

# East Asian Economic Integration: Progress and Business Opportunities

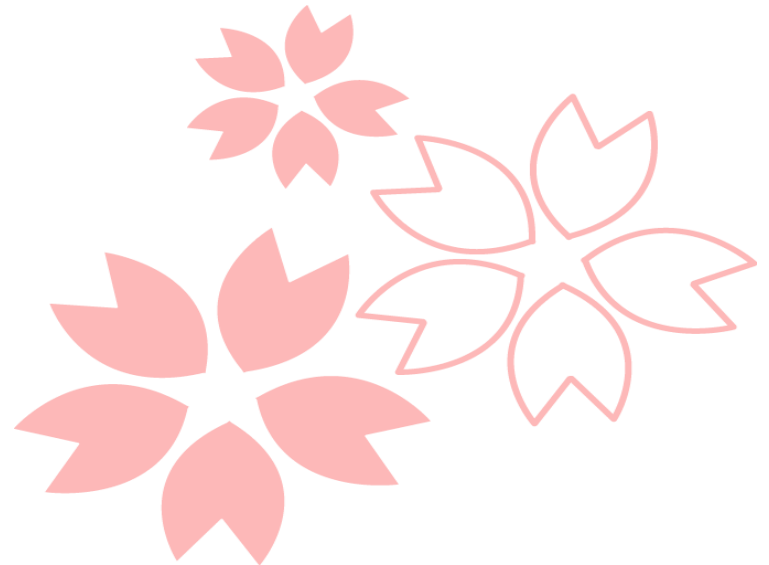
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December 5<sup>th</sup>, 2007

**Yasuo Hayashi**

Chairman and CEO

Japan External Trade Organization (JETRO)



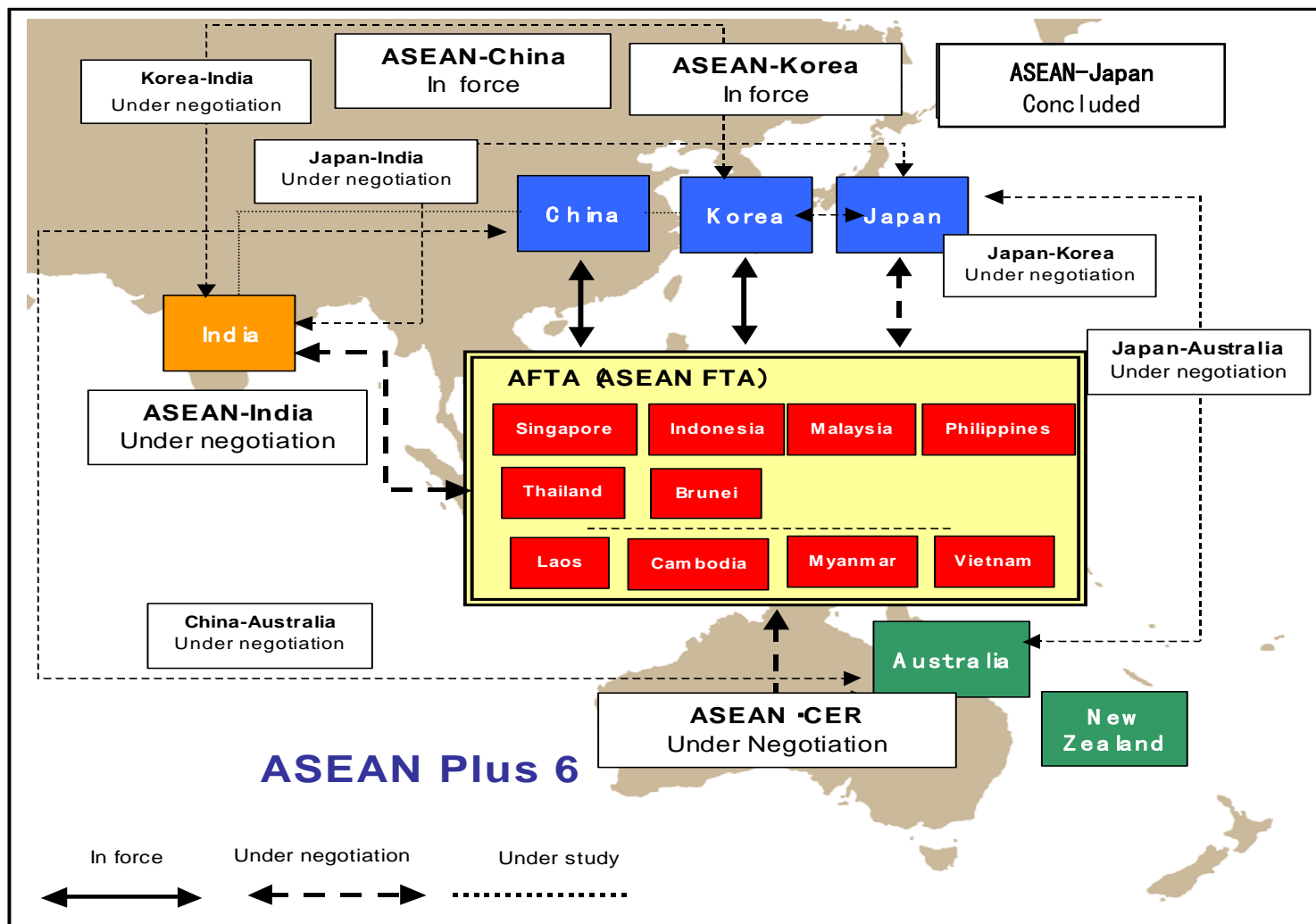
# The Fukuda Administration and the Japanese Economy on a Solid Recovery Path

- The Japanese economy is steadily expanding.
- Japan is pushing forward with EPAs and FTAs.
- With Upper House majority held by the Democratic Party (the Opposition), Prime Minister faces rough tide.



Photo:Cabinet Office

# FTAs in ASEAN Plus 6 Countries



## 3rd East Asia Summit in Singapore



- We agreed to the establishment of the Economic Research Institute of ASEAN and East Asia (ERIA) . . . We encouraged the Expert Group to continue its research work and we looked forward to practical policy recommendations to further regional integration and strengthen partnerships in East Asia.

“Chairman’s Statement of the 3<sup>rd</sup> East Asia Summit”

- The establishment of ERIA will be a great asset to the region, and ADB is happy to support its work.

“Haruhiko Kuroda, President of Asian Development Bank”

## East Asia's Challenges towards Achieving Further Integration

- Sustainable development of China and India
- Creating an ASEAN community to ensure its role as hub for regional integration
- Narrowing the gap (income, economic and political systems, etc)
- Ensuring the US presence in the region

## Building Collaborative Relationships in East Asia and Roles expected of the US and Japan

Three-tier approach for US-Japan cooperation:  
bilateral, plurilateral, multilateral

- Bilateral – energy supplies, climate change, IPR protection, monetary stability, US-Japan EPA, etc.
- Plurilateral - Asia-Pacific Partnership for Clean Development and Climate (APP)
- Multilateral – COP13, WTO

## Prospect of GDP and GDP Deflator in East Asia

	Economic Growth (real GDP)			GDP Deflator		
	2006	2007	2008	2006	2007	2008
China	11.1	11.5	10.6	3.2	3.4	3.2
South Korea	5.0	4.9	5.0	△0.4	2.6	3.0
Taiwan	4.9	5.4	4.4	△1.0	0.2	0.8
Hong Kong	6.8	6.0	5.3	△0.1	2.1	2.4
Singapore	7.9	7.9	6.6	0.2	2.5	2.2
<b>NES</b>	<b>5.5</b>	<b>5.4</b>	<b>5.0</b>	<b>△0.5</b>	<b>1.9</b>	<b>2.3</b>
Indonesia	5.5	6.2	6.4	13.7	6.7	6.6
Thailand	5.0	4.6	5.0	5.0	4.2	4.0
Malaysia	5.9	5.7	5.8	4.6	2.2	2.4
Philippines	5.5	6.6	6.1	5.2	2.9	3.6
Viet Nam	8.2	8.4	8.7	7.3	8.6	8.1
<b>ASEAN 5</b>	<b>5.6</b>	<b>5.9</b>	<b>6.1</b>	<b>8.5</b>	<b>5.0</b>	<b>5.1</b>
<b>East Asia</b>	<b>8.4</b>	<b>8.7</b>	<b>8.2</b>	<b>3.0</b>	<b>3.3</b>	<b>3.3</b>