



## **PECC Trade Forum**

# **Japan-ASEAN Comprehensive Economic Partnership: Vision and Tasks Ahead**

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**JAPAN-ASEAN  
COMPREHENSIVE  
ECONOMIC PARTNERSHIP:  
VISION AND TASKS AHEAD**

BY

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# 1. J-ACEP: EVOLUTION

- Jan 2002: Japanese PM proposed JACEP
- Sep 2002: AEM-METI Ministerial Joint Statement elaborated it
- Nov 2002: J-A Summit endorsed it
- Throughout 2003: J-A official consultation
- IDE/JETRO organized a joint study with ASEAN research institutes
- July 2003: J-A RI meeting in Tokyo finalizes it and submit to AEM-METI

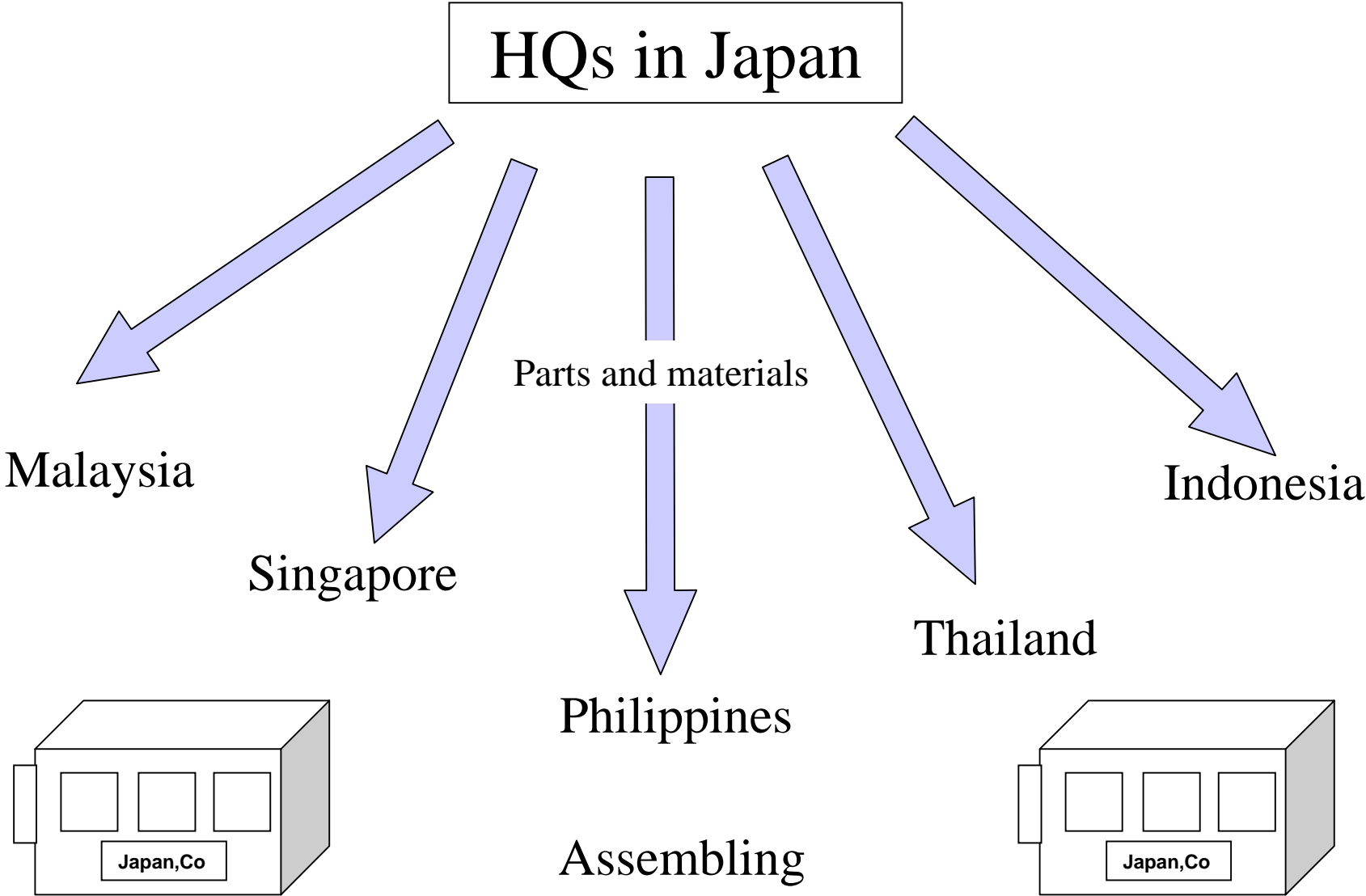
## 2. RENEWED INITIATIVE FOR CLOSER RELATIONS

- Closer relationship over 30 years in trade, FDI, and ODA
- J's FDI stocks in ASEAN amounts to 2.8 times of J's FDI stocks in China
- J's major manufacturers have already built business network in ASEAN economies
- ASEAN competes with China in many areas, while Japan complementary with both
- Both ASEAN and China will continue to be J's major partners

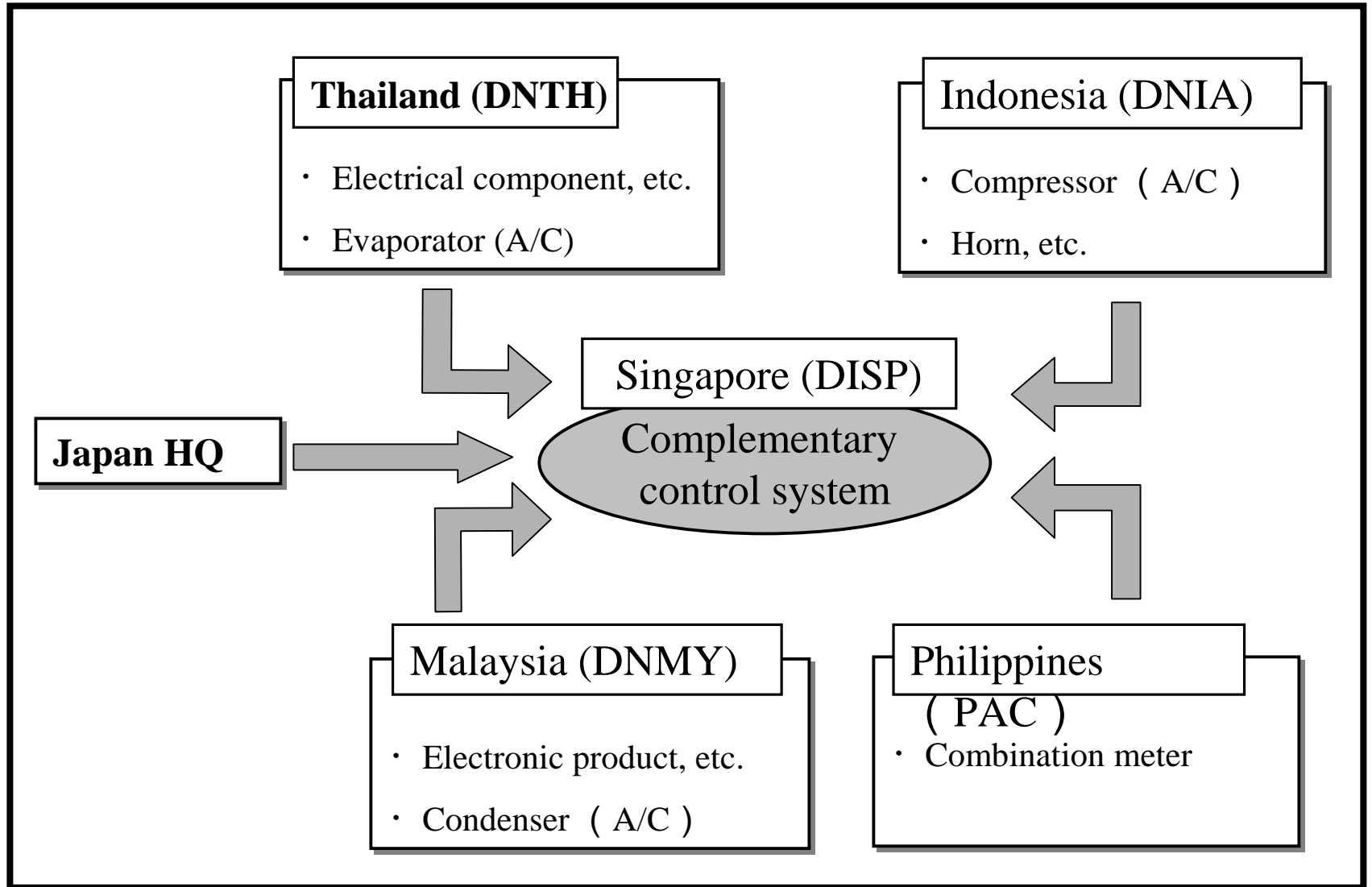
# 3. JACEP CREATES NEW BUSINESS OPPORTUNITY

- Japan vs ASEAN as a whole: invites FDI
- Depart from bilateral relations constrained by national market
- J's firms seek new ASEAN-wide business network
- ASEAN members need achieve AFTA on schedule and strengthen AICO

# Traditional Procurement System



# Complementary System – DENSO Co., Ltd.



## **4. COMPREHENSIVE COOPERATION MEASURES**

- Various facilitation measures should also be implemented: customs procedures, standard and conformance, IPR, etc.
- Capacity building should be promoted
- Build jointly ASEAN-wide physical infrastructure: transportation and telecomm
- Cooperation in finance and capital market
- APEC's TF activities should be utilized

# 5. S&D TREATMENT AND ASSISTANCE TO NEW MEMBERS

- New ASEAN members: low income and handicapped by insufficient capital, infrastructure, human resources, and technology
- Nov 2000 Initiative for ASEAN Integration:  
Other members help new members in HRD
- S&D in AFTA program: later implementation and bigger exclusion list
- Japan continues ODA to new members by incorporating other members assistance

## 6. Way toward J-A CEP

- Proposals of bi-FTAs, China-ASEAN, JACEP, ASEAN+3 have mushroomed in East Asia
- Warned against trade diversion and spaghetti-bowl effects
- Increased momentum for closer cooperation and dynamics of competitive liberalization should not be missed
- Economic rationale for ASEAN + 3, but various impediments to its early realization
- Promote various RTAs in parallel, with ASEAN +3 as the ultimate goal