

## 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum in Niigata Declaration

3<sup>rd</sup> February 2004, Niigata

On 2nd and 3rd February 2004, the 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum in Niigata was held in the Toki Messe Convention Center, Niigata, Japan. This was the 14<sup>th</sup> time that the Northeast Asia Economic Conference had been held in Niigata. It was also the 12<sup>th</sup> time that the Northeast Asia Economic Forum had taken place, having been held in Niigata once before, in 1995. Around 580 participants from such countries as Japan, China, Mongolia, the ROK, Russia and the US attended the meeting.

With the advance of globalization, localized events are increasingly having a significant impact throughout the world. Participants in this meeting appreciate the value of cooperation with and among their neighbors in Northeast Asia and are striving to develop functional economic cooperation in the region. The participants also recognize that regional initiatives in Northeast Asia also have an impact outside the region and have the potential to change the world.

A number of substantive moves have taken place in the region: summits between Japan, China and the ROK within the framework of the ASEAN+3 summit have become firmly established, moves aimed at concluding free trade agreements have intensified and the idea of establishing pipelines for the export of Russia's energy resources is being considered in earnest. It was in this context that discussions concerning a variety of fields, including the Grand Design for Northeast Asia, transport, the environment and energy, took place at the conference, with the aim of making decisions about various issues involved in implementing economic cooperation in Northeast Asia.

In his keynote address, Mr Song Jian emphasized the importance of the open-door policy in China's economic growth, while also pointing out the good economic relationship with neighboring countries, including Japan, Russia and the ROK. He then concluded that, in the Northeast Asia of the 21<sup>st</sup> century, by becoming good neighbors and partners to each other, the people of the region could achieve peace, happiness and prosperity.

In the panel discussion on the Grand Design for Northeast Asia, participants reached a common recognition that the formulation of a grand design is necessary for the cooperative development of the region. It was stated that a Northeast Asia Development Bank should be established as soon as possible in order to mobilize the capital necessary for infrastructure development in Northeast Asia, so concrete discussions on the subject should be actively promoted. It was also pointed out that various issues and options related to this plan need to be resolved. In the panel discussion on transportation issues, it was affirmed that various activities with a focus on the Tumen River Corridor, which was outlined in the Vision for the Northeast Asia Transportation Corridors presented at the 2002 Northeast Asia Economic Conference, would be undertaken, in order to translate that vision into reality. In the meeting of environment experts, discussions focused on measures for applying the Kyoto Mechanisms for

preventing global warming, given a situation in which international collaboration is being sought in order successfully to combine economic development with environmental conservation. In the panel discussion on energy issues, discussions focused on deregulation in the energy sector, environmentally friendly energy use, and a Northeast Asian gas pipeline, from the perspective of establishing an Asian energy community. The discussions in each field incorporated a great many valuable recommendations. (Please see the attached document for details of the main proposals.)

A number of related events were held in conjunction with the main conference, making it even more productive. In the 2004 Niigata Energy Forum, experts engaged in in-depth discussions of energy security and sustainable development in Northeast Asia, contributing greatly to the panel discussion on energy issues that was held during the main conference. Moreover, in light of the Northeast Asia Economic Conference's stated aim of providing opportunities for business exchange, the Northeast Asia Business Messe, which took place this year for the first time, has been of immense significance. In the same way, although it may seem unfitting for a multilateral conference to focus on individual cases, the problems facing individual countries and regions were discussed in the Investment Promotion Forum: Attracting Chinese Investors and Enterprises to Japan and the Individual Regional Trade and Investment Seminars; these sessions exemplified an approach that can best be described as "accumulating a number of specific examples of success based in the region, no matter how small they may be".

Amid the relentless march of globalization and regionalization, regional economic integration will undoubtedly progress in the long term. However, we can be certain that many obstacles and difficulties still litter the path to realizing the vision that all conference participants share for achieving economic cooperation and integration in Northeast Asia. It is in this context that we have hitherto broadened human networks and deepened collaboration between organizations, in order to strengthen physical integration and functional collaboration. The collaboration of the Northeast Asia Economic Conference and the Northeast Asia Economic Forum, which have both built up their own networks, in holding this meeting jointly has been of immense significance from the perspective of mobilizing a greater range of strengths and resources. What has been demonstrated here is a model in which synergy has been generated through flexible collaboration between multiple groups with a common goal, while these groups also maintain their individuality and continue to conduct their own activities.

Based on the foregoing knowledge, the participants in the 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum in Niigata hereby declare that they will continue this dialogue and will also translate these words into action in order to achieve common goals, striving to expand networks at multiple levels and identify the form that more effective cooperation should take.

## **Proposals Made at the 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum in Niigata**

3<sup>rd</sup> February 2004

Northeast Asia Economic Conference Organizing Committee

### **<<The Grand Design for Northeast Asia>>**

In order to implement development activities in Northeast Asia in a more effective and systematic fashion, the Grand Design for Northeast Asian Economic Development should be formulated as soon as possible, in close collaboration with the countries and regions targeted by the Grand Design; coordination with each country and region should be undertaken and the necessary environment for its application to actual projects be put in place.

In order to meet demand for the finance required for implementing the Grand Design for Northeast Asian Economic Development, we should actively endeavor to use existing, available sources of finance, such as international development finance institutions and the private sector, while also focusing on overcoming problems in promoting the vision for the Northeast Asia Development Bank.

### **<<Transportation>>**

With the aim of establishing one of the Northeast Asia Transportation Corridors, in the form of the Tumen River Transportation Corridor, smoother transport between railways, roads and ports should be realized and sea routes, such as those providing links with Japan and the ROK, should be improved. In addition, in order to implement tangible projects that will generate flows of people and goods, a group of relevant experts and practitioners should be formed; this group should concern itself with practical considerations and coordinate the various parties involved.

With reference to the example of the Tumen River Transportation Corridor, it is necessary to propose specific initiatives and projects aimed at establishing each corridor and actively promote these. The Transportation Subcommittee should promote these moves.

### **<<The Environment>>**

In addition to exchanging opinions on the current status of environmental problems in each country and related issues, successive round-table meetings should be held with the participation of researchers and practitioners from each country, in order to seek possibilities for international environmental cooperation.

These round-table meetings should examine the potential for creating frameworks for capacity-building that will utilize the Kyoto Mechanisms for preventing global warming, such as CDM and JI, as well as discussing the possibilities for building a network aimed at promoting eco-industry in Northeast Asia.

### **<<Energy>>**

With the aim of forming a Northeast Asian energy community, the frequency and quality of dialogue between policy-makers, businesspeople and researchers should be increased.

### **<<Forum on Attracting Chinese Businesses to Niigata>>**

Participants in the forum on attracting Chinese businesses to Niigata believe that improving measures aimed at attracting foreign businesses to Japan is absolutely imperative in order to ensure a good balance of development between Japan and China. Accordingly, participants strongly advocate the formulation of policies dealing with soft infrastructure by local authorities, not to mention the governments and parliaments of both Japan and China, in order to attract international businesses.

## **Review of the Main Proposals Made at the 2002 Northeast Asia Economic Conference in Niigata**

3<sup>rd</sup> February 2004

Northeast Asia Economic Conference Organizing Committee

### **<<Transportation>>**

The Transportation Subcommittee will work on realizing the Vision for the Northeast Asia Transportation Corridors, which was presented at the 2002 Economic Conference, and aim to achieve an effective link-up between various transport networks, such as the European Transportation Corridor, and the Northeast Asia Transportation Corridors. In order to do this, the Subcommittee will make approaches to international institutions and relevant government departments in each country and region, with the aim of implementing

specific projects; in addition, it will strengthen its ability to monitor discontinuities in border areas and publish the results of these surveys and other related information to users and other interested parties through a variety of media. In doing all this, the Subcommittee will continue its activities aimed at promoting and facilitating use of the transportation corridors.

The members of the Transportation Subcommittee have exchanged opinions with representatives of UN/ESCAP and TINA (Transport Infrastructure Needs Assessment) in a variety of international conferences,

thereby strengthening the cooperative framework. As a result, consideration is being given to incorporating the Northeast Asia Transportation Corridors into the Asian Transport Network being promoted by UN/ESCAP; in addition, UN/ESCAP is discussing the possibility of altering the format of the Asian Transport Network, in which each mode of transport is discussed separately, and shifting to something similar to the Northeast Asia Transportation Corridors, in which roads, railways and ports are integrated with each other.

The members of the Organizing Committee and the Transportation Subcommittee have explained the Vision for the Northeast Asia Transportation Corridors to international institutions and relevant departments in national and regional governments in Northeast Asia, and requested their cooperation and support in translating this vision into reality. With understanding of the transport corridors on the part of interested parties deepening and awareness increasing, the Hunchun - Makhilino railway, which links China and Russia in the Tumen River Transportation Corridor, has officially begun running and discussions are taking place between China and Mongolia regarding the connection of the two countries' railways.

The Subcommittee has continued its activities aimed at promoting and facilitating use of the corridors; these activities include holding the Tokyo Symposium on the Northeast Asia Transportation Corridors (7th February 2003) and the Hunchun Forum on the Tumen River Transportation Corridor (21st & 22nd October 2003), and disseminating up-to-date information about the transportation corridors via newspapers, magazines and the internet. In doing so, it has increased interest in the Northeast Asia Transportation Corridors on the part of consignors and people involved in the transport industry.

### <<Regional Cooperation>>

Participants in the meeting of regional cooperation experts asserted the importance of international cooperation that contributes to social development at the regional level, as seen in the cooperation between Niigata Prefecture and Heilongjiang Province in the field of medical technology, in order to achieve sustainable, stable social development in Northeast Asia.

The proposed Niigata-Harbin, Heilongjiang Medical Technology Cooperation Project and Paving Technology Cooperation Project for Cold Areas of Heilongjiang Province were accepted by the Japanese government and received the accolade of being adopted as JICA Grassroots Technological Cooperation Projects in 2002. In addition, the UN showed an interest in these projects and a researcher from ERINA had the opportunity to deliver a report at the UN's Global Forum in Mexico in November 2003.

Both projects are currently receiving tens of millions of yen in ODA funding under a three-year plan; they are being implemented with the involvement of regional society as a whole, as well as such

implementing bodies as specialist research institutions, educational institutions and NGOs, and are having a significant social impact.

In order to strengthen international policy collaboration at the regional level, ERINA and institutes of social sciences in China's three northeastern provinces will promote joint Sino-Japanese research through the conclusion of an academic exchange agreement.

In 2002, an academic exchange agreement was concluded between ERINA and institutes of social sciences in China's three northeastern provinces and this has been put into operation with the dispatch of researchers to partner institutions and the implementation of joint research. In particular, in fiscal 2003, the Ministry of Foreign Affairs commissioned the institutions concerned to conduct research into policies for attracting Chinese companies to Japan; the mid-term report into this research attracted a great deal of interest from the Japanese government, Heilongjiang Province, Niigata Prefecture and Niigata City, and policies are being formulated as a direct result.

### <<Development Finance>>

In addition to supporting research and development activities relating to the Grand Design for the Development of Northeast Asia, which presents an economic development strategy for the entire region, those involved in economic cooperation in Northeast Asia, such as the members of the Northeast Asia Economic Conference Organizing Committee, will galvanize international opinion regarding the formulation and implementation of development plans by means of multilateral cooperation in Northeast Asia. Moreover, they will participate in and cooperate with further research and educational activities aimed at the establishment of the Northeast Asia Development Bank, which was envisaged as a means of solving problems in procuring the funding required for development in Northeast Asia, or other financing mechanisms.

At the 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum, a panel discussion on the Grand Design for Northeast Asia was held in collaboration with NIRA, which is actively tackling research into this subject, and in-depth discussions about the Grand Design and development finance took place. Moreover, in its Mid-Term plan for 2004 - 2008, ERINA plans to formulate the Vision for Northeast Asian Development, for a similar purpose.

### <<The Environment>>

In order to nurture eco-industries, ERINA and other related research institutions will strive to begin translating into reality the idea of establishing an eco-industry network.

At the 2004 Northeast Asia Economic Conference / Northeast Asia Economic Forum, out of a broad range of possibilities for international environmental cooperation, experts focused on the issue of international cooperation aimed at the application of CDM/JI. This is the first step in an endeavor to form a network aimed at solving specific issues.