

(Participants whose affiliation is not specified are staff members of IDE)

## ▶ International Symposium on “Globalization and Regional Integration from the Viewpoint of Spatial Economics”

December 2, 2004

Rapid movements toward regional economic integration in the EU, Americas and East Asia has roughly paralleled the introduction of the concept of “spatial economics,” meaning the study of how space (physical distance) influences economic behavior. The concept, developed by economists mainly in Japan and the West since the early 1990s, is expected to contribute significantly both to theoretical research and policy-making with respect to globalized, borderless economic activity.

In Part I of the symposium, three founders of spatial economics presented keynote lectures on international regional economics and the medium-term outlook for the EU and East Asia, as follows: “The Future of Global Economic Geography, Development and Regional Integration” (Krugman), “Regional Integration in Europe” (Venables), and “The Future of East Asian Regional Economies” (Fujita).

In Part II, consisting of presentations of East Asian case studies, a panel of experts from China (Yu), Korea (Kim), and Thailand (Nidhiprabha) reported on the economic conditions of their countries and discussed possible directions for East Asia’s regional integration with the abovementioned keynote speakers.

This symposium contributed toward a wider examination of East Asian economic integration among academics, businesspersons, policymakers and others interested in globalization and regional economic integration.

*Participants:* Keynote speakers; Paul R. Krugman (Princeton University), Anthony J. Venables (London School of Economics and Political Science), Masahisa Fujita (Institute of Developing Economies, JETRO); Panel Reporters; Yu Yongding (Institute of World Economics and Politics, Chinese Academy of Social Sciences), Kim Yong-Han (Sungkyunkwan University), Bhanupong Nidhiprabha (Thammasat University)



## ▶ East Asia's *De Facto* Economic Integration

January 19, 2005

Under the research project entitled East Asia's Challenges: Economic Integration, Economic Reform and Institutionalization, the Institute conducted a joint study with Centre d'Etudes Prospectives et d'Informations Internationales (CEPII) in France and the International Trade Center (ITC) in Switzerland. As a part of the project, we held an international workshop on East Asia's *De Facto* Economic Integration to exchange views and improve the final products. The workshop aimed to discuss the status quo of the ongoing *de facto* economic integration in East Asia, why this economic integration has progressed in the region, and what form of FTA management is necessary for the development of the region. The presented papers will be published as "East Asia's *De Facto* Economic Integration."

*Participants:* Michel Fouquin, Françoise Lemoine, Guillaume Gaulier (Centre d'Etudes Prospectives et d'Informations Internationales), Thierry Paulmier (Associate Expert, International Trade Center, Geneva), Nobuaki Hamaguchi (Kobe University), Fukunari Kimura (Keio University), Masahisa Fujita (President, IDE-JETRO), Daisuke Hiratsuka, Hikari Ishido, Ikuo Kuroiwa

## ▶ Repercussions of the East Asia FTA on the Japanese and Chinese Economies

March 24–25, 2005

This group discussion was one of the results of the research project entitled "Repercussions of the East Asia FTA on the Japanese and Chinese Economies," which was launched in 2004.

The prevailing trend of regional integration in East Asia has implied an ultimate convergence into an East Asia FTA. With the process of acceleration of FTAs at various levels—bilateral, multilateral and regional—it has become important to strengthen the relations between Japan and China in terms of trade and investment, which have been pushing the process toward the ultimate goal of an FTA in the region. The research focuses on industrial relations and analysis of trade statistics while taking into consideration moves toward economic integration in the East Asia region.

Three researchers from China were invited to the group discussion to discuss the results of the joint research project. The contents of the discussion were classified into five issues: (1) analysis of the effects of FTAs through econometric models from both parties; (2) industry-wise analysis of the eight major sectors of the Japanese team and a report of the company survey to be done by the Chinese team; (3) analysis of the export competitiveness of Japanese industry in China and the reciprocal effects of production networks in the East Asia based on trade statistics; (4) reports explaining the foreign and economic policy of the Chinese government and ASEAN-China relations based on trade data; and (5) a summary of the discussion toward attaining the goal of an East Asia FTA.

*Participants:* Zhang Yunling (Institute of Asia Pacific Studies, Chinese Academy of Social Sciences), Zhang BOWEI (Nankai University, China), Liu Xiangfeng (Institute of Foreign Economic Studies, State Commission of Economic Development and Reform, China), Fukunari Kimura (Keio University), Tomoo Marukawa (University of Tokyo), Kōji Katō (Overseas Research Department), Dai Hakozaki (Overseas Research Department), Kōichi Ishikawa (Institute for International Trade and Investment), Takao Shimizu (Nihon University), Toshio Inomata (World Economic Information Services), Ken'ichi Matsuda (World Economic Information Services), Hirokazu Okumura

(Executive Vice-President, IDE-JETRO), Chiharu Tamamura, Yasuo Ōnishi, Yasuhiro Nimura, Nobuhiro Okamoto, Miki Hamada, Takayuki Takeuchi, Takeshi Usami, Kumiko Satō

► **Prospects for Economic Relationships among Asian Countries (Meeting to announce the results of a commissioned research project)**

January 20–21, 2005

The study group on “Trade, Investment and Economic Cooperation between China and Southeast Asia” commissioned research activities to research institutes in four countries (China, Thailand, Philippine and the Republic of Korea). To comprehend the present situation of the economic relationship between China and these countries, we held a meeting to present the results of the commissioned research. First, the IDE’s counterparts made presentations of the research results for China and Thailand. Two research officers from the Philippines and Korea also presented their results.

Discussants from the two countries cited the rapid increase of mutual trade and investment with China. They also emphasized the rising presence of China as a new market. They reported that within trade with China, exports and imports of machinery and electrical appliance had increased. This indicates the development of an international division of labor between China and the Philippines and Korea. In Korea, the hollowing of domestic industry and violations of intellectual property have become important issues. In the Philippines, Chinese products have managed to surmount tariff and non-tariff barriers, flooding into the domestic market and threatening domestic industries. What is required is not protectionist measures but an improvement of the investment environment and measures to strengthen the competitive power of industry.

*Participants:* Yang Pyeong-Seob (Korea International Trade Association), Deanna Villacin (University of the Philippines), Mitsuo Fukushima (expert on the Philippines), Yasuo Ōnishi, Michio Kimura, Kazuhisa Matsui, Shigeki Higashi, Norihiro Sasaki, Yūko Sawada

► **FTAs in East Asia—Trade Link Model (1)**

March 1–2, 2005

At the beginning of the 21st century, various free trade agreements (FTAs) have been proposed in East Asia. We believe an econometrical analysis of these FTAs would make an important contribution to understanding the Asian economies as well as to making our economic forecasts for them more accurate. However, almost all quantitative analyses of these FTAs have been conducted utilizing computable general equilibrium (CGE) models.

The PAIR project was preceded by the Econometric Link System for ASEAN (ELSA) project, under which an econometric trade link model was built to analyze the influences of the economies of the United States and Japan on ASEAN countries.

Utilizing the experiences and knowledge of the ELSA project, we decided to construct, as a sub-project of the PAIR project, a new econometric trade link model to evaluate various FTAs in East Asia. This new sub-project was initiated in the FY2004 and will be completed in FY2006.

In the initial year of the sub-project, we held an international workshop entitled “FTAs in East Asia—Trade Link Model (I)” at the Institute on March 1–2, 2005. The workshop was attended by counterpart researchers from the ten East Asian economies, as well as by distinguished researchers from France, the United States, and Japan.

We discussed the estimated results and difficulties of the bilateral import functions of these East Asian economies using mainly two commodity groups. We also exchanged views on the economic implication of various FTAs on East Asia and the rest of the world, based on a CGE model.

*Participants:* Zhang Yaxiong (State Information Center, China), Pyo Hak-kil (Seoul National University), Peng Su-Ling (Chung-Hua Institution for Economic Research, Taiwan), Alan K. F. Siu (University of Hong Kong), Chen Yu (University of Hong Kong), K. C. Fung (University of California, Santa Cruz), Chow Kit Boey (NUS Consulting), Somchai Jitsuchon (Thailand Development Research Institute Foundation), Azidin Wan Abdul Kadir (Malaysian Institute of Economic Research), Emilio T. Antonio, Jr. (University of Asia and the Pacific, the Philippines), Supriyanto (BPS Statistics Indonesia), Arie Sukarya (BPS Statistics Indonesia), Dinh Hien Minh (Central Institute for Economic Management, Vietnam), Kiichirō Fukasaku (OECD Development Centre), Yoshihisa Inada (Konan University), Jun'ichi Hirata (Ritsumeikan University), Lee Hiro (Kobe University), Kanemi Ban (Osaka University), Mitsuru Toida, Jinichi Uemura, Chinami Yamaji, Mayumi Fukumoto, Takayuki Higashikata, Yūsuke Okamoto

### ▶ **Crafting Japan-U.S. Water Partnerships: Promoting Sustainable River Basin Governance in China**

October 7, 2004

The China Environment Forum, the Woodrow Wilson International Center for Scholars (CEF-WWD, Washington, D.C.), and the Institute, with generous funding from the Japan Foundation's Center for Global Partnership, organized a tri-national working group—comprised of water experts from Japan, the United States, and China—with the task of identifying opportunities for U.S.-Japan assistance in strengthening Chinese river basin governance. By October 2004, the group has completed research and a series of three study tours in Japan, China, and the United States. The research and study tour work emphasized three key aspects of river basin governance: (1) the structure and function of river basin commissions; (2) the creation and operation of innovative finance mechanisms; and (3) the enhancement of public participation in river basin decision-making processes. The group has produced research articles on sustainable river basin governance in China, U.S. and Japan, divided into three themes. At the workshop, each member of the study group presented and discussed draft papers, with over 50 participants from academia, government, NGOs, and foundations. These research papers were modified and published as IDE Spot Survey No. 28, under the title *Promoting Sustainable River Basin Governance: Crafting Japan-U.S. Water Partnerships in China*.

*Participants:* Carol R. Collier (Delaware River Basin Commission, USA), Kaori Fujita (Momoyama Gakuin University), Hu Kanping (China Green Times), Naoki Kataoka (Tokyo Keizai University), Naohiro Kitano (Kyoto University), Masahisa Nakamura (Lake Biwa Research Institute), Reiko Nakamura (Ramsar Center Japan), Mikiyasu Nakayama (University of Tokyo), Richard Volk (USAID Water Team), Wang Yahua (Tsinghua University, China), Gary Wolff (The Pacific Institute, USA), Yu Xiaogang (Green Watershed, China), Masahisa Fujita (President, IDE-JETRO), Shigeaki Fujisaki, Kenji Ōtsuka, Michikazu Kojima, Naoyuki Sakumoto, Tadayoshi Terao, Nanae Yamada

## ▶ The Harmonization of Economic Laws in Asia and Latin America

November 15, 2004

This international workshop examined the experiences of India, Mexico, Thailand and other East Asian countries in the area of economic law reforms during the last decade, driven by WTO agreements and other international norms and standards mostly formulated by international organizations. The suggestions of the study include the importance of analyzing the changes in economic policies or developmental strategy behind the reforms, as well as the factors affecting the reform process, including legal tradition, lawyers and jurisprudence. The workshop was organized under a joint research project with research institutions in India, Mexico and Thailand. The final reports from these research institutions and some papers presented at the workshop have been published as *Globalization and Economic Law Reforms: Perspectives from India, Mexico, Thailand and East Asia* (JRP No. 136, March 2005).

*Participants:* S. K. Verma (University of Delhi), Ramiro Contreras Acevedo (University of Guadalajara), Pisawat Sukonthapan (Thammasat University), Shōichi Kidana (Waseda University), Makoto Kurita (Chiba University), Sōichirō Kozuka (Sophia University), Satsuki Konaka (graduate student, Waseda University), Malcolm Smith (Chuo University), Luke Nottage (Sydney University), Naoyuki Sakumoto, Shin'ya Imaizumi, Miwa Yamada, Chie Kashiwabara, Hajime Satō, Maki Aoki, Naomi Hatsukano