

The 5th Policy Plenary Meeting on “Financial, and Trade and Investment Cooperation in East Asia”

November 15, 2004

The Fifth Policy Plenary Meeting was held under the theme of "Monetary Cooperation and Trade and Investment Cooperation in East Asia" on November 19, in the Conference Room of the Japan Forum on International Relations. The meeting began with keynote speeches from the two Council members, KURODA Haruhiko, Special Advisor to the Cabinet of Japan, and Professor ITO Motoshige of the University of Tokyo.

Mr. KURODA spoke on monetary cooperation in East Asia emphasizing that, "it is necessary 1) to review the reinforcement of the Chiang Mai Initiative, 2) to foster the Asian bond market, and 3) to stabilize regional exchange rates. Mr. Kuroda continued, "To help realize these objectives, the resolution of problems such as the pegging of the Chinese Yuan to the U.S. dollar will be of key importance. From now on, Japan-China cooperation will assume utmost importance."

Prof. ITO spoke on trade and investment cooperation stating that, "From now on, not merely lowering tariffs, but also free trade agreements (FTAs) that step up economic cooperation, the movement of persons and services will become necessary. It will be extremely important to carry out the domestic reforms related to agricultural problems and the migration of persons among others within the framework of an FTA's open system."

The Council Members had lively discussions with the following comments being made: "Will the creation of an East Asian Community add any value to market and trade cooperation?" "Can we make it more effective by establishing something such as an Asian Monetary Fund through the revision of the Chiang Mai initiative?" "Where should we place Taiwan in the picture? Can we foresee that China will recognize Taiwan as a player in international affairs?"