



ERIA Co-organises ASEAN 50th Anniversary Symposium IV with Japanese Institutions

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The Economic Research Institute for ASEAN and East Asia (ERIA) co-organised the ASEAN 50th Anniversary Symposium IV in Tokyo, Japan on 1 March 2018 in a bid to promote understanding of developments that ASEAN has achieved and the challenges it has recently encountered.

ASEAN-Japan Centre and the ASEAN Committee in Tokyo acted as co-organisers of the event, supported by the Ministry of Foreign Affairs of Japan, Ministry of Economy, Trade and Industry of Japan (METI), Japan External Trade Organization, and Japan Chamber of Commerce and Industry.

Mr Masataka Fujita, Secretary General of ASEAN-Japan Centre, delivered the opening remarks, followed by guest speech by H.E. Kazuyuki Nakane, State Minister for Foreign

Affairs, who discussed ERIA's intellectual contributions and expectations towards ASEAN-Japan Centre activities. H.E. Masaki Ogushi, Parliamentary Vice-Minister of Economy, Trade and Industry, delivered a speech on Japan's support for ASEAN in terms of economic integration and social issues. At the end of the opening session, Prof Hidetoshi Nishimura, President of ERIA, delivered a brief overview of ERIA's flagship project in 2017, the five-volume commemorative publication *ASEAN@50: Retrospectives and Perspectives on the Making, Substance, Significance, and Future of ASEAN*. The publication brings the retrospectives and perspectives of key people who have been involved in the making and working of ASEAN, voices from the ASEAN peoples, and the analytical, insights, perspectives and reflections of eminent persons and experts on the evolution, substance and future of ASEAN.

Session 1 'Whether ASEAN community building and centrality in fast changing East Asia?' was moderated by Mr Yoshifumi Fukunaga, Principal Deputy Director of Policy Planning and Coordination Division, Trade and Economic Cooperation Bureau, METI. Ambassador Delia Domingo-Albert, Former Secretary of Foreign Affairs of the Republic of the Philippines, talked about ASEAN as a regional engine and her concerns about the future of ASEAN centrality. Then, Mr Simon Tay, Chairman of Singapore Institute of International Affairs (SIIA), discussed ASEAN unity. Lastly, Prof Susumu Yamakage, Professor of



Prof Hidetoshi Nishimura, President of ERIA, deliver a speech at ASEAN 50th Anniversary Symposium IV in Tokyo, Japan

Aoyama Gakuin University, discussed how ASEAN has transformed its characteristics to 'Centrality and Connectivity'.

Session 2 discussed 'ASEAN economic transformation and ASEAN Economic Community: the past, the present, and the future' moderated by Mr Fujita. Dr Hank Lim Giok-Hay, Senior Research Fellow at Singapore Institute of International Affairs (SIIA) and the Chair of ERIA's Research Institutes Network (RIN), reviewed the history and progress of the economic aspect in ASEAN. Following that, ERIA's Chief Economist Prof Kimura insisted that ASEAN needs to formulate new development strategies in accordance with third international specialisation. Subsequently, Dr Ponciano S Intal Jr., Senior Economist of ERIA, underscored the importance of implementing good

regulatory practice.

In his keynote speech, H.E. Toshihiro Nikai, Secretary-General of Liberal Democratic Party, Japan, shared his successful experience of building the positive relationship between ASEAN and Japan since the Asian currency crisis in 1997 along with his sincere respect for the wisdom of people in Southeast Asia and continuous development of ASEAN. The closing remarks was delivered by H.E. Ambassador Kamilah Hanifah, Chairperson of ASEAN Committee in Tokyo and Ambassador of Brunei Darussalam to Japan, in which she highlighted the resolve to eliminate concern about protectionism as an open ASEAN and to move forward with Japan to tackle challenges. ■

ERIA President: ASEAN Needs More Investment in Human Development to Sustain Growth



'An inclusive ASEAN requires a virtuous cycle of economic growth, and resource and policy allocation for social development. Good social progress exerts more innovation and productivity, and robust economic growth,' said Prof Nishimura.

ASEAN member states' relatively high economic growth is important; however, the region needed more investment in health, education, infrastructure, and social protection in order to create an inclusive society that could sustain the gains of economic growth, said ERIA President Prof Hidetoshi Nishimura in Tokyo.

Prof Nishimura delivered his remarks in the Southeast Asia Ministerial Forum with the theme 'Inclusive ASEAN' held by the Organisation for Economic Cooperation and Development (OECD) on 8 March 2018. He was speaking in the first session 'Inclusive ASEAN: Inclusiveness through Connectivity' together with Secretary-General of ASEAN Hon Dato Lim Jock Hoi and H.E. Sok Chenda Sophea, Minister attached to the Prime Minister of Cambodia and the Secretary-General of the Council for the Development of Cambodia.

'An inclusive ASEAN requires a virtuous cycle of economic growth,

and resource and policy allocation for social development. Good social progress exerts more innovation and productivity, and robust economic growth,' said Prof Nishimura, who also reiterated ERIA's ongoing work on connectivity issues in the region as well as the organisation's readiness to support ASEAN and its partners.

Moreover, Prof Nishimura provided a brief overview of ERIA's flagship project on infrastructure and connectivity, the Comprehensive Asia Development Plan (CADP), which presented a grand spatial design of economic infrastructure and industrial placement in ASEAN and East Asia. He stated that the time has come to discuss the revision of CADP to include new concepts driven by the development of communication technology, digital economy, and innovation in the region, especially as the concept of infrastructure will be deconstructed from physical to digital under the concept of the third unbundling proposed by Prof Richard Baldwin.

'Imagine the existence of telecommunication technology that will enable doctors in Tokyo to do a surgical operation for patient in the Philippines. We need to start the discussion on how this movement will change the concept of connectivity, and what we need to prepare for AEC 2025,' said Prof Nishimura, referring to the ASEAN Economic Community in the year 2025.

The Minister for Foreign Affairs of Japan H.E. Taro Kono also delivered his remarks, in which he conveyed Japan's intention to strengthen their cooperation with Southeast Asian nations including on infrastructure development as well as rule-based regional peace and stability.

More than 150 participants including the government officials from Southeast and East Asia Nations, members of Southeast Asia Regional Program (SEARP) of OECD participated in this one-day conference. ■

ERIA Co-hosts the Joint International Economic Symposium in Kyoto



ERIA President Prof Hidetoshi Nishimura highlighted the importance of strengthening connectivity in ASEAN and East Asia for development, especially for small- and medium-sized enterprises (SMEs) in the region.

The Economic Research Institute for ASEAN and East Asia (ERIA) held the 'Joint International Economic Symposium on Innovation, Strategy and Survivability for East Asian Firms in the Globalised World' in Kyoto on 2 March 2018, which was attended by around 70 experts, academia, and students.

ERIA hosted the event together with Kyoto University's Graduate School of Advanced Integrated Studies in Human Survivability, Institute of Developing Economies - Japan External Trade Organization (IDE-JETRO), and Waseda University's Waseda Institute of Asia-Pacific Studies, Comprehensive Research Organization, Research Institute of Automobile & Parts Industry.

In his opening remarks, ERIA President Prof Hidetoshi Nishimura highlighted the importance of strengthening connectivity in ASEAN and East Asia for development, especially for small- and medium-sized enterprises (SMEs) in this region. Dr Masami Ishida, Director

General of ERIA Support Office, IDE-JETRO, delivered the second opening remarks, in which he briefly explained ERIA and IDE-JETRO's relationship in ten years and conveyed his hope for more collaboration with Kyoto University and Waseda University in the future.

The keynote lecture was given by Prof Makoto Yano from Kyoto University, entitled 'High Quality Markets – A Prerequisite for an Innovative Society.' He identified the difference between innovation and invention, giving several examples of innovations without inventions such as conveyor belts in sushi restaurants, wheeled suitcases, and central bank notes. Furthermore, he gave an overview of his Market Quality Theory, in which he compared the market with a two-way pipe connecting technology and life. The market conveys what people need from technology for their life; therefore, the quality of the market can be measured as Life/Technology or Innovation/Needs. The success of Japanese industries was based on

innovations from needs to seeds. He stated that free entry is the mother of innovation, while necessity is the mother of invention. Therefore, according to Prof Yano, ASEAN will have to maintain free entry to catch up with the rapid growth of Chinese economy.

After the opening session, the conference was divided into three sessions. The first session, 'Innovation and Strategy for East Asian Firms: Theory and Practice', discussed the theoretical background and practical use of innovations in Japan, China, and ASEAN. Two economists from ERIA, Dr Masahito Ambashi and Dr Yanfei Li, delivered their presentations in this session.

Dr Ambashi discussed the kind of innovation policy needed in each ASEAN member states (AMS) and for ASEAN as a whole. National innovation systems were highlighted as an effective policy tool since such systems organise innovation policy in a systematic manner including an

active coordination role of governments.

Meanwhile, Dr Yanfei began by reviewing the theories on this topic in the literature. Then he went on to discuss the policy framework and the rapid progress of technological catching-up and innovation in China. He proposed a new theoretical framework to explain the accelerated catching-up process in China. Driving factors such as the size of market (both domestic and overseas), type of technology, policy support, and supply chain strategy appear to be the most important ones in the case of various Chinese industries.

The second session, 'Innovation and Technology Transformation for East Asian Firms' Survival', depicted the

interaction between multi-national enterprises (MNEs) and local firms in ASEAN and East Asia as well as the mechanism of technology transfers from the former to the latter. ERIA Economist Dr Yasushi Ueki moderated this session.

The third session, 'Grand Strategy for East Asian Firms Internationalisation in the Globalised Era', discussed possible East Asian firms' strategies to maintain their competitiveness in this region by focusing on some manufacturing sectors. ERIA Senior Research Associate Fusanori Iwasaki gave a presentation entitled 'Vertical Integration of Supply Chains' by using the information from interviews as part of the 'Small and Medium Enterprises of Apparel Industry' project. Iwasaki explained that the

Japanese apparel industry currently is facing some problems related to over-ordering and over-stock, which they tried to solve by introducing cost mitigating techniques to some SMEs of this industry, including by establishing vertically-integrated supply chains.

In the closing session, Dr Kayo Inaba, Executive Vice President of Kyoto University, delivered her remarks stating that in the coming decades, Asia will continue to be the primary driving force of world economics.

ERIA and the co-organisers of the symposium will hold the Second Joint International Economic Symposium in the future. ■

ERIA Hosts Workshop on Export Competitiveness



The Economic Research Institute for ASEAN and East Asia (ERIA) hosted the 'Export Competitiveness of Manufacturing Industries in East Asia' workshop on 21 March 2018 to explore the ways in which East Asian countries can improve their export competitiveness.

The key message of the workshop

was three key areas that countries can focus on, namely improving the capacity to comply with non-tariff measures, upgrading industrial supply chains, and building up innovation capabilities.

The workshop was moderated by Prof Shujiro Urata, Senior Research Advisor to the President of ERIA, and

The key message of the workshop was three key areas that countries can focus on, namely improving the capacity to comply with non-tariff measures, upgrading industrial supply chains, and building up innovation capabilities.

Dr Kaoru Nabeshima of Waseda University. Prof Urata delivered the opening remarks before the start of the first session on *The Impact of Regulations on International Trade*, while Dr Nabeshima gave an insightful presentation *Non-Tariff Measures and International Trade*, where he stated that the need to adapt to differences in NTM (Non

-tariff Measures) might have worse impacts on trade than the NTM itself.

Dr Ayako Obashi from Aoyama Gakuin University shared a similar sentiment with Dr Nabeshima in her presentation *Impact of Regulatory Differences on International Trade*. Prof Tsunehiro Otsuki of Osaka

University added to the discussion with his presentation *Quantitative Assessment of the Impact of EMS Standards on the Firms' Attitude toward Product Safety*.

The second session, *Innovation and Upgrading of Industry in East Asia*, began with Beyongwoo

Kang's presentation on *Innovation Processes in Public Research Institutes: AIST, Fraunhofer, and ITRI Case Studies*. Afterwards, Prof Urata presented the findings of his research on the upgrading of electronics supply chain. The workshop ended with a discussion session. ■

ERIA Holds Research and Capacity Building Workshop on Impacts of Disasters and Climate Changes



Government officials from Cambodia, Lao PDR, Myanmar, and Viet Nam joined the workshop with the experts under ERIA's Capacity Building Programme, as part of a peer-to-peer process to draft and develop *Guidelines on Adaptation Road Maps for policy makers*.

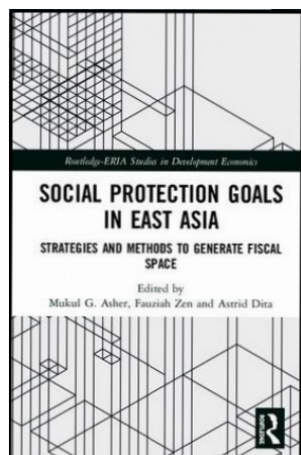
In an attempt to mainstream disaster risk reduction (DRR) and climate change adaptation (CCA) into development planning of the region, ERIA held the second workshop on 'Evaluating the Distributional Impacts of Disasters and Climate Change and Development of Adaptation Roadmaps' in Singapore, 25-26 March 2018.

This research project, led by ERIA Senior Energy Economist, Dr Venkatachalam Anbumozhi, brings together experts from

the International Food Research Institute in Washington, DC, the Asian Productivity Organisation, Nanyang Technological University, University of Technology Vienna, Asia Pacific University Japan, and the US Department of Agriculture. Government officials from Cambodia, Lao PDR, Myanmar, and Viet Nam joined the workshop with the experts under ERIA's Capacity Building Programme, as part of a peer-to-peer process to draft and develop *Guidelines on Adaptation Road Maps* for policy makers.

The papers discussed at the workshop included ones focusing on the challenges, impacts and implications of climate change on food security, the challenges of integrating CCA and DRR into national programmes, the feasibility of establishing a taskforce at ASEAN specifically dedicated to CCA and DRR, and mechanisms to mobilise capital to finance DRR and CC programmes. ■

Publications



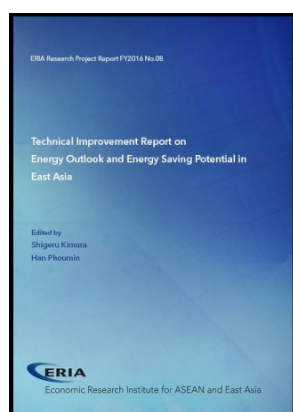
Social Protection Goals in East Asia: Strategies and Methods to Generate Fiscal Space

Edited by Mukul G. Asher, Fauziah Zen, and Astrid Dita

The book examines the conceptual, economic, and fiscal impact(s) of the Social Protection Floor (SPF) initiative of the International Labor Organisation (ILO) and other policy influencers by first critically examining the methodologies used by the international agencies to estimate the fiscal costs of designated minimum package(s) of social protection programs. The book also briefly reviews the methodologies used and usefulness of the Social Protection Index (SPI) of the Asian Development Bank (ADB).

Second, the book analyses strategies and specific initiatives used by the selected East Asian countries (China, India, Indonesia, the Philippines, Thailand, and Vietnam), designed to progress towards the social protection goals underlying the Social Development Goals (SDGs) adopted by the United Nations in September 2015, and endorsed by the countries covered in this book.

Finally, the book provides a framework for generating fiscal space to fund the social protection programs and initiatives. The country chapters utilise this framework in the context of each specific country to suggest generating fiscal space.



Technical Improvement Report on Energy Outlook and Energy Saving Potential in East Asia

Edited by Shigeru Kimura and Han Phoumin

This technical report of Energy Outlook and Saving Potential of East Asia Summit (EAS) countries aims to seriously look into how to improve data used in modelling energy demand in ASEAN countries. In the past, the outlook greatly relied on the energy data of the International Energy Agency. However, years of capacity building on energy outlook modelling in ASEAN, supported by the Economic Research Institute for ASEAN and East Asia, encouraged the working group to assess the quality of the national energy data, combined with the energy database of the Asia-Pacific Economic Cooperation, to be used for energy demand modelling in selected ASEAN countries. To support COP 21, the working group also set a scenario of keeping carbon dioxide (CO₂) emissions frozen at the 2013 level until 2040. In this case, some EAS countries may find it challenging to determine the best energy mix while keeping CO₂ levels during this period. Upscaling renewable energy, together with implementation of energy efficiency programmes, remain the key energy policy towards low-carbon economy in EAS countries.

Upcoming Events

The Second Meeting of ERIA's Working Group on Energy Poverty in ASEAN, India, and China

Date: 9-10 April 2018
Venue: Bangkok, Thailand

The Second Temburong Eco Town Stakeholders Meeting

Date: 16 April 2018
Venue: Brunei Darussalam

ERIA Special Lecture on Disaster Management: 'Bridging Gaps between Local Experience and Global Science in Disaster Management: Toward Building a Regional Platform for Disaster Risk Management in Asia'

Date: 18 April 2018
Venue: Jakarta, Indonesia

The Third Working Group on Preparation of Energy Outlook and Analysis of Energy Saving Potential in East Asia Region

Date: 18-20 April 2018
Venue: Bangkok, Thailand

ERIA and AIPA (ASEAN Inter-Parliamentary Assembly) Dialogue: Parliamentarians Supporting the 'Quite Revolution' for Better Regulatory Governance

Date: 19-20 April 2018
Venue: Jakarta, Indonesia

The Second Workshop of Digital Economy, Innovation, and East Asia Competitiveness in GVC Phase II

Date: 21-22 April 2018
Venue: Bangkok, Thailand

The Second Working Group on Shedding an Emission from Coal-fired Power Plant & Assessment of Electricity Storage Technology for Solar PV Workshop

Date: 24-25 April 2018
Venue: Jakarta, Indonesia

ERIA Capacity Building Workshop on Services Supply Chains - Implications and Opportunities for Regional FTAs

Date: 30 April 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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