Address by Norio Mitsuya, Parliamentary Senior Vice-Minister,
Ministry of Foreign Affairs, Japan (MCM Chair)

OECD Southeast Asia Regional Forum, 26 March, Bali, Indonesia

Your Excellency, Dr. Muhammad Chatib Basri, Minister of Finance of Indonesia,

Your Excellency, Mr Angel Gurria, Secretary-General of OECD, Excellencies,

Distinguished Guests,

Ladies and Gentlemen,

I would first like to express my sincere gratitude to the Government of Indonesia for hosting this forum, which is a significant step for strengthening the relationship between Southeast Asia and the OECD.

I would also like to thank the OECD Secretariat for organising the intensive two-day programme, which will become an important input to the OECD Ministerial Council Meeting (MCM) in May.

As the chair of the Ministerial Meeting, it is my great honour to be able to say a few words on behalf of the Government of Japan on this occasion.

Ladies and Gentlemen,

1

In the global economy of the 21st century, we have seen a clear trend of the world's economic centre shifting towards the East.

With the declining share of its member countries' GDP, it is obvious that the OECD needs to expand its relationship with non-member countries.

In this context, Southeast Asia is a key region for the OECD, as it plays a role as an important growth engine of the world economy.

Japan, as one of the only two OECD member countries of Asia, has long supported strengthening the relationship between the OECD and Southeast Asia.

At the 2007 Ministerial Meeting, the OECD, for the first time, identified Southeast Asia as a region of strategic priority interest for the Organisation, and at the 2013 Ministerial Meeting the OECD agreed to establish a comprehensive Southeast Asia Regional Programme.

On both occasions, Japan was a strong advocate for these decisions.

As the chair of this year's Ministerial Meeting, I am very pleased to announce that its main focus is strengthening the OECD's relationship with Southeast Asia.

I would like to remind you that our Prime Minister Abe and Secretary-General Gurria have already invited Southeast Asian Ministers and ASEAN's Secretary-General to the formal launch event of the Southeast Asia Regional Programme to be held at the Meeting in May.

Ladies and Gentlemen,

The year 2014 is a very special year for Japan and the OECD.

In 1964, Japan acceded to the OECD as the first non-European and non-Atlantic member country.

This year marks the 50th anniversary of our accession to the OECD.

During the past 50 years, Japan has made the best use of the OECD.

For example, Japan has completed liberalisation of capital movement through the OECD Code.

This laid the foundation for high economic growth during the 1960s and the 1970s.

A series of educational policy reforms in Japan triggered by the outcome of the Programme for International Student Assessment (PISA) in the early 2000s is another example.

In parallel, Japan has contributed to rule-making and standard-setting in the OECD to tackle global issues in areas such as macroeconomics, development, trade and tax.

Ladies and gentlemen,

In today's world of interdependence, Southeast Asia is not immune to unfolding global events, on which the OECD has rich expertise.

The recent tapering of US monetary policy is a good example.

In this changing, dynamic, international community, Japan and the OECD believe "Resilience" is the key word to build a robust, sustainable economy and society.

Let me take Japanese bamboos as an example. Japanese bamboos are a symbol of resilience. In winter, snow falls on the bamboo trees. They bend but never break, and come spring, the trees start to grow straight again.

As Japan chairs this year's Ministerial Meeting, we will highlight the concept of resilience under the theme of "resilient economies and inclusive societies".

Policy debates on "resilient economies" at the Meeting will be relevant to economic policy planning in Southeast Asian countries.

As we – OECD member countries – often make use of OECD's policy advice, Southeast Asian countries may also find OECD's best practices and expertise useful to promote sustainable growth. Indeed, several Southeast Asian countries have already actively participated in OECD committees and its analytical work.

For instance, the OECD Economic Outlook for Southeast Asia 2014, with Japan's financial contribution, identified policy priorities for growing beyond the so-called "middle-income trap" that could be faced by countries in the region.

Ladies and gentlemen,

What can Japan offer to strengthen the relationship between Southeast Asia and the OECD?

At the ASEAN-Japan Commemorative Summit Meeting last year, Japan expressed its intention to strengthen support to ASEAN through the OECD, with Japan playing a bridging role to facilitate the economic integration and prosperity of ASEAN.

In this regard, one important policy agenda is how to deepen each country's involvement in Global Value Chains to promote ASEAN economic integration.

Japan will continue to support, through its financial contributions and policy experts, the strengthening of the ASEAN-OECD relationship.

Ladies and Gentlemen,

Going forward, I would like to propose four points as the next step.

First, I suggest that this forum should be held annually at an appropriate level to take stock of the progress of the Southeast Asia Regional Programme, as well as the development in the region.

Second, the OECD Secretariat should allocate sufficient budgetary and human resources to the Programme to match the high expectations shown at this forum.

<u>Third</u>, the Programme should seek to increase synergy with ADB, APEC and UN-ESCAP to make best use of available resources in the region.

<u>Lastly</u>, I propose an equal partnership between the OECD and Southeast Asia, based on the three Ls - Linking, Listening and Learning.

I think these points are key to further strengthening OECD's engagement in the region and building mutual trust among stakeholders.

Before concluding my remarks, I would like to mention one more thing.

As I stated before, Prime Minister Abe and Secretary-General Gurria have issued a letter to your leaders to invite Southeast Asian ministers to Paris on May 6 for the formal launch of the OECD Southeast Asia Programme and Panel on Southeast Asia in the OECD Forum.

Last but as important, Ministers are also invited to the Ministerial Dinner hosted by the Chair, featuring the flavors and music of Japan. We are looking forward to seeing you in Paris again.

Thank you very much for your kind attention.

(end)