



## ERIA Participates in ASEAN Business and Investment Summit 2018

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The President of the Economic Research Institute for ASEAN and East Asia (ERIA), Prof Hidetoshi Nishimura, led the ERIA delegation attending this year's ASEAN Business and Investment Summit (ABIS) held in Singapore on 12-13 November 2018.

Prof Nishimura participated in a session entitled 'New Regional Insights from Structural and Macroeconomic Perspectives by ERIA and OECD' together with Director of the OECD Development Centre Mr Mario Pezzini. The session was moderated by the Head of OECD Tokyo Centre Ms Yumiko Murakami.

During the session, Prof Nishimura presented the roles that ERIA has played in the last ten years through a video that was made in commemoration of ERIA's tenth anniversary. Afterwards, he introduced the ASEAN SME Policy Index 2018, which was

jointly developed by ERIA, OECD, and the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME), with the support of the Government of Canada. The report was launched on the margin of the 50th ASEAN Economic Ministers (AEM) Meetings in Singapore.

Prof Nishimura reaffirmed ERIA's commitment to support the development of ASEAN and East Asia countries. 'Over the last 10 years, the world has seen dramatic changes. It will continue to face numerous challenges. ERIA will conduct research and make policy recommendations from a wide perspective to help tackle challenges such as population ageing, digitalisation, energy security, and environmental issues on the road to the further development of ASEAN and East Asia,' said Prof Nishimura.

The first day of ABIS 2018 was closed by a keynote address by Myanmar State Counsellor Daw Aung San Suu Kyi. On the second day, the keynote address was delivered by the Prime Minister of Thailand H.E. Mr Prayut Chan-o-cha and the Prime Minister

of Malaysia H.E. Tun Dr Mahathir Mohamad. H.E. Mr Hiroshige Seko, Minister of Economy, Trade, and Industry of Japan also delivered his remarks in a special session.

'I also commend the proposed collaboration between ASEAN-BAC and Economic Research Institute for ASEAN and East Asia (ERIA) to formulate national level priorities for the reduction of non-tariff measures to support 10% reduction in trade

costs by 2020,' said Prime Minister Mahathir in his keynote speech.

ERIA and OECD also participated in the exhibition held as part of the ABIS 2018. ERIA's booth was visited by H.E. Ms Khemmani Pholsena, Minister of Industry and Commerce of Lao PDR, and Minister Seko. ■



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## ERIA's Efforts Praised in Chairman's Statement of 33rd ASEAN Summit



Photo credit: ASEAN Secretariat's website.

Prof Hidetoshi Nishimura, the President of Economic Research Institute for ASEAN and East Asia (ERIA), and Mr Izuru Kobayashi, Chief Operating Officer of ERIA, attended the 22nd ASEAN Coordinating Council (ACC) Meeting on 13 November.

They welcomed the launch of the three key initiatives, namely the Initial Rolling Priority Pipeline of Potential ASEAN Infrastructure Projects, the ASEAN Sustainable Urbanisation Strategy, and the Study on Micro, Small, and Medium Enterprises (MSMEs) Participation in Digital Economy in ASEAN by implementing the Master Plan on ASEAN Connectivity (MPAC) 2025. ERIA contributed as one of the organisers of the 9th ASEAN Connectivity Symposium in September 2018 and supported the implementation of the first Project of MPAC 2025's Initiative 4 'Study on MSME Participation in the Digital Economy in ASEAN.'

The efforts and contributions made

by ERIA towards the economic integration and development of ASEAN and East Asia countries were recognised in the Chairman's Statement of the 33rd ASEAN Summit and Related Summits as follows.

### Chairman's Statement of the 33rd ASEAN Summit, 13 November

19... We commended the 10th Anniversary of the Economic Research Institute for ASEAN and East Asia (ERIA) and its contributions to deepening economic integration, narrowing the development gap and achieving sustainable development in ASEAN and East Asia, and encouraged ERIA to continue providing targeted high-quality research on topics that highlight and address the challenges facing the region.

### Chairman's Statement of the 21st ASEAN-Japan Summit, 13 November

7. ... We also expressed appreciation

for the support of the Economic Research Institute for ASEAN and East Asia (ERIA) in promoting our close economic partnership, and Japan's contribution to the Institute.

### Joint Statement of the 21st ASEAN-Japan Summit to Commemorate the 45th Anniversary of ASEAN-Japan Friendship and Cooperation, 13 November

8. We will further enhance economic integration, such as in promoting the digital economy, through the support of the Economic Research Institute for ASEAN and East Asia (ERIA) to explore the vision of developing an East Asia community with the ASEAN Community as its core.

### Chairman's Statement of the 13th East Asia Summit, 15 November

(ASEAN Connectivity)

21. ... We noted the convening of the 3/2018 ASEAN Connectivity Coordi-



-nating Committee (ACCC) Meeting, the inaugural Monitoring, Review and Evaluation Meeting, the 9th ASEAN Connectivity Symposium supported by the Economic Research Institute for ASEAN and East Asia (ERIA), and the ACCC Consultations with Dialogue Partners and Other External Partners on Connectivity in Singapore from 4 to 7 September 2018. ...

(Economic Cooperation and Trade)

24. We commended the 10th Anniversary of ERIA and its contributions to deepening research on economic integration, narrowing the development gap, achieving sustainable development, and strengthening regional health services in ASEAN and East Asia. We encouraged ERIA to continue providing targeted high quality research on topics that highlight and address the challenges facing the region.

Chairman's Statement of the ASEAN-India Informal Breakfast Summit, 15 November

16. ...We welcomed India's proposal for a study by the Economic Research Institute for ASEAN and East Asia on developing an economic corridor along the Trilateral Highway and the feasibility of its extension to Cambodia, Lao PDR and Viet Nam. ■

## ERIA Pays Courtesy Call to Thailand's Minister of Energy



Minister Jirapongphan and other Thai officials gave their insights regarding Thailand's stance to hydrogen demands, such as vehicles, power generation, and industry uses.

A delegation from the Economic Research Institute for ASEAN and East Asia (ERIA) paid a courtesy call to H.E. Dr Siri Jirapongphan, the Minister of Energy of the Kingdom of Thailand, on 7 November 2018.

The delegation was led by Mr Shigeru Kimura, Special Advisor on

Energy Affairs, who delivered a brief presentation about ERIA's research project on hydrogen potentials. Minister Jirapongphan was joined by Mr Kulit Sombatsiri, the Permanent Secretary of Energy of the Kingdom of Thailand. Chiyoda Corporation, Institute of Energy Economics, Japan, and Mitsui & Co., Thailand)

Ltd. also joined the presentation.

Minister Jirapongphan and other Thai officials gave their insights regarding Thailand's stance to hydrogen demands, such as vehicles, power generation, and industry uses. ■

## ERIA Co-organise 2nd General Assembly Meeting of International Tsunami Disaster Prevention Society



**'While disasters reveal potential problems in the region, it could be an opportunity to consider ways to promote disaster prevention and mitigation and to maintain economic and social functions after the disasters,' said Prof Nishimura.**

Prof Hidetoshi Nishimura, President of ERIA, attended the 2nd General Assembly Meeting of International Tsunami Disaster Prevention Society chaired by Prof Akiko Yamanaka, Special Advisor to the President of ERIA, as co-organiser on 19 November 2018 in Tokyo.

The International Tsunami Disaster Prevention Society was established on 11 November 2017 to improve interdisciplinary and international research aimed at reducing or eliminating the loss of life and property due to tsunami. Prof Yamanaka was assigned as the President of the Society in 2018 to encourage international activities.

The 2nd General Assembly meeting was held to be a medium for (1) the discussions for the exploration of the generation of tsunamis and relation to the submarine landslides in the past tsunami disasters, including those associated to 2004 Sumatra-Andaman Earthquake and

2011 Great East Japan Earthquake; (2) the promotion of the social implementation and education for the tsunami disaster prevention; and (3) the miscellaneous business of the Society, such as the approval of closing accounts of the previous fiscal year, the budget plan for the next fiscal year, and activity report.

ERIA invited Dr Muzailin Affan (Syiah Kuala University), an expert of 2004 Sumatra-Andaman Earthquake from Aceh, Indonesia and Mr Robert Patton (Adventist Development and Relief Agency), an expert of emergency management and community-based disaster risk reduction from Australia, to contribute to the first and second objectives, respectively. Dr Affan explained that historical and religious background was the reason why people failed to prevent major damage due to the Sumatra-Andaman Earthquake from happening despite a big tsunami before in the same region.

Mr Robert Patton emphasised that it is important to include disaster risks in the reconstruction plan in advance and to educate community how to act to realise sustainable reconstruction based on his experiences of reconstruction assistance after tsunami in Sumatra and Samoa.

'While disasters reveal potential problems in the region, it could be an opportunity to consider ways to promote disaster prevention and mitigation and to maintain economic and social functions after the disasters,' said Prof Nishimura, adding that 'It is important not only to discuss among a part of experts but also to cooperate with various organisations such as governments, private sector and international organisations, and even with residents in order to find countermeasures according to local problems.' ■

## ERIA Supports High School Students Summit on 'World Tsunami Awareness Day' 2018 in Wakayama



ERIA participated in the event as one of the supporting organisations and contributed to creating documentary videos aiming to disseminate the deliverables of the event and World Tsunami Awareness Day.

The High School Students Summit on 'World Tsunami Awareness Day' 2018 in Wakayama was held on 31 October and 1 November in Wakayama, Japan. Aiming to foster an understanding of the dangers of tsunami and the proper responses to them, this summit was co-organised by Wakayama Prefectural Government, Wakayama Prefectural Board of Education, Hirogawa Town, Hirogawa Town Board of Education, and United Nations Office for Disaster Risk Reduction in Japan. ERIA participated in this event as one of the supporting organisations and contributed to creating documentary videos aiming to disseminate the deliverables of the event and World Tsunami Awareness Day.

This summit started in 2016 after the United Nations General Assembly designated 5 November as the

World Tsunami Awareness Day in December 2015. This year, the third high school summit was held in Wakayama, the birthplace of a well-known Japanese anecdote called 'Inamura-no-Hi'. On 5 November 1854, Hamaguchi Goryo, a village leader in Wakayama Prefecture, saved other villagers from the tsunami resulting from the Ansei Nankai Earthquake by setting fire to his rice sheaves located on a high plain to guide people to higher ground.

H.E. Mr Toshihiro Nikai, Secretary General of the Liberal Democratic Party of Japan, as well as the leading advocate for the World Tsunami Awareness Day, has made tireless efforts toward raising tsunami awareness and taken the initiative to use this memorial event as a medium for high school students

to study disaster prevention and countermeasure.

This time, around 400 high school students from 49 countries and experts in disaster risk reduction participated in the five-day programme which started with a local fire festival on 28 October. During the two-day study tour on 29-30 October, students visited historical places and joined evacuation drills for earthquakes and tsunami at local high schools. After the fieldwork and training, on 31 October and 1 November, students discussed their findings regarding ways in which they could play leading roles in the field of disaster risk reduction in their countries. ■



## ERIA and TTCSP co-host Asia Think Tank Summit 2018



ATTTS 2018 used the theme 'Think Tanks: A Bridge Over Troubled Waters and Turbulent Times' which shed light on alarming trends such as rising protectionism and nationalism while challenging think tanks' roles in responding to these issues.

JAKARTA, 30 November 2018 – The Economic Research Institute for ASEAN and East Asia (ERIA) and the Think Tank and Civil Societies Program (TTCSP), University of Pennsylvania co-hosted the 6th Asia Think Tank Summit (ATTTS) from 21–23 November 2018 in Bali, Indonesia. After being held in Singapore last year, this year's ATTTS was the annual event's return to Southeast Asia thus marking its continued regional presence.

ATTTS 2018 used the theme 'Think Tanks: A Bridge Over Troubled Waters and Turbulent Times' which shed light on alarming trends such as rising protectionism and nationalism while challenging think tanks' roles in responding to these issues.

Leading academics and organisations from across the Asia Pacific and

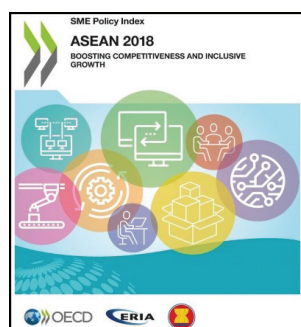
Europe were in attendance including sponsors: Our Hong Kong Foundation, Konrad Adenauer Stiftung, McKinsey Global Institute, King Abdullah Petroleum Studies and Research Centre, and the Asian Development Bank Institute.

The first day of ATTTS kicked off with an executive panel involving senior-ranking representatives of think tanks from Indonesia, Azerbaijan, Bangladesh, India, and Nepal. The Summit's activities included plenary panels, breakout sessions, and keynote speeches from prominent figures with expertise on tackling global challenges including former Minister of Trade Republic of Indonesia, Mr Gita Wirjawan and Special Advisor to the President of ERIA, Prof Akiko Yamanaka.

ATTTS 2018 concluded with a round

table discussion which summarised key findings and recommendations from every breakout group. The contributions of ATTTS participants reflected think tanks and policy institutes' adeptness of remaining relevant and active in promoting policy solutions amidst tumultuous modern times. ■

# Publications



## SME Policy Index: ASEAN 2018

By Economic Research Institute for ASEAN and East Asia, ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME), Organisation for Economic Co-operation and Development (OECD)

The *SME Policy Index* is a benchmarking tool for emerging economies to monitor and evaluate progress in policies that support small and medium-sized enterprises. The ASEAN SME Policy Index 2018 is a joint effort between the Economic Research Institute for ASEAN and East-Asia (ERIA), the Organisation for Economic Co-operation and Development (OECD) and the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME). The report is the outcome of work conducted by the ten ASEAN Member States (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam).

Divided into eight policy dimensions, it builds on the previous edition of the ASEAN SME Policy Index 2014. The current edition presents an updated methodology which makes this document a powerful tool to assess the strengths and weaknesses that exist in policy design, implementation, and monitoring and evaluation for SMEs, and allows for a benchmarking of the level to which the ASEAN Strategic Action Plan for SME Development (SAP SMED) 2016-2025 has been implemented. Its objective is to enhance the capacity of policy makers to identify policy areas for future reform, as well as implement reforms in accordance with international good practices.

The report provides a regional perspective on recent developments in SME-related policies in Southeast Asia as well as in individual ASEAN Member States. Based on this analysis the report provides a menu of concrete policy options for the region and for the individual countries.



## Industry 4.0: Empowering ASEAN for the Circular Economy

Edited by Venkatachalam Anbumozhi, Fukunari Kimura

The transition to a circular economy is a unique opportunity for fast-growing Asian economies to be resource efficient, competitive, and innovative. The circular economy aims to eradicate wasteful use of raw materials and energy from the manufacturing process as well as systematically throughout the various life cycles, and to reuse the by-products. By creating an enabling policy framework for circular economy, government can also motivate corporate leaders to achieve greater benefits for sustainable development. This book investigates the challenges and opportunities of how countries and corporations are able to strike a better balance between economic growth and resource efficiency stewardship in the context of the emerging paradigm on circular economy policy. Through analysis of a number of case studies, this book also highlights immediate and relatively easy-to-implement circular thinking based on current policy approaches and market trends.



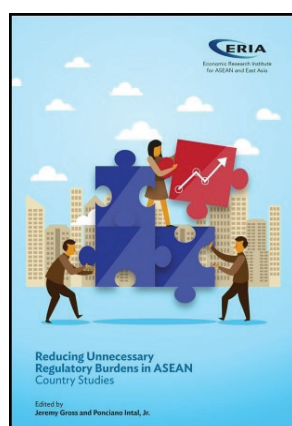


## Brussels Report on Strengthening Asia Europe Connectivity: Drawing Synergy from Global Development and Governance Programmes

Edited By Anita Prakash

The European Union is hosting the 12th ASEM Summit in Brussels on 18-19 October, 2018, where the ASEM leaders will meet under the theme of “Global Partners for Global Challenges” to chart ASEM’s common response to global challenges. Leaders will also take stock of Asia - Europe cooperation and connectivity mechanisms and their contribution towards realisation of global development programmes.

Building on ASEM leaders’ resolve for sharing common goals and objectives of important global partnerships and cooperation programmes that add value to ASEM’s vision of connectivity, the “Brussels Report on Strengthening Asia Europe Connectivity: Drawing Synergy from Global Development and Governance Programmes” draws out Asia and Europe’s contribution towards the goals and objectives of important global partnerships and cooperation programmes. The Report suggests pathways for ASEM connectivity mechanisms to contribute to the global development programmes and to draw synergy for ASEM connectivity from the progress made in realizing the developmental goals. The Brussels Report brings out the importance of ASEM’s Voice in global development and governance programmes, and its important role in sustaining the spirit of consensus and multilateralism in global governance. The Brussels Report draws out the interlinkages that will help ASEM to fulfil these roles, strengthen ASEM connectivity across all its three pillars and also facilitate the tasks of ASEM Pathfinders Group on Connectivity.

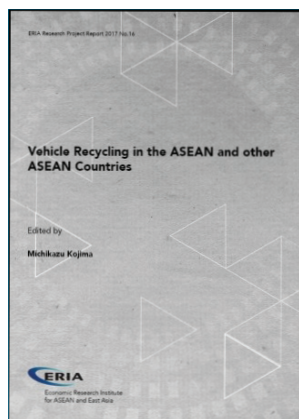


## Reducing Unnecessary Regulatory Burdens in ASEAN: Country Studies

Edited By Jeremy Gross and Ponciano S. Intal, Jr.

Reducing the costly and unnecessary burden of regulations on businesses is a key way government can support business competitiveness as well as attract investment. Yet in most countries, there is no systematic way to review regulations or assess whether the regulations are fulfilling their objective.

The Reducing Unnecessary Regulatory Burden (RURB) approach, as pioneered by the Malaysian Productivity Corporation, is one way to address this. This ERIA study looks to see how by applying RURB, problematic regulations can be identified, options to address regulations developed, and dialogue between regulators and business fostered. In this study of seven ASEAN Member States, each country report focuses on a priority growth sector for that country. The results, presented alongside a case history from the sewerage sector in Malaysia, shows the potential of RURB for reducing regulatory bottlenecks if adopted by ASEAN members.



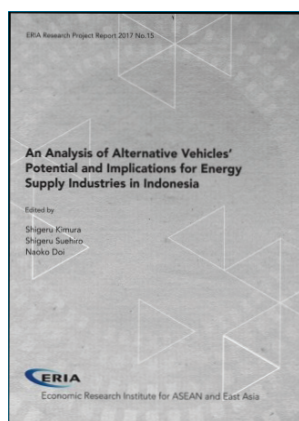
## Vehicle Recycling in the ASEAN and other ASEAN Countries

Edited By Michikazu Kojima

It is predicted that about 2.4 million motor vehicles will have been discarded in the Association of Southeast Asian Nations (ASEAN) from 2015 to 2020. End-of-Life Vehicle (ELV) recycling and disposal are expected to soon become more serious challenges for Asian countries. Hence, the development of the vehicle recycling system, including the development of industrial infrastructures such as the recycling facility of ELVs, is becoming a pressing issue. Simultaneously, a proper institutional system for vehicle recycling should be established.

This study aimed to identify the current status and challenges of ELV recycling in Asian countries and to propose policy recommendations to address these problems. Research target countries under this study include ASEAN countries such as Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, and Viet Nam, and major Asian countries such as India and Japan. The study included a literature review, interviews with stakeholders, and field surveys.

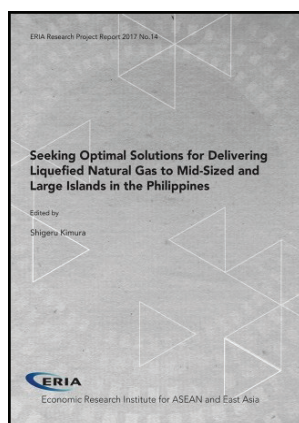
Two working group meetings with specialists from research target countries were held to review the results of the study, discuss desirable policy recommendations, and share feedback on the status, challenges, and policy direction of ELV recycling and disposal systems.



## An Analysis of Alternative Vehicles' Potential and Implications for Energy Supply Industries in Indonesia

Edited By Shigeru Kimura, Shigeru Suehiro, Naoko Doi

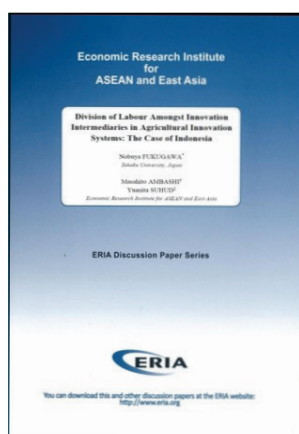
An increasing demand for oil is one of Indonesia's top policy priorities as it is linked to many of the country's concerns, such as the deteriorating security of its oil supply, growing fiscal imbalances, and worsening air quality. Indonesia has announced that it aims to ban sales of internal combustion engine vehicles by 2040. The country also intends for alternative vehicles to account for 20% of all vehicles produced by 2025. The impacts of these targets are expected to transform the energy industry, with significant repercussions for electricity generation, transmission, and distribution; as well as for refineries, oil product retailers, and gas stations. This study aims to support policymakers in East Asia Summit countries by analysing the shift towards electric vehicles as a way to improve the efficiency of the transport sector and mitigate oil demand concerns. A quantitative analysis was carried out to present the magnitude of the impact of this shift on energy demand, carbon dioxide emissions, and investment requirements. Moreover, a qualitative analysis comparing international vehicle incentives was carried out to support policymakers in formulating similar incentives in Indonesia.



## Seeking Optimal Solutions for Delivering Liquefied Natural Gas to Mid-Sized and Large Islands in the Philippines

Edited By Shigeru Kimura

The Philippines consists of many small, medium-sized, and large islands and there is large potential to increase electricity demand in future. The country's main power source is coal, followed by domestic natural gas produced by the Malampaya gas field. Imports of liquefied natural gas (LNG) will increase due to depletion of this gas field and a shift in power generation from coal to gas. It is essential, therefore, to devise an economic system for delivery of small and medium-scale LNG from primary to subordinate (secondary and tertiary) terminals located near the islands' gas-fired power plants (GPPs). The following approaches are applied to determine the optimal small- and medium-scale LNG delivery solutions: 1) Estimation of electricity demand at the provincial level in 2040 based on the Philippines' Power Development Plan; 2) Estimation of LNG consumption and location of GPPs; 3) Optimal (minimum-cost) LNG delivery from a primary terminal to a subordinate terminal near GPPs using the linear programming model; 4) Based on the delivery results from the linear programming model, computerised simulation of LNG delivery using a dynamic simulation model under assumptions including LNG barge operation, tank size of the subordinate terminals, and in the case of typhoon strike.



## Division of Labour Amongst Innovation Intermediaries in Agricultural Innovation Systems: The Case of Indonesia

By Nobuya Fukugawa, Masahito Ambashi, Yuanita Suhud

Innovation intermediaries are individuals and organisations that enhance connectivity amongst constituencies of national, sectoral, and regional systems of innovation, thereby facilitating knowledge spillover. This paper articulates the whole picture of Indonesia's agricultural innovation system, with a special focus on how different innovation intermediaries play different roles in technology transfer and knowledge dissemination. First, the public sector accounts for more than half of the actors involved in research and extension, but insufficient routes to transfer local needs to the public sector impede efficient feedback. Second, village unit cooperatives are closely associated with extension workers, suggesting the presence of a feedback mechanism, but many of them face serious financial distress. Third, private agricultural research and development and extension are organised and managed efficiently where they involve fewer internal actors working in an environment with minimal bureaucracy. However, a vague regulatory environment makes it difficult for multinational enterprises to hold a positive view towards agricultural research and development and extension from the public sector. Last, the changing governance system and the ensuing shift in political decision-making have introduced uncertainties to the arrangement of actors and resources in the system, which may take some time to resolve.



# Upcoming Events

## Dr Surin Pitsuwan's Tribute Forum

Date: 3 December 2018  
Venue: Jakarta, Indonesia

## ERIA Special Lecture on 'The Strategic Perspective of New City Management for ASEAN'

Date: 4 December 2018  
Venue: Jakarta, Indonesia

## T20 Task Force on The Future of Work and Education for the Digital Age (FWEDA)

Date: 4-5 December 2018  
Venue: Jakarta, Indonesia

## ERIA-Bappenas High Level Policy Roundtable on 'Indonesia Manufacturing Development Strategy for 2020-2024'

Date: 5 December 2018  
Venue: Jakarta, Indonesia

## Workshop on Cambodia Energy Basic Plan

Date: 5 December 2018  
Venue: Phnom Penh, Cambodia

## A New Approach in Support of Sustainable Energy and Development

Date: 9 December 2018  
Venue: Bangkok, Thailand

## High Level Seminar – Project 2045

Date: 8-9 December 2018  
Venue: Jakarta, Indonesia

## Launching Ceremony on Natural Gas Master Plan for Myanmar

Date: 11 December 2018  
Venue: Nay Pyi Taw, Myanmar

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

Date: 12-14 December 2018  
Venue: Nay Pyi Taw, Myanmar

## Roundtable Discussion on Technological Revolution, ASEAN Transformation, People Empowerment and ASEAN Identity

Date: 16 December 2018  
Venue: Bangkok, Thailand

## 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



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