

Highlights of Progress Report of the MJ-CI Action Plan

3rd Mekong-Japan Economic Ministers Meeting

August 14th, Manado, Indonesia

Background of the “Mekong-Japan Cooperative Initiative (MJ-CI) Action Plan”

◆ June 2010:

“Business Recommendations on the MJ-CI Action Plan” was tabled to AMEICC WEC-WG for developing “MJ-CI Action Plan”.

◆ August 2010:

“MJ-CI Action Plan” was tabled at the 2nd Mekong-Japan Economic Ministers’ Meeting in Da Nang, Viet Nam
→ **[3rd Mekong-Japan Industry and Government Dialogue]** was held, Back-to-back with the Meeting

◆ October 2010:

“MJ-CI Action Plan” was adopted at the 2nd Mekong-Japan Summit in Hanoi, Viet Nam

◆ April-May 2011:

Country-by-country sessions of Mekong-Japan Industry and Government Dialogue were held in five Mekong countries and Japan, respectively

→ “Draft Progress Report of the MJ-CI Action Plan” was discussed

◆ July 2011:

[4th Mekong-Japan Industry and Government Dialogue] was held in Bangkok, Thailand.

Based on the comments from business sector, officials intensively discussed the Progress Report for completion

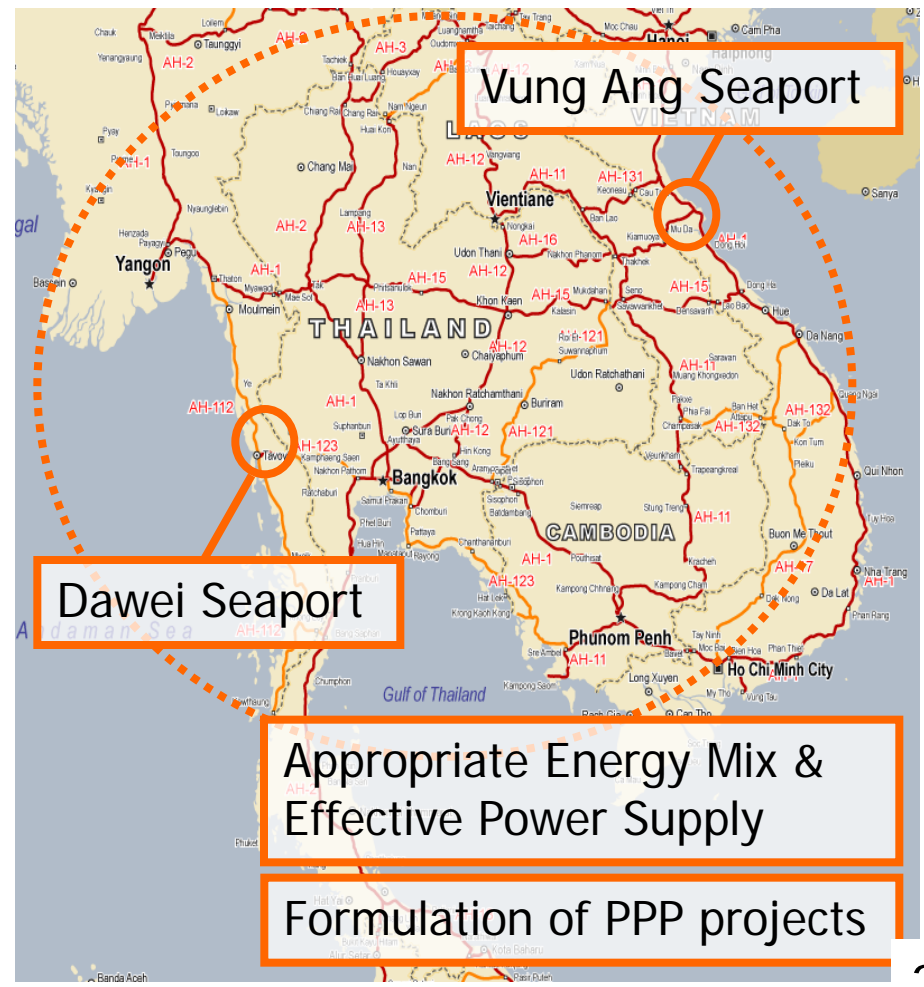
1. Hard Infrastructure Development

- ◆ High Priority should be given to sub-regionally important projects, such as Dawei seaport and Vung Ang seaport development.
- ◆ Appropriate energy mix in the sub-region and effective mutual power supply shall be pursued with eco-friendly manner
- ◆ Specific PPP projects should be formulated in Thailand and Vietnam, and need to be disseminated in other Mekong countries

<Major Progress>



<Prioritized Actions>



2. Trade Facilitation/Logistics

Although many initiatives/projects have been conducted in trade facilitation area so far, balanced development between hard- and soft-infrastructure is strongly requested by business sector. Implementation of the trade facilitation projects should be accelerated.

<Major Progress>

- ◆ ASEAN has been working for standardization and simplification of customs documents, such as development of the "ASEAN Customs Declaration Format".
- ◆ Capacity building activities for private sectors have been conducted (e.g., Logistics workshop for ASEAN/Mekong, Workshop for the utilization of AJCEP/GSP in Cambodia and Lao PDR) by JETRO/METI.

ASEAN-Japan Customs Directors-General /Commissioners Meeting on Trade Facilitation (April 2011, Phnom Penh, Cambodia)

Both ASEAN and Japan Customs DGs

- Agreed on the concept of "Asia Cargo Highway" (ACH) as a common goal in the near future.
- Reaffirmed the importance of working closely with ADB, JICA and WCO to achieve the goal of ACH.

<Prioritized Actions>

- ◆ To utilize full capacity of developed hard infrastructure, further acceleration of trade facilitation projects with governments' initiative is required



- ◆ AMEICC Secretariat will organize a workshop on 24-hour customs operation to share common perceptions among relevant authorities of five Mekong countries.

- ◆ Japan Customs will work in close coordination with ADB, JICA and WCO to achieve the goal of ACH with each country's customs authorities.

- ◆ Introduction of a national Single Window system and an Authorized Economic Operator (AEO) program will be promoted to be realized in each country by the target year in a consistent manner with ACH.

3. Enhancing SMEs, Supporting Industries and Entrepreneurship

Current active investment by Japanese manufacturers in Mekong countries leads to further needs for SMEs and supporting industry in these countries. Dissemination of Japanese SME policies on HRD, finance and technology etc. are thus required.

<Major Progress>

◆ Introduction of Japanese SME policies to Thailand and Vietnam

Japanese SME policies have been introduced mainly in Thailand and Vietnam, and many HRD programs has been conducted.

◆ SME Promotion based on each country's current situation

- Dispatch expert for *Sindanshi* training (JICA, Thailand)
- Dispatch advisors for investment promotion (JICA, Cambodia, Lao PDR, and Vietnam)
- Support implementing agency of the Sihanoukville SEZ (JICA, Cambodia)

<Prioritized Actions>

◆ Dissemination of Japanese SME policies to CLM countries

Japanese SME policies in terms of HRD, access to finance and technology, procurement and marketing should be extended to CLM countries.

Further efforts should be made to promote investment of Japanese companies (including SME).

Ex) Dispatch business mission for East West Economic Corridor (along the Corridor from Savannaketh to Da Nang) in September 2011 (JETRO).

Active Investment by Japanese Manufacturers to CLM countries



Increased Need for SME Development in CLM countries

4. Enhancement of Service Sector and New Industrial Sectors

In addition to industries which have been supported and developed based on the current needs, these with potential advantage and/or in line with emerging issues should be promoted. Also, sharing the best practices throughout the Mekong region is indispensable.

<Major Progress>

◆ Food Processing Industry

JETRO has conducted a comprehensive survey on the potential for agriculture and food processing industries in the Mekong region

◆ Garment Industry

JODC/THTI provided a training course for dyeing and printing sector in CLMV countries

AOTS is dispatching experts to help develop technical instructors at Myanmar Garment Human Resource Development Center

◆ IT Industry

METI cooperates with IT testing institutions and develops test instructors to improve the effectiveness of IT Engineer Examinations

<Prioritized Actions>

(1) Share the Best Practices

Ex) Food Processing Industry

Based on the JETRO survey, workshops will be held in Cambodia, Lao PDR and Myanmar to make policy recommendations (JETRO in cooperation with JICA)

(2) Extend the cooperation

I. Promising/Competitive Industries

-HRD in garment industries for more advanced production process

II. Industries Related to Emerging Issues

-Environmentally Friendly Industries (e.g. smart community) /Health Care Industry