

**2007 Progress Report of the Trilateral Cooperation
among
the People's Republic of China, Japan and the Republic
of Korea**

(Third Draft as of 16 November)

Adopted by the Three-Party Committee

On 20 November 2007 in Singapore, Singapore

Pursuant to the *Joint Declaration on the Promotion of Tripartite Cooperation among the People's Republic of China, Japan and the Republic of Korea* adopted at the Fifth Summit Meeting among the People's Republic of China, Japan and the Republic of Korea in 2003, the Three-Party Committee headed by the three foreign ministers is expected to submit a progress report on trilateral cooperation at the annual summit meeting.

The Three-Party Committee submitted the first progress report at the sixth summit meeting in November 2004 and the second progress report at the seventh summit meeting in January 2007. This is the third report, compiled by the Three-Party Committee with the support of relevant ministries, covering the progress made in various areas since the seventh summit meeting early this year.

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1. Trilateral Meeting of the Foreign Ministers

The Trilateral Meeting of the Foreign Ministers of China, Japan and Korea was held in June, 2007 in Jeju, Korea. It was the first trilateral Foreign Ministers' meeting held independently from other multilateral occasions, and the three countries agreed to have the meeting on a regular basis.

The three foreign ministers exchanged views on a wide range of issues including ways to further expand substantial trilateral cooperation among the three countries, the

Six Party Talks and situations in Northeast Asia. They agreed to expand and promote cooperation in such areas as following: trade and investment, environmental protection, climate change, culture and people-to-people exchanges and so on.

Furthermore, the three foreign ministers agreed to make efforts for early implementation of the 9.19 Joint Statement in 2005 and the 2.13 agreements in 2007. They also shared views on the importance of establishing a multilateral security regime based on mutual confidence building and agreed to continue cooperation in future discussions on a peace and security regime in Northeast Asia.

2. Trilateral Senior Foreign Affairs Officials' Consultation

The Trilateral Senior Foreign Affairs Officials' Consultation was held in May 2007 in Beijing, China and again in October 2007 in Seoul, Korea. The Deputy Ministers for foreign affairs of China, Japan and Korea shared views on the importance of the trilateral cooperation and discussed the future direction of the cooperation. They also exchanged their views on the situation in Northeast Asia and other regions including the Six Party Talks.

They had opportunities to enhance their understanding of and to build confidence in each other's foreign policies. The three parties welcomed the holding of the 2007 Inter-Korean Summit as a symbolic event demonstrating the deepening of dialogue between the ROK and DPRK and reiterated the importance of advancing inter-Korean relations as well as easing the tension on the Korean Peninsula.

3. The Six Party Talks

With the adoption of two significant documents, meaningful progress was made towards the denuclearization of the Korean Peninsula in 2007. The *Initial Actions for the Implementation of the Joint Statement* in February 2007(2.13 agreements) laid out concrete measures for the initial phase including the DPRK's shutdown of the Yongbyon nuclear facility and the DPRK's invitation of IAEA personnel to conduct all necessary monitoring and verifications, in return for economic and energy assistance.

The *Second Phase Actions for the Implementation of the Joint Statement* (10.3 agreements) in October 2007 confirmed North Korea's commitment to disable all existing nuclear facilities subject to abandonment under the September 2005 Joint Statement and the February 13 agreement, and stated that the DPRK would disable three key nuclear facilities at Yongbyon and would provide a complete and correct declaration of all its nuclear programs by the end of this year in parallel with corresponding actions including economic, energy and humanitarian assistance.

As participating countries of the Six-Party Talks, China, Japan and Korea agreed to further push forward the Six-Party Talks process to achieve the denuclearization of the Korean Peninsula once and for all.

4. FTA

In 2007, the Development Research Center (DRC) of the State Council of the People's Republic of China, the National Institute for Research Advancement(NIRA) of Japan and the Korea Institute for the International Economic Policy(KIEP) continued the Trilateral Joint Research on Possibilities and Prospects for the China-Japan-Korea FTA with the participation of government officials of the three countries as observers. The Joint Research reflected the new trade relations in Northeast Asia resulting from the rapid economic growth of China.

In November 2007, the three representative institutes submitted a joint report with an analysis that the China-Japan-Korea FTA will have positive effects and many challenges on all three economies.

5. Trilateral Investment Agreement

The three countries have held trilateral investment agreement meetings in March 2007 in Tokyo, Japan and again in August 2007 in Jeju, Korea. In these meetings, each country submitted its own draft of the investment agreement.

The third meeting was held in early November in China. On the basis of the unified draft, the three parties discussed the articles of Principle of the Agreement, National Treatment, intellectual property rights, and dispute settlement procedure, etc.

6. Business Environment

The ways to improve the business environment have been discussed nine times since 2004. Through these meetings, the three countries have reached a consensus that

the Action Agenda, which regulates the transparency of laws and rules, the protection of intellectual property rights and dispute settlement mechanism, needs to be improved. Right after the 8th meeting, the three countries held visa expert meetings to discuss facilitation of visa issuance procedure.

The Ninth Consultation for the improvement of the business environment was held in early November in China. The three parties updated the draft of the Action Agenda with result of visa expert meeting and improvement of tax inspection procedure as well.

7. Air Transport

In April 2007, China and Japan agreed to establish passenger charter flights between Haneda Airport (Tokyo) and Hongqiao Airport (Shanghai). In the same month, China and Korea agreed to establish passenger charter flights between Hongqiao Airport and Gimpo Airport (Seoul). The charter flights between Haneda and Hongqiao started on 29 September, and the charter flights between Hongqiao and Gimpo started on 28 October.

The launch of such charter flights has shortened flight times between the city pairs, which not only benefits the passengers but also contributes to increasing people-to-people exchanges as well as trade in goods between relevant countries. Furthermore, the charter flights have made it possible to connect between each country into a one-day life zone.

8. Maritime Transport and Logistics

In September 2006, the three parties adopted the *Joint Statement of the China-Japan-Korea Ministerial Conference on Maritime Transport and Logistics*. The trilateral Director-General level and Director level working group meetings were held in May and in March 2007, respectively. In the meetings, the three countries discussed ways to implement the Joint Statement and to promote the creation of a secure, cost-efficient and seamless logistics system in Northeast Asia.

In addition, the parties agreed to hold the second China-Japan-Korea Ministerial Conference in May 2008 in Okayama, Japan.

9. Environmental Protection

Based on the joint communiqué of the Eighth Tripartite Environment Ministers Meeting (TEMM), the First and Second Tripartite Director-General Meetings (TDGM) on Dust Sandstorms(DSS) among the three countries were held in March 2007 in Ulsan, Korea and in September 2007 in Tokyo, Japan, respectively.

At the two meetings, the three Directors-General agreed to set up a Steering Committee of Joint Research Group on Dust Sandstorms. They agreed to hold the first Steering Committee meeting on the occasion of the next Working Level Meeting after TEMM 9 tentatively scheduled to be held in January 2008, in Tokyo Japan.

Based on the Joint Communiqué of the Eighth TEMM, the Ministers agreed to take joint efforts to fight against the illegal trans-boundary movement of toxic and

hazardous waste. The Tripartite E-wastes Transboundary Movement Control and Management Workshop was held in Beijing, China on 29-30 June, 2007. The three countries agreed to enhance tripartite cooperation in cracking down upon illegal transboundary movement of e-wastes.

10. Climate Change

The First Tripartite Director-General Policy Dialogue on Climate Change was held in August 2007 in Jeju, Korea. The three parties exchanged their respective positions on the international climate change regime and explained their national policy on the climate change issue. Recognizing the usefulness of the Policy Dialogue, they concurred in holding it regularly on a rotational basis.

Furthermore, they also shared the views that recent and upcoming international meetings including the APEC Summit in Sydney, UN High-level Meeting on Climate Change, US-initiated Major Economies Meeting on Energy Security and Climate Change would have great influence on the future negotiation of the Post-2012 climate change regime.

11. Marine Litter

In order to cope with the marine litter, which is one of the major issues on marine environment, the member countries of Northwest Pacific Action Plan - China, Japan, Korea and Russia (NOWPAP) participated in the NOWPAP International Coastal Cleanup (ICC) Campaign and Workshop held in March 2007 in Toyama, Japan, in June 2007 in Rizhao, China and in September 2007 in Busan, Korea. Each

country shared their experiences on collaborating with the government and civil society regarding the marine litter issue. China, Japan and Korea agreed that they should enhance collaboration and communication in the field of marine litter monitoring and share their experience and results.

Experts from China, Japan and Korea exchanged their views on the issue of marine litter management during the “Ocean Policy Forum 2007”, which was held in Seoul, November 14-15, 2007.

12. Energy Security Dialogue

At the Seventh Summit Meeting in January 2007, the leaders of the three countries agreed to further promote energy security dialogue among the three countries. The necessity of strengthening regional cooperation in the energy sector was reaffirmed at the trilateral meeting of Foreign Affairs Ministers in June 2007.

Based on the agreement of the two meetings, the three countries have been exploring specific ways to implement an energy security dialogue at the working-level through diplomatic channels.

13. Science and Technology

The First China-Japan-Korea Ministerial Meeting on Science and Technology Cooperation was held in Korea in January 2007. The three ministers had practical talks concerning the trilateral cooperation in science and technology, and adopted the Joint Statement on trilateral cooperation, which includes a consensus on establishing a

future-oriented trilateral S&T cooperation system, further developing and expanding the trilateral joint research projects hitherto made, and establishing and operating institutional mechanisms such as Ministerial Meetings, Director-General Meetings and coordinating meetings to promote trilateral S&T cooperation.

In addition, the China-Japan-Korea Pan-Yellow-Sea Economic and Technological Cooperation Conference has active roles in promoting cooperation among the three countries since its establishment in 2001. In late November 2007, the seventh conference will be held in Japan.

14. ICT

In 2007, the three countries held Director-General level Working Group meetings in the area of 3G and next generation mobile communications, next generation internet, RFID/sensor network, network and information security, international cooperation, open source software and telecommunications service policies based on the agreement of China-Japan-Korea ICT Ministers' Meeting.

15. Financial Cooperation

In May 2007, the Seventh Trilateral Finance Ministers Meeting was held in Kyoto, Japan. The ministers exchanged views on the macro-economic situation of the three countries and reaffirmed their commitments to continue close regional financial cooperation. The Ministers welcomed the progress of the study towards an advanced framework of regional liquidity support arrangement (CMI multilateralization or Post-

CMI) and agreed to further strengthen their efforts to jointly explore ways for CMI multilateralization.

The ministers also agreed to work collectively to push forward the development of the Asian Bond Markets Initiatives (ABMI) and agreed to promote other cooperative agenda through the ASEAN+3 Finance Ministers' Process, and elevate regional financial solidarity and strengthen to a higher level.

Finance officials at various levels from the three countries also maintained active exchange and close cooperation.

16. Customs

The First Tripartite Customs Heads' Meeting took place in April 2007 in Tokyo, Japan. During the meeting, the three parties had an in-depth discussion on customs' role in safeguarding trade security and facilitation, promoting regional economic growth and providing quality service for private sectors, and reached an agreement on establishing a tripartite cooperative mechanism and strengthening future cooperation, particularly in the fields of enforcement and intellectual property rights protection.

Based on the agreement, the three Customs held a 1st tripartite working group on IPR in Japan in October 2007, and arranged Action Plan including the promotion of information exchange and the cooperation with the right holders.

17. Transnational Crime

The First Senior Officials' Meeting on Security among the People's Republic of China, Japan, and the Republic of Korea was held in Singapore in June 2007.

The Meeting was held to aim to exchange the views among senior officials of the three countries' security authorities, on the basis of the agreement about the enhancement of "close cooperation on countermeasures in crime areas where trilateral cooperation is necessary", at the Seventh Summit Meeting among the People's Republic of China, Japan and the Republic of Korea.

The three parties discussed the situation of, the policy about, and the measures against the crime phenomenon, such as Drug Crime and Money Laundering, and agreed that the three countries will have an annual Senior Officials' Meeting and will continue to discuss the possibility of holding a periodical higher-level meeting.

18. Health

The First China-Japan-Korea Ministerial Meeting on Health was held in Korea in April 2007. The ministers signed the "Memorandum of Cooperation among the Ministry of Health of the People's Republic of China, the Ministry of Health, Labour and Welfare of Japan and the Ministry of Health and Welfare of the Republic of Korea on a Joint Response against Pandemic Influenza".

They also declared in the "Joint Statement of the First Tripartite Health Ministers Meeting (THMM)" to jointly promote cooperation in areas of Clinical Researches, Traditional Medicine, Emergency Preparedness and Response including Disaster

Management.

19. Cultural Shuttle Project

In June 2007 in Jeju, Korea, the Foreign Ministers of the three countries agreed to promote the Northeast Asian Cultural Shuttle Project.

The promotion of the Project was discussed at the tripartite Cultural Ministers' meeting held in September 2007 in Nantong, China. The ministers also discussed the future direction of cultural cooperation in various fields for 2008.

The "Northeast Asian Film Festival" was the first event of the Cultural Shuttle Project. Four movies, produced either jointly or in cooperation among the three countries, were presented during the Pusan International Film Festival in October 2007.

“The third Cultural Exchange Forum in Northeast Asia (China, Japan and Korea)” was also held in Tokyo in October 2007 commemorating Cultural Shuttle Project.

20. Sports

There were active exchanges in sports among the three countries in 2007. The China-Japan-Korea A3 Soccer Champions Cup was also held in June 2007 in China

and the fifteenth China-Japan-Korea Junior Sports Exchange Meeting was held in August 2007 in China.

21. Education

The Second Director-General's Meeting among the Education Ministries of China, Japan and Korea was held in April 2007 in Beijing, China. The Directors-General introduced the educational situation of their respective countries and exchanged views on developing trilateral cooperation programs. Furthermore, they discussed the launching of the First Education Ministers' Meeting for strengthening educational cooperation among the three countries.

22. People-to-People Exchanges

The Fifth "Future Leaders Forum: China-Japan-Korea" was held in Gyungju, Dalian and Hiroshima with the participation of representatives from various fields, including government, politics, business, academia, media and youth organizations. The future leaders from the three countries presented the ways of trilateral development and cooperation as well as the visions for the future of Asia.

23. Exchanges among Research Institutes on Foreign Affairs and Security

In June 2007, the three ministers agreed to resume the trilateral forum among research institutes, namely the China Institute of International Studies (CIIS), the Japan Institute of International Affairs (JIIA) and the Institute of Foreign Affairs and National Security of Korea (IFANS). The next forum is tentatively scheduled to be held in May or June 2008 in Seoul, Korea to accommodate all three institutions.

24. Personnel Administration

The Third Meeting of Heads of Personnel Authorities of China, Japan and Korea was held in July 2007 in Beijing, China. The three countries shared the experience in personnel system reform, discussed and agreed to 10 proposals for cooperation. The meeting authorized Director General meeting of personnel authorities of three countries to work out an implementation plan.

IV

25. Asian Regional Cooperation

As key members of East Asia cooperation, China, Japan and Korea have well maintained their coordination in the ASEAN Plus Three and the East Asia Summit. In commemoration of the 10th Anniversary of the ASEAN Plus Three cooperation, the three countries worked together, along with ASEAN countries, to produce the Second Joint Statement on East Asia Cooperation and ASEAN Plus Three Cooperation Work Plan 2007-2017 for the 11th ASEAN Plus Three Summit.

At the 10th ASEAN plus Three Summit, which was held in January 2007, in Cebu, Philippines, the Leaders of the three countries, along with ASEAN countries, agreed to launch the Phase II study involving an in-depth sector-by-sector analysis of the EAFTA(East Asian Free Trade Area).

The 1st and 2nd Expert Meetings on this Phase II Study were held in May and November 2007 respectively. In these meetings, topics such as market access for goods, services, investment, rules of origin, trade and investment facilitation, and development cooperation were discussed.

At the second East Asia Summit, which was held in Cebu, Philippines, in January 2007, Leaders agreed to launch the Track Two Study on Comprehensive Economic Partnership in East Asia (CEPEA). The Study Group has met three times and expected to convene a few more meetings before concluding the study by August 2008.

As a part of their efforts to strengthen regional cooperation, the three countries played active roles, along with ASEAN countries, Australia, India and New Zealand, in producing the Singapore Declaration on Climate Change, Energy and the Environment for the 3rd East Asia Summit.

As an important measure to strengthen East Asia cooperation, the three countries maintained continuous cooperation in the ASEAN Plus One process, and further developed their relations with ASEAN countries.

The three countries have actively participated in other regional organizations including the Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF) and contributed to the development of multilateralism in the region.

Conclusion

The three countries have been exerting their utmost collaborative efforts to implement the agreement reached by the three leaders at the Seventh Summit Meeting in January 2007, in the fields of economy and trade, air transport, environmental protection, and cultural exchange. Through the Tripartite Senior Officials' Meeting and Foreign Ministers' Meeting in 2007, the three countries had opportunities to build confidence in and enhance mutual understanding of each other's foreign policies on major international issues.

These tripartite efforts have played positive roles in expanding and deepening the cooperation among the three countries. It is very advisable that the three countries should maintain current momentum of cooperation and further deepen their coordinated efforts to enhance the stability and development in Northeast Asia as well as to secure peace and prosperity in East Asia.

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