



HE Yasuo Fukuda Receives the 4th Asia Cosmopolitan Award

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Nara—10 January 2019: Former Prime Minister of Japan HE Yasuo Fukuda received the Grand Prize of the 4th Asia Cosmopolitan Awards (ACA) this afternoon in recognition of his contributions and his leadership with a focus on diplomacy toward Asia to ensure specific actions are taken to achieve ASEAN's economic integration.

In his acceptance speech, Yasuo Fukuda said, 'The world has been paying attention to the recent stable development of Asia. I am pleased to be a member of Asia, and at the same time, I think that it is a great mission for Japan to build a relationship to cooperate with the development of the Asian region in the future.'

The award ceremony, held at Nara Kasugano International Forum IRAKA, Noh Theatre, was attended by 400 participants including diplomats. Secretary General of ASEAN, HE Dato Lim Jock Hoi, played a role in introducing Yasuo Fukuda and his speech.

'In Southeast Asia, when I served as Prime Minister, I decided to open the Mission of Japan to ASEAN and establish an Ambassador of Japan to ASEAN, and announced the establishment of The Economic Research Institute for ASEAN and East Asia (ERIA), which are all based in Jakarta, Indonesia. I am looking forward to the activities of these organisations further contributing to the peace and prosperity of this region.' Yasuo Fukuda added his comments in conclusion to the commemorative year marking the 45th anniversary of ASEAN–Japan relations.

The Economic and Social Science Prize was awarded to Richard E. Baldwin, Professor of International Economics at the Graduate Institute of International and Development Studies, Geneva, for his work in the field of trade policy and economic integration, particularly his work on the 'third unbundling'. The Cultural Prizes were given to teamLab, Art Collective, and Ms Mieko Noguchi, a glass artist. Dr Surin Pitsuwan (1949–2017), Former Secretary-General of ASEAN received the Memorable Prize for his significant contributions to ASEAN's development.

On accepting his award, Professor Richard E. Baldwin stressed the growth of the Asian region. 'The rapid rise of Asia of the last few decades is a truly wondrous, truly historic thing. Hundreds of



The Asia Cosmopolitan Awards aims to recognise on a biennial basis individual(s) or organisation(s) that have made substantial and significant contributions to the development of a peaceful and stable East Asian Community, to narrow the developmental gaps in the region, as well as to establish the sustainable social growth towards cultural and economic integration within the region.

millions of people have been lifted out of poverty and a new global middle class has been created. Even more wondrous is the fact that this economic progress has been accompanied by peaceful and increasingly deep cooperation among Asian nations,' he said.

Mr Toshiyuki Inoko, President of teamLab, mentioned that all of their artworks are connected to form a single, continuous, borderless world. 'We hope to create the beauty of borderlessness and continuity, to blur the boundaries between the world and oneself, and to broaden people's values, even just a little,' Mr Inoko said. 'While making art works,' Ms Mieko Noguchi noted, 'I always imagine that people in the world can share their values beyond ethnicity and religion if they have viewpoints, "overviewing the world", which is one of my understandings of the world incorporated into my art works.'

And last but not least, Mr Fuadi Pitsuwan, on behalf of his father Dr Surin Pitsuwan, introduced his

contribution. 'What I am working on is to establish a foundation in my father's name which I hope will continue the work that my father had done in a private capacity.'

This award aims to recognise on a biennial basis individual(s) or organisation(s) that have made substantial and significant contributions to the development of a peaceful and stable East Asian Community, to narrow the developmental gaps in the region, as well as to establish sustainable social growth towards cultural and economic integration within the region. 'The Asia Cosmopolitan award strives to become the East Asia Nobel Prize,' commented Professor Hidetoshi Nishimura, President of the Economic Research Institute for ASEAN and East Asia (ERIA). ■

ASEAN Think Tanks Climb in Global Rankings



ERIA ranked number 14 globally in the category of International Economics Policy Think Tanks, putting it in the top 15 along with organisations like Brookings Institution, Korea Development Institute, and Chatham House.

Jakarta, 31 January 2019 – Think tanks from ASEAN founding member countries of Indonesia, Singapore, and Malaysia were listed among the world’s leading research institutions 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.

Indonesia’s Economic Research Institute for ASEAN and East Asia ranked number 14 globally in the category of International Economics Policy Think Tanks, putting it in the top 15 along with organisations like Brookings Institution, Korea Development Institute, and Chatham House.

The Centre for Strategic and International Studies Indonesia took 1st position in the Top Think Tanks in Southeast Asia and the Pacific category. Singapore’s Institute of Defence and Strategic Studies (2nd), the Singapore Institute of

International Affairs (5th), Institute of Strategic and International Studies in Malaysia (6th) and Centre for Public Policy Studies (8th), also successfully ranked in the top-10 position in the region.

The ASEAN Institute of Strategic and International Studies place 10th globally for Best Think Tank Network.

Many other ASEAN organisations were included in the prestigious rankings this year.

By rising through the rankings, ASEAN have proven their commitment to producing quality research and creating a robust research community. In the coming years, the think tank community will have an increasingly vital role during an era of political and digital disruptions as well as economic and social instability. As the emerging market status of ASEAN member states must adapt to the fast-changing global conditions, the

work of ASEAN think tanks is integral to minimising potential risks and optimizing the opportunities.

The annual GGTTI ranks the top think tanks globally across a series of categories and is organised by TTSCSP. As many as 3,750 university faculty and administrators, journalists, policymakers, think tank scholars and executives, and donors participated in the 2018 GGTTI. ■

ERIA Holds Why Facts and Think Tank Matters Roundtable 2019



‘Even in Indonesia, we see a commitment to the importance of think tanks and knowledge data, for example within the ministries there is an entire department that is well-funded and well-staffed,’ said Dr Bush.

Think tanks are essential in providing evidence-based research for policymaking activities, especially in an era when global trends show an erosion of global democratic values, commitment to human rights, and policymaking, as discussed in ‘Why Facts and Think Tank Matters Roundtable 2019’ held by the Economic Research Institute for ASEAN and East Asia (ERIA) in Jakarta on 28 January 2019.

The discussion this year is conducted under the theme ‘Bridging the Gap Between Research and Policy: The Role of Think Tanks in Southeast Asia’ and moderated by ERIA’s Senior Economist Dr Dionisius Narjoko. This annual event is held in conjunction with the release of the 2018 Global Go To Think Tank Report scheduled for 31 January 2019. The Think Tanks and Civil Societies Program (TTCSP) at the University of Pennsylvania spearheads the Global Go To Think Tank Report and the Why Think Tanks Matter events annually. This year, the latter event will be hosted by think tanks in 150 cities around the world.

‘In my opinion, think tanks are very

important. My ministry depends on the result of think tanks. Many international trade cooperation and bilateral cooperation are based on the research results, including cooperation with the EU, Australia, or Indonesia-Japan Comprehensive Economic Partnership Agreement. They are the result of the collaboration between think tanks and the government,’ said Dr Ir Kasan Muhri, MM, the Head of Trade Analysis and Development Agency of the Ministry of Trade Republic of Indonesia, one of the panellists in today’s discussion.

His fellow panellist Dr Robin Bush, the Regional Office Director for Asia from RTI International, also shared the same perspective as Dr Muhri, adding that think tanks are also important for a country’s growth and transformation from agriculture-based to knowledge-based.

‘Even in Indonesia, we see a commitment to the importance of think tanks and knowledge data, for example within the ministries there is an entire department that is well-funded and well-staffed,’ said

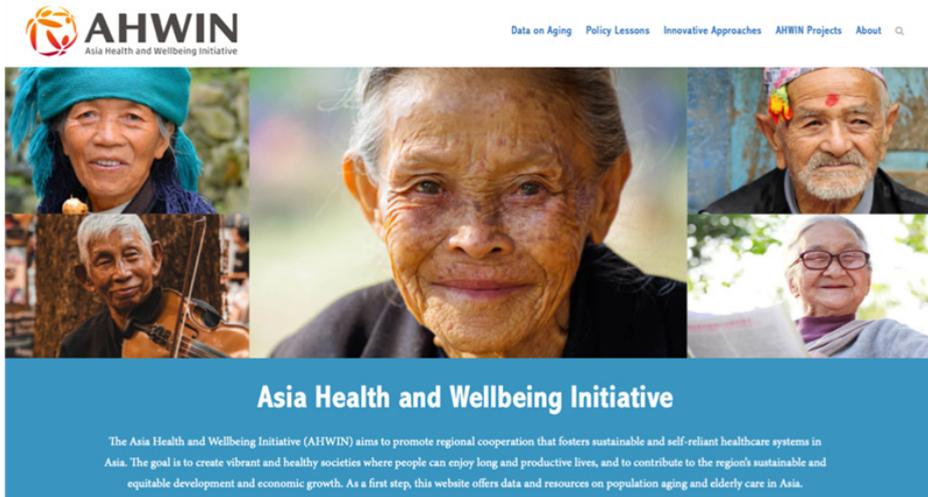
Dr Bush.

With the importance of think tanks for policymakers, it is important for both policymakers and think tanks to develop a good engagement and working relationship. All panellists agree that policymakers and researchers should develop good informal relations in order to develop effective working relationships.

‘Regarding the communication with policymaker, it is very important to have interaction before we come with policy agenda. Also, they can suggest us how we should formulate the study agenda. Most of the time we think about other academics, there is very small possibility that the needs of policymakers and the needs of researchers are the same. It’s not easy for people to do,’ said ERIA’s Chief Operating Officer Izuru Kobayashi.

In order to help new think tanks to break into the network of policymakers, Dr Bush suggested mapping the policymakers to learn about their interests. ■

ERIA and JCIE Launch a New Website for Healthy Ageing in Asia



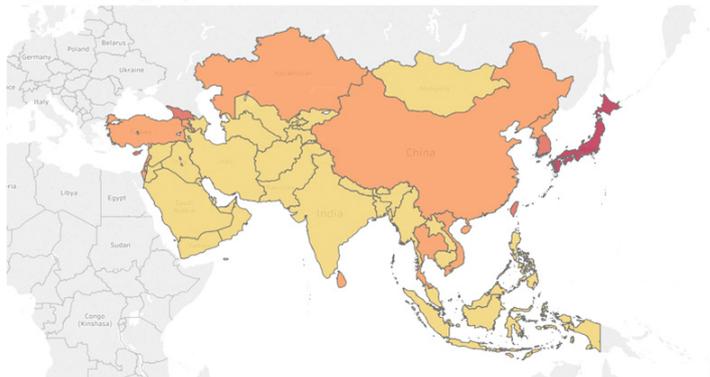
Currently, the policy lessons and innovative approaches highlighted on the site focus on Japan, but in the future, those sections will provide information and resources from throughout Asia.

ERIA is excited to announce the launch of a new website we have developed in partnership with Japan Center for International Exchange (JCIE) to disseminate key data and resources on ageing in Asia and share best practices to respond to this demographic shift.

Under the auspices of the Cabinet Secretariat of Japan, ERIA has worked with JCIE to launch the AHWIN website, which will serve as a platform for sharing:

- interactive and downloadable data on ageing in Asia
- policy lessons learned in Japan and other countries where ageing is already advanced
- examples of innovative products, services, and programs to deal with ageing-related issues
- information on AHWIN-supported research and dialogues

Population Ageing in Asia



Currently, the policy lessons and innovative approaches highlighted on the site focus on Japan, but in the future, those sections will provide information and resources from throughout Asia.

We hope that this site will become a

useful hub for those addressing the issue of ageing.

For more information, please find below link to be redirected to the AHWIN website:

<https://www.ahwin.org/>. ■

ERIA Holds FY 2018 Research Institutes Network Annual Meeting



'In 2040, It will be significant for all countries to develop young talents who can create innovation -employing new technology such as ICT, AI or IoT. It is not only for the higher education, but also strengthen as the primary and secondary education level.'

The annual Research Institutes Network (RIN) meeting was held in Jakarta, Indonesia on 29 January 2019, and was attended by 13 Research Institutes from across Southeast Asia.

Organised by the Economic Research Institute for ASEAN and East Asia (ERIA) with the Institute of Developing Economies - Japan External Trade Organization (IDE-JETRO), the meeting was moderated by Dr Hank Lim Giok-Hay from the Singapore Institute of International Affairs who is the RIN Chairperson.

ERIA President Prof Hidetoshi Nishimura welcomed the RIN members and thanked IDE-JETRO for their support as he delivered his opening remarks. He introduced the new representative from Australia, Dr Shiro Armstrong, Director of the Australia-Japan Research Centre, Crawford School of Public Policy, Australian National University.

During his remarks, Prof Nishimura

highlighted the importance of human resource development under the new digitalized economy.

'In 2040, It will be significant for all countries to develop young talents who can create innovation -employing new technology such as ICT, AI or IoT. It is not only for the higher education, but also strengthen as the primary and secondary education level.'

Mr Shigeaki Kamiyama, Director General for Research Administration, ERIA gave a report on ERIA's research projects in FY2018, followed by reports on ERIA collaborative research in FY2018 presented by Dr Tony Cavoli, Associate Professor of Economics, University of South Australia, Dr Armstrong, Dr Vo Tri Thanh, Senior Expert, Central Institute for Economic Management, and Dr Wisarn Pupphavesa, Senior Advisor, Thailand Development Research Institute.

The afternoon session covered ERIA's

future study plans: 'Technology and Employment – What Lies Ahead for ASEAN', 'Impact of ASEAN Integration (Mid-term Review AEC 2025)' and the 'Comprehensive Asia Development Plan 3.0 (CADP 3.0)'. Dr Ponciano S. Intal Jr, Senior Economist ERIA, introduced ERIA's key research project for 2019 'ASEAN Vision 2040.' Dr Armstrong lead a discussion on 'Collective Leadership for East Asia and ASEAN's Trans-Asian Role'.

Closing remarks and general wrap-up were delivered by Dr Lim. ■

ERIA, IDE-JETRO, and RIETI Hold Roundtable on Digital Economy



'It is necessary to develop digital technology from primary or secondary school level to deal with the dramatic transformation of business model,' said ERIA President Prof Hidetoshi Nishimura.

The Economic Research Institute for ASEAN and East Asia (ERIA), Institute of Developing Economies Japan External Trade Organization (IDE-JETRO), and the Research Institute of Economy, Trade and Industry (RIETI) co-organised a Roundtable Discussion on 'New Global Era of Digital Economies' in Jakarta on 30 January 2019. This Roundtable is a T20 Japan associated event.

'In order to participate in the new global value chain, the human resource development for the digital economy is critical for the coming twenty years. The Phase 5.0, "Digital Transformation", is presently progressing in this region and the ICT ability of "Digital Coordination" has been the most important in this phase. It is necessary to develop digital technology from primary or secondary school level to deal with the dramatic transformation of business model,' said ERIA President Prof Hidetoshi Nishimura in his opening remarks.

Following the opening remarks were two keynote addresses in the morning

session. The first keynote address entitled 'Statistical Machine Learning in the Era of Big Data and AI' was delivered by Prof Tomoyuki Higuchi, Director General of the Institute of Statistical Mathematics, Japan. According to Prof Higuchi, a great social change has been underway at a speed faster than expected, and the use of search engine further transformed the world.

'Before the search engine appeared, knowledge was structured and communicated as objects such as books. For example, in a library, you can imagine when you want to search for content written in one chapter of a book. You know, or eventually know, what chapter, which book, which bookshelf, which aisle in the room. After the search engine appeared, knowledge is no longer structured for the general public. In other words, it became a flat knowledge system,' said Prof Higuchi.

Prof Higuchi added that for the young generation, the concept of sharing economy and citizen

science occupies great value for life; therefore, it has become possible to start a business with relatively easy investment.

Director of European Centre for International Political Economy Dr Hosuk Lee-Makiyama delivered the second keynote address, entitled 'Platform Business and Protection of Personal Information: Cases of the EU, the United States, and China' in which he talked about digitalisation of the economy, evolution of platform economies, as well as regulatory and cybersecurity issues that arise.

The presentations in the afternoon were divided into two sessions. The first session, 'Development of ICT and Industrial Development in East Asia and the Pacific', was moderated by Dr Hyung-Gon Jeong, Senior Research Fellow from the Korea Institute for International Economic Policy. The second session, 'Economic Growth and Narrowing Development Gap by Utilizing Communication Technologies', was moderated by ERIA Chief Economist Prof Fukunari Kimura. ■

Call for Papers

Innovations and Experiences in Financing Disaster Risk Managements

The Economic Research Institute for ASEAN and East Asia (ERIA) invites submissions of original unpublished papers on financing innovations for Disaster Risk Management (DRM) and climate change adaptation (CCA): how it evolved, where it is headed, what they have in common, and what their differences are.

Selected papers will be published in an edited book or special journal issue, which will highlight DRR and CCA trends in ASEAN and East Asia, and how they can be accelerated by innovative financing pathways. As different countries have taken different paths, a regional framework called the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) has evolved, setting the foundation for regional cooperation, coordination, technical assistance, and resource mobilisation in all aspects of DRR.

The papers may deal with, but not limited to, the following:

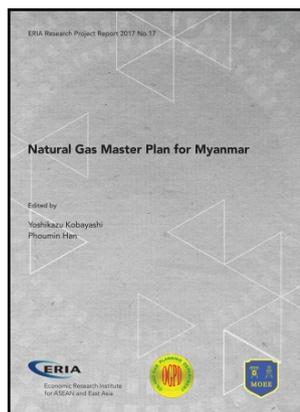
- How can the region shift the financing balance towards more support for pre-disaster activities such as Business Continuity Plans (BCP) and Adaptation Road Maps (ARM)?
- What lessons can be learned from recent experiences in financing CCA and DRR in ASEAN member countries?
- How can the incentives be provided for community involvement in financing DRM and CCA?
- Which innovative and regionally coordinated efforts will help AADMER target agenda?
- How can weather index-based crop insurance schemes help achieve food security against natural disasters?

Selected papers will be presented at an international workshop in April 2019. The seminar, with other invited papers, will analyse the regional level innovations in DRR and CCA, as well as their impact on and risks posed to economic growth strategies, and strengthening resilience in the interconnected economies of Asia. The objective is to provide lessons learned and to recommend policies for ASEAN and the rest of the world. ERIA will cover participation costs for one presenter of each accepted paper.

Abstracts (500 words) must be submitted no later than **15 February 2019** as a Microsoft Word document containing the title, name, and affiliation of the author(s), contact information, and appropriate keywords. However, early applications with a full paper are preferred. Only papers written in English will be considered. All the authors of selected papers **should be within the age limit of 35 years**. A full draft paper is expected to be submitted by **30 April 2019**. (Date and place of the seminar will be announced later)

Submissions of the abstracts and papers with brief author bios should be e-mailed to dian.lutfiana@eria.org.

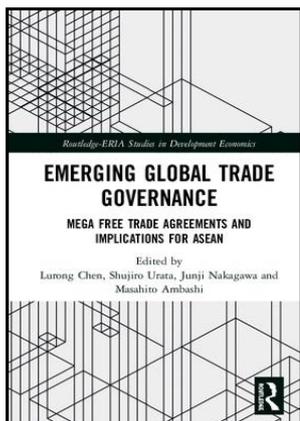
Publications



Natural Gas Master Plan for Myanmar

Edited by Yoshikazu Kobayashi and Han Phoumin

Natural gas will play very important role in Myanmar in the future. Natural gas demand in Myanmar is forecasted to grow from 457 million cubic feet per day (mmcf) in 2017 to 1,097 mmcf in 2040. Although demand from the power sector will continue to lead demand growth in the country, demand from the industrial sector and (after 2030) the residential sector is also expected to grow significantly. As the country's dependence on natural gas grows, its domestic infrastructure will need to be upgraded. The pipeline connecting Shwedaung and Magway in particular needs to be renovated urgently. Gaps between demand and supply are expected to appear in Myanmar's natural gas balance around 2023. Importing LNG will likely be the most realistic option to fill in the gaps and deploying floating storage and regasification units will make it relatively easy to import LNG into Myanmar. The Government of Myanmar should continue to play a pivotal role in developing the natural gas market. Policy recommendations to the Myanmar government are, 1) provide policy support to create demand, 2) encourage domestic upstream development, 3) enhance the resilience of the pipeline network, 4) reform the energy pricing system, 5) manage quality issues with natural gas, and 6) grow human capital.



Emerging Global Trade Governance: Mega Free Trade Agreements and Implications for ASEAN

Edited by Lurong Chen, Shujiro Urata, Junji Nakagawa, and Masahito Ambashi

Mega free trade agreements (FTAs) are being formed to fill the gap created by new developments in global governance and are reshaping the world economic order. The Trans-Pacific Partnership (TPP) agreement is one of such 21st century FTAs.

This book highlights three trade-related issues covered by the TPP that greatly concern emerging countries – investment, intellectual property rights (IPR), and state-owned enterprises (SOEs). It contains rigorous economic, legal, and political analyses on the final text of the agreement, combined with country-specific policy discussions focusing on Indonesia, the Philippines, Thailand, and Viet Nam, giving readers insights on the establishment of global rules and regulations for 21st century trade. The book also outlines the requirements for emerging Asian countries to better formulate trade policies in the new era of international trade and promote regional integration in ASEAN and East Asia.



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.



Project 2045 Executive Summary Indonesia - Japan 2045: A Joint Project of Two Maritime Democracies

By United Nations Development Programme (UNDP) and Economic Research Institute for ASEAN and East ASIA

The Executive Summary of ‘Our Common Future: A Joint Project of Two Maritime Democracies’ is projecting the bilateral relationship between Japan and Indonesia with three main goals: first, to uphold democracy and become maritime global players; second, to rank amongst the world’s top five economies; and third, to achieve high quality of life beyond SDG 2030. The strategy developed to address the above mentioned development challenges is expected to contribute to meeting the common targets that Indonesia and Japan have set on the occasion of the commemoration of 100 years of Indonesian independence in 2045. This summary discusses pathways to reaching the target of 10 challenges identified by the Executive Committee of Project 2045. The experts believe that to achieve these targets, the quality of human capital and the advancement of digital technology must be prioritised, the resilience to natural disaster improved, and connectivity enhanced.

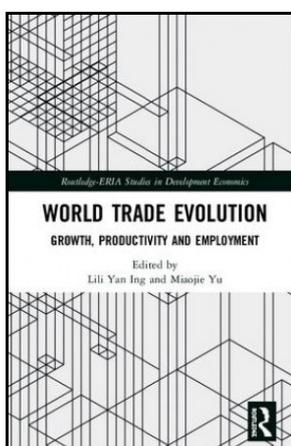


East Asia Updates | Quarterly Edition - December 2018

By Rully Prassetya

2018 was a challenging year for policymakers in the East Asia region. Nonetheless, countries in the region were generally able to navigate through the challenges. As sources of downside risks remain, policymakers in the region need to remain vigilant and continue to push for reform. Global economic expansion in 2018, including the East Asia region, was lower than in 2017. This was in contrast with the projection and optimism at the start of 2018 and mostly due to various economic shocks followed by financial market volatilities. On economic performance in the second half of 2018, amongst advanced economies, the divergence in growth between the United States (US) and the eurozone continued in the third and fourth quarter, where the US continued to grow at a faster rate. Meanwhile, in the East Asia region, third quarter economic growth slowed compared to the second quarter in most countries. This was mostly driven by the contribution of negative net exports to growth, either due to a contraction in exports growth or a large pickup in imports growth.

For the fourth quarter, the manufacturing purchasing manager index (PMI) shows expansion was unbalanced across the countries in the region. Around half of the countries recorded an expansion in manufacturing activity, while the other half recorded a contraction. On the financial front, market volatility increased from October, erasing the year-to-date returns of the global stock market. Similarly, most stock markets in the region recorded negative returns, and government bond yields in several countries increased. Consequently, almost all currencies in the region depreciated against the US dollar. Nonetheless, despite the volatility, policymakers in the region were largely able to maintain macroeconomic stability. Entering 2019, the global economic projection has been revised down due to various uncertainties. The main risks include unresolved trade tensions between the US and China, pressure on some emerging markets' macroeconomic stability, idiosyncratic country shocks, and the long-term challenges of increasing productivity and innovative capability, which rest upon investment in human capital.



World Trade Evolution Growth, Productivity and Employment

Edited By Lili Yan Ing and Miaojie Yu

The book provides theoretical and empirical evidence on how world trade evolves, how trade affects resource allocation, how trade competition affects productivity, how China shock affects world trade and how trade affects large and small countries. It is a useful reference which focuses on new approaches to international trade by looking into country-specific as well as firm-product level-specific cases.

More information: <https://www.routledge.com/World-Trade-Evolution-Growth-Productivity-and-Employment/Ing-Yu/p/book/9781138480032>

Upcoming Events

Cities, Urban Amenities and Global Production Value Chain: New Developments in Trade and Services Liberalization in East Asia and ASEAN

Date: 2-3 February 2019
Venue: Jakarta, Indonesia

Ways Forward to Develop Industrial Parks and Special Economic Zones in Lao PDR

Date: 8 February 2019
Venue: Vientiane, Lao PDR

The Second Workshop of The Enforcement of IPR Protection for Development

Date: 11 February 2019
Venue: Bali, Indonesia

The Second Workshop of Collaborative Research Project between ERIA and IDE-JETRO on 'Human Resources for Health and Elderly Care in Asia'

Date: 11 February 2019
Venue: Jakarta, Indonesia

Socialization Workshop on Baseline Study on Regulatory Management Systems (RMS) Questionnaire

Date: 11 February 2019
Venue: Bangkok, Thailand

ASEAN SME Policy Index 2018 – Country Dissemination Workshop

Date: 12 February 2019
Venue: Kuala Lumpur, Malaysia

The 3rd Meeting on Laos Energy Outlook Modelling The 3rd Meeting on Laos Energy Outlook Modelling

Date: 12-16 February 2019
Venue: Vientiane, Lao PDR

Socialization Workshop on Baseline Study on Regulatory Management Systems (RMS) Questionnaire

Date: 14 February 2019
Venue: Kuala Lumpur, Malaysia

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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