

Closing Remarks

KAWAI Masahiro

Chairperson, NICE Executive Committee, Representative Director, ERINA

The “Northeast Asia International Conference for Economic Development (NICE) in Niigata” and the “Japan-Russia Energy and Environment Dialogue in Niigata,” consisting of 4 stages which were held mainly online from January to March 2021 are drawing to a close. I believe that the conference and dialogue were rich in content while meeting the challenges of online and simultaneous interpretation in multiple languages in response to the spread of COVID-19.

1st Stage: China’s Economic Rise and Northeast Asian Economic Cooperation—In the Context of US-China Conflict and COVID-19 (22 January 2021)

With China’s economy rising at a rapid pace, the “1st Stage” featured it as its main theme and focused on the state of Northeast Asian economic cooperation in light of US-China conflict initiated by the Trump administration and the impact of COVID-19 which started last year. China has seen its economy develop rapidly over the past 30 years, surpassing the size of Japan’s GDP about 10 years ago, and likely to overtake the US’ GDP in the next 10 years. Although China’s economic growth slowed significantly due to the spread of COVID-19, only China, along with Turkey, achieved positive growth (2.3%) among the G20 major countries and regions. In the scenario of China overtaking the US in economic size, it is expected that US-China conflict and confrontation will continue without the US relaxing its sense of caution toward China even under the Joe Biden administration. With this as a context, the “1st Stage” examined how US-China conflict and the spread of COVID-19 have had a major impact on China and the Northeast Asian economy, while also highlighting the changing economic relationship between China and other Northeast Asian countries. In addition to the perspective from China, viewpoints from Japan, the ROK, Russia, Mongolia, and the DPRK were also presented. The discussion illustrated that regional cooperation in Northeast Asia is at a turning point.

2nd Stage: Transforming the Global Supply Chain (25 January 2021)

The “2nd Stage” shed light on the significant impact that US-China trade conflict and the spread of COVID-19 have had on global and Asian supply chains, and discussed how the Northeast Asian countries are trying to restructure their supply chains. The US Biden administration has signed an executive order to reinforce the “Buy American Policy” in federal government procurement, that is to say, prioritize the purchase of US-made products and materials. At the same time, it will take a hard line against China’s so-called “unfair trade practices” in a way similar to the previous Trump administration. Since the US

has decided not to depend on China for supply of materials and products related to national security, the economic decoupling between the US and China in the high-tech sector (such as semiconductors) and other areas is expected to increase. This would require a new response not only for US and Chinese companies but also for enterprises of Japan, the ROK, and other countries. New challenges have emerged, such as the restructuring and strengthening the resilience of supply chains in Northeast Asia, which will influence the nature of regional economic cooperation.

3rd Stage: Japan-Russia Energy and Environment Dialogue—the Paris Agreement and Energy Security in Northeast Asia (3 February 2021)

Based on the current status of energy policies in Northeast Asian countries, speakers in the “3rd Stage” discussed the possibility of regional cooperation from the perspective of achieving both the targets of the Paris Agreement and energy security. The Yoshihide Suga administration in Japan, inaugurated in September 2020, and the Moon Jae-in administration in the ROK, have both set the goal of achieving carbon neutrality by 2050; in other words, setting a target of reducing greenhouse gas emissions to virtually zero. Last year in China, the Xi Jinping administration also stated that the country would be carbon neutral by 2060. In the US, the new President Biden signed an executive order to re-join the Paris Agreement immediately after taking office, aiming to achieve virtually zero emissions by 2050. Russia and Mongolia are also striving to implement the Paris Agreement. As Northeast Asian countries remain highly dependent on fossil fuels as their energy source, the “3rd Stage” actively discussed the important issue of how to transition towards zero emissions by 2050 or 2060. It has become clear that energy and environmental cooperation will play an ever-important role in Northeast Asia.

Final Stage: A Transforming World—A Society with Coronavirus and Northeast Asian Economies (10 March 2021)

Speakers in the “Final Stage” discussed the future of the Northeast Asian economy with a perspective on the transforming economic society caused by the impact of COVID-19. Mr. Jituro Terashima, Chairman of the Japan Research Institute, gave a special address entitled “Strategic Response to Asian Dynamism” with a global perspective on Asia, and voiced opinions on the Japanese economy and local economies, especially Niigata. The “Future Leaders Program” presentations and award ceremony were also held at the “Final Stage.” Through the “Future Leaders Program,” we hope that the young generation will continue to develop an interest in Northeast Asia and the issues the region has and become future leaders in this area. We would like

to expand the scope of the “Future Leaders Program” from universities in the sponsoring prefectures to include those throughout Japan and overseas in the Northeast Asian region.

I can foresee great potential for economic development and economic cooperation in the Northeast Asian region, but various issues and challenges remain in the region. In this sense, I strongly believe that it is essential to continue to hold NICE and the Japan-Russia Energy and Environment Dialogue.

As many of you may already know, ERINA is one of the institutions currently subject to administrative and fiscal reform in

Niigata Prefecture, and there is some uncertainty about its future activities. Given the role that Niigata Prefecture will continue to play as a hub for connecting Japan and other Northeast Asian countries, and to collaborate on a broad scale with other prefectures which have been sponsoring ERINA, I hope that ERINA will act as a “think and do tank” that is truly effective and useful to those who are interested in the Northeast Asian region. I sincerely hope to see you again at next year’s installment of “NICE in Niigata” and the “Japan-Russia Energy and Environment Dialogue in Niigata”. I would like to express my heartfelt gratitude to all those who have taken part in the discussions and those who have participated online for a long time.

Closing Remarks: KAWAI Masahiro, Chairperson,
NICE Executive Committee; Representative Director, ERINA



Venue: Snow Hall, Toki Messe (Niigata City)

