risk averse, this finding implies that the accumulation of firm export experience provides better know-how for exchange rate risk management and enhances the use of currencies other than the PC in order to gain better profit. We also propose a theoretical model that provides the rationale for these empirical findings.



The Exchange Rate and Exporting: Evidence from the Indonesian Manufacturing Sector

By Chandra Tri Putra and Dionisius A. Narjoko

This paper examines the impact of the exchange rate on export performance using plant- and product-level data for the Indonesian manufacturing sector over the period 2008–2012. It addresses both the impacts of the level and volatility of the exchange rate on the value, scope, and composition of exported products. The study finds that the exchange rate affected the export values for the period of analysis, confirming the importance of the exchange rate level and volatility. The findings show that high exchange rate volatility tends to reduce the exporters' product scope, minimising uncertainty. Meanwhile, the impact on product concentration within firms encourages exporters to specialise, concentrating on exporting only on a few products that, presumably, are the exporters' core-competence products. This particular finding underlines the importance of product competition in the export market as another factor affecting the scope and concentration of exporter products. That is, tougher competition in the destination market reduces the mark-up across products and induces an exporter to skew its sales toward its best-performing/core-competence products. The study underlines the importance of policy for hedging the volatility of the exchange rate, which means developing the financial markets to provide sufficient resources or mechanisms for this.



Regulatory Dissimilarity: A First Look at the Newly Collected Non-Tariff Measures Database

By Kaoru Nabeshima and Ayako Obashi

In this paper we construct a dissimilarity indicator to measure the degree to which a product may face different sets of regulations in two countries (the export country and the import country). Since the indicator is highly scalable, we can also construct the difference in regulations applied at the sector or country levels. In this study, we mainly utilise country-level information to compare regulatory regimes across countries to see how much a country's set of regulations differs from the global norm. We also use this indicator to suggest a way to approach regulatory harmonisation in various regional integration efforts in East Asia. This allows us to identify which country can serve as a benchmark for regulatory harmonisation, by allowing countries to negotiate around a base set of regulations. This approach provides more concrete policy guidance on the issue of regulatory harmonisation compared to the tariff-equivalent approach.

Upcoming Events

ASEAN SME Policy Index 2018 – Country Dissemination Workshop

Date: 1 April 2019
Venue: Bandar Seri Begawan, Brunei Darussalam

ASEAN SME Policy Index 2018 – Country Dissemination Workshop

Date: 3 April 2019
Venue: Manila, Philippines

The 11th Academic Advisory Council Meeting

Date: 5 April 2019
Venue: Jakarta, Indonesia

The Second Workshop of Service Supply Chain Phase II Year II

Date: 6-7 April 2019
Venue: Jakarta, Indonesia

The Workshop on Role of Coal Power Generation and its Sustainable Development

Date: 11 April 2019
Venue: Jakarta, Indonesia

The First Workshop of Impact of ASEAN Integration

Date: 13-14 April 2019
Venue: Hanoi, Viet Nam

Validation Workshop on Good Regulatory Practice in Malaysia: 'Baseline Study on Regulatory Management Systems (RMS)'

Date: 17 April 2019
Venue: Putrajaya, Malaysia

Pew Research Center Lecture on 'Trends and Attitudes toward Migration Globally'

Date: 17 April 2019
Venue: Jakarta, Indonesia

First Workshop: Study on the Comprehensive Asia Development Plan (CADP) 3.0 Infrastructure Project

Date: 24-25 April 2019
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
- Narrowing Development Gaps
- Achieving Sustainable Development



www.eria.org



ERIA.org



ERIAorg



ERIAorg-Indonesia



ERIAorg



Economic Research Institute
for ASEAN and East Asia