

## Summary of the Concluding Session

In the Concluding Session, problems and possible solutions to them which arose in discussions during the two-day conference, in relation to the main themes, were discussed. The main focus of discussion was what individual countries and the region as a whole should do and are required to do to accelerate the development of Northeast Asia. Since each country's interests in Northeast Asia have been historically intricate, there exists a fundamental understanding that countries in this region will progress by complementing and cooperating with each other.

In terms of the present tendencies towards the enhancement of economic and political exchange in Northeast Asia, some factors hampering these tendencies were stressed. Gov. Victor Ishaev of Khabarovsk Territory pointed out the problems of Northeast Asia; there is a lack of free competition and economic efficiency in the business field, administrative control is too strong, and legal support and mutual cooperation has not yet been fully established. Mr. Chung Tae-Seung of the Federation of Korean Industries argued that the current condition of the DPRK is the "discontinuous point", not only in the field of transportation, but also in trade and investment in the Northeast Asian Economic Subregion. From his business experience dealing with the DPRK, he concluded that it is important to give people in the DPRK the understanding of "free economy".

In order to overcome the difficulties mentioned and develop Northeast Asia, each panelist suggested issues relevant to each individual country. Mr. Lu Kejian, Minister of the Chinese Embassy in Japan, emphasized the importance of economic cooperation in Northeast Asia. He suggested the reform of infrastructure from physical and institutional aspects and the improvement of the investment environment, with political cooperation and stronger relationships among the countries of the region, in order to develop the multilateral project known as the Tumen River Area Development Programme. It is obvious that China, with its notable growth in economic power, intends to participate deeply in the development not only of this multilateral project, but also of Northeast Asia and the Asia-Pacific region as a whole. In terms of Russia, Mr. Shigeo Natsui of the Russian Division of the Ministry of Foreign Affairs of Japan, noted the role of Russia in the development of Northeast Asia. He stated that Russia has begun to place emphasis on the Asia-Pacific region, and considering its potential ability, its future contribution to the development of Northeast Asia could be large. Russia is required to abandon its past mindset of depending on outside assistance, and develop the Russian Far East to return its benefits to Northeast Asia. For the purpose of bringing business success to Russia, it is crucial for the country to improve its investment environment in cooperation with central and local governments. Mr. Guudain Tumurchuluun of the Ministry of Foreign Affairs in Mongolia, proposed the development of natural resources in Mongolia as a multilateral cooperative project for Northeast Asia. In Mongolia, the investigation and development of oil

resources has progressed with the cooperation of foreign companies. If domestic oil production goes into operation and can be exported, Mongolia can break free from its dependence on Russian imports and can acquire foreign currencies. In addition, in terms of economic advantage, a project for transporting natural gas from Siberia to China and Japan via Mongolia was suggested. If the Northeast Asian countries positively invest in the development of resources and transportation infrastructure in these energy projects, it will help not only to develop energy resources in Mongolia, but also to secure a stable energy supply for Northeast Asia as a whole. The development of natural resources in Mongolia will attract attention from the viewpoint of enhancing multilateral cooperation and energy security in Northeast Asia.

Furthermore, Prof. Shunichi Hiraki of Niigata University's Faculty of Economics commented on the development finance necessary for the promotion of multilateral projects. General opinion regarding development finance in Northeast Asia is split at present over whether to make use of existing development banks or to establish a new development bank. Considering past examples of local development banks, Prof. Hiraki insisted on using existing development banks, because many newly established development banks have failed due to difficulties of finance and human resources. His argument was based on his actual financial experience in the World Bank, and is helpful for the approach to development finance to be adopted, which must be further studied.

In addition, in line with the recent trends in the world economy, suggestions were made for measures to align the region with globalization, as well as the establishment of a cooperative system for IT in Northeast Asia. There have been various developments in the Asia-Pacific region including Northeast Asia, such as China's affiliation to the WTO, as well as in relation to the FTA (Free Trade Agreement) and "ASEAN+3". A fair and free business environment is required in this current movement to do successful business. Mr. Yoshinobu Nisaka of the Ministry of Economy, Trade and Industry, stated, on the one hand, that the role of the government and public sector is to improve the business environment. On the other hand, firms are required to pull themselves up by their own bootstraps in order to gain business opportunities in the improved environment which operates by the rules. Also, a number of panelists pointed out the importance of IT, and that cooperation in the field of IT creates new economic cooperation. China in particular has great potential to be a huge market for the information and telecommunication industry, as its economy develops. To make cooperation in the field of IT a leading facet of economic development, it is necessary to establish a system that makes it possible to exchange and transfer human resources in the field of IT among countries where IT has developed; Japan, China and the ROK. Consequently, the key to the development of Northeast Asia is the promotion of the liberalization of human resources and commodities, and structural reform both in individual countries and between countries.

There were also suggestions about which direction

the Economic Conference should take in the future. Unfortunately, no one from the DPRK participated as a panelist at the conference this year. It is a consensus view that it is necessary to have participants from both the ROK and the DPRK present at the Economic Conference in order to have substantial and constructive discussions. Other requests were made; to enhance the efficacy of international conferences in Northeast Asia, which are held sporadically, by consolidating overlapping conferences; call on NGOs (which are prime partners in the current international relationship) to take part in the conference; and establish a committee and a session to discuss about IT, etc. The Northeast Asia Economic Conference Organizing Committee, which was established in January last year, had its third meeting this year, where

various problems and policy suggestions were made and fed-back to the Economic Conference. Also, Governor Ishaev's suggestion to hold the next meeting of the Organizing Committee in Khabarovsk in Russia was important in helping us to recognize that the problems of Northeast Asia are problems common to all the countries in this region.

Finally, the Resolution of the Economic Conference was adopted, and each country in Northeast Asia reconfirmed the necessity to redouble their exertions and cooperate all the more to solve the problems discussed at the conference in relation to the development of the region.

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