

On the Regional Cooperation in Trade and Investment in East Asia

By MURAKAMI Masayasu

The Council on East Asian Community (CEAC) held the 30th Policy Plenary Meeting on November 27, 2008. The Policy Plenary Meeting is the core of CEAC activities and a place for Think-tank Members, Intellectual Members, and Corporate Members to assemble and exchange their knowledge, information and views and share the awareness of the issues and their strategic implications by conducting face-to-face discussions. The theme of the 30th Policy Plenary Meeting was 'The Recent Development and Future Challenges in the Regional Cooperation in Trade and Investment.' Prof. URATA Shujiro, Intellectual Member of CEAC and Professor of Waseda University, made the keynote presentation, which was followed by an active exchange of views among members of CEAC.

Citing various interesting data, Prof. URATA made empirical explanations about the recent trend of trade and investment in East Asia. Looking at the export share in the region, he showed that Japan, due to its downward trend in value of export, ceded its long-held top position among ASEAN+3 countries and is now ranking third after China and ASEAN. This fact has taught us a renewed recognition of the sharply declining importance of Japan as a leading role in the regional integration. On the other hand, the rate of regional interdependence in trade has slightly increased in East Asia as a whole. However, while the rate has increased in ASEAN, Korea and Japan, it has declined contrastingly in China, which is strengthening its dependence on North America. Thus, we can see in a fresh light the fact that the interdependence between the US and China has become so close that it stands out in the course of regional economic integration in East Asia.

As for the future course of Japan, Prof. URATA proposed that Japan should try to enhance the development potential of this region by linking liberalization with economic cooperation. Here, he added that there is no need for us to hasten to choose among ASEAN plus 3, ASEAN plus 6 or APEC the main vehicle in pursuit of community building in the region. In conclusion, he stressed that each of those regional frameworks should tread its own path under the same banner of an East Asian Community and that such efforts will surely brighten the prospects for the future. I quite agree with him. Over the question of an East Asian Community building, people tend to be judgmental regardless of whether they are for it or against it; using many "ought" in their arguments. However, it should make more sense for us to forge multilayered combination of those frameworks and pile on steady

results, without losing sight of our long-term goal of an East Asian Community. This is the crucial point that I share with Prof. URATA.

(This is the English translation of an article written by Mr. MURAKAMI Masayasu, Executive Vice President of the Council on East Asian Community, which originally appeared on the BBS “Hyakka-Somei” of CEAC on December 6, 2008)