

## *Closing Remarks*

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At the conference this time round, we were honored by the attendance of distinguished persons from each of the countries of Northeast Asia—with the exception of the DPRK—and from the United States, and a total of 370 persons took part, including approximately 60 from overseas, and members of the public within Japan.

This conference, which began as the International Forum on the Japan Sea Rim Region in 1990, has reached its 20th staging this year. Talking of 1990, it was a year of great historical change, and a year when hearts were filled with expectation for the Sea of Japan rim to flourish in the area of economic exchange, with the Sea of Japan changing from a sea of tension to one of peace with the end of the Cold War. Twenty years on this conference has been repeatedly staged, and exchanges of opinion have taken place, as have policy recommendations, for the economic development and development of economic exchange in this region. Notwithstanding such efforts, however, looking at the international tension in recent years in Northeast Asia, there is the view of the "high waves of the Sea of Japan", and this is a time where there is some frustration at the glacial pace of history. Observing dispassionately the situation surrounding us, however, I think that there has been dramatic progress.

First, in Russia, Mongolia and China, market-economy-oriented initiatives have been promoted in earnest, and while problems do exist in terms of "market quality", market economies have in any case come into existence, and Northeast Asian economic exchange with a common market-economy base has become possible.

Second, for all the countries certain disparities do exist, and they have suffered the negative impact of the international financial crisis which stemmed from the Lehman shock, yet overcoming this they are continuing to show dynamic economic growth.

Third, economic exchange at the private-sector level has begun to develop, and not only has marked growth come about, but international dialogue and cooperation between local governments, and also cooperation at the state level have been taking place.

Fourth, regarding various economic issues confronting Northeast Asia, as at this Northeast Asia International Conference for Economic Development, people from the worlds of industry, the private sector, and academia are rubbing shoulders, undertaking discussion, and seeking out solutions, and such a large human network is being formed.

The above four points did not exist in 1990, and it is possible here to see the marked historic progress. This two-day conference also, based on that progress, is useful for the further development of cooperation and collaboration by people of Northeast Asia, and I consider that it has been

beneficial.

In the keynote report of Georgy Safonov at yesterday's Opening Session, he pointed out the necessity of serious, practical and concrete initiatives aimed at the environmental and energy problems of Northeast Asia, which accounts for one third of global carbon dioxide emissions, and the necessity of technological cooperation for the realization of goals. Next, in the keynote address of Wu Xiaohua on "China's Twelfth Five-Year Plan", new developments in the economic development and plans for infrastructure construction in the three provinces of the Northeast were specified, and within that a strategy of the three provinces of the Northeast placing emphasis eastward was also suggested. Then in the keynote address by O. Och, it was pointed out that Mongolia has designated the development of its abundant resources as a part of trade with the Asia-Pacific region and economic integration, and is moving forward in its railway construction. Although not included in the keynote report and addresses, Russia too is actually staging the Vladivostok APEC summit and is aiming at improving the position of Russia as an Asian-Pacific country, and as part of that is beginning to place emphasis on the economic development of the Russian Far East. There is a sense that a new political vector heading to the Asia-Pacific has gone through, originating in Moscow and passing through the Russian Far East. Seen from Japan in overall terms, three arrows with messages attached are flying toward Japan from Russia, Mongolia, and northeastern China, and I think that it could be said that in those messages are written courting words asking for reciprocal cooperation for economic development.

In Session A, which discussed China's clean-energy market and international cooperation, developments in cooperation between the United States and China and Japan and China were introduced. This issue has an aspect of competition, and not just cooperation, and instances were also given of the emergence of new problems, including conflicts around intellectual property; it was pointed out that robust competition is necessary for cooperative development, and that coordination which ties Japan's technological strength with China's cost competitiveness is desirable; and concrete proposals as to what should be tackled were also made. As indicated in the initial keynote report, if considering the most important global problems of energy and environmental security for the 21st century, then it is thought that cooperation by the three nations of Japan, China, and the United States should be prioritized. Although not an energy problem, analysis of the situation for rare earths was also of very great interest.

In Session B the development of each country's physical distribution infrastructure was examined. In

particular, the promotion of resource development in Mongolia, the roads within each country accompanying the dynamic economic development of northeastern China, and the situation for railway construction were reported on, but not only that, it was indicated that the nodes connecting them were required-namely improvement of systems, including the putting in place and upgrading of infrastructure at borders and ports, business practices and regulations; the development of a transit cargo transportation network; and the establishing of trans-Japan Sea shipping routes-and to that end proposals were mentioned for concrete plans, experiments and resolution of problems. For the realization of these proposals, it is considered that, if required, new joint initiatives by local governments of the three countries and the continuing to utilize existing multilateral platforms, such as the Greater Tumen Initiative, are necessary, and not stopping at just the promotion of bilateral governmental cooperation.

In Session C discussion was undertaken regarding the improvement of the business environment in the Russian Far East from the point of view, even as seen by Japanese firms, of it being a promising and attractive region. In particular, the current situation was pointed out, in which Japan-Russia interregional exchange organizations set up in the past had become dormant or stagnated, and in order for Japan's regional firms to be able to actually utilize the existing frameworks for the promotion of interregional business exchange between Japan and Russia, the matters actively examined at the "Fourth Meeting of the Russian-Japanese Initiative Group for Regional Cooperation in the East of Russia" (jointly staged by ERINA and the Interregional Association of Economic Interaction "Far East and Transbaikalia" (established by Boris Yeltsin in 1991, composed of the executive and legislative heads of federal subjects, and one of seven nationwide) were pledged to; additionally it was pointed out that there was also room for improvement in the horizontal links with the Japanese side in the exchange between the regional governments of Japan and Russia, and furthermore proposals were also made for the construction of a business information network. It is thought that the momentum for initiatives on improvement

of the business environment as a whole has once more been rising.

At the Summarizing Session the problem for international financial cooperation in Northeast Asia was examined. This is that a huge amount of funding is necessary, whether for resource development, the putting in place of infrastructure or initiatives on environmental problems in Northeast Asia. The banking sectors in each nation, however, are still weak, and from the awareness of the issue that an international financial organization will be needed to finance this, it was taken up as a theme for the Summarizing Session. As we know, there are existing financial organizations that could become such a finance organization, including the Asian Development Bank (ADB) and the Japan Bank for International Cooperation (JBIC), but the proposal for the new establishment of a "Northeast Asian Bank for Cooperation and Development", which had been discussed in the past, was once again advocated. Additionally this time round, from a new viewpoint, the new concept of a "Northeast Asia Infrastructure Fund" as a framework to mobilize private-sector funding for infrastructure and environment investment in Northeast Asia was put forward; the outlook of the discussion broadened and it seems that it deepened in terms of content also.

On a final note, for the issues and proposals taken up at this conference it is definitely not the end with the closing of this conference. Follow-up and initiatives in the respective countries of Northeast Asia are matters that are required. I am convinced that the very formation of such a network of cooperation and coordination is something which is connected to the future prospect of a tranquil Sea of Japan. For the Economic Research Institute for Northeast Asia (ERINA) also, in order to further develop international collaborative research on economic and societal issues in Northeast Asia, there is a plan to create an international collaborative research center within ERINA and to provide a platform for such research. I should very much like to ask for your cooperation.

[Translated by ERINA]