

Section 5 Promoting the Concept of “Asian Economic and Environmental Community”

In the 30-plus years since the Fukuda Doctrine of 1977, the Asia region has undergone great changes amidst the end of the Cold War and the expansion of globalization.

The Association of Southeast Asian Nations (ASEAN), which was established in 1967 by five countries, now comprises ten countries with the inclusion of Brunei, Cambodia, Lao PDR, Myanmar, and Viet Nam. ASEAN has gradually deepened its political and economic integration, leading to the creation of the ASEAN Charter last year. Today, ASEAN is the driving force of economic integration in the Asia region, becoming a hub for the network of free trade agreements (FTAs) and economic partnership agreements (EPAs). Moreover, with China and India experiencing conspicuous economic development, particularly over the last 15 years, these countries are becoming the economic giants not only of Asia but of the entire world. Australia has been promoting its “Asianization” policy since the Hawke administration, aiming to become integrated with Asia. The percentage of Australia’s total trade with Asia increased from 41% in 1986 to 57% in 2006¹, and Asian countries achieved economic development with the import of raw materials (coal, iron ore) from Australia. In other words, Asia and Australia are demonstrating a mutually complementary relationship.

With regard to the environment, in addition to the establishment of the ASEAN Centre for Biodiversity (ACB) in 1999, the member countries have concluded the Agreement on Transboundary Haze Pollution (enacted in November 2003) with legally binding power regarding the damage caused by haze, which is common to Southeast Asia, and are jointly carrying out an action plan. Furthermore, at the 3rd East Asia Summit held last year, the countries jointly drafted the Singapore Declaration on Climate Change, Energy and the Environment for the first time. Amidst such circumstances, there is now a budding opportunity to bring about “common benefits through common work” in Asia as a whole, centering on ASEAN, including Japan, China, India, Australia, and others.

This section describes the overview of the “Asian Economic and Environmental Community” advocated by the Japanese government as part of its efforts to promote wider and deeper regional integration and the overview of the “Economic Research Institute for ASEAN and East Asia (ERIA)” which is expected to be a driving force of the initiative. (The concept of “Asian Economic and Environmental Community” is not meant to create a new institution)

This section also describes the “Free Trade Area of the Asia-Pacific (FTAAP)” which is designed to promote a broader economic partnership proposed and currently being discussed at the Asia-Pacific Economic Cooperation (APEC) forum as part of regional integration efforts in Asia.

1. The Concept of “Asian Economic and Environmental Community” The “Asian Economic and Environmental Community” is designed to take utmost advantage of Japan’s strength as an Asian country in contributing to the development of Asia and to the growth of Japan in tandem with the rest of Asia. The goals for the initiative are ““Asia with Economic Development in harmony with the Environment,” “Asia as leader to Growth,” “Asia of Middle Class,” and “Asia with Global Openness”. Its purpose is to promote broader and deeper regional integration and to establish the abundant and

¹ Taken from US database “UN Comtrade” (<http://comtrade.un.org/db/>)

prosperous “Asian Economic and Environmental Community” while promoting cooperation with the United States, Europe, and such multilateral frameworks as the WTO and APEC. The “Basic Policies for Economic and Fiscal Management and Structural Reform 2008” compiled in June 2008 positions the initiative as part of Japan’s global strategy².

Major steps to achieving these goals are as follows³:

(1) Establishing an Asia market which is environmentally sustainable and ultra-conservative in its use of energy

For the sustainable economic growth of Asia, Japan should endeavor to establish worldwide a market that is eco-friendly and energy conserving, we aim to expand the size of its Asian environmental business markets to 300 trillion yen by 2030 from the current state 64 trillion yen.

Regarding the environment, we will promote the “Clean Asia Initiative.” Specifically, Japan should endeavor to establish a sustainable society where the economy grows in harmony with the environment, a society with low carbon and low pollution, that is recycling-based and where people can adapt to climate changes and live in harmony with nature as well as promote more green markets. It endeavors to establish a basis for partnership by maintaining a mutually supportive relationship between the environment and trade, we will expand Japan’s model, which consists of Japan’s experiences, technologies, organizations, and systems as a package to cover Asia, and develop the Environmental Leadership Initiatives for Asian Sustainability through a partnership among government, higher education, businesses, and NGOs.

We will encourage environmental and energy-saving policies in developing countries while supporting those countries in various ways including the provision of systems, funds, and human resources in harmony with the “Cool Earth Partnership” which is designed to support developing countries in their efforts to achieve the reduction of greenhouse gas emissions and spur economic growth at the same time. Japan should “bring to the foreground” the status of each country’s environmental and energy-saving policies so that it can provide country-specific policy supports. In addition, it should also steadily implement projects related to zero-emission coal-fired power generation, cooperation on oil stockpiling, water resource management, the 3Rs (reduce, reuse and recycle), nuclear energy and biomass town, among others. It should also enhance its current cooperation on forest resources control by using satellite data, as well as other means, to fight the illegal deforestation, degradation, and reduction of forests in Asia.

“Development of Asian Environmental Policies”

By conducting policy consultations with the East Asian countries and feasibility studies in the region, we will promote the popularization of low-carbon and low-pollution (co-benefit) environmental measures. Moreover, by utilizing ERIA, through policy impact evaluations with a view

² The document “Basic Policies for Economic and Fiscal Management and Structural Reform 2008” stipulates that Japan should “realize the ‘Asian Economic and Environmental Community’ Initiative to contribute to the economic development in harmony with the environment by taking advantage of Japan’s strength while promoting partnership with Asian countries and the United States through the promotion of the ‘Clean Asia Initiative’ and the use of the ‘Economic Research Institute for ASEAN and East Asia (ERIA).’”

³ Source: Economic Growth Initiative revised in June 2008 by the Ministry of Economy, Trade and Industry, Japan

of sustainable development and issuing the “East Asia Sustainable Development Outlook,” we will make policy recommendations and support the strengthening of policy-related efforts carried out by each country.

“Clean Coal for Asia”

While promoting CO₂ reduction by improving the efficiency of coal-fired power plants in China and other countries with facility diagnosis and improvements, we will promote the development and dissemination of zero-emission coal-fired power generation in the future through carbon capture and storage (CCS) technology. Furthermore, we will use ERIA to promote the development of a stable supply of energy and responses to environmental challenges in the area of coal policies throughout Asia.

“Asia Oil Stockpiling Initiative”

Regarding oil stockpiling—the key to energy security—for the moment, we are promoting the preparation of a common roadmap to encourage individual countries to strengthen their oil stockpiling systems; centering on ASEAN countries, Japan, China, and South Korea, we will expand our support to and cooperation with individual Asian countries’ in their efforts toward oil stockpiling.

“Asia Sustainable Aqua Plan”

By strengthening Japan’s water-saving technology, we will promote the development of water circulation systems mainly for industry, demonstrate and introduce assistance for such systems inside and outside Japan with water-saving technology, and popularize water-saving and environment-friendly water resource management in Asia. Furthermore, we will take advantage of our experience with pollution to provide assistance to the areas of rule-making and human resources development, toward the establishment of water/environment management systems in Asia.

“Asia Eco-Town Program”

While working in partnership in the setting of the national strategies and plans related to the 3Rs, we will promote the establishment of master plans toward the establishment of the facilities required for appropriate recycling in each Asian country. We will also share the information on Japan’s 3R related technology, systems and businesses, and popularize these throughout Asia.

(2) Promoting enhancement of logistics in Asia

We aim to improve the environment for the free movement of goods and services by improving hard and soft infrastructure.

In ERIA, we will create a database that allows users to access information on standard transport times and transportation costs on major international routes linking major cities and industrial agglomerations in the region, together with the promotion of the “Asian Sunbelt Initiative” (tentative name) concept.

We additionally promote efforts to improve logistical efficiency in Asia including Japan, China, and South Korea whose trade volumes are increasing rapidly.

In order to meet the conflicting demands for secure but expedited and efficient international

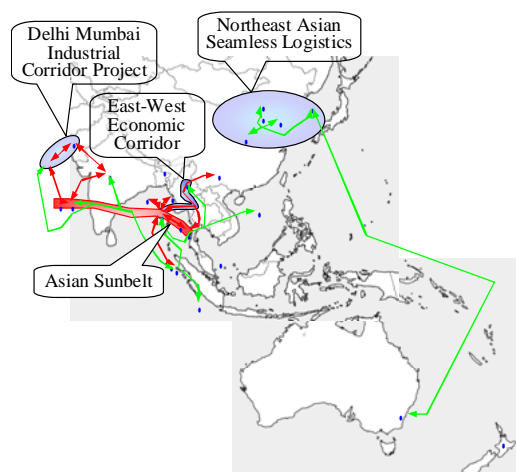
logistics, Japan should promote the use of the Authorized Economic Operators (AEO) which is a system to certify exporters and importers who have well-prepared compliance systems. At the same time, we aim to promote the use of the AEO system, which accredits importers and exporters with properly prepared cargo security management and compliance systems and affords them preferential measures in customs procedures. At the same time, in addition to engaging in discussions aimed at establishing mutual recognition with Europe, the United States, and other countries, we will support the introduction of an AEO system for major countries in Asia and proceed with deliberations and discussions aimed at establishing mutual recognition.

Along with operating a next-generation “single window” (common inter-ministry portal) formed by the relevant ministries to improve user-friendliness, we will promote the integration of trade-related systems for import, export, and port-related procedures. In addition, while supporting the creation of a “single window” for ASEAN trade procedures, we will investigate the possibility of forming alliances with the “single window” systems of other countries and regions, including ASEAN.

The Concept of the “Asia Sunbelt Initiative (tentative name)”

The concept of the Asian Sunbelt Initiative (tentative name), which connects to Chennai and is based on the Southern Mekong Economic Corridor (Ho Chi Minh - Phnom Penh - Bangkok) in the Mekong region, will be planned using the “East-West Economic Corridor (EWEC)” and the “Delhi-Mumbai Industrial Corridor (DMIC)” as examples. The plan will be put forward together with the maintenance of peripheral industrial inflation. The development projects will take place in alliance with international cooperation agencies such as the Asian Development Bank (ADB), and related governments, both inside and outside the region (see Figure 4-5-1).

Figure 4-5-1 Asian Sunbelt Initiative



- Promote the "Asian Sunbelt" Initiative modeled after the "Southern Economic Corridor" to create a regional industrial hub by developing the logistics and industrial infrastructures together.
- Promote the ASEAN East-West Economic Corridor (land); Northeast Asian Seamless Logistics among Japan, China, and Republic of Korea (sea and air), and the Delhi Mumbai Industrial Corridor Project (land).
- Develop database, models, and demand projection systems to enable efficient simulation of regional logistics. In addition, decide priority routes.

Source: Ministry of Economy, Trade and Industry, Japan

(3) Promoting harmony with and enhancement of various systems in Asia

Based on a consensus reached at economic cooperation conferences held overseas, we will formulate a basic plan to support the enhancement of legal systems while taking into account the needs of partner countries with regard to each ministry and the benefits to the economic world. At the same time, in ERIA, we will examine the research issues related to the enhancement and implementation of

legal systems in Asian countries, including basic legal systems such as civil procedure codes and commercial codes, economic legal systems such as intellectual property law and competition law, and tax-related law. Based on this, we will provide strategic support for the enhancement and implementation of legal systems in each country that will form a basis for industrial development in Asia while also contributing to smooth business activity. At the same time, we will make use of technical cooperation and the Committee for the Improvement of the Business Environment while forming partnerships with donors other than Japan. In addition, we aim to harmonize the legal systems between countries.

We will develop and disseminate the institutions and systems, in other words “The Best Practices in Corporate/Production Management in Asia,” which have served as the key elements of industrial infrastructure development in Japan, such as SME consultants, IT Engineer Examinations (ITEE), logistics managers, pollution control managers, proficiency measurement, and environmental management standards and methods.

We will promote the acquisition of the international standards originated in Asia including Japan by enhancing the international standardization system in Asia. In addition, Japan should help with the accumulation of various Asian industrial statistics to improve international comparisons of the data.

(4) Efforts for promoting knowledge economy in Asia

We aim to expand the size of the e-commerce market in Asia to 1,000 trillion yen by 2020 by promoting the “Asia Knowledge Economy Initiative” through increased use of IT.

With regard to countermeasures against counterfeited and pirated goods, Japan should dispatch to countries where counterfeited and pirated goods were found a joint mission of the government and the private sector to request that these countries enhance their legal systems to protect intellectual property rights and provide technical support for such enforcement. We will also make efforts to improve the level of intellectual property rights protection through international cooperation such as the APEC forum. In addition, Japan should support efforts by APEC and others to promote the use of patent screening results as part of global efforts to expedite licensing procedures. We will promote the “Substantive Patent Law Treaty” which is designed to harmonize the patent systems in developed countries and should support the development of patent systems in developing countries of Asia.

We will establish the East Asia Plant Variety Protection Forum with the aim of creating common foundations for a plant variety protection system.

“Asia Knowledge Economy Initiative”

Making use of ERIA, we will promote comprehensive efforts to realize a secure business environment, improve business productivity in the region, and create a safe and secure infrastructure for cross-border e-commerce, while also working to develop IT human resources for Asia.

(5) Promoting development and exchange of human resources in Asia

We will develop industrial human resources for the future growth of East Asia through transfer of the superior technologies and expertise of Japanese companies. To this end, Japan should promote the use of on-the-job technical training and management models of Japanese companies and support quality improvements at local industrial human resources development agencies in cooperation with

people who have experience of studying or having received training in Japan.

We will promote the “Asian personnel resources plan,” an industry-academia joint effort that provides integrated support, from training to job searching, including expert training in Japanese business and internships for outstanding exchange students from Asia. Throughout the period of their vocational education and Japanese business language training and internships to the time they take up employment at Japanese companies abroad. Through the initiative, Japan should promote the development and exchange of high-quality Asian human resources by expanding employment opportunities in Japan. Japan should also establish a “promotion panel” comprising people from the industrial, governmental, academic, and labor sectors to accelerate the acceptance of high-quality human resources from across the world. The panel should study numerical targets and necessary policies. The relevant government ministries should develop an action program by the end of 2008 to increase the acceptance of high-quality foreign human resources such as researchers, engineers, and corporate managers and to promote employment of foreign human resources in Japanese companies. In order to create an environment where it is easy to utilize highly skilled foreign human resources, we will promote global human resource management in Japanese companies by formulating and publicizing the internationalization indicators to measure the degree of responsiveness to global human resource management. We also aim to enhance English-language education in Japan.

We will also develop a scheme to support employment of foreign nationals at Japanese companies in various Asian countries. We will also use the ERIA to support job studying in order to cultivate global leaders from Asia who will be able to perform internationally so as to realize the economic integration of Asia.

“ERIA Leaders Program” (tentative)

In ERIA, we will create a “Leaders’ Program” (tentative name) in order to cultivate global leaders from Asia who will be able to perform internationally so as to achieve the economic integration of East Asia. ERIA should promote a partnership among advanced academic institutions in the Asian region.

(6) Increasing flow of funds in Asia

We will swiftly and flexibly promote negotiations on investment agreements (or EPAs which include provisions on the investment charter) with major trading partners including Asian countries while focusing on practical needs. To this end, Japan should strategically determine negotiating priorities (countries and regions). In addition to the development of such rules, Japan should steadily implement the ASEAN Common Investment Environment Initiative to improve the investment environment in ASEA by taking opinions of Japanese investors into consideration. In the future, Japan should expand the sectors and regions covered by the survey on attitudes of investors to improve the investment environment in East Asia and to promote peer pressure among countries trying to attract foreign investment. Japan should also actively work on issues discussed at each EPA Business Environment Subcommittee. In addition, Japan should promote the development of infrastructures through the Asia PPP (Public-Private Partnership) to swiftly respond to increasing demands for infrastructure development amid rapid economic growth in Asia as well as to increase investment by using private funds. Japan should lay the groundwork to establish a “professional market” to revitalize

the Japanese securities market by attracting more foreign companies.

Japan should actively use the relevant policy-based financing programs to support small and midsize companies in expanding their businesses to overseas markets. Japan should also promote partnership and the enhancement of various systems to provide support funds, human resources, and information required for such overseas business expansion including the “New Partnership Support System.”

We will promote investment by Japanese food companies in East Asia, based on the “The East Asia Food Industry Revitalization Strategy” For Japan’s food industry, which is eager to invest in East Asia, this can be accomplished by compiling and providing the information necessary for investing in each East Asian country, developing human resources such as engineers and managers, and extending Japan’s strong food production technology overseas. Such measures will contribute to the improvement of Japan’s international competitiveness in the food industry and increase the consumption levels and improve the food culture in East Asian countries.

(7) Revitalizing consumer markets in Asia

We will prepare a “consumer market map” in order to analyze the consumption activities of consumers in Asia. In the long-term, we aim to make Japan and Asia the base of consumer intelligence in the world by enhancing trend generating capabilities through the development of products and services grounded in consumer needs.

We plan to expand Japan’s “Good Design Awards” to the “Asia Good Design Awards” so as to increase the added value of Asian goods and services.

To achieve this, we will promote improved design capability in all Asian countries by recognizing excellent Asian designs t

We aim to contribute to the vitalization of Asian consumer markets through the expansion of Japan’s high-quality service industry in Asia. In conjunction with this effort, we will implement measures to expand Japan’s competitive content industry in Asia by compiling a package of mid- and long-term policies as the “Asia Content Initiative.”

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By creating Asian distribution channels both “on the Net” and “in the real channel,” we aim to enhance the range and reliability of trading methods in Asia.

To this end, regarding the real channel, we will promote the international expansion of Japan’s distribution industry, which can be considered as providing the highest level of service in Asia. On the Internet, we will enhance the connectivity of consumers and business in Asia, a region with potential as a consumer market through the formation of the “Asia Electronic Distribution Area” with the goal of vitalizing Asia and Japan.

“Asia Electronic Distribution Area Initiative”

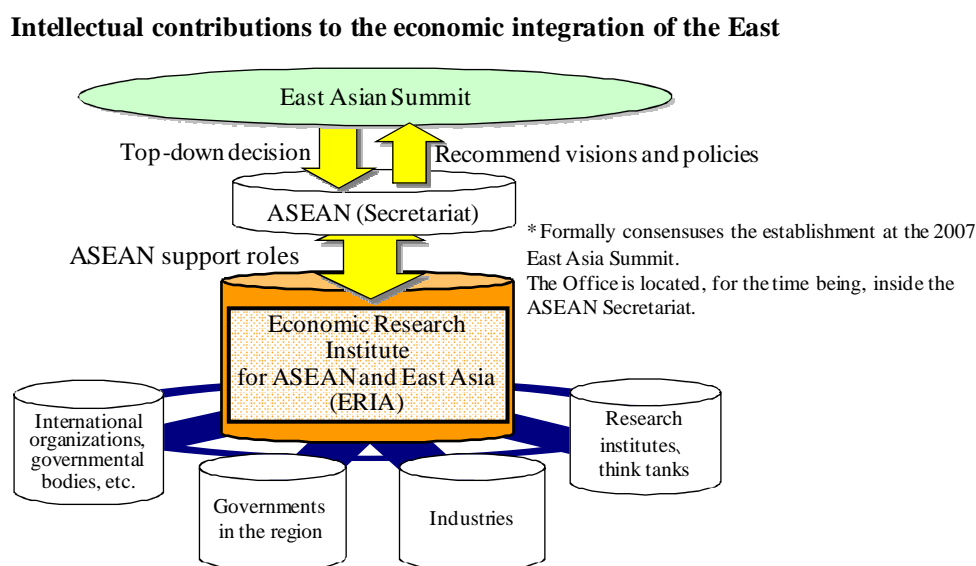
Making use of IT, with its minimal geographical and time constraints, we will create an Internet-based, cross-border “Asia Electronic Distribution Area” that is both reliable and beneficial. This will enable businesses to extract new demand in Asia and expand business opportunities to create a safe and secure mass consumer market with high growth potential, thereby revitalizing Asia as a whole. In addition, we will vitalize Japanese industry by establishing a Japan Brand in Asia in conjunction with the strategy for content business, improving the demand chain, and gathering

pan-Asian consumption-related information in Japan.

2. Economic Research Institute for ASEAN and East Asia (ERIA)

The ERIA is a new international research organization designed to analyze regional issues and to plan and recommend policies to promote the economic integration of East Asia. United regional efforts to tackle various issues are effective in achieving the sustainable growth of East Asia; such issues include overcoming energy and environmental constraints, enhancing fragile infrastructures, developing the supporting industries, and tackling human resource shortage. The ERIA was proposed and welcomed by East Asian countries including the ASEAN countries as a new think tank to intellectually support efforts led by ASEAN for regional integration amid the mounting international issues arising from rapid globalization (see Figure 4-5-2).

Figure 4-5-2 Framework of Economic Research Institute for ASEAN and East Asia (ERIA)



Following the Chairman's statement at the 3rd East Asian Summit (EAS) in November 2007, the Inaugural Meeting of the ERIA was held at the ASEAN Secretariat (in Jakarta) on June 3, 2008 (see Figure 4-5-3).

The ERIA supports integrated regional policy efforts through intellectual contributions such as research, analysis, and policy recommendations in the following major policy fields: "Deepening Economic Integration," "Narrowing Development Gaps" and "Sustainable Economic Growth" (see Figure 4-5-4). Specifically, the ERIA launches various policy research projects by drawing on the entire region's wisdom and then reporting the research results and making policy recommendations to policy-makers, including leaders and ministers in the East Asian Summit meetings and so on in order to promote the implementation of policies. The ERIA also holds symposia and seminars as necessary in member countries to increase awareness about the policy research conducted by the ERIA, to promote exchange of opinions among a broad range of people from the industrial, academic and governmental sectors in the region and to promote capacity-building projects designed to improve the

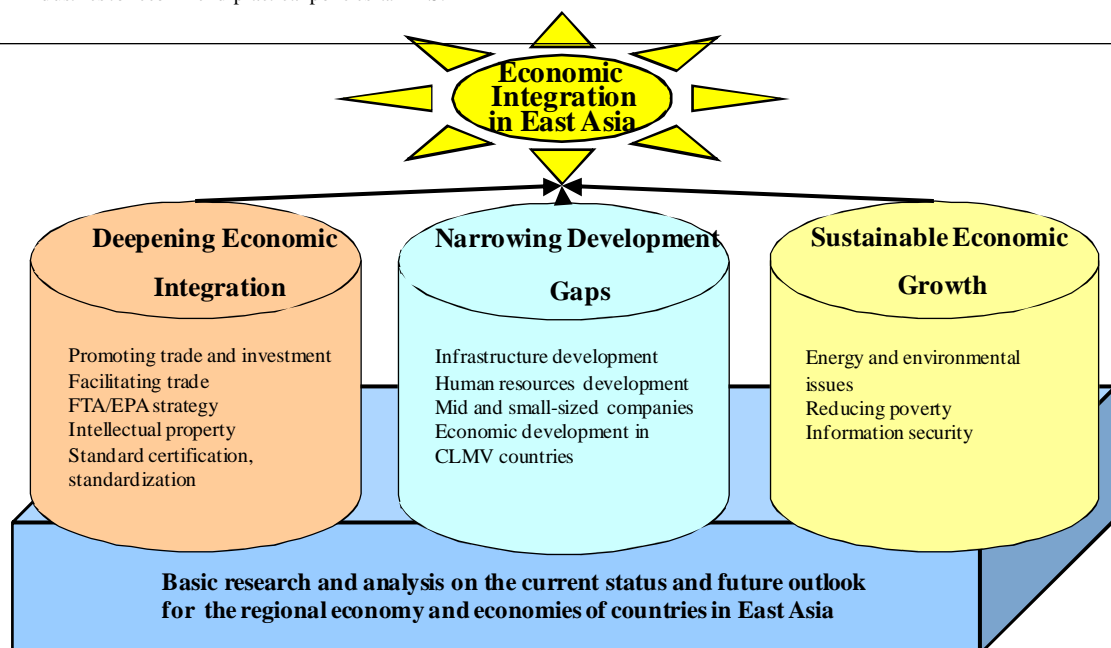
policy research ability in developing countries.

Figure 4-5-3 Inaugural Meeting of the ERIA



Figure 4-5-4 Policy Research Fields of Economic Research Institute for ASEAN and East Asia (ERIA)

- ERIA selects specific policy issues and promotes policy recommendation projects in cooperation with relevant organizations in each country in the following major policy fields: Sustainable Economic Growth," Deepening Economic Integration," " Narrowing Development Gaps," and " Sustainable Economic Growth ."
- ERIA—as part of its efforts toward promoting the projects—exchanges opinions with policy officials from a broad range of industries to recommend practical policies at EAS.



Source: Ministry of Economy, Trade and Industry, Japan

The ERIA performed, ahead of its formal establishment, research projects, capacity-building projects, and symposiums in cooperation with the Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO) in FY2007. Especially, the research projects which used the network of regional research institutes in East Asia were a test-run projects for the “Developing a Roadmap toward East Asian Economic Integration Roadmap” and “Energy Security in East Asia.” The

progress and the results of the projects were reported to the “Economic Ministers Meeting,” the “EAS Energy Ministers’ Meetings,” and the “EAS” with exchanging of opinions with policy-makers. The capacity-building projects included the training programs for policy-makers and researchers in CLMV countries (Cambodia, Laos, Myanmar, and Vietnam). The ERIA held some large-scale symposiums and seminars in East Asian countries including the “ERIA Manila Symposium” held on the occasion of the East Asian Economic Ministerial Meeting in August 2007, the “ERIA Singapore Symposium” held on the occasion of the EAS Meeting in November of that same year and the “ERIA Tokyo Forum” in March 2008.

In the future, the ERIA is expected to develop into a common regional research establishment that—through close partnership with the ASEAN Secretariat, the governments in the regions, and close cooperation with various research institutes—analyzes and researches a broad range of policies faced in East Asia as well as develops prescriptions to support the implementation of policies.

[Column 44] ERIA Tokyo Forum⁴

The “ERIA Tokyo Forum” (sponsored by JETRO, the ASEAN Secretariat and *Nihon Keizai Shimbun* and supported by the Ministry of Economy, Trade, and Industry, the Ministry of Foreign Affairs and Japan Bank for International Cooperation (JBIC)) was held in Japan which advocated the ERIA Initiative, on March 4, 2008. This forum commemorated the inauguration of the ERIA on the consensus at the 3rd EAS.

The “ERIA Tokyo Forum” was attended by Prime Minister Fukuda, Economy, Trade and Industry Minister Amari, Vice Foreign Minister Kimura, ASEAN Secretary-General H.E. Dr. Surin Pitsuwan, and Nippon Keidanren President Mitarai, etc. About 500 audiences attended including ambassadors from various countries, Japanese Diet members, senior officials of various Japanese governmental ministries and private companies and academic experts; there was also a video message from OECD Secretary-General Angel Gurría. The forum provided an important opportunity to call for cooperation among broad sectors of people in East Asia.

The Message from Prime Minister Fukuda at ERIA Tokyo Forum (excerpt) stated as follows:

Together with partners outside of Asia, such as the US and Europe, we can work together towards establishing an affluent economy and society in Asia, as well as in addressing global issues in the areas of the environment and energy. All of these efforts will lead us towards the realization of the “United Economies & Environment of Asia” concept.

When we combine the driving forces for growth, such as China and India, with ASEAN at the core, and the wisdom and experience of Japan, Korea and Australia—when we have the organic movement of all these—I believe Asia can move into the next stage of economic development. I hope that ERIA, whose establishment we are gathered here to celebrate, will serve as a think tank for examining the region’s future course and policy agendas to formulate excellent policy recommendations. (snip) In closing, I hope ERIA will maximize its potential in supporting the

⁴ See the *Nihon Keizai Shimbun*, Morning Edition dated March 27, 2008, “ERIA Tokyo Forum Special” for details about the ERIA Tokyo Forum.

future of Asia and the world. Thank you very much.

3. Regional partnership beyond East Asia: Promoting regional economic integration efforts by APEC

Subsections 1 and 2 of this Section focused mainly on East Asia. However, the East Asian region has established open relationships with other regions instead of closing itself to them. Moves by East Asia toward enhancing economic partnerships go beyond the Pacific region as evidenced by Japan's EPAs with Mexico and Chile.

Such moves toward cross-regional partnerships beyond the East Asian region are led and driven by the Asia-Pacific Economic Cooperation (APEC).

The APEC forum, established in 1989, respects voluntary actions by its member countries and has the motto of "Open Regionalism" which aims to share with external regions the benefits of liberalized and facilitated trade and investment. APEC has expanded from the founding member countries to include the NAFTA countries, 7 ASEAN countries, Russia and Central and South American countries, enabling it to play an important role in promoting cross-regional economic partnerships. APEC has the purpose of liberalizing and facilitating trade and investment and promoting economic and technological cooperation and has the principles of autonomy and non-binding rules.

The Bogor Declaration was adopted at the Bogor Summit in Indonesia in 1994 to express the common determination of the leaders of the member countries. The declaration included a long-term goal of liberalizing trade and investment in the Asia-Pacific region and the future directions for economic and technological cooperation. The goals with timeframes, so-called the "Bogor Goal," which required developed countries in the region to achieve open trade and investment by 2010 and developing countries by 2020 attracted global attention and prompted the APEC to move toward an international framework with specific goals and directions.

Following the breakdown of the Early Voluntary Sectoral Liberalization (EVSL) talks and the outbreak of the Asian Currency and Financial Crisis in 1997–1998, the APEC liberalization talks virtually ground to a halt. However, in the Chilean Process in 2004, the APEC Business Advisory Council (ABAC), which comprises business representatives from APEC member countries, proposed a feasibility study on the Free Trade Area for the Asia Pacific (FTAAP) region. In addition, the United States urged member countries to start the study on the FTAAP before the 2006 Summit Meeting, so that the discussions at the APEC gained momentum. The 2006 APEC Summit meeting in Hanoi, Vietnam, agreed to study methods and means to promote regional economic integration including the FTAAP which was defined as a long-term goal. The report was presented and approved at the 2007 APEC Summit Meeting in Australia.

Thus, APEC plays an important role in promoting economic integration in the Asia-Pacific region. The "Asian Economic and Environmental Community Initiative" described in Subsection 1 also includes cooperation with multinational frameworks such as APEC and partnerships with the United

States and Europe. Japan should make the best use of APEC to actively promote economic integration.

4. Conclusion

As described at the beginning of this Section, the time is ripe to generate the common profits through collaboration in the entire Asian region.

Japan has been promoting various efforts for the economic integration of East Asia including the CEPEA, the ERIA, the “Asian Economic and Environmental Community “ Initiative. While some of the efforts, such as the establishment of the ERIA, bore fruit, Japan is expected by many Asian countries to play a more active role toward further integration of the Asian economy.

The year 2010 will represent a major milestone. The “Basic Policies for Economic and Fiscal Management and Structural Reform 2008” set a goal of “increasing the percentage of trade in value with EPA signatories in the overall trade to over 25%.” (see Chapter 4-3). The “Bogor Goal” also sets the year 2010 as the date by which developed countries must achieve free and open trade and investment. Japan chairs the APEC Meeting in 2010.

In preparation for that milestone year, Japan is required to take strategic action to promote economic integration in the Asia-Pacific region and enhance economic relationships with external regions.