
D. PROMOTION OF MULTI-LAYERED REGIONAL COOPERATION IN THE ASIA–PACIFIC

Regional cooperation in Asia has steadily deepened in recent years, particularly in the area of economic cooperation. The evolution of East Asian cooperative frameworks within the span of the Asia–Pacific—such as the Asia–Pacific Economic Cooperation (APEC), which handles primarily economic areas, the Association of Southeast Asian Nations (ASEAN) Regional Forum, which focuses on security issues (ARF; see Chapter II, Section 1, A-2), and the East Asian regional cooperation framework of ASEAN+3 (Japan, China, and the ROK)—has led to the development of a multi-layered network of multilateral dialogue and cooperation in various areas. In regards to frameworks for interregional cooperation, the Asia–Europe Meeting (ASEM), a forum for dialogue and cooperation between Asia and Europe, has recently been joined by a new framework, the Forum for East Asia–Latin America Cooperation (FEALAC; see Chapter III, C), which aims to strengthen cooperative relations between East Asia and the countries of Latin America.

Multi-layered development of these various regional frameworks will deepen interdependence in the region and promote confidence-building. Japan’s active cooperation and participation in these efforts will contribute to securing the peace and prosperity of the Asia–Pacific, thereby providing the foundation for Japan’s own safety and prosperity.

1. Relations with the Association of Southeast Asian Nations (ASEAN)

With the assistance of Japan and other elements of the international community, as well as their own reform efforts, Association of Southeast Asian Nations (ASEAN) members have rebounded from the shattering impact of the 1997 currency and financial crisis with a solid economic recovery. At the same time, the economic environment around ASEAN has been changing rapidly of late, including economic globalization, the advance of regional economic integration, and China’s swift economic growth and inclusion in the World Trade Organization (WTO). In order for ASEAN to strengthen its competitiveness, it is imperative that the region become even more attractive as an investment destination for foreign countries. Throughout 2001, Japan stressed the importance of improving the investment environments of the ASEAN countries and strengthening the efforts of ASEAN as a

whole, such as the ASEAN Free Trade Area (AFTA) and the ASEAN Investment Area (AIA), providing various forms of assistance in this regard. Japan also proposed specific cooperation in terms of Information and Communications Technology (IT) and human resources development to redress ASEAN's intra-regional disparities, working to further bolster cooperative relations with ASEAN.

At the ASEAN Post Ministerial Conference (PMC) held in Hanoi in late July, Foreign Minister Makiko Tanaka lauded ASEAN's role in achieving Asian peace and prosperity, and explained that Japan planned to maintain its cooperation with ASEAN. She also expressed Japan's intention to cooperate actively with ASEAN, including cooperation in the Initiative for ASEAN Integration (IAI),¹⁶ with the goal of solving the issues that face ASEAN, such as domestic difficulties, intra-regional disparities, and strengthening competitiveness amid globalization. Foreign Minister Tanaka further noted that Japan wished to expand Japan-ASEAN relations into a range of areas such as politics and security, arms control and disarmament, society, and culture. The ASEAN countries asked Japan to sustain and strengthen these cooperative measures, referring in particular to such specific Japanese measures as IT cooperation, anti-piracy measures, high school student exchange programs, and human resources development. They thanked Japan for its support of the IAI and also expressed their strong expectations in regard to further cooperation and support for Mekong Basin development.

Attending the Japan-ASEAN Summit held in Brunei in early November, Prime Minister Junichiro Koizumi stressed that the importance that Japan places on ASEAN would not change, and he noted that Japan intended to continue cooperating with ASEAN in the areas of human resources development, IT, and Mekong Basin development in particular. Prime Minister Koizumi also explained Japan's responses to transnational issues such as terrorism, piracy, drugs, and infectious diseases, and he indicated that cooperation with ASEAN would also be strengthened in these areas. ASEAN leaders expressed their appreciation for these concrete cooperative measures and their expectations for future cooperation.

Prime Minister Koizumi visited five ASEAN countries (the Philippines, Malaysia, Thailand, Indonesia, and Singapore) in mid-January 2002, engaging in frank exchanges of views with national leaders. In a policy speech delivered in Singapore, the last country on his itinerary, he explained that Japan would build up concrete cooperative efforts in East Asia in various areas so that Japan would be "acting together—advancing together" with

16. Initiative for ASEAN Integration (IAI): Aimed at rectifying disparities within ASEAN and boosting ASEAN's regional competitiveness, the IAI incorporates the various efforts already being implemented by ASEAN to redress disparities between old and new ASEAN member countries. It was proposed by Singaporean Prime Minister Goh Chok Tong in his capacity as chair of the Fourth Informal ASEAN Summit held in November 2000, and agreed to by ASEAN leaders, resulting in the inclusion of the initiative in the Chairman's Statement.

the ASEAN countries as “sincere and open partners,”¹⁷ winning the understanding and support of ASEAN members for this vision.

2. ASEAN+3 (Japan, China, and the ROK) and Japan–China–ROK Cooperation

(a) ASEAN+3 (Japan, China, and the ROK)

Learning from the experience of the currency and financial crisis that occurred in the summer of 1997, momentum has been growing among the East Asian countries toward stronger regional cooperation. This momentum produced the ASEAN+3 (Association of Southeast Asian Nations and Japan, China, and the ROK) framework, within which summit meetings have been held annually since 1997. At a lower level, Foreign Ministers’ Meetings and various other ministerial meetings have also been convened,¹⁸ with the ASEAN+3 framework gradually expanding and deepening.

The second ASEAN+3 Foreign Ministers’ Meeting was held in Hanoi in July 2001. At the meeting, Foreign Minister Makiko Tanaka welcomed the progress of cooperation within the ASEAN+3 framework and emphasized the need to strengthen ASEAN+3 as an open regional cooperation framework. Foreign Minister Tanaka also explained concrete ASEAN+3 cooperation from Japan in regard to Information and Communications Technology (IT) and Mekong Basin development in particular. Several countries expressed their appreciation for Japan’s efforts.

The theme of the November ASEAN+3 Summit held in Brunei was “Building a Closer East Asian Partnership,” in which context leaders exchanged views on terrorism and the progress of ASEAN+3 coopera-

17. On January 14, 2002, in Singapore, Prime Minister Koizumi gave a policy speech entitled “Japan and ASEAN in East Asia: A Sincere and Open Partnership.” In regard to future-oriented cooperation, he proposed five specific areas of cooperation beyond the liberalization and facilitation of trade and investment. These comprised education and human resources development cooperation, the Initiative for Japan–ASEAN Comprehensive Economic Partnership designed to strengthen economic partnership in a wide range of areas, convening of an Initiative for Development in East Asia (IDEA), which addresses future development cooperation, designation of 2003 as the Japan–ASEAN Exchange Year, and strengthening of security cooperation, including transnational issues.

18. In terms of 2001 ministerial meetings held within the ASEAN+3 framework, in addition to the Foreign Ministers’ Meeting, a Finance Ministers’ Meeting (April) and two Economic Ministers’ Meetings (May, September) took place, as well as a Labor Ministers’ Meeting (May) and an Agriculture and Forestry Ministers’ Meeting (October), the latter two held for the first time within the ASEAN+3 framework. The first Tourism Ministers’ Meeting was held in January 2002.

tion in particular. An East Asia Vision Group (EAVG)¹⁹ report was also submitted to the summit, and leaders from the various countries expressed their appreciation for ROK President Kim Dae Jung's leadership of the EAVG. The East Asian Summit concept was discussed briefly, but leaders decided to wait for the results of deliberations by the East Asia Study Group (EASG).²⁰ Prime Minister Junichiro Koizumi noted that Japan would work to combat terrorism through a broad range of measures, including assistance for refugees, measures to block financing to terrorists, and capacity-building. In the context of ASEAN+3 cooperation, he introduced some of Japan's measures in trade, investment, financing, and Mekong Basin development, as well as the country's concrete cooperative measures in the areas of piracy and energy. In addition, from the perspective of cooperation in wide-ranging areas, he noted Japan's intention of emphasizing ASEAN+3 cooperation in responding to transnational issues such as terrorism, piracy, drugs, infectious diseases, and the environment.

In regard to future East Asian regional cooperation, Prime Minister Koizumi took the opportunity of his January 2002 visit to five of the ASEAN countries to explain Japan's strategy of making maximum use of the ASEAN+3 framework and building up concrete regional cooperation as a means of creating a "community that acts together and advances together" by expanding East Asia cooperation, Australia and New Zealand included. Japan believes that promoting open regional cooperation in a form that is transparent to extra-regional countries will contribute to the peace and prosperity of the region.

(b) Japan–China–ROK Cooperation

Spurred by the first Japan–China–ROK Summit in 1999, Japan, China, and the ROK are already shaping and implementing environmental cooperation projects through the Tripartite Environment Ministers' Meeting, as well as engaging in substantive efforts such as trilateral research on economic cooperation. In terms of cultural exchange, the three countries have

19. East Asia Vision Group (EAVG): Proposed by ROK President Kim Dae Jung at the ASEAN+3 Summit in December 1998, the EAVG was established as a group of eminent private-sector figures. The group discussed possibilities for future East Asian cooperation in a wide range of areas, as well as means of implementing this, drawing up recommendations in a broad range of areas that included economics, finance, politics and security, the environment and energy, society, culture, and education. Japan was represented by Masaru Yoshitomi, dean of the Asian Development Bank Institute, and Akihiko Tanaka, a professor at the University of Tokyo.

20. East Asia Study Group (EASG): Proposed by ROK President Kim Dae Jung at the ASEAN+3 Summit in 2000 in order to explore realistic means of deepening and broadening ASEAN+3 cooperation. The group consisted primarily of government officials. The group met for the first time in March 2001, with a further three meetings held during the year. The EASG is currently assessing the EAVG report and is expected to submit a final report to the ASEAN+3 Summit in 2002.

agreed to designate 2002 as the Year of Japan–China–ROK National Exchange, and they are cooperating closely to ensure its success.

At the ASEAN+3 Summit held in Brunei in November 2001, Prime Minister Koizumi chaired the Japan–China–ROK Summit, which leaders had agreed at their previous meeting to regularize into an annual event. The summit saw the leaders of the three countries agree to hold trilateral economic and finance ministers' meetings and to promote trilateral cooperation in various areas and at various levels, including promotion of trade, IT, and energy. They also decided to consider establishing a trilateral business forum with a view to facilitating stronger business cooperation. The leaders agreed to strengthen trilateral consultations and cooperation regarding efforts to deal with transnational issues such as terrorism, international organized crime, drugs, and infectious diseases, and they reaffirmed their resolute stance against all forms of terrorism, as well as the importance of stronger global cooperation and the role of the United Nations.

Prime Minister Koizumi proposed holding consultations among the three countries' diplomatic authorities, including trilateral foreign ministers' meetings where necessary, in order to strengthen trilateral cooperation and Japan–China–ROK cooperation in ASEAN+3. His proposal was approved by the Chinese and ROK leaders.

Japan–China–ROK cooperation will make a substantial contribution to the prosperity of the East Asian region as a whole, and Japan looks forward to the ongoing promotion of cooperation in a broad range of areas.

3. Asia–Pacific Economic Cooperation (APEC)

Asia–Pacific Economic Cooperation (APEC) comprises 21 members in the Asia–Pacific region, including Asia, Oceania, North America, Latin America, and Russia, and it represents the world's largest example of regional cooperation in terms of economic scale. APEC aims to realize sustainable development in the region through activities based on the three pillars of trade and investment liberalization, trade and investment facilitation, and economic and technical cooperation. APEC's distinguishing features and basic principles are open regionalism and an emphasis on “concerted unilateral action,” which have contributed significantly to building a sense of community in the region. Joint activities among diverse members have also strengthened APEC cohesiveness.

Japan attaches importance to APEC as the basic framework for economic cooperation in the Asia–Pacific and engages actively in cooperative activities with a view to securing the long-term development of the Japanese economy, strengthening mutual trust within Asia, and creating an environment conducive to regional political stability.

The APEC Economic Leaders' and Ministerial Meetings held in Shanghai in October 2001 provided an excellent opportunity to recall APEC's con-

tribution and role and to consider the direction of APEC in the 21st century. In the past, APEC discussion has always focused on economic issues, but in view of the gravity of the terrorist attacks in the United States that occurred shortly before the Shanghai meetings, interest was focused strongly on means of combating terrorism, a subject that prompted intense debate. APEC leaders consequently issued a statement strongly condemning terrorism and emphasizing international cooperation against terrorism, which, given the religious and cultural diversity of APEC's membership, was very significant in terms of demonstrating the solidarity of the international community.

Responding to the worldwide economic slowdown, the Shanghai meetings also featured an exchange of views regarding the early recovery of economies in the APEC region. As a result, the Economic Leaders' Declaration expressed their "unwavering confidence in the medium- and long-term growth prospects for the Asia-Pacific region," and undertook to "adopt appropriate policies and measures to increase economic growth," also resolving to "enhance macroeconomic policy dialogue." Japan detailed the progress of the structural reform it has pursued under the banner of "no growth without structural reform," whose goal is self-sustaining economic growth led by private-sector demand. Ever since the Asian currency and financial crisis that started in 1997 and carried over into 1998, the APEC economies have worked to strengthen market functions in order to shape sound domestic and international markets, an endeavor that has fostered in member economies an awareness of the need to implement structural reforms; and the members agreed to accelerate these efforts.

In discussion on the challenges accompanying globalization, it was noted that globalization acts as an engine in accelerating economic growth and boosting standards of living. At the same time, attention was also drawn to the disparities among and within member economies in regard to the distribution of opportunities to enjoy the potential benefits of globalization. The importance of human resources development and assistance for capacity-building were emphasized as means of reducing these disparities. Member economies also welcomed the formulation of the Echotech Action Plan in the field of human resources development, a Japanese initiative, as well as the results of the Fourth APEC Human Resources Development Ministerial Meeting held in Kumamoto in September.

In terms of guidelines for future APEC activities, member economies reaffirmed the Bogor Goals of realizing free and open trade and investment in the Asia-Pacific region agreed in 1994; at the same time, the Osaka Action Agenda, adopted in 1995 as a roadmap toward realizing the Bogor Goals, was updated in view of implementation progress and structural changes of the economy. The Shanghai Accord was adopted with a view to stimulating the APEC process and responding to globalization and the New Economy (with the growing importance of Information and Communications Technology [IT] and other economic developments), and guidelines were laid out for moving APEC activities forward.

4. Asia–Europe Meeting (ASEM)

The Asia–Europe Meeting (ASEM) was launched in 1996 as a forum for strengthening relations between Asia and Europe. Comprising 10 Asian countries, 15 European countries, and the European Commission, ASEM is a forum for inter-regional dialogue and cooperation. Three summit meetings have been held to date, with the fourth (ASEM 4) scheduled to take place in Copenhagen in September 2002.

Belonging to Asia and also sharing values and close relations with European countries as an advanced industrialized democracy, Japan believes that it is positioned to play a key role in strengthening the dialogue and cooperation between the two regions, which is ASEM's goal, and Japan will continue to participate actively in ASEM activities.

ASEM has identified political dialogue, economics, and cultural and other issues as the three pillars of its activities, and various activities have been advanced in each of these areas. Three ministerial-level meetings took place in 2001. Kobe hosted the Third Finance Ministers' Meeting in January, while the Third Foreign Ministers' Meeting was held in Beijing in May, and the Third Economic Ministers' Meeting was convened in Hanoi in September. Japan also held the ASEM Seminar on Digital Opportunity in Tokyo in March 2001. Policy-makers and experts from ASEM countries attended the meeting and exchanged views on means of closing the digital divide among and within states.

The Third Foreign Ministers' Meeting, held May 24–25, produced a frank exchange of views on a wide range of issues and offered a valuable opportunity to realize greater Asia–Europe cooperation, a goal that was agreed upon at the Third Asia–Europe Meeting in October 2000. In the context of political dialogue, members discussed the Korean Peninsula situation, ASEAN+3, enlargement of the European Union, the Balkan situation, the United Nations, arms control and disarmament, and the Middle East peace process, while the theme of economic and financial cooperation explored the World Trade Organization (WTO), the digital divide, and cooperation among small and medium-size enterprises. In regard to cultural and other issues, members looked at global environmental issues, transnational crime, and the smuggling of women and children. The modalities of ASEM discussion and participation were also discussed. After the meeting, a Chairman's Statement was issued to summarize the discussion in the above three areas and to emphasize the strengthening of the Asia–Europe partnership.

The Third Economic Ministers' Meeting was held September 10–11, and discussions included the strengthening of the relationship between Asia and Europe, interaction with business, the WTO, and global economic developments. In relation to work on ASEM's Trade Facilitation Action Plan (TFAP), it was agreed that the next Senior Officials' Meeting on Trade and Investment (SOMTI) would consider concrete measures in regard to paperless customs procedures, concentration on priority areas, and identification of best practices in terms of removing trade barriers. The strong political

commitment of the members to the early launch of a new WTO round was also affirmed.

5. The Japan–Singapore Economic Agreement for a New-Age Partnership (JSEPA)

In addition to efforts to advance multi-layered regional cooperation in the Asia–Pacific, Japan launched negotiations with Singapore in January 2001 aimed at concluding an economic agreement for a new-age partnership that would help advance bilateral trade and investment liberalization and facilitation and strengthen economic ties. Intense negotiations with Singapore, including four rounds of intergovernmental negotiations held between January and October, led to the successful conclusion of negotiations during the fourth round in October, and the “Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership” (JSEPA) was signed by both leaders during Prime Minister Junichiro Koizumi’s visit to Singapore in January 2002.

The JSEPA includes not only bilateral trade and investment liberalization and facilitation, but also the strengthening of economic ties in a much wider range of areas, as befits the new age, including financial services, Information and Communications Technology (IT), science and technology, human resources development, promotion of trade and investment, small and medium enterprises, broadcasting, and tourism. The JSEPA also represents Japan’s first regional trade agreement, as well as the first economic partnership agreement in Asia, and it is expected to serve as a model in strengthening Japan’s economic relations not only with Singapore but also with other countries in Asia and elsewhere.

The JSEPA is also expected to create even closer economic ties between Japan and Singapore and add further dynamism to both economies, as well as lend impetus to their economic structural reform programs.