

The Chair's Summary on the Forum for the Promotion of
Public-Private Cooperation in the Mekong Region

Tokyo, Japan, 14 December, 2010

1. The Government of Japan hosted the Forum for the Promotion of Public-Private Cooperation in the Mekong region in Tokyo, Japan, on December 14, 2010, participated by representatives of both public and private sector from Japan, the Kingdom of Cambodia, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam, relevant international organizations, development partners and youths from the Mekong region countries visiting Japan under Japan-East Asia Network of Exchange for Students and Youths (JENESYS) Program.
2. Mr. Hisashi Tokunaga, Parliamentary Vice-Minister for Foreign Affairs, made the opening remarks in which he emphasized Japan's commitment to the development of the Mekong region. Also in the opening session, Mr. Sumitaka Fujita, a Special Advisor of ITOCHU Corporation, spoke from the perspective of Japanese corporations operating in the Mekong region and emphasized the need to further enhance public-private cooperation in order to promote region's economic growth.
3. The concept of 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, Japan has previously held 10 Japanese Working Groups under the Forum, in which representatives from both public and private sector in Japan discussed ways to promote public-private cooperation in areas such as hard and soft infrastructure, logistics, SMEs, services, new industries, energy, natural resources, water businesses, environment and climate change.
4. In the Forum, the participants appreciated Japan's initiative as well as its efforts to promote public-private cooperation in the Mekong region. The participants reaffirmed the necessity to utilize public and private

cooperation to strengthen Japan-Mekong cooperation as well as ensure economic prosperity of the region. The participants also expressed their will to make efforts to expand the existing public-private joint dialogues in each country to increase the flow of trade and investment to the region. The participants from the private sector reaffirmed the importance of anti-corruption measures, CSR, transparency and corporate governance. The idea of hosting a Japan-Mekong public and private dialogue back to back with Mekong-Japan Summit was raised by the participants.

5. The participants also attached importance to existing dialogues such as Mekong-Japan Industry and Government Dialogue, in which business community reported recommendations to the governments and formulated the “Mekong-Japan Economic and Industrial Cooperation Initiative (MJ-CI) Action Plan” to promote business activities and narrow the development gap in the Mekong region. The participants welcomed the active participation of private companies in the public-private joint dialogue and expressed their expectation that the dialogues would further improve business environment in the region.
6. The participants also emphasized the necessity to fulfill infrastructure missing links along the East-West Economic Corridor (EWEC) and the Southern Economic Corridor (SEC) and transform them into full fledged economic corridors. The participants also stressed the need to implement cross border transport and trade facilitation as well as strengthen capacity building and human resource development. The participants also acknowledged the importance of building basic physical infrastructures which will lay the foundation for economic development. In this context, the participants appreciated Japan’s contributions to the development of EWEC and SEC and hoped for the continuation of assistance towards the region.
7. Recognizing the above mentioned points, Japan expressed its will to further explore the possibility of Public-Private partnership with a view that active participation of private sector is indispensable for the sustainable development of the region. Japan expressed its willingness to support investment to the Mekong region countries by Japanese

companies on an individual project basis through financial measures by Japan Bank for International Cooperation (JBIC) and other organizations. Japan expressed its willingness to accelerate public and private partnership through measures such as utilizing PPP Infrastructure F/S Support Program, BOP business F/S Support Program and private sector investment finance.

8. Lastly, the participants recognized the importance of comprehensive development in the Mekong region and emphasized that the development in the Mekong region should be a model for development which reinforces regional integration, achieves sustainable development compatible with conservation of the environment. Japan also stressed its will to cooperate in reducing poverty, narrowing economic disparities, enhancing food security and improving public health, to achieve well-balanced development in the Mekong region.
9. The outcome of the Forum will be reported to the Mekong-Japan Summit, Mekong-Japan Foreign Ministers Meeting and Mekong-Japan Economic Ministers Meeting in 2011, as well as followed up at relevant fora between Japan and Mekong region countries.

Summary of Discussion: Working Groups

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

(1) Logistics Development

-The working group discussed the importance of addressing soft infrastructure in addition to hard infrastructure to facilitate logistics development in the Mekong region.

-The working group emphasized the importance of human resources development and appreciated Japan's continued assistance in the areas, such as training of logistics service providers.

-The working group recognized that the development of East-West Economic Corridor and Southern Economic Corridor would strengthen connectivity in the Mekong region, and agreed that enhanced economic corridors would also complement ASEAN Connectivity. From this perspective, the working group reaffirmed the necessity to address the missing links of the East-West Economic Corridor and the Southern Economic Corridor.

(2) Energy

-The working group agreed that it is important to conduct Public-Private cooperation with a view to ensure energy security in each country, which currently tries to develop renewable energy other than traditional natural resources such as fossil fuel.

- The working group shared the view that Japan's experience would be a good example for the Mekong region countries in developing energy sector, in terms of energy efficiency, environment-friendly technology, people's awareness of environment protection, and how to promote cooperation with private sector.

- The working group recognized that improvement of infrastructure and human resources development in energy sector would expand potential of natural resources reserves in the Mekong region.

(3) Infrastructure Development

-The working group recognized the importance of increasing connectivity in the Mekong region to narrow economic gaps in the region. From this

perspective, Japan will promote assistance toward both hard and soft infrastructure in the region. The working group also stressed the need to utilize public and private cooperation to effectively promote infrastructure development.

-The working group reaffirmed the importance of creating a mechanism to reduce risks of private sector and agreed to further cooperate to strengthen institutional framework.

-The working group appreciated efforts by the Government of Japan, which has strengthened its efforts towards overseas infrastructure development by institutionalizing Ministerial Meeting on Deployment of Integrated Infrastructure Systems.

(4) Development of Small and Medium Sized Enterprises and Local Supporting Industries

-The working group discussed the current institutional framework for SME promotion in Mekong countries and confirmed that each government will continue its effort to strengthen local SMEs.

-The working group learned that the Mekong countries can start from small and medium companies and grow to be large companies in the future, as Japanese companies have done in the past.

-The working group recognized the importance of financing. In this regard, the working group emphasized that microfinance scheme should be institutionalized in large scale.

-The working group recognized that foreign direct investment (FDI) plays a critical role in SMEs and Supporting Industries development in terms of business linkage, technology spillover and employment creation. The working group also agreed that well advanced supporting industries would attract FDI.

(5) Tourism

-The working group recognized challenges posed by issues such as global economic crisis and infrastructure bottlenecks and emphasized the need to upgrade the quality of tourism as well as adapt measures to promote sustainable tourism development.

-The working group recognized the need for Public-Private cooperation in the field of tourism and attached importance on improving support services and

facilities, information dissemination, and capacity building of personnel and organizational development including local community

-The working group reaffirmed that there is ample opportunity for the Mekong countries to jointly promote in-bounds Tourism and Intra-Mekong Tourism within the region, through measures such as tours linking cultural and natural heritage destinations including UNESCO-admitted world heritages, joint promotional materials, Buddhist Circuit / Pilgrimage Tourism, promotion of cruise and eco tourism in the Mekong region countries.