

The Chair's Summary on the Forum for the Promotion of
Public-Private Cooperation in the Mekong Region
The Fourth Mekong-Japan Meeting
Tokyo, Japan, 18 February, 2014

February 18, 2014

1. The Government of Japan hosted the 4th meeting of the Forum for the Promotion of Public-Private Cooperation in the Mekong region in Tokyo, Japan, on February 18, 2014, participated by representatives of public and private sectors from Japan, the Kingdom of Cambodia, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam.
2. At the Opening session, Mr. Norio Mitsuya, Parliamentary Senior-Vice Minister for Foreign Affairs, made the opening remarks in which he welcomed the visit of public and private sector representatives from the Mekong region countries. Mr. Mitsuya stated that the Abe administration emphasizes relations with the Mekong region countries, and the Government of Japan will continue to provide assistance for the development of the region in order to enhance connectivity and narrow development gaps in the region toward the establishment of ASEAN Community in 2015 and beyond. Mr. Mitsuya also stressed the importance of private sector's role for the development of the region, and reiterated Japan's commitment to supporting activities of Japanese companies and fostering a win-win relationship between Japan and the Mekong region countries.
3. Mr. Kouhei Watanabe, Chairman of the Japan-Mekong Business Cooperation Committee, the Japan Chamber of Commerce and Industry, emphasized that the Mekong region is becoming more and more attractive for Japanese companies as a manufacturing base, a robust market for consumption and an investment destination, as companies aim to expedite the flow of goods along the supply chains and strategically spread out manufacturing bases across the region. Mr. Watanabe also pointed out the importance of small and medium-sized enterprises for the development of the Mekong region, and expected that the Mekong region countries improve business environment for further promoting Japanese small and medium enterprises (SMEs) operating in the region.
4. H.E. Mr. Sommath Pholsena, Minister of Public Works and Transport of Lao PDR, spoke at the opening session, and introduced policies of Laos for facilitating socio-economic development and contributing to the regional development and integration by transforming Laos from a "land-locked" country into a "land-linked" one offering transit services. Minister Sommath expressed his appreciation to the people and the government of Japan for Japan's continued support to the Lao transport development and improvement, which has contributed greatly to the development of Lao PDR. Minister Sommath emphasized that a public-private partnership (PPP) approach has played an important role

in infrastructure development in Laos, such as hydropower plants and Vientiane Logistics Park. Minister Sommath encouraged more investments from Japan in areas such as urban transport, logistics, water supply, in the form of PPP, and expected further cooperation with the Government of Japan.

5. At the Second session, Mr. Keiichiro Oizumi, Senior Economist, Economics Department, the Japan Research Institute, gave a lecture on strengthening competitiveness of Japanese firms through development of the Mekong region. Mr. Oizumi pointed out that Bangkok area is the largest Japanese industrial zone outside Japan and recommended Japanese companies to take more advantage of it and to divert labor-intensive industries to the CLM countries (Cambodia, Laos PDR and Myanmar). He emphasized the importance of using border areas based on the difference in wages.
6. The participants welcomed the progress on the Mekong connectivity, which is an essential part of ASEAN Connectivity, such as the East-West Economic Corridor (EWEC) and the Southern Economic Corridor (SEC). Mr. Phairush Burapachaisri, Vice Chairman, Thai Chamber of Commerce, stressed the importance of Greater Mekong Sub-region (GMS) Cooperation which would lead to enhance ASEAN connectivity and infrastructure development. In this context, the participants appreciated Japan's cooperation to date and expected that Japan and the Mekong region countries will continue to cooperate toward both in filling the remaining physical missing links as well as further enhancing institutional connectivity. The participants from the Mekong region countries explained their policies and efforts to improve their business environment and encourage investment from Japan.
7. The outcome of this Forum is going to be reported to the next Japan-Mekong Foreign Ministers Meeting and then to the Summit in the latter half of this year, and will be followed up at relevant fora between Japan and the Mekong region countries.

(Reference: The Forum for the Promotion of Public-Private Cooperation in the Mekong region was first proposed by Japan at the First Japan-Mekong Summit in 2009. Following up on the commitment expressed at the Summit as well as recognizing the importance of private and public cooperation in the Mekong region, the Government of Japan held the first Forum in 2010, the second one in 2012 and the third one in 2013.)

Summary of Discussion: Working Groups

To further strengthen public and private partnership in the Mekong region, the participants addressed following issues in the three working groups:

(1) Infrastructure / Special Economic Zone

- The representatives of Cambodia, Laos and Myanmar introduced their efforts, projects and needs of cooperation on the infrastructure and SEZ development which Japanese companies are interested in. They also appreciated presentation from Sumitomo Corporation in their SEZ development. They encouraged Japanese companies to make more direct investment.
- Japan External Trade Organization (JETRO) illustrated Japan's assistance for infrastructure development in the Mekong region including through ODA. The representatives from Japanese private sector expressed the interest of Japanese companies on the infrastructure and SEZ development.
- The working group appreciated that the latest information about development of new SEZs in the Mekong region was provided.
- The working group shared the view on the importance of developing both of soft and hard infrastructures in the Mekong region. Japanese expert suggested that not only infrastructure development but also maintenance of those hard infrastructures is essential for the sustainable development.
- The representatives from the Mekong countries understand the suggestions from Japanese firms and experts and showed their expectations to the government of Japan to further support their hard infrastructure development.
- The working group also shared the need for human resource development to provide good job opportunity for local people. Also, they highlighted the need for human resource development for governments (Central and local) to maintain transparency and stability of administrative operations.
- The working group also emphasized the needs to develop SMEs in the Mekong region as the source of entrepreneurship and essential part of communities, with the sense of “sharing and caring”.

(2) Tourism

- In light of the gathering momentum for the promotion of people-to-people exchanges by various measures including easing of visa requirements between Japan and the Mekong region countries, the working group reviewed the current situation, experiences and activities in the region and discussed how to further promote tourism.
- Representatives from Japan National Tourist Organization (JNTO) and Japan Association of Travel Agencies (JATA) from the Japanese side, as well as public and private sectors in charge of aviation and tourism from the Mekong side, participated in the working group and discussed needs and possibilities of public-private cooperation in the tourism, including improvement of services, advertisement of tourism information, closer cooperation among related organizations and operation of direct flights between Japan and the Mekong region countries.

(3) Healthcare Cooperation

- This working group was established because the cooperation in the health and medical care sector has attracted increasing attention as an area in which there is high potential for cooperation. The signing of the memorandum of cooperation in this sector between Japan and Cambodia, Laos and Myanmar respectively reflects the increased interest in enhanced cooperation.
- Representatives of related government organizations and private sectors both from Japan and the Mekong region shared information regarding Japan's policy on overseas development in the health and medical care sector by introducing Japan's ongoing efforts and measures as well as needs of the Mekong region countries. Specific cases were discussed, such as a Japanese private hospital which started to operate in Cambodia, and a Thai private hospital which successfully gathered foreign medical visitors.
- Japan side stressed the importance that the government of Japan as a whole should make its at most efforts on healthcare and medical cooperation.

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