

[Final Text]
The Progress Report
of the trilateral cooperation among
the People's Republic of China, Japan and the Republic of Korea"
*(Adopted on November 27, 2004,
by the Three-Party Committee in Vientiane, the Lao PDR)*

On 7th October 2003 the leaders of the People's Republic of China, Japan and the Republic of Korea held a summit meeting in Bali, Indonesia and issued a joint declaration for the first time under the title of "The Joint Declaration on the Promotion of Tripartite Cooperation among the People's Republic of China, Japan and the Republic of Korea" (hereinafter referred to as the "Joint Declaration").

The leaders agreed in the Joint Declaration the promotion of cooperation in 14 areas including economy and trade, culture, people-to-people exchanges, and politics and security, as well as the establishment of the Three-Party Committee, which is headed by the foreign ministers of the three countries to study, plan, coordinate and monitor the cooperation activities.

The Joint Declaration further set a task for the Three-Party committee to submit to the annual summit meeting a report on the progress in the cooperation activities based on the Joint Declaration. The first Three-Party Committee meeting was held in June 2004 in Qingdao, China, and the three foreign ministers agreed to submit an "Action Strategy on Trilateral Cooperation (ASTC)" to the next Trilateral Summit Meeting in the Lao PDR in November 2004. This is the progress report of trilateral cooperation on each area of cooperation specified in the Joint Declaration focusing on developments over the year following the adoption of the Joint Declaration and compiled by the Three-Party Committee in cooperation with the relevant authorities.

1. Cooperation in Economy

(Creating an Attractive Environment for Trade and Investment)

The three countries have deepened discussions in broad areas necessary to promote trade and investment, and have promoted mutual understanding and cooperation among the three countries either through the trilateral frameworks such as the Three-Party

Committee, the Economic and Trade Ministers' Meeting, and the Economic Directors-General' Consultation Meetings, or bilateral arrangements such as the China-Japan Economic Partnership Consultation, the Japan-Korea High-level Economic Consultation and the Korea-China Joint Economic Committee Meeting, with a view to creating an attractive environment for trade and investment.

The Three-Party Committee meeting in Qingdao, China, in June 2004 confirmed the high potential of the China-Japan-Korea trilateral cooperation and emphasized that it will be in the three countries' interest to promote economic partnership among the three countries. Also, the Economic and Trade Ministers' Meeting in Indonesia in September 2004 agreed to strengthen further the three countries' economic partnership.

(Pushing forward the Doha Development Agenda (DDA) Negotiations)

The three countries' Economic Directors-General' Consultation meeting in October 2004 discussed ways to cooperate toward the WTO ministerial meeting in December 2005 in Hong Kong on the basis of the General Council decision in July 2004.

(Customs, Transportation, and Quality Supervision, Inspection and Quarantine)

In the area of customs, close communications have been made in bilateral frameworks. Bilateral meetings on customs have been held between China-Japan, Japan-Korea and Korea-China respectively, and the participants have exchanged views on the latest developments in the two countries' customs, including measures on swift customs clearance, and have confirmed the further cooperation on border enforcement. In order to further enhance the cooperation on bilateral basis, the customs mutual assistance agreement (CMAA) has been considered as a useful tool. In addition to the Korea-China CMAA already in place, a Japan-Korea CMAA will be signed shortly and a China-Japan CMAA is now under negotiation.

As for cooperation in the transportation area, the Northeast Asia Port Directors-General' Meetings have been held since September 2000 so as to improve economic relations through the promotion of mutual understanding among the three countries' port authorities. The participants in the fifth meeting in November 2004 in Korea agreed to continue the works of the joint studies including the promotion of cruising, investment and free-trade zones as well as the new design method of port facilities, and to further deepen mutual understanding among the three countries.

In the quarantine area, in the China-Japan bilateral context, the two countries' authorities have conducted discussions since February 2004, from the viewpoint of strengthening the bilateral relations, especially to resume the import of heat-processed poultry meat from China through facilities designated by the Japanese authority. In the Korea-China bilateral context, the two countries agreed on October 30, 2003, to establish a consultation mechanism for quality supervision, inspection and quarantine. In addition, the Arrangement for Cooperation on Food Safety was signed by the food safety authorities between Korea and China on October 31, 2003.

(Protection of Intellectual Property Rights)

At the third Trilateral Meeting among the Commissioners of the State Intellectual Property Office (SIPO), the Japan Patent Office (JPO) and the Korean Intellectual Property Office (KIPO) in November 2003 in Beijing, the three offices exchanged information on the current situation of their offices and discussed the possible cooperation with ASEAN countries.

In the trilateral Economic Directors-General' Consultation Meeting in December last year, discussions were held on such issues as the need to enact and apply effective domestic laws to cope with imitations and copies. Also in bilateral framework, such as the China-Japan Economic Partnership Consultation meeting held in Tokyo in October 2003 and its follow-up meetings, the officials frankly exchanged their views on such issues as measures to prevent repeated offenses and easing conditions for filing criminal suits, introduction of regulations over dead copies, and implementation of related court rulings. Korea and China have also had close consultations bilaterally on various occasions for the protection of intellectual property rights.

(Settling Economic Disputes)

The three countries have been making efforts to minimize frictions by conducting frank exchanges of views on a broad range of issues in their trilateral economic and trade relations, including those issues in the above, through the bilateral or trilateral frameworks, such as the Three-Party Committee, the Economic and Trade Ministers' Meeting, and other relevant meetings.

(FTA)

The study group of the think-tanks of the three countries has conducted the joint research on the trilateral free trade agreement. The study group submitted to the Trilateral Summit Meeting in 2003 “a report and policy proposal on strengthening the trilateral cooperation” evaluating mainly the economic effects of a feasible trilateral free trade agreement, with a conclusion that the trilateral free trade agreement would bring about substantial macroeconomic effects favorable to the three countries. It also recommended to deepen the joint research by conducting a sector-oriented study on a trilateral FTA with further examining policy and institutional aspects.

This year, the joint study group has started a “sector-oriented study on the economic effect of the tripartite free trade area” by focusing on agriculture, electric machinery manufacturing, and automobile. The results of the study will be submitted, as an interim report form, to this year’s Trilateral Summit meeting. The Three-Party Committee meeting held in June this year in Qingdao appreciated this joint study and confirmed that it will continue to pay attention to it.

In a bilateral context, the leaders of Japan and Korea decided in the summit meeting in October 2003 that the two countries would launch free trade agreement (FTA) negotiations, aiming at concluding the negotiations in substance in 2005. Based on this decision, six rounds of negotiations have been held, and steady progress has been achieved toward agreeing on a comprehensive package, which covers not only the trade of goods and services, but also investment, co-operation, etc.

(Aviation)

In the aviation area, cooperation has been promoted through bilateral channels. Japan and Korea held a bilateral aviation consultation in Tokyo in May 2004 and confirmed the increase in transportation capacity between the two countries and other matters. Between China and Japan, as a result of the bilateral aviation consultation in July 2003, air services have since increased, and three Chinese airlines began their new services to Japan. The capacity and frequency for air services between Korea and China have largely increased and new routes were established as a result of the bilateral aviation consultation in March 2004.

(Direct Investment)

On the basis of the agreement in the Joint Declaration, the three countries have

conducted a joint study on possible modality of trilateral investment arrangements, and the Three-Party Committee meeting held in June this year encouraged the work of the Joint Study Group. The Joint Study Group held four meetings, under the common understanding that the promotion of trilateral investment will increase dynamism of the three countries' domestic economies, strengthen trilateral economic cooperation and contribute to a win-win-win situation for all three countries, and compiled a report, and agreed to report this to the leaders.

The Joint Study Group Report mainly includes the following points. First, promotion of trilateral direct investment will contribute to a win-win-win situation for all three countries as well as to the Northeast Asian economic integration; second, further efforts are needed to promote direct investment based on actual demand and it is vital to deal with specific problems investors cite as investment barriers; third, the business environment should be improved to promote trilateral investment and also a consultation mechanism among the three governments needs to be established to follow up implemented improvements of the business environment and to study additional measures; and fourth, a legal framework should be explored concerning the trilateral investment.

(ICT Industry)

In the information and communications technology area, the working groups and forums on six areas (the next generation Internet (IPv6), 3G and next generation mobile communications, network and information security, telecommunication service policies, digital TV and broadcasting, open source software) held the initial meetings respectively between March and April 2004, in accordance with the agreed Arrangements at the second China-Japan-Korea ICT Ministers' Meeting in September 2003. Based on that, the third Ministers' Meeting was held in July 2004 in Sapporo, Japan, at which some revision was made to the Arrangements of the last meeting, including the setting up of an International Cooperation Working Group to ensure the efficient and systematic operation of the Arrangements as well as an ad-hoc study group on Ubiquitous Network. The three parties also agreed at the meeting that the rising demands in ICT fields called for a closer trilateral cooperation, and the framework of such cooperation was named "East Asia (CJK) ICT Summit". In accordance with the revised Arrangements, the three parties held the second next generation Internet (IPv6) Working Group meeting in November 2004.

(Environmental Protection)

In the field of environmental protection, the tripartite cooperation has been making major progress in a broad range of areas. The Fifth Tripartite Environment Ministers Meeting (TEMM) in China in December 2003 noted the importance of integration of economic development, social development and the environmental protection. The Ministers also agreed on the further development and expansion of the various TEMM projects under way. Concerning climate change, the Ministers noted with appreciation the continuous efforts of the three countries to address climate change in accordance with their common but differentiated responsibilities. The Ministers agreed to work with the countries that have not yet ratified the Kyoto Protocol for their early ratification of the protocol. Furthermore, as for the regional problems, the Ministers shared the recognition of the need to promote the Acid Deposition Monitoring Network in East Asia (EANET), the Northwest Pacific Action Plan (NOWPAP) for the protection of the regional marine and coastal environment, the North East Asia Subregional Programme for Environmental Cooperation (NEASPEC) – a comprehensive subregional environmental cooperation mechanism in Northeast Asia, and the monitoring and early warning network system for dust and sand storms, in addition to capacity building for the environmental management.

The joint research group on sand storms by the meteorological authorities of the three countries held the Third Aeolian Dust Experiment on Climate Impact (ADEC) Workshop in Jeju, Korea, in January 2004, and further investigated actual conditions and effect of sand storms on the climate.

Cooperation for sustainable development for seas of East Asia has been made in the framework of the “Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)”. Ministers from 12 coastal countries in East Asia, including the three countries, adopted “The Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)” in December 2003 with a view to promoting partnership for environmental management.

In order to promote understanding of Asian monsoon and increase the accuracy of seasonal weather forecasting in the East Asian region, the “Joint Meeting for Seasonal Prediction of East Asian Monsoon” has been held since 1998, and three meetings were held between November 2003 and November 2004, with officials from the three countries’ meteorological authorities, joined by researchers from research institutions and universities.

(Disaster Prevention and Management)

As for disaster prevention, a trilateral meeting has been inaugurated by top officials of the three countries' seismic authorities and cooperation started over the earthquake-related programs. A meeting of top officials from the three countries' seismic authorities was held in Tokyo in October 2004, and the officials shared the views to promote trilateral cooperation in such areas as near real-time exchange of observational data, provision of earthquake and tsunami information, and experts/information exchange for technology and basic research.

(Energy)

The Three-Party Committee meeting held in June this year discussed the importance of energy cooperation among the three countries. Also in June this year, energy ministers of China, Japan and Korea met in Manila. It was the first such meeting among Asia's three largest energy consumer countries, China, Japan and Korea. At the meeting, the three countries agreed to further deepen their cooperation and partnership. The three countries also have been cooperating among themselves in international and regional frameworks such as ASEAN+3, APEC and IEF.

(Financial Cooperation)

China-Japan- Korea Finance Ministers' meetings have been held as a forum of the three countries' Finance Ministers to discuss the promotion of regional financial cooperation and to conduct economic policy dialogue. The fourth meeting was held in May 2004 in Jeju, Korea, where the Finance Ministers agreed to strengthen the cooperation among the three countries with a view to promoting the regional financial cooperation under the ASEAN+3 Finance Ministers' process such as the review of the Chiang Mai Initiative, the Asian Bond Markets Initiative etc.

(Science and Technology)

The three countries held Directors-General meetings twice and exchanged information and views on science and technology cooperation. The second Directors-General meeting on Science and Technology Cooperation in March 2004 decided to hold a China-Japan-Korea ministerial meeting on science and technology cooperation in order to strengthen the research partnership among the three countries through frank exchange of views on science and technology cooperation. The

Directors-General Meeting also identified possible joint research projects, and exchanged lists of large-scale research facilities of each country.

Cooperation among the three countries, together with other parties, in the field of fusion energy is being promoted mainly in the ITER project, which is a major international project aiming at an environmentally clean source of energy for humanity. Negotiations on site for ITER construction are still under way within the international framework including the three countries.

(Tourism)

With the aim of stimulating inbound tourism demand in East Asia, the three tourism authorities have decided to launch joint tourism promotion programs linking the three countries as a single destination. Trilateral exchanges of tourism have become more active with the ratio of the number of tourists visiting one of the three countries from the other two among the foreign tourists rising to a very high level in 2003. Of the 5.21 million foreign tourists visiting Japan, the Korean tourists accounted for 1.46 million or 28 percent and the Chinese tourists 450,000 or 8.6 percent. Of the 11.4 million foreign tourists visiting China, Japanese accounted for 2.25 million or 19.8 percent and Koreans 1.94 million or 17.1 percent, while in Korea, of the 4.47 million foreign tourists, Japanese accounted for 1.8 million or 40.4 percent and Chinese 510,000 or 11.5 percent. Based on the memorandum of understanding signed by the tourism authorities in China, Japan and Korea, representatives from eleven American tour operators were invited to visit the three countries in March 2004 as the first step of specific projects. As a result, four of the invited operators are currently planning to develop new circular tours to the three countries whereas the rest are planning to develop tours to Japan.

In addition to the opening of the JNTO Beijing office in 1999, the JNTO Shanghai office was opened this August. The new office is effectively utilized for stepping up efforts to promote tourism exchange between China and Japan.

The year 2005 is designated as the “Japan-Korea Friendship Year 2005” and following this move, the year 2005 is also designated as the Japan-Korea Visit Year 2005. The goodwill ambassadors of Japan and Korea, who have been appointed by the two countries, have already conducted mutual visits and have been promoting tourism exchange continuously.

(Fishery Resource Conservation)

The three countries held the China-Japan-Korea High-Level Meeting in Jeju, Korea, in October 2004. At the meeting, the fisheries authorities' top officials shared the views that the three countries would hold high level and working level meetings of fisheries authorities and would cooperate in the fields of technology and research, as well as in the private field. The three countries would enhance cooperative relations including the implementation of the bilateral fisheries agreements.

2. Cultural Exchanges and People-to-People Exchanges

(People-to-People Exchanges)

The three countries share the recognition that exchange of the youths will facilitate long-term friendship. In this context, the three countries valued the contribution by the "China-Japan-Korea Next Generation Leaders' Forum" held in July and August 2004, with the participation of young leaders of various fields, including politics, bureaucracy, business, academia, media and NGOs. As a similar program for the future generation, the "China-Japan-Korea Storybooks for Children Exchange Project" was held in August 2004, with the participation of children from the three countries.

In this context, the "Regional Project to Promote Foreign Language Education Diversification at Senior High Schools" at Japanese high schools is a unique project that deserves special attention. In this unique program, Japanese high school students who learn foreign languages such as Chinese and Korean participate in international youth exchange programs to promote friendship with the students of other countries including China and Korea. The three countries also reconfirmed that the alumni students from the three countries who studied in either of the remaining two play important roles in this field. For instance, Japan annually holds "the Reunion of Former students from China and Korea" with a view to building a network of former Chinese and Korean students who have studied at Japanese universities and other educational institutions.

(Education)

There has been progress in mutual recognition of academic credits and records through agreements between universities in the three countries. The students from China and Korea, who have completed formal curriculum, are qualified for admission to Japanese

universities and graduate schools subject to certain conditions. Student exchanges have been active among the three countries. Japanese students studying in China totaled 12,765 while Chinese students studying in Japan totaled 70,814 in 2003. Japanese students studying in Korea totaled 721 in 2002, whereas Korean students studying in Japan totaled 15,871 in 2003. Chinese students studying in Korea amounted to 5,607, while Korean students in China totaled 35,353 in 2003. In addition, 841 Korean students and 569 Japanese students visited Japan and Korea respectively in 2003 as delegations of government-organized youth exchange programs while a total of 120 Chinese and Korean youths participated in bilateral youth exchange programs. Increasing number of students from the three countries are studying in the other two countries. (Figures of students studying in Japan: MEXT, Japanese students studying in China: Embassy of China in Japan, Japanese students studying in Korea: OECD "Education at a glance", figures of student exchanging between China and Korea: Ministry of Education of P. R. China.)

(Sports Exchanges)

The three countries have held "the China-Japan-Korea Junior Exchange Sports Meeting" covering 11 kinds of sports, including track and field, soccer and table tennis. The 2003 sports meeting was held in August in Jeju, Korea, and the 2004 event was held in Changchun, China, in August. In addition, since the successful co-hosting of "The FIFA World Cup in 2002", China, Japan and Korea have held the China-Japan-Korea A3 Soccer Champions Cup. The games were held in Tokyo, Japan, in 2003, and in Shanghai, China, in 2004.

(Exchanges between Local Governments)

The International Conference on Revitalizing Northeast China and Promoting Regional Cooperation in Northeast Asia was held in September 2004 in Dalian, China. About 380 Representatives from local and central governments, research institutions and private enterprises of the three countries participated in the Conference.

3. Politics and Security

(The United Nations)

Expectations for the United Nations have been rising even further for the solution of a wide variety of global issues and problems facing the international community. The three countries discussed the issue of the UN reform through bilateral as well as multilateral

channels such as the Japan-Korea Foreign Ministers' meeting in New York in September 2004, and the China-Japan Foreign Ministers' meeting in Hanoi in October 2004.

(Asian Regional Cooperation)

The three countries share the views that an East Asian community is a future goal, that they should promote the formation of an East Asian community through ASEAN+3 as a core framework and respecting ASEAN as the driving force, and that the community building should be conducted in a transparent and open manner. Based on these understandings, Japan submitted to the ASEAN+3 Foreign Ministers' Meeting in July this year the Issue Papers in the hope of contributing to formulating the concept for the community building.

The three countries also positively implemented the EASG measures, which are the basis for functional cooperation in the ASEAN+3 framework. In addition, the three countries emphasized the need to strengthen the trilateral coordination in the context of ASEAN+3 cooperation, and confirmed such recognition at the Three-Party Committee meeting held in June 2004.

Also, in view of the strengthening of East Asian regional cooperation, the three countries further improved and developed their relations with ASEAN respectively. China issued the "Joint Declaration on Strategic Partnership" with ASEAN, picturing a blueprint for the China-ASEAN partnership for peace and prosperity, and implemented, beginning January this year, early harvest measures in its free trade agreements with ASEAN countries. Japan hosted the Japan-ASEAN Commemorative Summit in December 2003, and issued the "Tokyo Declaration" that set out the direction of the Japan-ASEAN relations in the new era and the "Japan-ASEAN Plan of Action" that contains about 120 specific cooperation measures, such as the Mekong Region Development, human resources development, comprehensive economic partnership, and handling of transnational issues. Marking the 15th anniversary of dialogue relations, Korea plans to issue the "Joint Declaration on Comprehensive Cooperation Partnership" with ASEAN in November 2004. Korea and ASEAN are expected to enter into the FTA negotiation in early 2005 based on the recommendations of the Korea-ASEAN Experts Group on FTA, which concluded that a possible ASEAN-Korea FTA would provide economic gains to both economies, and would provide further dynamic benefits to the region in the long run.

The three countries have made important contributions to the progress of the ASEAN Regional Forum (ARF). China co-hosted the ARF Inter-sessional Support Group Meetings on Confidence Building Measures (ISG on CBMs) with Myanmar for the 2003/2004 inter-sessional year and hosted an ARF Seminar on Alternative Development in Kunming, China, September 2004. With the endorsement of the 11th ARF Foreign Ministers' Meeting held in Jakarta in July this year, China hosted the first ARF Security Policy Conference (ASPC) in Beijing on 4-6 November 2004. Japan co-chaired with Thailand the ARF Workshop on Preventive Diplomacy in Tokyo March 2004 which adopted by consensus a Co-Chairs Summary including recommendations about preventive diplomacy, and circulated a Concept Paper on Reconsidering the ARF Functioning for the Coming Decade at the ARF Ministerial Meeting held in Jakarta in July this year. Japan will host an ARF Workshop on Peace Arrangements Ensuring Stability and Security in the Region Including Civil-Military Cooperation for the 2004/2005 inter-sessional year. Korea drafted the Guidelines for the Operation of the ARF Experts and Eminent Persons which was adopted at the 11th ARF meeting. Korea hosted the ARF Seminar on Cyber-Terrorism in Jeju, Korea, in October 2004 and issued a Co-chair's summary including recommendations to enhance cyber security cooperation among ARF member countries.

With regard to ASEM, three countries consulted each other and worked closely on various issues, including the ASEM enlargement and the preparation for the ASEM 5. The three countries also succeeded in identifying a host country of various meetings of ASEM that was to be held in Northeast Asia, such as Japan for the 7th ASEM Foreign Ministers' Meeting.

(Security)

As for security cooperation, security dialogues mainly on a bilateral basis have been promoted. In November last year, a Japan-Korea security dialogue was held in Seoul, while a China-Japan security dialogue was held in Tokyo in February this year. In these dialogues, the three countries exchanged views on regional as well as international situations, deepening mutual understanding about their security policies and discussing exchanges among defense personnel and policymakers.

(Disarmament and Nonproliferation)

Cooperation in disarmament and nonproliferation of weapons of mass destruction and their means of delivery has been promoted mainly in multilateral and bilateral

frameworks. China, Japan and Korea as well as other Asian countries have participated annually in the Asian Export Control Seminar held in Tokyo, and also participated in the first Asian Export Control Policy Dialogue held in October 2003 and in the second dialogue held in October 2004 to discuss measures to prevent roundabout export of WMD and their means of delivery, the results of which were compiled in the chairman's summary / statement.

(The Six Party Talks)

Since the China-Japan-Korea Summit meeting in October 2003, two rounds of the Six-Party talks were held. In the second round of the talks in February 2004, the participants expressed their commitment to the denuclearization of the Korean Peninsula, and to resolving the nuclear issue peacefully through dialogue, so as to maintain peace and stability on the Korean Peninsula and the region at large. At the third round of the talks in June 2004, the six parties held constructive, practical and substantive discussions, reconfirmed their commitment to the goal toward the denuclearization of the Korean Peninsula, and emphasized the need to take first steps toward that goal as early as possible. In preparation for these meetings, the three countries worked together closely at various levels. In December, 2003, senior officials of the three countries met in Seoul and discussed the nuclear issue including the "freeze" proposal by the DPRK. Right before the third round of the Six-Party Talks in June, in addition, the three Foreign Ministers met in Qingdao, China, and exchanged their views on the nuclear issue.

(Social and Cross-Boarder Issues)

The concerned authorities have been cooperating in various bilateral and multilateral frameworks. Among the three countries' police authorities, cooperation has been mainly promoted in bilateral exchanges, with exchanges in practical matters in progress between China-Japan and Japan-Korea police authorities. They have confirmed prompt exchanges of information via the ICPO route and exchanged views concerning cracking down of cases involving intellectual property rights violations.

With regard to cooperation in counter-terrorism, Japan sponsored a seminar on the prevention and crisis management of chemical terrorism in July 2004 at the Southeast Asia Regional Center for Counter-Terrorism (SEARCCT) in Malaysia. In order to strengthen the international cooperation on maritime security, Korea sent experts to the seminar on maritime safety held by the SEARCCT in October 2004. Immigration control authorities of

the three countries had some opportunities such as seminars and other meetings to discuss current situations of terrorism, people smuggling, trafficking, and the forged or altered documents while exchanging the information with one another.

The coast guard authorities of the three countries, with other 14 countries and regions, have been building partnership in the area of countermeasures to sea piracy and terrorism. Japan hosted Heads of Asian Coast Guard Agencies Meeting in June 2004 in which the Heads of Coast Guard Authorities from Korea, China and other 14 Asian countries and regions participated. At the meeting, they agreed to launch a new partnership for countermeasures to terrorism in the sea, which was shown in the “Asia Maritime Security Initiative 2004 (AMARSECTIVE 2004)”.

Among the three countries’ customs authorities, working level meetings have been held on a bilateral basis between China-Japan and Japan-Korea for the purpose of exchanging information on illicit drugs, firearms and products infringing on intellectual property rights.

End