

Report of

The 6th Japan-ASEAN Dialogue

on

“The Challenges Facing Japan and ASEAN in the New Era”

July 18 2007 / ANA Intercontinental Tokyo

July 19, 2007 / International House of Japan

Tokyo, Japan

Sponsored by

The Global Forum of Japan (GFJ)

Supported by

Japan-ASEAN Exchange Projects (JAEP)

Co-sponsored by

ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS)

In Cooperation with

The Yomiuri Shimbun

ASEAN Promotion Centre on Trade, Investment and Tourism

Preface

The Global Forum of Japan (GFJ) aims to promote a policy-oriented exchange of views between business, opinion and political leaders of Japan and their counterparts in the rest of the world, and to contribute to the deepening of mutual understanding and the formation of the consensus. For this purpose, GFJ has been actively engaged for the past 25 years in organizing policy-oriented bilateral and/or multilateral “Dialogues” every year between Japan and the international community.

It is for this reason that GFJ held the Japan-ASEAN Dialogue, “The Challenges Facing Japan and ASEAN in the New Era”, in Tokyo on 18-19 July 2007. This report intends to summarize the achievements of these discussions between Japanese and ASEAN counterparts. Though the printed version of the report will be made available to only a restricted number of people such as members and friends of GFJ and their counterparts from ASEAN, the full text of the report will be available at <http://www.gfj.jp/>.

The Japan-ASEAN Dialogue “The Challenges Facing Japan and ASEAN in the New Era” was supported by the Japan-ASEAN Exchange Projects (JAEP), co-sponsored by GFJ, ASEAN Institutes of Strategic and International and Studies (ASEAN-ISIS), and cooperated by the Yomiuri Shimbun and ASEAN Promotion Centre on Trade, Investment and Tourism, and was attended by 109 participants including 24 panelists. Participants exchanged opinions on matters of significant importance related to the future of Japan-ASEAN relations. We would like to take this opportunity to express our gratitude to the Japan-ASEAN Exchange Projects (JAEP), which generously supported this Japan-ASEAN Dialogue.

October 1, 2007

ITO Kenichi
President
The Global Forum of Japan

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**The Programs of
THE JAPAN-ASEAN DIALOGUE**

1 . Program

THE 6th JAPAN-ASEAN DIALOGUE

第6回日・ASEAN対話

The Challenges Facing Japan and ASEAN in the New Era - To Commemorate ASEAN's 40 Year Anniversary -

「新時代における日本とASEANの挑戦」 ～ ASEAN設立40周年を記念して～

18 July, 2007 / 2007年7月18日
ANA Intercontinental Tokyo / ANAインターコンチネンタルホテル東京
19 July, 2007 / 2007年7月19日
International House of Japan / 国際文化会館
Tokyo, Japan / 東京

Supported by / 助成
Japan-ASEAN Exchange Projects (JAEP) / 日・ASEAN学術交流基金

Co-sponsored by / 共催
The Global Forum of Japan (GFJ) / グローバル・フォーラム
ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) / ASEAN戦略国際問題研究所連合

In Cooperation with / 協力
The Yomiuri Shimbun / 読売新聞社
The ASEAN Promotion Centre on Trade, Investment and Tourism / 日本アセアンセンター

18 July, 2007 / 2007年7月18日

ANA Intercontinental Tokyo / ANA インターコンチネンタルホテル東京

Welcome Dinner *Invitation Only / 開幕夕食会 * 特別招待者のみ

18:00-20:00 Welcome Dinner hosted by AKAO Nobutoshi, Secretary-General, The ASEAN Promotion Centre on Trade, Investment and Tourism
赤尾信敏 日本アセアンセンター事務総長主催開幕夕食会

19 July, 2007 / 2007年7月19日

International House of Japan / 国際文化会館

Session I / 本会議

10:00-11:50 " The ASEAN Community and Future of Japan-ASEAN Relationship"
「ASEAN共同体と日・ASEAN関係の展望」

Co-chairpersons (5min.) 共同議長 (5分間)	NISHIHARA Masashi, President, Research Institute for Peace and Security 西原 正 平和・安全保障研究所理事長 Clara JOEWONO, Deputy Executive Director, Centre for Strategic and International Studies (Indonesia) クララ・ユウォノ 戦略国際問題研究所副所長(インドネシア)
Keynote Speaker (15min.) 基調報告 (15分間)	SOEUNG Rathchavy, Deputy Secretary General, ASEAN Secretariat ソエン・ラッチャビー ASEAN事務局事務次長
Keynote Speaker (15min.) 基調報告 (15分間)	KINOSHITA Toshihiko, Visiting Professor, Waseda University 木下 俊彦 早稲田大学客員教授
Lead Discussant A (5 min.) コメントA (5分間)	Chaiwat KHAMCHOO, Executive Board Member, Institute of Security and International Studies (Thailand) チャイワット・カムチュー 安全保障問題研究所評議委員(タイ)
Lead Discussant B (5 min.) コメントB (5分間)	AKAO Nobutoshi, Secretary-General, ASEAN Promotion Centre on Trade, Investment and Tourism 赤尾 信敏 日本アセアンセンター事務総長
Lead Discussant C (5 min.) コメントC (5分間)	Noel MORADA, Executive Director, Institute for Strategic and Development Studies (The Philippines) ノエル・モラダ 戦略開発問題研究所所長(フィリピン)
Free Discussions (50min.) 自由討議 (50分間)	All Participants 出席者全員
Summarization by Co-chairpersons (10min.) 議長総括 (10分間)	NISHIHARA Masashi, President, Research Institute for Peace and Security 西原 正 平和・安全保障研究所理事長 Clara JOEWONO, Deputy Executive Director, Centre for Strategic and International Studies (Indonesia) クララ・ユウォノ 戦略国際問題研究所副所長(インドネシア)

11:50-12:50 Lunch Break / 昼食休憩 (会議場外で各自でお取り下さい)

Session / 本会議	
12:50-14:40 "The Japan-ASEAN Cooperation in Energy and Environmental Issues" 「エネルギー・環境問題と日・ASEAN協力」	
Co-chairpersons (5min.) 共同議長 (5分間)	MURAKAMI Masayasu, Acting Executive Governor, GFJ 村上 正泰 グローバル・フォーラム常任世話人代行世話人 Malayvieng SAKONHNINHOM, Acting Director-General, Institute of Foreign Affairs (Laos) マライヴィエン・サコンニンホム ラオス国際問題研究所部長代理(ラオス)
Keynote Speaker (15min.) 基調報告 (15分間)	OHKI Hiroshi, President, Japan Center for Climate Change Actions 大木 浩 全国地球温暖化防止活動推進センター代表
Keynote Speaker (15min.) 基調報告 (15分間)	Simon TAY, Chairman, Singapore Institute of International Affairs (Singapore) サイモン・テイ シンガポール国際問題研究所会長(シンガポール)
Lead Discussant A (5 min.) コメントA (5分間)	YONEMOTO Shohei, Professor, Research Center for Advanced Science and Technology, The University of Tokyo 米本 昌平 東京大学先端科学技術研究センター特任教授
Lead Discussant B (5 min.) コメントB (5分間)	Chap SOTHARITH, Executive Director, Cambodian Institute for Cooperation and Peace (Cambodia) チャップ・ソザリット カンボジア平和協力研究所所長(カンボジア)
Lead Discussant C (5 min.) コメントC (5分間)	KONO Hiroko, Senior Editor, The Yomiuri Shimbun 河野 博子 読売新聞編集委員
Free Discussions (50min.) 自由討議 (50分間)	All Participants 出席者全員
Summarization by Co-chairpersons (10min.) 議長総括 (10分間)	MURAKAMI Masayasu, Acting Executive Governor, GFJ 村上 正泰 グローバル・フォーラム常任世話人代行世話人 Malayvieng SAKONHNINHOM, Acting Director-General, Institute of Foreign Affairs (Laos) マライヴィエン・サコンニンホム ラオス国際問題研究所部長代理(ラオス)
14:40-14:45 Break / 休憩	
Session / 本会議	
14:45-16:40 "The Japan-ASEAN Strategic Partnership in Political Fields" 「政治・戦略面における日・ASEAN協力」	
Co-chairpersons (5min.) 共同議長 (5分間)	AMAKO Satoshi, Professor, Waseda University 天児 慧 早稲田大学教授 Kye MYINT, Secretary, Myanmar Institute of Strategic and International Studies (Myanmar) キー・ミント ミャンマー戦略国際問題研究所代表(ミャンマー)
Keynote Speaker (15min.) 基調報告 (15分間)	Rizal SUKMA, Deputy Executive Director, Centre for Strategic and International Studies (Indonesia) リザル・スクマ 戦略国際問題研究所副所長(インドネシア)
Keynote Speaker (15min.) 基調報告 (15分間)	ITO Kenichi, President, GFJ 伊藤 憲一 グローバル・フォーラム執行世話人
Lead Discussant A (5 min.) コメント A (5分間)	NGO Duy Ngo, Deputy General Director, Institute for International Relations (Vietnam) ゴー・ズイ・ゴー 国際関係研究所副所長(ベトナム)
Lead Discussant B (5 min.) コメント B (5分間)	FUKUSHIMA Akiko, Senior Fellow, The Japan Foundation 福島 安紀子 国際交流基金特別研究員
Lead Discussant C (5 min.) コメント C (5分間)	AIKAWA Kazutoshi, Director, Regional Policy Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs of Japan 相川 一俊 外務省アジア大洋州地域政策課長
Lead Discussant D (5 min.) コメント D (5分間)	TEO Siew Yean, Senior Lecturer, University Brunei Darussalam / Representative from Brunei Darussalam Institute of Policy and Strategic Studies (Brunei) テオ・シユウ・イェン ブルネイ・ダルサラーム大学講師 / ブルネイ・ダルサラーム政策戦略研究所代表(ブルネイ)
Free Discussions (50min.) 自由討議 (50分間)	All Participants 出席者全員
Summarization by Co-chairpersons (10min.) 議長総括 (10分間)	AMAKO Satoshi, Professor, Waseda University 天児 慧 早稲田大学教授 Kye MYINT, Secretary, Myanmar Institute of Strategic and International Studies (Myanmar) キー・ミント ミャンマー戦略国際問題研究所代表(ミャンマー)
Final Wrap-up Session / 総括	
16:40-17:10 "The Challenges Facing Japan and ASEAN in the New Era" 「新時代を迎えたASEANの挑戦」	
Co-chairpersons (30min.) 共同議長 (30分間)	SHINDO Eiichi, Professor Emeritus, The University of Tsukuba 進藤 榮一 筑波大学名誉教授 Mohamed JAWHAR Hassan, Chairman and CEO, Institute of Strategic and International Studies (ISIS) Malaysia (Malaysia) モハメド・ジャワール・ハッサン マレーシア戦略国際問題研究所会長兼CEO(マレーシア)
Farewell Dinner * Invitation Only / 閉幕夕食会 * 特別招待者のみ	
18:00-20:00 Farewell Dinner hosted by OKAWARA Yoshio, Chairman, GFJ 大河原良雄グローバル・フォーラム代表世話人主催閉幕夕食会	

[Note] English-Japanese simultaneous interpretation provided / 日本語・英語同時通訳付き

2. Participants List

【ASEAN Panelists】

Clara JOEWONO	Deputy Executive Director, Centre for Strategic and International Studies (Indonesia)
SOEUNG Rathchavy	Deputy Secretary General, ASEAN Secretariat
Chaiwat KHAMCHOO	Executive Board Member, Institute of Security and International Studies (Thailand)
Noel MORADA	Executive Director, Institute for Strategic and Development Studies (the Philippines)
Malayvieng SAKONHNINHOM	Acting Director-General, Institute of Foreign Affairs (Laos)
Simon TAY	Chairman, The Singapore Institute of International Affairs (Singapore)
Chap SOTHARITH	Executive Director, Cambodian Institute for Cooperation and Peace (Cambodia)
Kyee MYINT	Secretary, Myanmar Institute of Strategic and International Studies (Myanmar)
Rizal SUKMA	Deputy Executive Director, Centre for Strategic and International Studies (Indonesia)
NGO Duy Ngo	Deputy General Director, Institute for International Relations (Vietnam)
TEO Siew Yean	Senior Lecturer, University Brunei Darussalam
Mohamed JAWHAR Hassan	Chairman and CEO, Institute of Strategic and International Studies Malaysia (Malaysia)

【JAPANESE Panelists】

NISHIHARA Masashi	President, Research Institute for Peace and Security
KINOSHITA Toshihiko	Visiting Professor, Waseda University
AKAO Nobutoshi	Secretary General, ASEAN Promotion Centre on Trade, Investment and Tourism
MURAKAMI Masayasu	Acting Executive Governor, GFJ
OHKI Hiroshi	President, Japan Center for Climate Change Actions
YONEMOTO Shohei	Professor, Research Center for Advanced Science and Technology, The University of Tokyo
KONO Hiroko	Senior Editor, The Yomiuri Shimbun
AMAKO Satoshi	Professor, Waseda University
ITO Kenichi	President, GFJ
FUKUSHIMA Akiko	Senior Fellow, The Japan Foundation
AIKAWA Kazutoshi	Director, Regional Policy Division, Asian and Oceanian Affairs Bureau,
SHINDO Eiichi	Professor Emeritus, The University of Tsukuba
OKAWARA Yoshio	Chairman, GFJ

(In Order of Appearance)

【Participants】

Mikhail V. BOLOTOV	MASUDA Yuji	TAJIMA Takashi
CHIBA Yasuhiro	MINAMOTO Kazuhide	TAKAGI Kiyomitsu
DHIN Thithen Luong	Dewi Justica MEDIWATY	TAKAGI Noriaki
FUJISAWA Noriko	MITO Takamichi	TAKARADA Shoji
FUJIWARA Toshiya	MIYAZAKI Yasushi	TAKARADA Takayo
HASHIMOTO Hiroshi	MORI Takeshi	TAKEUCHI Ririko
HIRABAYASHI Hiroshi	MOTOHASHI Chiaki	TAN Chin Tiong
HIRANUMA Hikaru	Hla MYINT	TAN Hsien Li Teresa
HIRONO Ryokichi	NAKAGAWA Tsutomu	Jeremy TAN
HONMA Kotaro	NAKATSU Yoshiyuki	TATSUNO Madoka
IKEO Aiko	NAKAMOTO Reishi	TATSUNO Yukari
IMAGAWA Yukio	OGASAWARA Takayuki	TSURUOKA Shoko
INAGAKI Shuichi	OKAMOTO Masanori	UEDA Jihei
INOUE Akiyoshi	ONISHI Katsuaki	Vong Sam Ang
ISHIDA Eiji	SAITO Shoji	WANG guoxiong
ISHIDA Shoko	SAKAMAKI Tatsuyuki	YAMADA Mitsuru
ISHIZUKA Yoshikazu	SAKAMOTO Masahiro	YAMASHITA Eiji
JITSUMORI IZURU	SAKO Koji	YAMAZAWA Ippei
KAKIZAWA Koji	SASAKI Nobuko	YOSHIDA Susumu

KAWATE Takatomo
KIKUCHI Masaaki
KINOSHITA Hiroo
KOBAYASHI Mariko
KOGURE Masayoshi
KOJIMA Akira
KODAMA Emiko
KOYAMA Seiji
KURODA Makoto
Rabinder MALIK
MANO Teruhiko
MASUDA Akio

SATO Jiro
SAWAI Shoko
SHIDA Michiko
SHUTO Motoko
Virasac SOMPHONG
Pou SOTHIRAK
SUKEGAWA Seiya

YUSHITA Hiroyuki

(In Alphabetical Order)

【Global Forum Japan Secretariat】

WATANABE Mayu	Executive Secretary
YANAGITA Mariko	Officer in Charge
NORO Naoko	Officer in Charge
YANO Takuya	Officer in Charge
TSUKAZAKI Eri	Secretarial Staff
NAKAMURA Yumi	Secretarial Staff
FUKUOKA Yuki	Secretarial Assistant
TAKEUCHI Norikazu	Secretarial Assistant
SHIOJIRI Kotaro	Secretarial Assistant
KITAMA Yuki	Secretarial Assistant
ITO Fumiharu	Secretarial Assistant
HORII Satoko	Secretarial Assistant

3. Biographies of the Panelists

[ASEAN Panelists]

Clara JOEWONO Deputy Executive Director, Centre for Strategic and International Studies (Indonesia)

Graduated from University of Indonesia. Received M.A. from University of California, Berkeley. Concurrently serving as Deputy Secretary of Indonesian National Committee of Pacific Economic Cooperation Council, Member of Indonesian National Committee of Council for Security Cooperation in Asia Pacific and Vice Chair of Board of Trustees of CSIS.

SOEUNG Rathchavy Deputy Secretary General, ASEAN Secretariat

Served as Deputy Director-General (2003-2004) and Director-General (2004-2006) at General Department of ASEAN, Ministry of Foreign Affairs and International Cooperation of Cambodia, Vice Chairman of the National Committee for ASEAN Cooperation in Civil Service Matters (2004-2006), Professor at Royal Academy of Cambodia, Council of the Ministers of Cambodia (2002-2006).

Chaiwat KHAMCHOO Executive Board Member, Institute of Security and International Studies (Thailand)

Graduated from Chulalongkom University and received both M.A. in East Asian Studies and Ph.D. in Political Science from the University of Washington. Former Dean and currently Associate Professor of Political Science at Chulalongkom University. Visiting Research Scholar (1983-1984) and Visiting Research Fellow (1991-1992) at the University of Tokyo. Also served as Present Member, Academic Board of Human Resource Development Foundation (2002).

Noel MORADA Executive Director, Institute for Strategic and Development Studies (The Philippines)

Received B.A. and M.A. from University of the Philippines, M.A. in Public Affairs from Cornell University in 1991 and Ph.D. from Northern Illinois University in 2002. Served various positions including Fellow of the Philippine-China Development Recourse Center; Consultant both at the Center for International Relations and Strategic Studies (1994-99) and the National Defense College of the Philippines (1998-2001).

Malayvieng SAKONHNINHOM Acting Director-General, Institute of Foreign Affairs (Laos)

Graduated from Royal Institute of Law and Public Administration in Vientiane. Received M.A. from Ukraine University. Entered Ministry of Foreign Affairs in 1982. Served as Deputy Chief of Division of Press Department (1982-93) and Deputy Director General of Treaties and Law's Department. Concurrently serving as Visiting Professor at National Organization for Studies of Policy and Administration.

Simon TAY Chairman, Singapore Institute of International Affairs (Singapore)

Received LL.B Hons. from National University of Singapore, LL.M from Harvard University, and Fulbright Scholar at Harvard Law School (1993-1994). Served in various positions including Senior Member of the Singapore delegation in the World Summit on Sustainable Development (2002), Nominated Member of the Singapore Parliament (1997-2001). Named as a Global Leader for Tomorrow at the World Economic Forum (Davos) in 2000.

Chap SOTHARITH Executive Director, Cambodian Institute for Cooperation and Peace
(Cambodia)

Received M.A. from Asian Institute of Technology, Bangkok, and Ph.D. from University of Sydney. Served as Director of ASEAN Department, Office of Council of Ministers (1996-1998) and World Bank Consultant as Training Coordinator (2002-2004). Concurrently serving as part-time Lecturer at Institute of Technology and Management, International Institute of Cambodia and Royal School of Administration.

Kyee MYINT Secretary, Myanmar Institute of Strategic and International Studies (Myanmar)
Joined Foreign Service in 1972. Served in the Departments of the Ministry of Foreign Affairs of the Union of Myanmar as well as in various Myanmar Missions, including Berlin, Bern, Geneva, Dhaka, Bonn and London.

Rizal SUKMA Deputy Executive Director, the Center for Strategic and International Studies
(Indonesia)

Received Ph.D. in International Relations from the London School of Economics and Political Science (LSE), United Kingdom in 1997. Served as a member of National Committee on Strategic Defense Review, Indonesia's Ministry of Defence, and member of the Drafting Committee on National Defense Bill (2000-2002). Currently also serving as the Chairman of International Relations Division, Central Executive Board of Muhammadiyah; and Visiting Lecturer at Department of International Relations, Muhammadiyah University at Malang.

NGO Duy Ngo Deputy General Director, Institute for International Relations (Vietnam)
Received B.A in Economics of Natural Resources, MA in International Economics, Academy for Foreign Trade and Ph. D in Economics, Kharcov University, Soviet Union. Served as Dean, Faculty of International Economics, Institute for International Relations, MOFA (1997-2000); Deputy-Director, Institute for International Relations, -Ministry of Foreign Affairs (2000-2003); and Counselor, Deputy head, Embassy of Vietnam in Ukraine (2003-2006).

Mohamed JAWHAR Hassan Chairman and CEO, Institute of Strategic and International Studies
(ISIS) Malaysia (Malaysia)

Served as Director (Analysis) Research Division of Prime Minister's Department, Principal Assistant Secretary of National Security Council and Executive Secretary of Border Security Committee Malaysia/Thailand. Concurrently serving as Member of National Unity Advisory Panel, Member of Penang State Knowledge Economy Information Communications Technology Council, Chairman of Malaysian National Committee and Pacific Economic Cooperation Council.

TEO Siew Yean Senior Lecturer, University Brunei Darussalam/ Representative from Brunei
Darussalam Institute of Policy and Strategic Studies (Brunei)

Received B.A. from University Brunei Darussalam, M.A. in Economics from, Keele University and Ph.D. in Economics in University of Queensland. Served as the Invited Lecturer for the 13th Asia-Europe Foundation (ASEF) Europe Lecture Tour. Concurrently serving as Resource Person to various Ministries in Brunei Darussalam focusing mainly on Trade Linkages and Foreign Direct Investment (FDI).

[Japanese Panelists]

NISHIHARA Masashi President, Research Institute for Peace and Security
Graduated from Kyoto University, and received M.A. and PhD from the University of Michigan Graduate School. Served as Professor at Kyoto Sangyo University (1975-1977), Visiting Fellow of Rockefeller Foundation Laboratory (1981-1982), Member of Prime Minister KOIZUMI Junichiro's private consulting group "Task Force of External Relation" (2001-2002), and Principal at Defense Academy(2000-2006).

KINOSHITA Toshihiko Visiting Professor, Graduate School of Asia-Pacific Studies,
Waseda University
Graduated from Keio University in 1963. Served for The Export-Import Bank of Japan (1963-1996), Visiting Research Associate at Harvard Institute for International Development and National Bureau of Economic Research (1993), Special Research Fellow for Ministry of Finance Institute of Fiscal and Monetary Policy (1996-1998), Professor of Graduate School of Commerce, Waseda University (2000-2003). Concurrently serving as Lecturer of Waseda University School of International of Liberal Studies since 2004.

AKAO Nobutoshi Secretary-General, ASEAN Promotion Centre on trade,
Investment and Tourism
Graduated from Kyoto University. Received M.A. from Yale Graduate School. Entered Ministry of Foreign Affairs in 1961. Served as Deputy Director General of Economic Affairs Bureau, Director General of U.N. Bureau, Economic Minister of Japanese Embassy in U.S., Ambassador to International Organizations in Vienna (1994-96) and Geneva (1996-99) and Ambassador to Thailand (1999-01). Also served as Japan's Chief Negotiator in Uruguay Round, Senior Official for APEC and chairman of various organs, including Dispute Settlement Body of WTO and Governing Body of ILO.

MURAKAMI Masayasu Acting Executive Governor, GFJ
Graduated from the University of Tokyo. Entered Ministry of Finance in 1997. Studied at University of California, San Diego. Served various positions including Vice Consul of the Consulate-General of Japan in New York (2000-2002) and Deputy Director of Research Division, International Bureau, Ministry of Finance (2003). Concurrently serving as Acting Executive Director, The Japan Forum on International Relations (JFIR) and Acting Executive Vice President of Council on East Asian Community (CEAC).

OHKI Hiroshi President, Japan Center for Climate Change Actions
Received B.A. in Law from the University of Tokyo in 1952. Entered Ministry of Foreign Affairs in 1951. Served as a Member of the House of Councilors (1980-1998), Minister of State for Environment Agency (1997-1998), Chairman of COP3 held in Kyoto (1997), and Minister of Environment (2002).

YONEMOTO Shohei Professor, The Research Center of Advance Science and Technology,
University of Tokyo
Graduated from Kyoto University. Served as Manager of Mitsubishi Chemical Industries Ltd, Visiting Professor at Senshu University and Councilor of the Provisional Commission for the Study on Brain Death and Organ Transplant.

KONO Hiroko Senior Editor, The Yomiuri Shimbun
Graduated from Waseda University and joined the Yomiuri Shimbun in 1979. Received M.A. in International Development from Graduate School of Cornell University in 1991. Los Angeles Bureau Chief (1996-1999) and as New York Bureau Chief (2001-2005) at the Social Issues Department. Concurrently covering the environmental issues and climate change.

AMAKO Satoshi Professor, Waseda University
Graduated from Waseda University in 1971. Received M.A. from Tokyo Metropolitan University, and Ph.D. from Hitotsubashi University. Served as Associate Professor at Ryukyu University, Professor at Kyoritsu Woman's University, and Aoyama-Gakuin University, and Visiting Professor at American University. Concurrently serving as Manager of Waseda Graduate Asia Pacific Research Department.

ITO Kenichi President, GFJ
Graduated from Hitotsubashi University. Entered Ministry of Foreign Affairs in 1960. Studied at Harvard University (1961-1963). Served in Japanese Foreign Service until 1977. Served as Professor at Aoyama Gakuin University (1984-2006). Concurrently serving as President The Japan Forum on International Relations (JFIR), President of Council on East Asian Community (CEAC) and Professor Emeritus at Aoyama-Gakuin University.

FUKUSHIMA Akiko Senior Fellow, The Japan Foundation
Received M.A. at Johns Hopkins University in 1994, and PhD from Osaka University in 1997. Served as Director of Policy Studies of National Institute for Research Advancement (NIRA) (1994-2006). Visiting Professor at University of Kuwait (2004) and at University of British Columbia (2002-2003). Concurrently serving as a member of numerous committees, including the Defense Ministry's Council on Defense Facilities.

AIKAWA Kazutoshi Director, Regional Policy Division, Asian and Oceanian Affairs Bureau,
Ministry of Foreign Affairs of Japan
Graduated from the University of Tokyo. Received LL.M. from Columbia University. Served as Counsellor of Permanent Mission of Japan to the United Nations (1998-2001), Counsellor at Embassy of Japan in Malaysia (2001-2003), Director of United Nations Policy Division at Foreign Policy Bureau (2003-2006).

SHINDO Eiichi Professor Emeritus, the University of Tsukuba
Graduated from Kyoto University in 1963. Received M.A. in Law in 1965 and PhD in 1976. Served as Associate Professor (1975-1990) and Professor (1990-2003) at the University of Tsukuba, Visiting Professor at Simon Fraser University (1993) and at University of Copenhagen (2000), Senior Research Fellow at Harvard University (1987), Woodrow Wilson International Center for Scholars (1996, 2000), and Oxford University (2002). Concurrently serving as Professor at Edogawa University, and Representatives of International Association for Study of Asian Community.

(In order of appearance)

**Outlines of Discussions of
THE JAPAN-ASEAN DIALOGUE**

Outlines of Discussions

The Global Forum of Japan (GFJ) and ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), in cooperation with The Yomiuri Shimbun and ASEAN Promotion Centre on Trade, Investment and Tourism, co-sponsored the 6th Japan-ASEAN Dialogue on the theme of “The Challenges Facing Japan and ASEAN in the New Era” on July 18-19, 2007 in Tokyo. As this year is the 40th Founding Anniversary of ASEAN, the Dialogue was attended by 109 participants, including 12 participants from ASEAN countries. An outline of the discussions follows:

The ASEAN Community and Future of Japan-ASEAN Relationship

Session I, the theme of which was “The ASEAN Community and Future of the Japan-ASEAN Relationship,” started with a keynote speech by Dr. SOEUNG Rathchavy, Deputy Secretary General of ASEAN Secretariat, in which she stated that “ASEAN is now focusing its efforts on building an ASEAN Community by 2015. The Secretariat of ASEAN is now in the process of drafting the ASEAN Charter. The first draft Charter will be submitted to the 13th ASEAN Summit in November 2007 in Singapore. Following that, Prof. KINOSHITA Toshihiko, Visiting Professor at Waseda University, said in a second keynote speech, “The big economic problems centered on ASEAN are global imbalance (in terms of balance-of-payments) and the distorted positioning of ‘money.’ This problem is too big for ASEAN and Japan to solve. The key to the solution is largely held by the U.S. and China. We might well seriously discuss how to realize an Asian Common Monetary Unit (ACMU).”

The Japan-ASEAN Cooperation in Energy and Environment Issues

In Session II on the theme of “The Japan-ASEAN Cooperation in Energy and Environment Issues,” Mr. OHKI Hiroshi, President of The Japan Center for Climate Change Actions, gave the first keynote speech. He stated that “The energy circumstances of ASEAN countries are so diverse that Japan should consider bilateral cooperation with each ASEAN country separately from cooperation with ASEAN as a whole. It is also necessary to observe the trends of major players such as Russia, the U.S. and China.” After that, Prof. Simon TAY, Chairman of The Singapore Institute of International Affairs, presented a second keynote speech, mentioning that “There is an interlocking triangle of issues – economic growth, energy and climate change. The challenges that arise from climate change can also, and will need to be, seen through the prism of ‘security.’ Climate change can trigger political tensions and conflicts, but we need to seek cooperation, not negative competition”

The Japan-ASEAN Strategic Partnership in Political Fields

In Session III on the theme of “The Japan-ASEAN Strategic Partnership in Political Fields,” Dr. Rizal SUKMA, Deputy Executive Director of the Center for Strategic and International Studies, stated in his keynote speech that “Power shift has been characterized by the presence of both cooperative and competitive patterns of relationship among the four major powers: U.S., China, Japan and India. The challenge here is how to make sure that the cooperative element would prevail over the competitive one.” Subsequently, Prof. ITO Kenichi, President of the Global Forum of Japan, presented his keynote speech, stating that “There seem to have been two major turning points in the 40-year history of ASEAN: (1) the accession of the three Indochinese countries, thereby creating the present ‘ASEAN 10’ framework, and (2) the formation of ASEAN plus three in dealing with the outbreak of economic crisis in 1997. Japan, at both of those turning points, gave its full support and assistance to the choices ASEAN made. The third major turning point in the Japan-ASEAN relationship is now emerging. At this turning point, Japan and ASEAN are truly working together on an equal footing. I would like to pay attention to this fact.”

Summarization by Co-chairpersons

Chairpersons of each session summarized the discussion as follows: the first session, “It is interesting that the participants from ASEAN have stressed the political will for integration” (Mr. NISHIHARA Masashi, President of Research Institute for Peace and Security); the second session, “A matter of great urgency for ASEAN is the improvement of energy efficiency and the development of recyclable energy” (Mrs. Malayvieng SAKONHNINHOM, Acting Director-General of Institute of Foreign Affaires); and the third session, “The interests of the central government is conflicting with those of the local governments in China. China should not be judged as a whole” (Prof. AMAKO Satoshi, Professor of Waseda University).

In the Final Wrap-Up Session, Prof. SHINDO Eiichi, Professor Emeritus of the University of Tsukuba, summarized the discussions of the day, stating that “The creation of mutual trust will be most important in the process of community building in East Asia,” while Dato’Seri Mohamed JAWHAR Hassan, Chairman and CEO of The Institute of Strategic and International Studies (ISIS) Malaysia, added that “Hereafter, ‘Human Development’ will be the most important issue, and Japan is capable of playing an important role regarding this issue.”

Further details of this 6th Japan-ASEAN Dialogue were reported on The Yomiuri Shimibun, 2 August, 2007, and the stenographic “Report” will be publicly available on the Global Forum of Japan’s Website (<http://www.gfj.jp>).

Policy Recommendations

Policy Recommendations

1. Japan and ASEAN should continue to work together on an equal footing and on the basis of mutual trust to address common challenges and opportunities in the new era.
2. Japan supports ASEAN's plan to build an ASEAN Community by 2015. Towards that end, ASEAN should draw up a comprehensive, practical and coherent roadmap with clear targets for each of the three pillars of the ASEAN Community (ASC, AEC and ASCC). The values and principles that have emerged from ASEAN's history and experiences over the last 40 years should be enshrined in the ASEAN Charter.
3. It is desirable and necessary for ASEAN to improve its capacity to enforce the compliance of its member states with various agreements among ASEAN member countries, especially in the field of economic integration, which requires strong political leadership.
4. In order to address the shortage of investment, ASEAN member states need not only to improve their respective business climates to boost domestic investment and foreign direct investment, but also pay immediate attention to appropriate human resource development centering on capacity building.
5. Japan and ASEAN should formulate specific programmes and projects to continue to implement the ASEAN-Japan Plan of Action of 2003 and other agreed plans. Japan's continued support for narrowing development gaps and strengthening ASEAN economic integration is crucial. Continued assistance should be provided for infrastructure development projects and assistance in human resources development.
6. Japan should assist ASEAN member states, individually and collectively, to address the present and emerging challenges from environmental deterioration, including climate change, and find opportunities to combine continued growth, security and stability with the need to protect our global and regional environment.
7. Climate change cannot and should not be dealt with on its own in isolation from other issues such as economic growth and energy security.
8. More Japan-ASEAN cooperation as well as assistance from Japan are needed particularly in fostering energy efficiency, developing innovative technology, searching for alternative sustainable energy resources, and helping ASEAN prepare for and deal with natural disasters on a regional basis.

9. Japan and ASEAN should ensure stability and security in the context of a shifting power structure in East Asia. In particular, it should be ensured that the rise of China will continue to be peaceful.
10. Japan should play a greater and more proactive role in promoting democracy and human rights in the region, further utilizing ODA targeted at the promotion and strengthening of democracy in ASEAN member states.
11. The socio-cultural dimension of regional integration should not receive any less attention and Japan should contribute more to the protection of human security as well as the development of human resources in the region, particularly in the field of public health.
12. A better understanding and awareness of ASEAN-Japan relations needs to be promoted among the people in the region. Strategic partnership between ASEAN and Japan should be enhanced by publicizing co-produced research and studies and by providing policy recommendations.

**Keynote Papers of Discussions of
THE JAPAN-ASEAN DIALOGUE**

Session I: "The ASEAN Community and Future of Japan-ASEAN Relationship"

SOEUNG Rathchavy

Deputy Secretary General, ASEAN Secretariat

1. It is my great honour and pleasure to join all distinguished participants at the 6th Japan-ASEAN Dialogue. I would like to take this opportunity to convey a regret of H.E. Ong Keng Yong, Secretary-General of ASEAN, that due to his prior engagement, he is unable to join the Dialogue.
2. Please allow me to express my sincere appreciation to the Global Forum for inviting me to attend and address the forum, and for the warm and gracious hospitality extended to me. I would also like to take this opportunity to congratulate the Global Forum and the ASEAN-ISIS for jointly organising this gathering of intellectuals from ASEAN and Japan to exchange views on "The Challenges Facing Japan and ASEAN in the New Era - To Commemorate ASEAN's 40 Year Anniversary".
3. This year marks an important milestone in the history of ASEAN. ASEAN will commemorate the 40th Anniversary of its birth on 8 August 2007. A series of commemorative events under the theme: "*One ASEAN at the Heart of Dynamic Asia*" is being organised by ASEAN Member Countries throughout 2007. Many activities have also been planned in Dialogue Partners' countries, including an "ASEAN Week Festival in Commemoration of the 40th Founding Anniversary of ASEAN" to be conducted in Japan.
4. Despite the fast changing regional and global environment, as well as the various challenges faced by the region, such as transnational crime and terrorism, natural disasters and infectious diseases, ASEAN is now focusing its efforts on building an ASEAN Community by 2015. The ASEAN Community will be established through the three pillars of the ASEAN Security Community (ASC), the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC). At first, the goal was to create the ASEAN Community by 2020. However, the ASEAN Leaders, at their 12th ASEAN Summit in January 2007 in Cebu, agreed to bring forward the target date by five years to 2015.
5. The main objective of the ASEAN Security Community is to ensure that ASEAN Member Countries live at peace with one another and with the world in a just, democratic and harmonious environment. The ASC is open and outward looking in respect of actively engaging ASEAN's friends and Dialogue Partners to promote peace and stability in the region. The AEC is aimed at creating a stable, prosperous and highly competitive ASEAN economic region, characterised by a single market and production base, with free flow of goods, services, investment, skilled labour and freer flow of capital. The ASCC focuses on people by fostering a sense of regional identity, and shared responsibility and prosperity.
6. The establishment of an ASEAN Community will take ASEAN cooperation onto a higher plane and solidify regional integration. At the same time, in pursuing its integration target of an ASEAN Community by 2015, ASEAN still faces a number of challenges ahead. These include a need for ASEAN to draw up a comprehensive, practical and coherent roadmap with clear targets for each of the three pillars of the ASEAN Community. For example, in order to achieve the AEC, a Blueprint is

being developed as a master plan to guide ASEAN economic cooperation and integration over the next 8 years.

7. The next challenge is to carry out action plans of the three pillars in an effective and timely manner. The implementation of these plans requires lot of financial and human resources.
8. Narrowing the development gaps amongst ASEAN Member Countries is another big challenge. ASEAN effort to narrow the development gap is now being intensified through various schemes, particularly the Initiative for ASEAN Integration (IAI). ASEAN welcomes and appreciates Japan's continued support for ASEAN integration and narrowing the development gaps. The establishment of Japan-ASEAN Integration Fund (JAIF) in March 2006, with contributions from the Japanese Government of USD70 million in 2006 and USD247.5 million in 2007, contributes significantly to ASEAN integration and strengthening of ASEAN-Japan relations.
9. Another challenge for ASEAN is how to strengthen its institutions, particularly through the ASEAN Charter. The Charter is expected to transform ASEAN into a rules-based regional organisation with a legal personality. Its provisions shall include, among others, the establishment of robust mechanisms for decision making, monitoring implementation and ensuring compliance to enhance ASEAN's competitiveness. Through the Charter, ASEAN will be able to enshrine the values and principles that have been shaped by its history and experiences in the last 40 years. It would also serve to make ASEAN a more responsive, dynamic and integrated regional organisation.
10. A group of 10 Senior Officials of ASEAN Member Countries and the Secretary-General of ASEAN, formally called the High-level Task Force on the Drafting of the ASEAN Charter, is now in the process of drafting the ASEAN Charter. As directed by the ASEAN Leaders, the drafting of the ASEAN Charter is expected to be completed in time for ASEAN Leaders to consider and sign at the 13th ASEAN Summit in November 2007 in Singapore. The first draft Charter will be submitted to the forthcoming 40th ASEAN Ministerial Meeting (AMM) for comments and inputs this month in Manila.
11. ASEAN efforts in its Community building will contribute to the enhancement of ASEAN's strength, which in turn will also benefit Japan and other countries. The Community will provide more opportunity for ASEAN and Japan to tap on complementarities for mutual gains.
12. As far as the future of ASEAN-Japan relationship is concerned, it is important to note that ASEAN and Japan have enjoyed good and steady relations over the past 34 years. The broad-based cooperation between ASEAN and Japan is guided by well-thought out plans and a long-term vision. The dialogue relations have been comprehensive, outward-looking and inclusive.
13. Significant progress has been made in realising the ASEAN-Japan Plan of Action to Implement the Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium adopted in 2003 on the occasion of the 30th anniversary of ASEAN-Japan Dialogue Relations. The progress report has been submitted to the annual ASEAN-Japan Summit for notation. ASEAN and Japan should continue to implement the ASEAN-Japan Plan of Action and other agreed plans by formulating specific work programmes/projects to implement the measures proposed for each of the area in the Plan, based on the strengths of cooperation, ASEAN's needs and Japanese expertise and capacities, and the principle of mutual benefit.
14. On political and security area of cooperation, Japan acceded to the Treaty of Amity and Cooperation in Southeast Asia on 2 July 2004. ASEAN and Japan have made vigorous efforts in addressing challenges posed by transnational crime and counter-terrorism. ASEAN-Japan Senior Officials on Transnational Crime have held their meeting annually since 2004. The first ASEAN-Japan Counter-Terrorism Dialogue was held in Tokyo on 28-29 June 2006. The Dialogue identified areas of

cooperation on counter-terrorism, including transport security, maritime security, border control/immigration, and capacity-building on legal affairs. The Second ASEAN-Japan Counter-Terrorism Dialogue is planned to be held in Malaysia this year.

15. On economic front, it is encouraged to note that ASEAN and Japan are important trading partners. ASEAN has been an important destination for Japanese investors and tourists, which have contributed to economic growth of ASEAN Member Countries. Progress has been made in negotiations on the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) agreement, especially on the draft agreement on trade in goods. ASEAN and Japan should continue their effort to expedite an early conclusion of negotiations on the AJCEP agreement. This will allow for the timely delivery of mutual benefits in the key areas of trade and investment promotion and facilitation, customs and standards, ICT and tourism, and transportation and logistics, and facilitating mobility of business people and others.
16. The ASEAN-Japan Centre, since its inception, has played a crucial role in trade, investment and tourism promotion between ASEAN and Japan. With Myanmar accession to the Centre in April 2006, the Centre has now all ten ASEAN Member Countries as its members. With the forthcoming reform of the ASEAN-Japan Centre, it is our belief that the Centre will play even more active and dynamic role in promoting closer economic partnerships between ASEAN and Japan.
17. Development cooperation between ASEAN and Japan has made significant progress in various sectors through support of various funding schemes, including the aforesaid JAIF.
18. Japan's continued support of narrowing the development gaps and ASEAN economic integration is crucial. ASEAN highly appreciates active participation of Japan in sub-regional cooperation frameworks such as Greater Mekong Sub-region (GMS), Brunei Darussalam-Indonesia-Malaysia-Philippines – East ASEAN Growth Area (BIMP-EAGA) and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). In this regards, I think, where possible, in addition to assistance in human resources development, Japan could consider supporting more infrastructure development projects, since a more connected ASEAN would spur economic activities and opportunities for Japanese businesses looking for new markets and investment opportunities.
19. Japan and ASEAN should further enhance East Asia cooperation together with China and the Republic of Korea as well as close cooperation in other regional processes such as ARF, ASEM and EAS.
20. Pursuant to the decision of the 10th ASEAN-Japan Summit in Cebu in January 2007, the ASEAN-Japan Eminent Persons' Group will be established to take stock of ASEAN-Japan relations over the past 34 years and explore ways and means to strengthen the existing cooperation between ASEAN and Japan. It is expected that the EPG will come up with concrete ideas and practical recommendations for deepening and widening of ASEAN-Japan relations in the years to come.
21. I believe that scholars and academics of ASEAN and Japan have an important role to play in promoting better understanding and awareness of ASEAN-Japan relations among their peoples as well as enhancing a strategic partnership between ASEAN and Japan by publicising various researches and studies and providing policy recommendations for consideration by the Leaders and policy-makers of ASEAN and Japan.
22. In conclusion, ASEAN-Japan active cooperation and achievements during the past years have become a solid foundation for future relations. However, ASEAN and Japan should not take their past accomplishments for granted. The ASEAN-Japan partnership should focus not only on consolidating existing cooperation, but also on identifying specific niches for new cooperation in order to keep the relationship in tune with the dynamic developments in the region and the world.

ASEAN and Japan should find innovative ways to take the relationship to new levels of interaction and mutual benefit and socialise these relations with all sectors of society so that more peoples of ASEAN and Japan will have greater interactions and strengthen their bonds of partnership.

23. The regional and global environment is constantly changing, but good ties of friends are not. Therefore, ASEAN and Japan should continue to deepen their future relations for peace and prosperity of their peoples and the region.
24. I look forward to a fruitful deliberation on how to advance future relations between ASEAN and Japan at this meeting.

Thank you very much for your kind attention.

<p>KINOSHITA Toshihiko Visiting Professor, Waseda University</p>
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New Challenges for Japan and ASEAN in a New Age

--- Let's try to institutionalize a new regime where we can most flexibly respond to any circumstances on the basis of mutual trust---

- 1 . This year is marked by a celebration of the 40th anniversary of the inauguration of ASEAN. In the past 40 years, Japan and ASEAN encountered many challenges. But each time, both conquered problems and strengthened friendship and trust, making a virtuous circle. Let me review some important challenges that both encountered up to now. First, the anti-Japan riots which took place in Thailand, Indonesia and the Philippines in 1974, when former Prime Minister Mr. Kakuei Tanaka visited Southeast Asia. This incident was reportedly triggered by the 'over-presence' of Japanese merchandises in those markets, which had angered young masses and workers. In Indonesia, domestic power struggle influenced the riot. Japanese political and business leaders learned an important lesson. The late PM Takeo Fukuda made public the "Fukuda Doctrine" and KEIDANREN promulgated a code of conduct for Japanese firms and businessmen overseas, by which Japanese firms and people shall melt into local society better, contribute to economic development of host countries and share in co-prosperity. Since then, such troubles have not recurred.
- 2 . The second challenge was Japan's one-sided challenge triggered by the need for a change of the U.S. foreign exchange rate policy, which had also a grave impact on ASEAN economies. Due to sudden 'Yen-daka', or the sharp appreciation of the Yen vis-à-vis the U.S. dollar due to the Plaza Accord in 1985, many Japanese firms had to relocate their factories overseas. Japan highly valued the welcome attitude of ASEAN countries in inviting Japanese FDI, and lot's of FDI was made in ASEAN countries (China's business conditions were not so lucrative then). Mutual efforts at that time enabled smooth technological transfer, which improved the quality of ASEAN products made by Japanese subsidiaries. It also enhanced mutual human networks, and formed the basis of private sector cooperation between Japan and ASEAN.
- 3 . The third challenge was an effective response to the Asian Currency/Financial Crisis that happening 10 years ago. Four ASEAN countries, Thailand, Indonesia, The Philippines and Malaysia, as well as

Korea were most seriously affected. The Japanese economy was amid its most recessionary period, but Japan could not overlook the misfortune of its Asian neighbors. The Japanese government regarded the essence of the crisis as a new type of “liquidity crisis”, not a 20th century-type “sovereign crisis”. It proposed an Asian Monetary Fund (AMF) and realized the New Miyazawa Initiative of \$30 billion soon afterwards to solve the problem. Though the creation of the AMF was not successful, unanimous agreements were made through the Manila Framework to create the Chiang Mai Initiative (CMI) and the Asian Bond Market Initiative (ABMI) so as to prevent a repetition of the Crisis and to maintain stable economic development in East Asia. The challenge faced by ASEAN+3 from the financial crisis accelerated the move toward further economic integration in the region.

- 4 . Japan has assisted ASEAN economies since its establishment by official funds like Official Development Assistance (ODA). Japan’s ODA focused on building economic infrastructure and HRD based on ‘self-help’ efforts. Over time, we saw some ‘graduates’ from ODA. It shows that the aims of ODA were successfully attained. More than half of the ASEAN10, including CLMV, still need ODA from Japan. The Japanese government is ready to actively support those countries in need like before. Japan’s cooperation with ASEAN has had various forms. It includes support for peace-keeping activities in Cambodia and East Timor, and support for people affected by the Tsunami in Indonesia and Thailand. Currently, Japan is actively supporting a peace-keeping activity for the minority group in Mindanao by the request of the government of the Philippines.
- 5 . What are the big economic problems centered on ASEAN? First, global imbalance (in terms of balance-of-payments) and the distorted positioning of ‘money’. This problem is too big for ASEAN and Japan to solve. We naturally desire a soft-landing, but we should note that there may be a big shake-up of the international currency system. Hence, this problem will have a significant influence on ASEAN’s economic development from now. The key to the solution are largely held by the U.S. and China. We might well seriously discuss how to realize an Asian Common Monetary Unit (ACMU) as a first step towards stabilizing the regional monetary system.
- 6 . Other big problems for ASEAN are the shortage of investments from both governments and private sectors in the region for the past 10 years after the Crisis and subsequent reduced economic growth (relatively high in the international standard, though), and weakened international competitiveness compared with China. ASEAN countries must dramatically improve their respective business climates to boost domestic investment as well as FDI, and pay immediate attention to appropriate HRD centering on technology. Cooperation in the New Age between Japan and ASEAN shall be set in good shape based on such recognitions. Let’s review what was done and what should be done. First, Japan and ASEAN should expand trade, FDI and human exchange. From this aspect, a multi-based Economic Partnership Agreement (EPA) between Japan and ASEAN must be signed and be effective as soon as possible, to follow up the broad agreement made in last April. It should be followed by the realization of a multi-based FTA among ASEAN10+3. Second, Japan should cooperate to improve the business environment of ASEAN countries. The realization of a competitive investment climate, the leveling up of small scale industries and the preparation of good business-related laws are imperative if ASEAN countries wish to grow vigorously. Japan has committed to help with this. Whether an individual country can succeed or not rests basically on the strong leadership of state leader(s). Personally, I have some worries on this point. Third, there should be cooperation in the field of environment- friendly energy development, measures regarding energy saving and waste. The Japanese government has repeatedly announced its strong will to extend assistance in this field to ASEAN and other Asian countries. The concrete way to implement this will differ from country to country. Emphasis is to be placed on transferring technology on coal-liquidation and on cooperation to install nuclear generation systems. Fourth, there should be further financial cooperation. Currently, as governments of ASEAN have taken prudent macro-economic management, and as an effective regional financial cooperation scheme

has been set up, there seems little possibility that similar crises may happen. But we should not loosen our alert, for the scale of hedge funds quadrupled in the last 10 years. The sure thing is that to defend huge currency speculation by a single country is impossible. We should continue to monitor whether the self-surveillance scheme can well work on its own performance. Fifth, there should be cooperation to HRD. HRD is the key in overcoming the next round of global competition. There are various cooperation menus from Japan and they are updated. One of the Japan's ODA programs in this new field is the 'Promotion Strategy for Asian Scientific Technology Cooperation,' conducted by the Ministry of Education and Science. This program is aimed at nurturing human resources in ASEAN and wider Asia together using research institutes in Japan. Another approach is being tried in Thailand as a test case. This program supported by Japanese government and the private sector is to nurture high quality Thai engineers in local auto-parts subcontractors by Thai engineers who have been trained by Japanese auto subsidiaries based in Thailand. If this unique trial is successful, similar programs will be conducted in other ASEAN countries. Sixth, cooperation to the late comers of ASEAN, Cambodia, Laos and Vietnam (Myanmar is virtually not eligible for the moment). Vietnam has exceptionally shown marvelous economic performance. FDI in the other two countries are extremely small as their domestic market is minimal. Japan's assistance to them will be made to infrastructure/institution building by ODA and private sector's indirect support through such subsidiaries of Japanese firms as are based in Thailand and Singapore.

7. I sense that the most important economic subject for the people of ASEAN is their future prospects for a good standard of living, and the structure of industry, trade and employment. Some say that 'future' is to be decided by 'market' forces and don't want to talk on the relations between the macro-economic policy and the structures above. The policy of the government is still no less important, if cleverly chosen. Had the Malaysian government not adopted an appropriate industrial policy in the 60s and 70s to set up semi-conductor and other electronic production clusters, MNCs would not have heavily invested in the industry, and the industrial structure of the Malaysian peninsular would have been much different. The United States, for one, made public its state strategy in late 1980s, during the long-term recessionary period, to regain international competitiveness. To complete the ASEAN Free Trade Area (AFTA) ahead of the schedule would be highly valuable, but the whole GDPs of ASEAN are not more than 10% of whole GDPs of East Asia and that it seems extremely difficult to see a sharp rise of intra-ASEAN trade intensity ratio out of ASEAN's total trade beyond the current level, around 25%, as industrial structures of major ASEAN countries are similar. Hence, ASEAN could expect, in whole East Asia, China, Japan, Korea and Taiwan to boost ASEAN's export and FDI in ASEAN.

Let's consider in this context the trade pattern between China and ASEAN countries. A famous economist¹ repeats the trade structure between the two is of a competitive character rather than a complimentary one. The actual figures of trade between China and ASEAN, however, show continuous and bigger jumps than those with the rest of the world, which has made China as the biggest engine for ASEAN. Take 2004 figures for instance: China's export to major ASEAN countries increased by 30% and the opposite trade increased by 20%. ASEAN exports to China can be broken-down into two portions. The first is the incremental portion directly derived from the high growth rate of the Chinese economy (China's 'proper portion'), and the rest, mainly derived from operation by U.S.-based, Japan-based and Taiwan-based MNCs in China, in the form of intra-industry division of labor ('global specialization' portion). Out of ASEAN's exports to China, those of natural resources and related products, such as oil, mining products, marine products, wooden products, tropical fruits and vegetables have been recording high-speed increases. These items became of comparative advantage for ASEAN. The quick growth of the Chinese economy, with its large GDP and the big portion of heavy and chemical industries in its industrial structure, tend to increase import volume of natural resources and related products, thereby rising their international prices because of lower supply elasticity of those products. But, simultaneously, China has won completely in acquiring a higher share of exports of conventional, labor-intensive products like

¹ Dr. C.H.Kwan, Chief Economist, Nomura Research of Capital Markets, Tokyo.

textiles, shoes, toys and sports goods out of East Asia's total exports to the U.S., Europe and Japan. On the contrary, the export shares of those items of major ASEAN countries continued to drop. Many ASEAN firms in those areas have been closed. China is operating more efficiently than ASEAN to produce computers and other electronic parts under the situation that more MNCs are operating in China than ASEAN. There are still some reasons for MNCs to stay in some ASEAN countries, such as a large inertia acquired by past investments and operation, geographical proximity to Europe/India and the risk of focusing all manufacturing centers in China.

Suppose RMB's exchange rate vis-à-vis ASEAN currencies were not appreciated say in 10 years (it looks implausible and even opposite phenomenon is being observed), then the current trade structure will be settled. If the terms of trade of primary commodities and their processed goods do not deteriorated in the long run, opposing the past trend, the fixing the trade pattern could be justified. However, I sense that many in ASEAN are strongly wishing to keep comparative advantage vis-à-vis China in some selected products to obtain benefits from the global supply chain and keep well-balanced industrial structures. For what ASEAN countries continued to request Japan in the past 30 years was their wishes to shift from vertical trade between natural resource based products and industrial products to more horizontal trade (intra- industrial trade). As it seems implausible to envisage setting up a division of labor widely in this field between local firms of ASEAN and those of China in coming years, ASEAN countries must make efforts to induce MNCs more strategically and to let them co-work to establish clusters together with good quality local firms. A good example is clusters of commercial car production in Thailand. For this objective, ASEAN countries should try to prepare efficient infrastructures and to nurture high-level human resources. (Singapore has conducted its strategies beautifully, but can not be generalized.)

There are other prospective areas for ASEAN such as services industry like resort business, hotels and care of ' long-staying' expatriates. Some ASEAN countries can exploit such potential by using more wisdom. Japan can support such activities in various ways.

8. In conclusion, let me just say a few words on East Asian Community building. Firstly, the Community which East Asia, whose basic conditions are completely different from European Union, shall start with somewhat fuzzy vision: (a) envisaging peaceful development, (b) keeping common permanent values, (c) aiming at sustainable development, while leaving characteristics of individual members and (d) commitments to share corresponding cost for the regional public goods, and (e) maintaining good relationship with the United States in place.

Secondly, I consider that we should not hasten to build up the Community. Instead, it is crucial to continue co-working in institutionalizing necessary regional public goods. We can gradually integrate ourselves to make this region more resilient against various risks and build mutual trust, which can be the central pillar for Community management in the future. Whether Japan can join this historical challenge constructively rests on whether Japan has the will to make every effort with other members while recognizing the necessity of self-reform, bearing heavy pains. So, ASEAN, seating in the driver's seat for Community- building, may well continue to confirm the Japanese leader on his/her will regarding this very point. Needless to say, what is good for most of the people of ASEAN will make reciprocal benefits for most Japanese in the long-run. I believe that 10 years later, or on the 50th anniversary of ASEAN, we can see many fruits which will be co-produced by Japan and ASEAN.

Session II: "The Japan-ASEAN Cooperation in Energy and Environmental Issues"

OHKI Hiroshi

President, Japan Center for Climate Change Actions

1. Social and economic activities in human society (and behaviors of states based upon them) have a tendency to become further globalized because of the rapid development of transportation and telecommunications. This means:
 - i) The flow of people, goods, money, and information has become globalized, either by themselves or by their mutual interactions;
 - ii) However, globalization as the system or policy is not consistent with this trend in many respects. (There are reactions against globalization, and there are regions where the flows of globalization do not reach);
 - iii) Activities (M&A etc.) of corporation (capital and manager) sometimes make the situation complicated.

2. There is the trend of regional integration within the trend of globalization.
 - i) Regional cooperation to promote efficient economic development Regional integration (the history of the development of the EC into the EU is one example)
 - ii) Economic, socio-cultural, security integrations may not necessarily follow the same path (see the report of Amb. AKAO at the 5th Japan-ASEAN Dialogue)
 - iii) Progression from ASEAN integration into an East Asian Community is still in the trial run stage.

3. How far is Japan-ASEAN cooperation possible on energy issues?
 - i) Soaring oil prices, remaining at high-prices, are a destabilizing factor in the international economy
 - ii) The energy circumstances of ASEAN countries are so diverse that Japan should consider the cooperation with each ASEAN country separately from cooperation with ASEAN as a whole (oil stocks etc.), bearing in mind:
 - a) The position of each ASEAN country as a resource/energy supplier
 - b) The position of each ASEAN country as a recipient of economic technology cooperation and investment
 - iii) It is necessary to observe trends of other major players in the East Asia Pacific region than ASEAN:
 - a) Russia as an energy supplier
 - b) China and India as a major energy consumer
 - c) How will the United States and Australia act?
 - iv) Shift to a de-carbonized society and economy (in relation to anti-global warming measures)
In the 4th IPCC Report, two scenarios were compared: "a society which achieves a robust economic growth while relying on fossil energy sources" and "a society where environmental protection coexists with economic development on a global scale". The first scenario anticipates

that the temperature will rise by 4 degrees (within a predicted range of 2.4 - 6.4 degrees) Celsius by the end of this century. Supposing the temperature rose by 4 degrees Celsius, irreparable damage would occur all over the world, making the shift to a de-carbonized society and economy inevitable.

4. How far is Japan-ASEAN cooperation possible on environmental issues?

- i) Environmental issues may be separated into: 1. Global warming prevention; 2. Diplomacy toward neighboring countries (regional cooperation) in East Asia; 3. Other individual bilateral cooperation.
- ii) Global warming issues must be connected with the following in order to effectively promote systems for climate change prevention and adjustment: 1. The Framework Convention on Climate Change and The Kyoto Protocol (COP/MOP Convention); 2. The G8 Summit of leading industrialized nations and other related conventions including developing countries; 3. The Asia Pacific Partnership (APP). We need to recognize that global warming is becoming the biggest and the most urgent challenge for the international society in the 21st century.
- iii) For the cooperation among neighboring countries in East Asia, we can assume the process in which practical cooperation programs will be enriched after basic consensus is reached in a political level. (Japan-ASEAN cooperation can be reinforced, referring to the Tripartite Environment Ministers Meeting among Japan, China and Korea.)
- iv) Other individual bilateral cooperation between Japan and ASEAN countries may take place not only at the government level, but also via municipalities and research organizations.

Note: I assume that the outcome of the G8 Summit held in the Germany in the beginning of June may affect Japan-ASEAN cooperation. I will make an oral comment on this issue on the day of the dialogue.

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**Energy, Climate Change and Security:
Prospects for Competition and Cooperation in Asia and ASEAN**

Introduction: An Interlocking Triangle of Issues

In 2007, many more in the global community have now come to recognize the dangers of climate change. The world is also facing an uncertain future in energy, with spiraling demand and uncertain supplies that are driving higher and more volatile prices for oil. These two issues intersect and overlap. The world is still preponderantly dependent on the fossil fuels of oil, coal and gas for energy. The issues of energy and climate change are in many ways inseparable, given present technologies and markets.

A third dimension to the issue is economic growth. From the experience of industrialization in the West, there has been a near direct relationship between economic growth and energy demand. As countries grow, their demand for energy grows. Indeed, it is observable that as societies industrialize and transform, and consumer

demands change, there is an intensification in energy demand.

In short, for much of the modern industrial period, economic growth has meant energy and this has, we recognize belatedly, driven climate change. There is an interlocking triangle of issues – economic growth, energy and climate change.

Yet, for many decades of growth, the international community has not recognized the importance of this interlocking triangle of issues. The science of climate change was not developed and, until very recently, not broadly accepted. Moreover, geopolitics driven by the USA and the market has paved the way for supply of energy, especially oil, with relatively low prices for many years (the mid 70s surge with OPEC were an aberration). Growth in the industrialized economies in past decades has therefore not been constrained by energy or by climate change.

The picture going forward is likely to be very different. This has to be recognized even as science and global opinion on climate change grows and seeks political commitment. Climate change cannot be understood or presently be dealt with on its own, in isolation from these other issues.

Asians will face particular challenges from this triangle of issues. The region is growing rapidly. With so many people in the region, and so many still below the poverty line, this economic growth (with equity) is not an option but a necessity. Energy is needed. The surge in world energy needs is being driven by Asia, and especially the growing giants of China and India, but also the still growing needs of the developed Asian states especially Japan and South Korea.² This thirst for energy will not dissipate, if historical patterns are any indication of the future. Yet the energy to drive that economic growth is not assured. Insecurities for energy are felt in Asia, with all the major economies being dependent on imported sources of energy, and especially oil imports from the Middle East (to a larger degree than, say, the USA). This applies not only to the developed economies of Japan and South Korea but also most of the developing countries, both large and small.

For China and India, one option to ease this import reliance is to turn to domestic sources of coal. Yet, while this meets energy needs, generating energy from coal will be highly pollutive at the local level, and much more carbon intensive at the global level and thus hasten climate change. What happens in Asia will affect the future of climate change profoundly.

Asians also face a profound challenge from climate change. The Inter-Government Panel on Climate Change agrees that countries in Asia will be hard hit by the impacts of climate change, with the less developed more badly off. These negative impacts include droughts with a run down in water supplies and an upsurge in fires; increased flooding; sudden and extreme weather events; and impacts on agriculture and fisheries. Asia, the most populous continent and with the most densely populated lands, will face many challenges. This is especially true for developing states that may lack reserves of capacity and funds, as do many of the states in Asia. A number of scientists in Thailand and the Philippines predict that developing countries, like their own, stand to suffer most from the catastrophic impacts of a warming planet unless mitigation and adaptation measures are taken with urgency. For example, Dr Kansri Boonprakob, who is currently vice-chair of

² Even though Japan has reduced its oil dependence by a third since the 1970s, it remains the world's third largest consumer of oil as well as the world's largest importer of liquefied natural gas (LNG), accounting for 40 percent of total world imports. While its energy consumption growth is expected to plateau, Japan will continue to import vast quantities of oil and gas. China, which has now become the world's second largest consumer of oil, imports about 3 million barrels of oil per day (bpd), or roughly 50 percent of its total consumption. In 2006, China's oil imports grew 14.5 percent over the previous year, and the International Energy Agency estimates that China's petroleum imports are likely to rise fourfold from 2003 to 2030 (Xinhua, January 12; International Energy Outlook, 2006). China's imports of LNG, which began in 2006, are expected to grow rapidly as well. It is therefore not surprising that securing stable energy supplies from overseas has become a major preoccupation for Chinese and Japanese policymakers alike. Such a dependence upon energy imports, coupled with energy price and supply volatility as well as high geopolitical risk, has sparked a debate about energy security in China as well as in Japan.

Working Group 1 of the UN Intergovernmental Panel on Climate Change, has estimated that Thailand suffered more than 70 billion baht (about S\$3 billion) in economic losses related to floods, storms and droughts in the period between 1989 and 2002.

Recent severe weather events like Typhoon Durian that killed about 1000 people in the Philippine in Dec 2006 and the floods in Jakarta and Malaysia at the start of 2007 demonstrate this vividly. If the scientists are right, these recent events are only a foretaste of the kind of mass disruptions and extreme climatic happenings that can affect us all.

These challenges that arise from climate change for Asia and indeed the world can and will need to be seen through the prism of “security”. This is not necessarily “security” that fixates on the role of the military. Nor is it a “security” issue that arises in the immediate to short term, as do, say, the cross-Straits or Korean peninsula issues. But if future events eventuate as the IGPPC predicts, or approach those predictions, we can anticipate that there will be profound tensions and potential conflicts.

Competition for energy resources can trigger political tensions and conflicts, but this is only one scenario and aspect of the security implications. The issues of climate change and its interlocking relationship with energy and economic growth have many more profound dimensions. Insecurities will multiply that affect territory and settlements, food and water, energy and other essentials of the economy, society and life as we know it. Displacements of people, and direct conflicts over resources will only be the tip of a melting iceberg.

This brief paper will examine climate change and security for Asia in this context. It argues, in this introduction, that the context for understanding and responding to climate change must be within the interlocking triangle of issue relating to energy-environment-economy. Secondly, I examine that agenda in ASEAN and Asia, which has received only limited attention to date. Most of Asia – as most are developing economies – have sought to avoid deeper engagement and any obligations under a climate change regime, and I suggest that this will need to change in the future for both their benefit and to effectively respond to climate change. Thirdly, I warn against some of the immediate dangers and missteps that can arise from the sense of insecurity. As Asian states start to better recognize the challenges, there will be a rush to purported solutions, some of which may, I suggest, actually exacerbate the problems – like increasing competition and conflict for oil and gas, and some dangers from the pursuit of nuclear energy and some types of biofuels. Fourth, I suggest some of the emerging possibilities for Asia’s agenda to address climate change, especially where Asians can better cooperate together, and where there are necessary and cost effective steps that can be taken. As this paper is presented at a conference on ASEAN-Japan relations, it gives attention to ways in which ASEAN and Japan might cooperate.

ASEAN and Asia’s Attention

In the run up to the 12th ASEAN Summit, climate change was not a focus for the grouping. This however seems to be changing. Much of this is being carried by the shifts in international opinion, as in 2006-07, the global community has experienced a sea change in attitudes. For the region itself, the 2006 ASEAN and East Asian summits may be seen as markers of change. Notably, the Cebu Summit itself, originally scheduled for Dec 2006, was put off because an incoming tropical storm might have turned into a full blown typhoon.

The Cebu Summit, when convened in Jan 2007, took a significant step forward on the issue of climate change. This was neither direct nor focused on ASEAN. Rather, the issue was raised in the context of energy security and in the wider East Asian Summit framework, which brings together the “+3” countries of China, Japan and South Korea; Australia and New Zealand; and India, under ASEAN chairmanship.

In the Cebu Declaration, these countries pledged to work closely together to mitigate greenhouse gas emission through effective policies and measures, thus contributing to global climate change abatement. But

the declaration avoided any talk about binding commitments or caps on emissions. Rather, the parties emphasize voluntary measures that involve private sector involvement and the introduction of more efficient and innovative technologies. In this context, it proposed (inter alia) measures to (1) encourage the use of biofuels and work towards freer trade on biofuels and a standard on biofuels used in engines and motor vehicles; (2) encourage collective efforts in intensifying the search for new and renewable energy resources and technologies, including research and development in biofuels; and for improving efficiency and conservation, while enhancing international cooperation through intensified energy efficiency and conservation programmes;

Efforts to increasing energy security through cooperative measures were also recommended. These, the states agreed, would aim to (1) ensure availability of stable energy supply through investments in regional energy infrastructure such as the ASEAN Power Grid and the Trans ASEAN Gas Pipeline; (2) encourage recycling of oil revenues and profits for equity investments and long term, affordable loan facilities for developing countries in the region; and (3) explore possible modes of strategic fuel stockpiling such as individual programmes, multi-country and/or regional voluntary and commercial arrangements.

Another step forward in 2006-07 was taken in the Asia-Europe meeting. The ASEM-6 Helsinki meeting resulted in a declaration on climate change. The two sides of the ASEM process recognized the possibilities of working together within the frameworks provided by the Kyoto Protocol to foster technology and investment to deal with climate change.

While they should not be seen as a substitute for the Kyoto Protocol, these frameworks for East Asia and Asia-Europe on the issue can be useful. They would also complement the Asia-Pacific-6 dialogue that already links regional countries like Australia, China, India, Japan and South Korea to the USA, and is quite similar in tone and aim.

More can and should however be done by ASEAN and Asian states. But while more can be done, more is not always better. There are, in looking at climate change insecurities, a number of dangers that should be avoided. Otherwise, our insecurities over energy and climate change can drive us to actions that might, in the long run, increase our insecurities.

Asian Insecurities and Three Dangers To Avoid

Vulnerability and insecurities drive attention, urgency and action and promise additional resources. This is often the underlining desire of those who propose that an issue be “securitized”. Yet insecurity can drive us to act imprudently and in the wrong directions. So, as our recognition of insecurity over climate change and energy is growing, we must avoid several policy mistakes that would seem to enhance security, and yet may in reality undermine security further. This brief paper outlines three dangers that are emergent.

Competition For Energy and Resource Nationalism

The first of these is a rising competition for traditional energy resources of oil and gas. As noted earlier, many Asian states are dependent on imports of oil (or gas), with much of the oil coming from the Middle East, through the shipping lanes of Southeast Asia, especially the Straits of Malacca. This is particularly the case for North East Asia and India. There are many number scenarios for disruption, ranging from unrest in the supplying states to terrorist attacks in the shipping lanes. Geopolitical drivers include the US policy in the Middle East on one hand and, on the other, possible supply and infrastructure plans from Russian, the former Soviet republics and even Africa. There are also prospects for exploration and possible exports from various Southeast Asian sources, especially Vietnam, Myanmar and Indonesia.

With the growing demand for energy, and the increased uncertainties and insecurities of supply, there is a

perceptible rise in global competition for access to and supply of oil and has, on preferential terms in either price and/ or assurance of future supply. This competition is felt in the region and globally between Japan, China and, to an increasing degree, India. In the recent past, many were willing to leave the supply to the markets and the private sector oil majors. It was common for these countries to develop a relatively small government-owned oil company to participate in the market, but not seek to be a major player in the market. They viewed energy more as commodity that markets could deal with, based on demand and supply. The view has however changed rapidly in the last years.

There are now many more analysts and strategists, especially in China and Japan, who view oil and gas as strategic goods, and view energy competition as a zero-sum game that states must play for high stakes. China has led the way in increasing its hold in the oil markets, with Japan, and India following closely.

China's state-controlled oil industry, comprising three major companies CNOOC, Sino-pec and China National Petroleum Corp are seeking to develop a clear, comprehensive energy policy that will prevent the country from being hostage to the energy markets. China has begun building up a strategic oil reserve that it hopes to fill with at least 30 days' worth, and the country has several pipelines planned that would theoretically receive supplies from fields in Russia, Central Asia and Burma.

Part of the rising competition is commercially based, in the acquisition of companies, or preferred contracts. Another part of the competition is directly about territory and exploration for oil. For example, China since 2005 has completed at least one new drilling platform in the East China Sea. It is thought to be tapping into hotly contested natural gas and oil fields, escalating a dispute with Japan over the rights to billions of dollars worth of underwater energy reserves.

The Chinese action, Japanese officials charge, has aggravated a potential flash point in East Asia. These differences over energy arose to worsen already tense diplomatic relations between Tokyo and Beijing during Japanese PM Koizumi's tenure. It continues under PM Abe, even if there has been some improvement in the overall atmosphere of the relationship. Both China and Japan, with South Korea and India, also are competing to court Russia in the hopes of securing an advantageous route for a new trans-Siberian pipeline to the Pacific. Similarly, the competition for influence between China and Japan in Southeast Asia is related not only to the broad questions of political influence but to questions about energy.

National competition over oil and gas is of course not new. They have often colored geo-politics in the past and, to some of his critics, driven the Middle East and Iraqi policies of US President Bush. But what is notable about the competition in Asia and especially between China and Japan over oil and gas is that this builds on a flawed foundation of history and territorial claims, to create what we may term, "resource nationalism". Given this, oil exploration in disputed territories such as in the East China sea have drawn attention and can potentially serve as flash points for heightened nationalism and conflict.

The above said is not intended to blame China or any other state for the competition and possible points of tension and conflict. Rather, it is to point to a conundrum in this competitive, zero sum approach to energy security: one state's efforts to secure itself may unintentionally bring competition and conflict with one or more other states, and therefore substitute energy insecurity with other types of insecurity.

The False Dawn of Biofuels

In the nexus of concerns with climate change and energy, an issue that has come to prominence is that of biofuels. The term biofuels is broad, to include everything from re-using cooking oils to the variety of food- and plant-derived supplements or substitutes for vehicles. Many of these were too costly until the recent rise in oil prices and the growing concern with carbon based fuels and climate change created the potential for a premium to be paid for substitute energy sources.

Among biofuels, one possibility that has received considerable attention in Southeast Asia is that of palm oil. On paper, the prospects of palm oil are considerable, as the crop has a high caloric value. However, concerns can and should arise in the context of both economics and climate change.

On the economics of the issue, there are subsidies in Indonesia and Malaysia, where 85 percent of commercial palm oil is grown, for agriculture and palm oil, and these subsidies make the crop cheaper than it might otherwise be. The use of palm oil or other foods for fuel is also questioned increasingly as food prices begin to rise.

On questions of the environment, green groups have long warned that many plantations in Indonesia and Malaysia are planted on cleared rain forest. This clearance of forests threatens the habitats of endangered animals like the orangutan and the Sumatran tiger. Moreover, these forests and lands are often cleared with the use of fires, which releases carbon dioxide into the atmosphere. According to some calculations, the emissions are so great that, if these gases are included, Indonesia jumps into the top three climate change gas emitters in the world. A report late last year by a Netherlands-based research group claimed some plantations produce far more carbon dioxide than they save. Seeded on drained peat swamps, they unleash a warehouse of carbon from decomposed plants and animals that had been locked in the bogs for hundreds of million years, which one biologist described as "buried sunshine."

Now, amid global efforts to curb emissions of greenhouse gases, power companies have joined conservationists in calculating the carbon count of producing palm oil fuel -- and found the balance increasingly negative. A few companies have put plans on hold to switch to palm oil.

There are efforts within the industry to provide reassurance that the palm oil can avoid these problems to be an environmentally responsible product. The Roundtable on Sustainable Palm Oil has developed a code of conduct in these past years and is soon moving towards certification to verify that the products and companies that are certified are not involved in the environmentally harmful practices mentioned above. Problems and issues however remain with certification.

As such, because of the regional environmental disaster of the haze and the global impact on climate change, the concerns with energy security and climate change should not lead to a rush towards palm oil. Yet there continues to be a glow of biofuels as a promise to provide new fuels to increase security, and to be "greener" than oil and gas. In this glow, companies in both Indonesia and Malaysia continue with considerable plans for expansion.

The issue of palm oil also connects to the haze. This issue is predominately framed in terms of pollution that affects the local communities in Indonesian provinces and the region, impacting air quality and public health. The primary mechanism for addressing the fires has been between the Environmental ministers of ASEAN, with a sub-group of the affected countries. While this is valid, looking at climate change brings in an additional dimension. The fires contribute to the climate change gases. Some estimates suggest that, if the impact of fires is included, Indonesia rises to be among the world's largest emitter of climate change gases. This makes the haze a truly global issue, which deserves international attention.

Nuclear Energy in Southeast Asia

A third danger that arises with the concerns of energy security and climate change is that of nuclear power. Many more countries in Asia are looking the option of nuclear power. In Southeast Asia, Indonesia, Vietnam, Thailand and, most recently, Myanmar have declared plans to develop nuclear power plants. A number of these will likely involve and depend upon the involvement of other Asian states that have the technology and are willing to help fund the nuclear plants – South Korea and Japan – and those that are willing to supply the raw materials – Australia.

The economics of nuclear power seem favourable in the short term. Nuclear plants are calculated to currently generate power at US1.5 cents per kilowatt-hour (2.3 Singapore cents). This is less than half rate of the cheaper fossil fuels like coal and natural gas. There are considerable (some say incalculable) costs in terms of the safe, long term storage of waste and in the potential damage that would arise from improper storage of waste, or a nuclear incident.

While several countries are also interested, Indonesia is perhaps at the forefront of this trend, having revived its long held plans for a nuclear power plant. What is happening in Indonesia may therefore be a precursor for others.

The country plans a US\$8 billion (S\$12.2 billion) investment to construct four 1000-megawatt plants by 2016 or 2017, with candidate sites on the Muria peninsula in the Gorontalo province. This plan has recently received the helping hand of Russia, South Korea and Australia and even an endorsement by the International Atomic Energy Agency, where Indonesia has consciously developed a good standing.

Environmentalists both in Indonesia and globally however remain unconvinced that Indonesia is prepared for nuclear power. There are concerns over possible natural disasters, given the seismic activity in Java and other parts of the country. More, there are issues of cost and waste disposal, and manmade disasters. Parts of Indonesia's main island, Java, is still affected by 'lava flows' that are thought to have been caused, at least in part, by nearby drilling that did not take enough precautions. Mistakes with nuclear plants have been made, after all, by the former Soviet Union, Japan and the USA and safety concerns for plants in developing countries must be as real, if not more so.

In Indonesia and many parts of the region, there is another factor that intersects the environment and energy with security concerns. This is that these nuclear plants would be prime targets for terrorist attacks. There seems to be little realistic danger of nuclear weaponization. But there can be concerns that the misuse of uranium enrichment and spent waste from the plants can lead to radiological devices known as 'dirty bombs'.

In this context, what Indonesia and also Australia do will be a litmus test. Australia faces a watershed moment with plans to link uranium development and exports with its own nuclear development plans. These look set to feature in Australia's coming national elections. Australia's policies can heat or cool Indonesian and the region's nuclear ambitions – the Aussie-RI Lombok Agreement two months ago and exports of Aussie uranium to China worth A\$1 billion (S\$1.2 billion) in the coming months being cases in point.

Despite the concerns with climate change and energy, the options for nuclear power should not be rushed. More should be done to consider how policies for security, energy and environment should best intersect. More efforts to manage risk are needed, and some are already being started. These include the decision to establish a new study panel for cooperation in nuclear energy in Asia at the Seventh Ministerial Meeting Forum for Nuclear Cooperation in Asia some months ago and an inaugural regional seminar hosted by Japan and the IAEA to discuss measures against nuclear terrorism in Asia.

ASEAN itself has a strong record against nuclear weapons, in the Southeast Asia Nuclear-Weapon Free Zone, which also outlines a regime to help ensure high safety and security measures for nuclear energy. This treaty has been anchored by the accession of China in October 30 last year. Such efforts favour regional dialogue and cooperation, with increased public awareness, rather unilateral and hush-hush manoeuvres to hasten down the nuclear path.

This is especially as Indonesia has only begun to acknowledge these concerns in the region. At an APEC energy ministers' meeting last month, it has promised to begin to provide transparency on its nuclear plans to regional states. This is a welcome, even if belated, recognition of its obligation to consult with other states.

Looking ahead, we can hope for Indonesia and the region to develop a protocol to SEANWFZ, now in its 10th year, to deal specifically with nuclear safety and to give greater assurance on the security issues before Indonesia or other states proceed to build their nuclear plants. This would help ensure that if and when states proceed with nuclear energy, the highest possible standards of safety in design and practice are observed.

However, some in Indonesia have raised other issues that, in many ways, precede the question of nuclear energy. Indonesians environmentalists and energy experts question whether there is, in the first place, a clear need for nuclear energy. They instead suggest that more work on energy efficiency and on alternative, clean energy is much needed. For larger countries like Indonesia and Vietnam too, the issue often is also the efficiency and cost of distribution and the energy grid, and not simply its generation, and to explore more opportunities to develop energy resources. Such efforts, which the next section will explore, can potentially balance energy needs with security and environmental concerns. They argue that other efforts like nuclear power can otherwise worsen environments both regionally and globally and even inadvertently worsen insecurities of another, more traditional kind. A greener path to energy security needs to be explored, rather than rushing towards nuclear power.

Japan can have a special role to play in the region and Indonesia's emerging plans to proceed with nuclear energy. As a leading and pacific country in nuclear energy, Japan can help re-look at the plans to ensure that the paths forward are in the first place necessary and, if so, are explored with the maximum assurances for both public safety and non proliferation. Japanese companies that may wish to play a role in developing nuclear energy in Indonesia and other ASEAN member states should in this regard be expected to observe the highest possible standards in transparency, anti-corruption and safety. Japan, as the world's most energy efficient economy, can also help ensure that, in the first place, Indonesia and other energy insecure countries take steps to maximize the energy and benefits from the resources that are available, before turning to a nuclear option.

An Emerging Agenda

Following up on global studies and early regional studies by the Asian Development Bank, some Asian scientists have tried to evaluate the region's economic losses as well as severe threats to human life and the environment due to climate change. More work will undoubtedly follow after the IGPC's assessments in 2007. Yet while some scientists and experts have begun such assessments, most countries in the region do not have a clear plan for mitigation and adaptation. Moreover, the region as a whole, whether ASEAN or the wider East Asia, has neither an agreed assessment of the problems created by climate change, nor shared strategies to deal with such problems. It is timely to develop such plans, and for these to be considered and agreed by leaders.

The role of leaders is needed because climate change is not only about sudden natural phenomenon such as typhoons, but potentially involves also long term and broader trends like the deterioration of land and water resources for food production, and the increased spread of disease. Climate change is not an issue that environmental ministers can deal with on their own. Issues like energy use, industrialization, trade, public transport, and the planning of cities are all implicated by the concerns of climate change, and government leaders must set the right direction and coordinate policies coherently.

Since late 2003, ASEAN leaders have declared the ambition of creating a community with economic, security and social-cultural pillars. These need attention, especially for economic integration. It is not necessary to declare the need for ASEAN to be an ecological community, or to have climate change as an additional pillar of community, but we do need to recognize the cross-cutting issues that arise where climate change and environmental concerns interact with the emerging economic, security and social-cultural pillars. A joint understanding for ASEAN is essential.

From this effort to develop a joint understanding, I suggest there are at least three opportunities to address climate change and security concerns in the near to medium term. These are, first, developing energy efficiency, at national and ASEAN level, and in collaboration with others in Asia, especially Japan. The second is to develop and allow markets for innovation and investment. The third is the need to develop regional plans to respond to natural disasters that will likely be worse with climate change. Fourth, I shall try to identify one area in which action can and should be prioritized: the question of water.

Energy Efficiency

When we think of energy security, many often focus on supply side dimensions, to increase and secure supplies of oil and gas. Yet when we are concerned with climate change, we face the need to reduce carbon emissions and jump to controlling supply. One way to square these two demands is to emphasize energy efficiency; to do more with less energy and therefore leave a lighter carbon footprint.

Energy efficiency can provide results quite immediately. In comparison, many efforts to develop alternative energy will likely need investment and further innovation into the middle term (see below).

Studies suggest that energy efficiency can provide on average, a 30% improvement. This is a sizeable benefit in terms of both improving a state's energy security and limiting its impact on climate change. Other studies suggest that the benefits of energy efficiency can be even greater if we re-imagine industrial and other processes and architectures. Some American expert institutions like the Rocky Mountain Institute, suggest that there can be four-fold or even ten-fold benefits.

Looking at energy efficiency in this way, we can untie the relationship of energy and economic growth, or at least ameliorate the ratio. There are countries in the region, especially Japan, that have shown how greater economic growth can be achieved with proportionally less energy.

The governments also need to recognize that the keys for energy efficiency are not merely better technology and engineering. Pricing is key. Too many countries still underprice energy and other resources. This is detrimental to efforts and capital costs to promote efficiency. Energy prices will need to be raised to reflect their full, long term costs, including pollution and carbon footprint. This can be done progressively to avoid sudden and adverse effects on the economy, but they must be done.

Efficiency is not only important to consider in the use of energy; it is also important in terms of the generation and transmission of energy. Multi cycle energy plants that capture and re-use "waste" energy are an important investment to make; this is especially as energy plants are usually long term, big-ticket items that (once decided) remain with us for some 20 years. There is also a lot of wastage in transmission, especially in larger countries like Vietnam and Indonesia. In many ways, for provinces, towns and villages in such countries, true energy security would be better met by dispersed energy generation that is closer to them, rather than long, insecure and wasteful transmission.

If these steps are taken, much more can be done with the energy resources that already exist and are available. This would improve energy security and lessen the impact on climate change, with real changes that are, in many ways, realistic and readily available.

Japan, as already noted, is the most energy efficient country in the world, as measured in terms of its GDP: energy use ratio. As a major partner, donor and investor in the ASEAN economies, there is much that Japan can do to foster energy efficiency in the region. This is both in terms of the Japanese government as well as its private sector companies. The drive for energy efficiencies moreover, should not cover only manufacturing and industry, but also the development and design of infrastructure.

Investment and Innovation

But while much more can be done with the energy we have, efforts must also be made to find new resources and also alternative sources of energy. In terms of new resources, part of the sense of insecurity in some countries reflects not their actual vulnerabilities but a lack of recognition of their potential riches. We can see this in the case of Indonesia.

While it exports oil and natural gas, the country's production of oil is falling and proven reserves are dwindling. Oil production has fallen from a high of 1.4 million barrels per day in 2000 to less than 900,000 barrels per day in mid-2006. This is the lowest level in 35 years. Since 2003, while Indonesia is Asia's only member of the Organization of Petroleum Exporting Countries (OPEC), it has become a net importer of oil and is unable to fill its quota of 1.45 million barrels per day that it.³ An increasing reliance on oil imports means that the government has spent heavily on subsidies to keep prices below the market rate.⁴ Because of this, Indonesia currently may feel an energy insecurity.

Yet such an apprehension about energy fails to take into account the potential riches that remain in Indonesia. In the past ten to 15 years, there has been a recurring under investment in exploration in Indonesia. This is partly due to weaknesses in the state monopoly, Pertamina, and to the reluctance (indeed refusal) to open up sectors to the oil and energy giants to explore and/ or exploit. An opening of the market, coupled with the higher prices for oil and gas, can dynamically transform the present scene. What may have been neglected or found not to be economically viable may be discovered and found profitable as the parameters of technology and price change.

If this is truest of Indonesia, there are also similar possibilities in other countries, including Vietnam, Myanmar, Malaysia and others. There are also possibilities for cross-border cooperation. This should be for the joint exploration and exploitation of energy sources in territories under dispute. The development of cross-border and potentially intra-ASEAN energy grids also deserve attention.

The above possibilities in the traditional energy sector also sketch the possibilities for alternative energies. There is potential in different forms of alternative energy – solar, biofuels, biomass and “waste-to-energy”, wind, geo-thermal, and tidal. An evaluation of these different possibilities is beyond the limits of this paper, and indeed they are often speculative or even skewed by economic interests. But what can be said is that Asians and Southeast Asians have not really begun to explore these possibilities sufficiently.

Part of the problem is technology; much of these technologies has been pioneered in the Western and developed economies. But other obstacles relate to the lack of priority, the failure to open markets to private sector companies and inability to innovate policy and administer the right projects. For instance, many Asian and ASEAN cities struggle with the problems of waste and landfills. There are makeshift settlements on some landfills that suffer from poor living conditions and are susceptible to fires from escaping gases from the landfill. Yet the potential of “waste to energy” plants and policies has not been explored to resolve this problem of urbanization and, at the same time, supply energy.

Asia and ASEAN should give much greater emphasis to utilizing both existing technologies for such alternative energies, as well as to research and test bed emerging technologies. The East Asian grouping includes countries that have good initiatives in alternative energies, like Japan, South Korea, Australia and India, and cooperation should be explored.

3. “Indonesia to Offer New Oil Exploration Blocks,” Reuters, August 15, 2006. (Soesastro and Atje 2005).

4. Even after enacting subsidy cuts that doubled fuel prices in 2005, the government expects to spend more than \$7 billion annually to cushion consumers from the rising price of fuel, an amount equal to twice its projected budget deficit. “Indonesia says to up '07 budget oil price to \$65/bbl,” Reuters, August 15, 2006; “Indonesia president forecasts H2 pick up in economy,” Reuters, August 16, 2006.

ASEAN has been rich in resources, and in many ways is rich still. The difficulties are to recognize and harness these resources in a sustainable way in tandem with technologies and the involvement of the private sector.

As Japan is a high technology country that has a strong tradition in research and engineering, it is well poised to join and even lead ASEAN and Asia in the search for innovative technologies that can be test bedded.

Regional Response to Natural Disasters

In almost all climate change scenarios, there are predictions of severe weather phenomena that become more frequent or become even more severe. The recent incidents that have been mentioned, like Typhoon Durian and mass floodings, are therefore perhaps the tip of a (melting) iceberg. These have tested and often overtaxed the resources of any single state. Regional cooperation has been needed to respond to a number of them.

ASEAN leaders should therefore give priority to working out regional arrangements to facilitate and strengthen shared responses to such disasters and indeed to share information and best practices to prevent and mitigate such disasters.

How will ASEAN member states fare with such severe weather phenomena, and other effects of climate change? Do we face a future of recurring disasters, with an increasing toll on the peoples and economies of the region? These are important questions that the governments of the region must begin to answer through enhanced cooperation. As these will involve military forces, there are also possibilities for enhancing understanding and confidence between military forces.

Japan can and should have a significant role in helping ASEAN prepare and deal with natural disasters on a regional basis.

A First Priority: Water?

Almost all recognize that climate change is likely to trigger a rise in the oceans. What is less well recognized is that while there will be more water where it is not presently, existing water resources will also be negatively affected. Rivers and other water resources will be salinized. Droughts (as seen in Australia) will recur. There is already a shortage of water of the right quality and in the right places in cases, especially China and India. Water demand is likely to increase with industrialization and urbanization.

Technology and processes to treat and recycle water have been transformed in recent years and have been test bedded in a number of countries. The economic cost of treatment has become viable in a number of countries. As such, it may be timely for many more in Asia and ASEAN to secure existing water sources and to move further in utilizing technologies for water.

Japan, which is hosting the international water forum in 2007, can work with others in the region like Singapore on this important issue.

Concluding remarks: Asia, ASEAN and Climate Change

World attitudes to climate change have shifted. The European Union has put climate change in the center of its own market and economic arrangements, and prioritized the issue in engagements with many others in the world. Bush in the USA has long been a skeptic and even cynic of climate change, but there has been a groundswell of popular opinion around him that has propelled action at the state level and in larger

companies. Bush himself has budged a little on the issue in 2007. It would seem that no matter who wins in the 2008 election, the next American president will have to deal with climate change.

With Kyoto itself due for renewal after 2012, we are entering a phase of heightened activity and attention at the international level. Between 2008-2012 we should expect to see negotiations on climate change at the international level with an attention and expectation that has not been witnessed before.

A central concern for ASEAN and Asia, especially China, India and also Indonesia, is whether there will be commitments and caps on their emissions and, other things being equal, their potential economic growth. While these are potential dangers, Asians must go beyond denial and refusal.

What this brief paper has tried to suggest are the principles to give attention to climate change without undermining security and economic growth. The principles suggested include: First, giving attention, not denial, to the issues of climate change impacts and strategies for adaptation and abatement; Second, seek cooperation, not negative competition, especially within ASEAN and Asia; and Third, combine public leadership with private sector investment and technology

Such a re-look would be timely. All ASEAN member states except Brunei are now parties to the Kyoto Protocol to the Framework Convention on Climate Change, and negotiations will soon begin with the aim to start a new regime in 2012. Indonesia will likely host the Conference of the Parties for climate change in 2007 and it would support their international profile if climate change, the haze and disaster planning and relief are higher on the regional agenda.

Climate change is a profound challenge to our security in the long term. But while profound and long term, there are steps that can be taken in ASEAN and Asia more immediately. Moreover, these need not be futuristic grandiose schemes or schemes to deny economic growth and opportunities in the emerging Asia. Dealing with climate change for Asians can and should start with what is sensible and viable, and to aim enhance our economies, and sense of security and schemes for cooperation.

Japan has taken a leading role alongside the European Union in recognizing the issues of climate change, and in the Kyoto Protocol, which it hosted and has helped pushed along. Japan as a leading partner of ASEAN in terms of political and economic engagement can and should assist ASEAN member states, individually and collectively, to address the present and emerging challenges from climate change and find opportunities to combine continued growth, security and stability with the need to protect our global and regional environment.

Rizal SUKMA

Deputy Executive Director, The Center for Strategic and International Studies

1. ASEAN-Japan relations have indeed stood the challenge of time. Japan and ASEAN have been in good and productive relations for more than three decades. In fact, it is not an exaggeration to say that ASEAN's relationship with Japan has been the closest and deepest in any other ASEAN's external relations.
2. With the signing of the Tokyo Declaration for the Dynamic and Enduring Japan-ASEAN Partnership in the New Millennium and the adoption of the Japan-ASEAN Plan of Action in December 2003, ASEAN-Japan relations has now become more solid and comprehensive. That relationship is no longer confined to social-cultural and economic cooperation alone, but it has also included the long-overdue political and security cooperation. Indeed, within the fast changing regional and global politics in the post-911 world, political-security cooperation can no longer be relegated as a secondary priority. In fact, political-security cooperation should serve as the foundation for a sustained economic cooperation.
3. One crucial issue is: how can Japan and ASEAN embark upon a political-security partnership that would contribute not only to the strengthening of ASEAN-Japan relation but also to the creation of stable regional order in East Asia and beyond?
4. One important step is to find common challenges facing ASEAN and Japan in political and security fields, and identify where the political and security interests of Japan and ASEAN converge. First, ASEAN and Japan share common interests in addressing threats to human security, especially the problems of infectious diseases and natural disaster. Second, common interests exist regarding the imperatives of creating non-proliferation regime and eradicating WMD in the region. Third, Japan and ASEAN need to address non-traditional security challenges, especially maritime security, terrorism, environmental problems, energy security, and conflict prevention and post-conflict peace building. Fourth, ASEAN and Japan share common interests in ensuring that the “power shift” taking place among major powers –involving China, Japan, India, and the US—would not be detrimental to stability and security of East Asia. Fifth, related to the fourth, it is in the interest of both ASEAN and Japan to ensure that the rise of China will continue to be peaceful even after China has arisen as a great power. Sixth, some ASEAN countries do share common interests with Japan in promoting democracy and human rights.
5. ASEAN-Japan strategic partnership should be geared to address the above challenges. Indeed, the Tokyo Declaration and the Japan-ASEAN Plan of Action certainly provide the basis for such cooperation. Both sides have pledged “to enhance political and security cooperation and partnership at all levels in order to consolidate peace in the region, and work together towards peaceful settlement of disputes in the region bilaterally and through the ARF and other regional and international fora” and “enhance cooperation in the areas of counter-terrorism, anti-piracy and in combating other

transnational crimes through the ARF, ASEAN Plus Three process, ASEAN Ministerial Meeting on Transnational Crime Plus Three as well as other regional and international fora.”⁵ Indeed, some progresses have been made in implementing the Plan of Action.

6. Let me say a few words regarding Japan-ASEAN common interests in (a) ensuring stability and security in East Asia within the context of power shift; (b) in ensuring that the rise of China will continue to be peaceful; and (c) in promoting democracy and human rights.
7. Power shift in East Asia has been characterised by the rise of China, the revitalisation of Japan’s security role, and the arrival of India as a new major actor in the region within the context of continued US primacy as a global power. This power shift has also been characterised by the presence of both cooperative and competitive patterns of relationship among the four major powers. The challenge here is how to make sure that the cooperative element would prevail over the competitive one.
8. Despite some domestic problems, it seems that China will continue to rise. The rise of China is bound to have significant political and military implications for the region. The problem is, at this stage no one can be sure about what kind of implications such rise would bring about. Therefore, preparing for the uncertainty would be the wisest approach in dealing with China.
9. With regard to the promotion of democracy, Japan should play a more active role in helping ASEAN to achieve this objective. As ASEAN has agreed to make democracy and respect for human rights as the Association’s new objectives, there is no reason for Japan to fear that its active role in this area would be perceived as a form of interference in domestic affairs. Japan’s ODA should now also help the promotion and strengthening of democracy in ASEAN member states.
10. Japan can also support ASEAN’s role as a “manager” of regional order. Aware of the complexity of the post-9/11 era, ASEAN began to ponder on new ideas to adequately response to the changing external environment in Southeast Asia in particular and East Asia in general. It realised that the management of regional order in the post-9/11 period requires a more coherent strategy. The need for such coherent strategy came in the form of Indonesia’s proposal to transform ASEAN into a security community. The ASEAN Security Community (ASC) is meant to provide the basis for ASEAN consolidation so that it would become more cohesive and coherent in responding to the new challenges.
11. The ASC is primarily meant “to bring ASEAN’s political and security cooperation to a higher plane to ensure that countries in the region live at peace with one another and with the world at large in a just, democratic and harmonious environment.”⁶ It serves as the foundation for consolidating ASEAN. The ASC, however, also provides some guidelines on how ASEAN would manage its relations with non-regional countries, especially in the Asia-Pacific region. The Bali Concord II states that the ASC “shall contribute to further promoting peace and security in the wider Asia Pacific region...” and that “the ARF shall remain the main forum for regional security dialogue, with ASEAN as the primary driving force.” It also maintains that the ASC will be “open and outward looking in respect of actively engaging ASEAN’s friends and Dialogue Partners to promote peace and stability in the region, and shall build on the ARF to facilitate consultation and cooperation between ASEAN and its friends and Partners on regional security matters.”
12. The challenges to fulfil those objectives, however, are enormous. ASEAN can not fulfil its ideal without the support from others. Besides the existing differences among ASEAN countries, the

⁵ The Tokyo Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium.

⁶ The Bali Concord II, October 2003.

capacity of the Association to embark upon such a plan is also limited. In such circumstances, the role of Japan would be critical. The opportunity for Japan's increased role in helping to create regional stability and security in Southeast Asia has become greater given Tokyo's desire to play a greater international security role.

13. Japan's greater security role in Southeast Asia, however, needs to take into account four critical issues sensitive to some countries in the region. First, in playing a greater security role in Southeast Asia, Japan should avoid the impression that such a role is only an extension of that of the US, or meant to serve larger American interests in the region. For such a purpose, the focus on broader agenda of security cooperation, which extends beyond terrorism, is imperative. Second, in order to avoid such impression, Japan needs to maintain a degree of autonomy in its policy towards Southeast Asia. Third, such autonomy will be easier to be demonstrated if Japan is soon able to define the precise form of security role it desires to play. Fourth, ASEAN has also expressed its desire to see good relations between Japan and China, and that both countries should never define their relationship with ASEAN within the context of their bilateral relations.
14. Japan should never doubt ASEAN's commitment to good and close relations with Japan. For almost four decades, ASEAN has demonstrated its commitment to maintaining close relations with Japan. On its part, Japan has also proven to be the most reliable partner and friend for ASEAN. It is certainly capable of doing so in the future.

ITO Kenichi

President, GFJ / President, JFIR

1. ASEAN will mark the 40th anniversary since its inception next month. When it was inaugurated in August 1967 amid the heat of the Vietnam War, the Soviet Union and some media in Japan condemned this as an anticommunist coalition organized by the instigation of the United States. However, ASEAN subsequently adopted the Bali Concord (Declaration of ASEAN Concord) in 1976, thereby setting its course toward community building, and three Indochinese countries were admitted in the latter half of the 1990s. Moreover, ASEAN adopted the Second Bali Concord in 2003, and at the ASEAN Summit held in January this year, they agreed the blueprint of the "ASEAN Charter," and proclaimed that they will strive to establish an "ASEAN Community" in 2015, 5 years ahead of the original plan.
2. In retrospect, there seem to have been two major turning points in the 40-year history of ASEAN;
 - (1) One is the accession of three Indochinese countries and Myanmar in the latter half of the 1990s, thereby creating the present "ASEAN 10" framework. ASEAN has therefore become the exponent of Southeast Asia in a true sense.
 - (2) The other is the outbreak of economic crisis in 1997 and the measures taken to deal with it, through which ties have been strengthened with Japan, China and Korea, taking the form of ASEAN plus Three, and moreover with Australia, New Zealand and India, taking the form of the East Asia Summit.
3. Japan, at both of those turning points, gave its full support and assistance to the choices ASEAN made,

which were also the right choices for Japan.

- (1) The Vietnam War ended in 1975. At that time, as Director of the First Southeast Asian Division, Asian Bureau at the Japanese Ministry of Foreign Affairs, I was closely observing the shifts in post-Vietnam Southeast Asia. The Japanese response was explicitly exemplified by the Fukuda Doctrine, which was proclaimed 30 years ago, in August 1977. This Doctrine primarily transmitted a message that Japan intended to contribute to peace and prosperity in Southeast Asia by fostering mutual understanding with Indochinese countries.
 - (2) There is no need to explain in detail the Japanese response to the 1997 economic crisis and the role Japan played in it. Southeast Asia, represented by ASEAN, has occupied the driver's seat in such regional integration process as ASEAN plus Three or the East Asia Summit. Japan has helped ASEAN, but of late, there have also increased occasions where ASEAN has helped Japan.
4. In this regard, the following recent developments in Japan-ASEAN relations are worthy of note:
- (1) The Joint Statement, "Deepening and Broadening of ASEAN-Japan Strategic Partnership," by Prime Minister KOIZUMI Junichiro and the Heads of State/Government of ASEAN, which was adopted at the 9th ASEAN-Japan Summit held in Kuala Lumpur in December 2005, was not only the first ASEAN plus One Joint Statement ever to be presented by ASEAN Summit but also exhibited the deep ties between Japan and ASEAN. Referring to the achievements of more than 30 years of cooperation since the Fukuda Doctrine, this Statement launched the fundamental posture that "ASEAN and Japan are now closely working together on an equal footing to address common challenges and opportunities."
 - (2) Although no Joint Statement was proclaimed by Prime Minister ABE Shinzo and the Heads of State/Government of ASEAN at the 10th ASEAN-Japan Summit held in Cebu, Philippines, in January 2007, it is quite encouraging that the following references were made in the Chairman's Statement: "We condemn the recent missile launches and the nuclear test conducted by North Korea;" "We also urge North Korea to respond to the humanitarian concerns of the international community, including the abduction issue."
5. At the end of paragraph 3 above, I said that "Japan helped ASEAN, but of late, there have also increased occasions where ASEAN has helped Japan." In dealing with this Session's theme, "The Japan-ASEAN Strategic Partnership in Political Fields," I cannot help but recognize that, referring to what I said above at the paragraph 2 that "there seem to have been two major turning points in the 40-year history of ASEAN," the 3rd major turning point in the Japan-ASEAN relationship is now emerging. At this turning point, Japan and ASEAN are truly "working together on an equal footing to address common challenges and opportunities" (Joint Statement, "Deepening and Broadening of the ASEAN-Japan Strategic Partnership," adopted at the 9th ASEAN-Japan Summit). I would like to lay stress on and pay attention to this fact.

Appendix

1. The Article of the Yomiuri Shimbun on the Dialogue

This Dialogue appeared in the morning edition of "The Yomiuri Shimbun" on August 2, 2007.

11 12 2007年(平成19年)8月2日(水曜日) 第1版

シンポジウム「新時代における日本とASEANの挑戦」

ASEAN諸国との関係は、日本にとって重要な課題の一つである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

セッションⅠ ASEAN関係の現状

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

セッションⅡ エネルギー・環境

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

セッションⅢ 政治・戦略

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

日本の指導力 高まる期待

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

中国との協力関係

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

ASEANとの関係の現状

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

ASEANとの関係の展望

ASEANは、日本にとって重要なパートナーである。ASEANは、アジアの経済成長の中心地となっており、日本はASEANとの関係を強化し、アジア太平洋地域の平和と繁栄に貢献する必要がある。本シンポジウムでは、ASEANとの関係の現状と今後の展望について、関係者から意見を交わした。

2. An Introduction to GFJ

(1) [Introduction]

[Objectives] As we embrace the 21st century, international relations are becoming increasingly interdependent, and globalization and regionalism are becoming the big waves. In this global tendency, communicating with the world, especially neighboring countries in the Asia-Pacific region at both governmental and non-governmental level, is one of the indispensable conditions for Japan to survive. On the basis of such understanding, The Global Forum of Japan (GFJ) aims to promote the exchange of views on commonly shared interests and issues in the field ranging from politics and security to economy, trade, finance, society and culture, and to help business leaders, Diet members and opinion leaders both in Japan and in their counterpart countries to discuss about the formulation of new orders in global and regional arenas.

[History] The 1982 Versailles Summit was widely seen as having exposed rifts within the Western alliance. Accordingly, there were expressed concerns that the summit meetings were becoming more and more stylized rituals and that Western solidarity was at risk. Within this context, it was realized that to revitalize the summit meetings there must be free and unfettered exchanges of private-sector views to be transmitted directly to the heads of the participating states. Accordingly, Japanese former Foreign Minister OKITA Saburo, U.S. Trade Representative William BROCK, E.C. Commission Vice President Etienne DAVIGNON, and Canadian Trade Minister Edward LUMLEY, as representatives of the private-sector in their respective countries, took the initiative in founding The Quadrangular Forum in Washington in September 1982. Since then, the end of the Cold War and the altered nature of the economic summits themselves had made it necessary for The Quadrangular Forum to metamorphose into The Global Forum established by the American and Japanese components of The Quadrangular Forum at the World Convention in Washington in October 1991. In line with its objectives as stated above, The Global Forum was intended as a facilitator of global consensus on the many post-Cold War issues facing the international community and reached out to open its discussions not only to participants from the quadrangular countries but also to participants from other parts of the world. Over the years, the gravity of The Global Forum's activities gradually shifted from its American component (housed in The Center for Strategic and International Studies) to its Japanese component (housed in The Japan Forum on International Relations), and, after the American component ceased to be operative, the Board of Trustees of the Japanese component resolved, on February 7, 1996, that it would thereafter act as an independent body for organizing bilateral dialogues with Japan as a hub for all countries in the world, and amended its by-laws accordingly. At the same time, The Global Forum's Japanese component was reorganized into The Global Forum of Japan (GFJ) in line with the principle that the organization be self-governing, self-financing, and independent of any other organization.

[Organization] The Global Forum of Japan (GFJ) is a private, non-profit, non-partisan, and independent membership organization in Japan to engage in and promote international exchanges on policy-oriented matters of bilateral, regional and global implications. While the secretariat is housed in The Japan Forum on International Relations, GFJ itself is independent of any other organizations, including The Japan Forum on International Relations. Originally established as the Japanese component of The Quadrangular Forum at the initiative of HATTORI Ichiro, OKITA Saburo, TAKEYAMA Yasuo, TOYODA Shoichiro in 1982, GFJ is currently headed by OKAWARA Yoshio as Chairman and ITO Kenichi as President. The membership is composed of 12 Business Leader Members including the two Governors, MOGI Yuzaburo and TOYODA Shoichiro; 88 Opinion Leader Members including the four Governors, ITO Kenichi, MURAKAMI Masayasu, OKAWARA Yoshio, and SHIMADA Haruo; and 20 Political Leader Members including the three Governors, KOIKE Yuriko, HATOYAMA Yukio, and TANIGAKI Sadakazu. Friends and supporters of The Global Forum of the Japan are organized into the Supporters' Club of the Global Forum of Japan. Financially the activities of GFJ have been supported by the annual membership fees paid by 12 leading Japanese business corporations (with 2 corporations, Toyota Motor Corporation and Kikkoman Corporation contributing 5 shares each and the other 10 corporations contributing 1 share each) as well as by the grants provided by The Japan Foundation, Japan-ASEAN Exchange Projects, The Tokyo Club, The Japan-Korea Cultural Foundation, etc. WATANABE Mayu serves as Executive Secretary.

[Activities] Since the start of The Global Forum of Japan (GFJ) in 1982, GFJ has shifted its focus from the exchanges with the Quadrangular countries for the purpose of contributing to the Western Summit, to those with neighboring countries in the Asia-Pacific region including US, China, Korea, Taiwan, ASEAN countries, India and Australia European countries, Wider Blacksea area, for the purposes of deepening mutual understanding and contributing to the formation of international order. GFJ has been active in collaboration with international exchange organizations in those countries in organizing policy-oriented intellectual exchanges called "Dialogue." In order to secure a substantial number of Japanese participants in the "Dialogue", GFJ in principle holds these "Dialogues" in Tokyo. A listing of topics of "Dialogues" and its overseas co-sponsors in last five years is given below.

Year	Month	Topic	Co-sponsor
2003	January April October	Cooperation for Peace and Prosperity in the Asia-Pacific Region Entrepreneurship in Asia New Situation in Asia-Pacific region and Japan-Taiwan Cooperation	ASEAN-ISIS The Mansfield Center for Pacific Affairs (US) Foundation on International & Cross-Strait Studies (Taiwan)
2004	July September November	A Roadmap towards East Asian Community Future Prospect of East Asian Community and Japan-China Relationship Future of Korean Peninsula and Japan-U.S.-Korea Security Cooperation	ASEAN-ISIS China Association for International Friendly Contact (China) The Institute for Foreign Policy Analysis, The Fletcher School (US), Yonsei University (Korea)
2005	April June November	The Prospect of East Asian Community and Japan-Korea Cooperation The Prospect for East Asian Community and Regional Cooperation Peace and Prosperity in the Wider Black Sea Area and the Role of Japan	Presidential Committee on Northeast Asian Cooperation Initiative (Korea) ASEAN-ISIS University of Shizuoka, The Black Sea University, Foundation (Rumania), The International Center for Black Sea Studies (Turkey)
2006	February June September	Review and Perspective of the Japan-Taiwan Relationship An East Asian Community and the United States Prospect for Japan-ASEAN Strategic Partnership after the First East Asia Summit	Taiwan International Studies Association (Taiwan) Pacific Forum CSIS (US), The Council on East Asian Community The Japan Forum on International Relations, ASEAN-ISIS
2007	January June July	The China-Japan Relationship and Energy and Environmental Issues The US-Japan Alliance in the 21st Century The Challenges Facing Japan and ASEAN in the New Era	China Institutes of Contemporary International Relations (China) Energy Research Institute, National Development and Reform Commission (China), The Japan Forum on International Relations National Committee on American Foreign Policy (US), The Japan Forum on International Relations The Japan Forum on International Relations, ASEAN-ISIS

(2) 【Membership List of The Global Forum of Japan】

As of September 18, 2007

In alphabetical order

【Chairman】

OKAWARA Yoshio, President, Institute for International Policy Studies

【President】

ITO Kenichi, President and CEO, The Japan Forum on International Relations, Inc.

【Acting Executive Governor】

MURAKAMI Masayasu, Acting Executive Director, The Japan Forum on International Relations, Inc.

【Business Leader Governors】

MOGI Yuzaburo, Chairman and CEO, Kikkoman Corporation
TOYODA Shoichiro, Honorary Chairman, Toyota Motor Corporation

【Diet Member Governors】

HATOYAMA Yukio, Member of the House of Representatives (DPJ)
KOIKE Yuriko, M.H.R. (LDP)
TANIGAKI Sadakazu, M.H.R. (LDP)

【Opinion Leader Governors】

ITO Kenichi, President and CEO, The Japan Forum on International Relations Inc.
MURAKAMI Masayasu, Acting Executive Director, The Japan Forum on International Relations, Inc.
OKAWARA Yoshio, President, Institute for International Policy Studies
SHIMADA Haruo, President, Chiba University of Commerce

【Business Leader Members】 (12 Members)

IMAI Takashi, Honorary Chairman, Nippon Steel Corporation
ISHIKAWA Hiroshi, Director, Kajima Corporation
KOBAYASHI Yotaro, Chief Corporate Advisor, Fuji Xerox Co., Ltd.
KUSAKARI Takao, Chairman, Nippon Yusen Kabushiki Kaisha
MATSUNO Haruki, Chief Executive Counselor, Member of the Board, Nippon Telegraph and Telephone Corporation
MOGI Yuzaburo, Chairman and CEO, Kikkoman Corporation
OKAYAMA Norio, Chairman, Sumitomo Electric Industries, Ltd.
SEYA Hiromichi, Senior Corporate Adviser, Asahi Glass Co., Ltd.
TAKAGAKI Tasuku, Senior Advisor, The Bank of Tokyo-Mitsubishi, Ltd.
YAGUCHI Toshikazu, President, Biru Daiko Co., Ltd.
TOYODA Shoichiro, Honorary Chairman, Toyota Motor Corporation
TBD (To be determined), The Tokyo Electric Power Co., Inc.

【Diet Member Members】 (21 Members)

AICHI Kazuo, Member of the House of Representatives (LDP)
HATOYAMA Yukio, M.H.R. (DPJ)
HOSODA Hiroyuki, M.H.R. (LDP)
IWAKUNI Tetsundo, M.H.R. (DPJ)
KITAGAMI Keiro, M.H.R. (DPJ)
KOIKE Yuriko, M.H.R. (LDP)
NAGASHIMA Akihisa, M.H.R. (DPJ)
NAKAGAWA Masaharu, M.H.R. (DPJ)
OGUSHI Hiroshi, M.H.R. (DPJ)
SHIOZAKI Yasuhisa, M.H.R. (LDP)
SUZUKI Keisuke, M.H.R. (LDP)
TANIGAKI Sadakazu, M.H.R. (LDP)
UEDA Isamu, M.H.R. (NK)
YAMAGUCHI Tsuyosi, M.H.R. (DPJ)
YAMANAKA Akiko, M.H.R. (LDP)
ASAO Keiichiro, Member of the House of Councillors (DPJ)
FUJITA Yukihisa, M.H.C. (DPJ)
HAYASHI Yoshimasa, M.H.C. (LDP)
HIRONAKA Wakako, M.H.C. (DPJ)
NAITO Masamitsu, M.H.C. (DPJ)
SEKOU Hironari, M.H.C. (LDP)

【Opinion Leader Members】 (88 Members)

AKASHI Yasushi, Chairman, The Japan Center for Conflict Prevention
AOKI Tamotsu, Commissioner, Agency for Cultural Affairs
AMAKO Satoshi, Professor, Waseda University
ASOMURA Kuniaki, Dean, International Cooperation Course, Graduate School, Kibi International University
EBATA Kensuke, Defense Commentator
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[Note] DPJ: Democratic Party of Japan
LDP: Liberal Democratic Party
NK: New Komeito

(3) 【Acknowledgement】

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3. An Introduction to ASEAN-ISIS

The ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) is a loose association of institutes in the region that aims at strengthening regional cooperation through joint studies and seminars.

The group has established a series of meetings that have become a major venue for exchanges of ideas, not only amongst Southeast Asians but also with experts and government officials from other parts of the world.

ASEAN-ISIS also organizes regular bilateral seminars with counterpart institutions in China, Japan, South Korea, Taiwan, India and Europe. Southeast Asia Regional Program sponsored by The Canadian International Development Agency (CIDA) has provided financial support to promote these activities.

ASEAN-ISIS was founded in 1988, comprised of following institutes: The Centre of Strategic and International Studies (CSIS), Indonesia; The Institute of Strategic and International Studies (ISIS), Malaysia; Institute for Strategic and Development Studies (ISDS), Philippines; Singapore Institute of International Affairs (SIIA), Singapore; and Institute of Security and International Studies (ISIS), Thailand.

ASEAN-ISIS has now nine member institutions: CSIS, Indonesia; ISIS, Malaysia; ISDS, Philippines; SIIA, Singapore; ISIS, Thailand; Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS), Brunei Darussalam; The Cambodian Institute for Cooperation and Peace (CICP), Cambodia; Institute of Foreign Affairs (IFA), Laos; and The Institute for International Relations (IIR), Vietnam.

The network came to the attention of governments through its policy papers, leading to the development of close relations with the ASEAN senior officials meeting (SOM). What is now known as track two or the second track came into being. ASEAN-ISIS has become a model for a number of similar activities.

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