



ASEAN-JAPAN CENTRE
(ASEAN Promotion Centre on Trade, Investment and Tourism)

Central Building, 10-3, Ginza 4-chome, Chuo-ku, Tokyo 104-0061, JAPAN
General Affairs Div. Tel. +81-3-3546-2011 Fax. +81-3-3541-5276
Office Hours: 9:30a.m.-5:30p.m. Monday-Friday (excl. public holidays)
[http: //www.asean.or.jp/](http://www.asean.or.jp/)
E-mail: toiawase_ga@asean.or.jp

Final Report of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre

April 5, 2006



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Preface

Since the late 1990s, it has been a main issue of the ASEAN-Japan Promotion Centre on Trade, Investment and Tourism (hereinafter referred to as "the Centre"), established in 1981, to review its effectiveness and strengthen its functions to respond to the diverse needs of the new era of globalization.

In this connection, consultation meetings were held in the past to review the effectiveness and structure of the Centre. In addition, "The ASEAN-Japan Plan of Action", adopted at the ASEAN-Japan Commemorative Summit Meeting held in Tokyo in December 2003, stated the initiation of consultations on the reform of the Centre to strengthen its functions and widen and deepen its scope of activities.

The idea of establishment of "the Eminent Persons Committee" (EPC) to facilitate the reform of the Centre was proposed by Prime Minister Koizumi, which was endorsed by ASEAN leaders at the Eighth ASEAN-Japan Summit of November 2004, held in Vientiane.

<Paragraph 10. of the Chairman's Statement of the Summit >

10. We (the leaders of ASEAN and Japan) shared the view that there is a need to facilitate the reform of the ASEAN-Japan Centre to promote the growing economic partnership between ASEAN and Japan and supported the proposal of Japan for an Eminent Persons' Group (Committee).

In March 2005, the "Terms of Reference of the EPC" was adopted, and the EPC was established at the Council Meeting of the Centre. In May 2005, the first meeting of the EPC was held in Tokyo, chaired by H.E. Mr. Wisber Loeis, former Indonesian Ambassador to Japan and the eminent person of Indonesia. The outcome of the discussion was made into the Interim Report at the second meeting (October 3-4, 2005, Bali), and the Final Report was unanimously adopted at the third meeting (April 4-5, 2006, Tokyo).

The Final Report recognized the importance of the programs and activities of the Centre, and at the same time, it made the necessary recommendations for the future direction of the organization. I would not go into details, but specific recommendations are stated in each section, such as "Deepening the Centre's Activities," "Widening the Centre's Activities," "Organization," and "Budget & Finance" with the details of the direction of the reform and activities stated in its annexes.

The Final Report is to be conveyed to the leaders of respective ASEAN countries and Japan. With Myanmar's accession on April 27, 2006, the Centre has now all 10 ASEAN countries as its members. We sincerely hope that the Report will be supported by all member governments and that further support and assistance be made to the Centre, so that it could continue to increase its important role in strengthening the ASEAN-Japan relations.

We also expect that the recommendations of this Final Report would be incorporated in the new Agreement Establishing the Centre, which is scheduled to be amended in May 2007.

Nobutoshi Akao
Secretary General
ASEAN-Japan Centre

May 2006, Tokyo

1. Final Report of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre

Final Report of the Eminent Persons Committee
on the Reform of the ASEAN-Japan Centre
(April 4-5, 2006 Tokyo, Japan)

Introduction

1. After the ASEAN-Japan Commemorative Summit held in December of 2003, in Tokyo, the ASEAN-Japan relations have entered a new chapter against the backdrop of globalization. Based upon the achievements of the past 30 years, the ASEAN and Japan Leaders at their Ninth Summit in Kuala Lumpur in December 2005 reaffirmed their determination to deepen and broaden the strategic partnership between ASEAN and Japan.

2. At the same time, regional integration is in rapid progress among ASEAN countries, which makes promotion of closer economic partnerships between ASEAN and Japan increasingly important. Additionally, wider East-Asian cooperation in the East-Asia Summit and the ASEAN + 3 process make it essential to revitalize ASEAN-Japan relations.

3. In order to ensure smooth and early formation of closer economic partnerships, a wide range of public support is indispensable. In this regard, the ASEAN-Japan Centre (hereinafter "the Centre") could play a more active and dynamic role in response to the diverse needs of the era of globalization.

4. With this recognition, the leaders have called upon the Centre to –

"Initiate consultations for the reform of the ASEAN-Japan Centre to strengthen its functions, and widen and deepen its scope of activities, including mutual cooperation in the industrial sector, tourism and SME activities."

(ASEAN-Japan Plan of Action: 1-A-13 ASEAN-Japan Centre)

5. The EPC welcomes the accession of Myanmar to the Agreement Establishing the Centre, which is scheduled to take place in late April 2006. The accession of all 10 ASEAN countries to the Centre will significantly contribute to efforts towards strengthening the existing ASEAN-Japan cooperation.

6. Against this background, the Centre must rise to the challenge or risk becoming marginalized.

I. Assessment of the Centre's Activities & Its Future Direction

Assessment of the Centre's Activities

7. Since its establishment in May 1981, the Centre has played a significant role in trade, investment, and tourism promotion and has since strived to remain relevant in the broader context of closer ASEAN-Japan relations. The Centre has received positive evaluations from ASEAN Member Countries and Japan for its programs and activities.

8. In terms of its quantitative and qualitative Key Performance Indicators (KPIs), the Centre is continuously undertaking improvements and rationalization of all target settings.

Future Direction in General

9. Recent global developments and the advent of information and communications technology (ICT) have brought about a new way of thinking and new business models. This necessitates new and innovative approaches in conducting the Centre's operations in its projects and program conceptualization and implementation, most especially on initiatives that utilize ICT and help recognize the global supply chains and other trends in global business.

10. Additionally, the importance and relevance of the Centre to ASEAN-Japan relations have grown with the increasing partnership of ASEAN and Japan through the current regional agenda of ASEAN-Japan Comprehensive Economic Partnership (CEP)/Economic Partnership Agreement (EPA) initiatives.

11. It has, therefore, become imperative for the Centre to design its future direction as an integral part of the global and regional scenarios. This should be based on key documents, such as the ASEAN-Japan Plan of Action of 2003, the Vientiane Action Programme of 2004, and the results of the Ninth ASEAN-Japan Summit in Kuala Lumpur, to help ASEAN's economic integration, which include the following, among others:

- a) Facilitation, cooperation, and networking in ICT to assist in narrowing the digital divide among ASEAN Member Countries;
- b) Assistance in the development of small and medium enterprises (SMEs) through capacity-building programs;
- c) Proactive implementation of CEP/EPA initiatives;
- d) Holding of seminars/workshops to facilitate investment and resolve possible investment issues;
- e) Conduct of a survey to explore opportunities for further opening and enlarging Japan's market for ASEAN export;
- f) Conduct of seminars and workshops in ASEAN Member Countries to train travel industry personnel and other service providers in handling Japanese visitors; and
- g) Enhancing the cooperation in supporting ASEAN Member Countries' initiatives, such as the Greater Mekong Sub-Region (GMS) Program and the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) to help in bridging the economic or developmental gaps and promote ASEAN as a competitive and integrated production base, market and tourism destination.

II. Deepening the Centre's Activities

12. Within the three (3) pillars of its mandate of promoting export from ASEAN to Japan, accelerating the inflow of investment from Japan to ASEAN, including the transfer of skills and technology, and vitalizing tourist traffic from Japan to ASEAN, the Centre will proactively continue its new activities and programs to help deepen its activities to support the ASEAN-Japan economic integration and ASEAN community-building efforts.

13. The Centre will continue to conduct various programs and activities, such as exhibitions of ASEAN goods, organization of seminars and workshops, dispatch and invitation of missions, as well as experts to help ASEAN SMEs, capacity-building and technical assistance programs, among other worthwhile undertakings.

(Please see **ANNEXES 1:**)

New Activities

A. New Initiatives / Approaches

14. The Centre's programs and projects should also focus on the 11 priority sectors of ASEAN¹, as identified in the Vientiane Action Programme. The individual needs of member countries and sub-regions should also be considered.

15. In addition, the Centre should focus on assistance to ASEAN SMEs by incorporating the following:

- a) Assist ASEAN SMEs to understand Japanese business practices and translate Japanese market information to English;
- b) Provide information, through the use of ICT, on the trends and tastes of Japanese consumers as well as technical barriers of Japan to ASEAN SMEs;
- c) Ensure a wider level of participation (i.e., more participants from SMEs, private sector, etc.) to create a higher level of success. Hence, this would require securing more budgetary allocation to increase the number of participants; and
- d) Implement capacity building in areas such as product design and business skills.

16. Based on the EPAs between Japan and ASEAN Member Countries, there will be increased movement of people from ASEAN to Japan to provide services. Therefore, the EPC notes that the Centre could assist them in language training and in understanding the Japanese culture and tradition.

(Please see **ANNEXES 2:**)

B. Information and Communications Technology (ICT)

17. The use of new ICT is integral to assist the dissemination of information and for the PR of the Centre. Moreover, the Centre should migrate its website from being one that is based on information to transactions. Efforts should also be made to narrow the digital divide between ASEAN and Japan, and among ASEAN Member Countries.

(Please see **ANNEXES 3:**)

C. Bridging Intra-ASEAN Economic Gaps

¹ The 11 priority sectors are agro-based products, automotive, electronics, fisheries, rubber-based products, textiles and apparels, wood-based products, air travel, e-ASEAN (ICT), healthcare, and tourism. These sectors were selected on the basis of comparative advantage in natural resource endowments, labor skills and cost competitiveness, and value-added contribution to ASEAN's economy.

These selected sectors accounted for more than 50% of intra-ASEAN trade in 2003. In value terms, the priority sectors contributed US\$48.4 billion and US\$43.4 billion of intra-ASEAN exports and imports, respectively, in 2003.

18. There should also be activities in the future to help narrow the economic development gaps among ASEAN Member Countries and to strengthen initiatives towards greater economic integration to improve ASEAN competitiveness. There should be strengthening of skills and knowledge of industries in ASEAN Member Countries and sub-regional growth areas through capacity-building programs, such as human resource development, technology transfer and management skill improvement.

(Please see **ANNEXES 4:**)

III. Widening the Centre's Activities

19. The Centre's main activities should be based on its current mandate (promotion of trade from ASEAN to Japan, and of investment and tourism from Japan to ASEAN).

20. However, to reflect the emerging realities the Centre should consider complementary two-way programs for tourism and also investment. As increasing ASEAN tourists go to Japan, the Centre should consider the possibility of developing a two-way program for tourism promotion between ASEAN and Japan by supporting both the Visit ASEAN Campaign and the Visit Japan Campaign. In this regard, the Centre should promote education/school excursion tours, in close collaboration with agencies concerned such as Japan National Tourist Organization (JNTO), JICA, and Japan Foundation, as youth exchange will greatly contribute to the promotion of mutual understanding and tourism between ASEAN and Japan. It is noted that this two-way promotion would necessitate the need for additional voluntary contributions from Japan, and a legal and statutory revision of the Centre's mandate.

21. In the case of investment, two-way promotion could be held in conjunction with the individual member country's own initiatives for promoting investment from their country to Japan and funded by that country or other organizations.

22. In addition, to complement ASEAN-Japan efforts, assisting intra-ASEAN investment promotion should be considered and supported by the Centre where initiated and financed by one or more ASEAN Member Countries.

23. In widening of its overall activities, the Centre should avoid duplication with other organizations and should, instead, seek to complement the activities of other organizations.

(Please see **ANNEXES 5:**)

IV. Organization

A. Improving Current Organizational Structure

24. To efficiently and effectively respond to the present work and business environments, such as the recent developments in the economic integration of ASEAN and Japan through the CEP/EPA initiatives, the Centre should carry out the following strategic planning functions:

- a) Determine the Centre's major long-term institutional objectives and the courses of action that the institution will follow to achieve these objectives;
- b) Identify and assess financial growth areas for the Centre and formulate policies, and marketing and promotional strategies to pursue these opportunities; and
- c) Coordinate the programs related to measures for facilitation and cooperation of the CEP between ASEAN and Japan.

25. Going forward, the Centre should seek to streamline organizational structure to be more efficient and effective. The EPC recommends that the Council consider changes to:

- a) Empower the Secretariat;
- b) Abolish the Planning Committee and fuse its functions with the Executive Board; and
- c) Streamline the Working Groups.

B. Recruitment Criteria

26. For the Centre to live up to its existence as an inter-governmental organization, major efforts should be put in place in the area of personnel recruitment. In particular, the secondment of staff from ASEAN and Japanese governments must be based on qualification standards, merits, and thorough interview, especially for senior positions. In addition for the positions normally filled by candidates from ASEAN, the Council should consider ensuring fair geographical representation in all positions as far as possible.

C. Raising the Profile and Effectiveness of the Centre

27. The Centre has been making great efforts to promote its activities. To build on its successes, the Centre should continue to undertake the following measures to raise its profile:

- a) The Centre's Secretary General should be included in the invitation lists of all relevant ASEAN-related meetings and events. Member countries can make the appropriate recommendations to their country's respective ministries and institutions. During his overseas trips, in addition to calls on government officials, the Secretary General should introduce the Centre through speeches and presentations at business organizations, trade associations, academic institutions, etc;
- b) The Centre should consider organizing a major ASEAN-Japan event to mark its founding day, coinciding with other ASEAN-related events;
- c) The Centre should consider holding some of its meetings, including the Council and the Executive Board, in ASEAN countries and use these occasions to meet with government officials and companies in the country to raise the Centre's profile.

(Please see **ANNEXES 6:**)

D. Linking with Other Organizations, both Public and Private

28. To further increase its effectiveness in networking, there is a need for the Centre to closely cooperate and maintain links with the following:

- a) ASEAN Secretariat in Jakarta, Indonesia;
- b) Other relevant regional and international organizations, such as the United Nations Conference on Trade and Development (UNCTAD), the United Nations World Tourism Organization (UNWTO), the United Nations Development Program (UNDP), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the Asian Productivity Organization (APO), among others;
- c) Japanese and other funding agencies like the Asian Development Bank (ADB), the International Finance Corporation (IFC) of World Bank Group, the Japan Bank for International Cooperation (JBIC), and the Japan International Cooperation Agency (JICA), among others;
- d) Business organizations, such as chambers of commerce, trade and industry associations in ASEAN and Japan; and
- e) Relevant business-related think tanks including the Institute of Developing Economies-Japan External Trade Organization (IDE-JETRO), among others.

(Please see **ANNEXES 7:**)

V. Budget & Finance

29. As an international promotion organization, the Centre needs a sustained and predictable funding that is not subject to an annual deliberation process. Hence, the EPC recommends that the Japan and ASEAN governments commit themselves to sustain the Centre on a more predictable and certain basis.

30. The EPC encourages the Centre to plan its budget on a multi-year basis in consultation with Japan and ASEAN Member Countries. This would assist in its forward planning to be more effective in carrying out its mandate.

31. The EPC appreciates the political commitment Japan has made to make the majority of the contributions and strongly urges Japan to continue to maintain its contributions to the Centre.

32. The EPC notes that the current ratio of funding between Japan and ASEAN stands at 9:1 for obligatory funding. As their economies are growing, the EPC recommends that ASEAN Member Countries could consider contributing to the Centre in a ratio that reflects this growth, provided that the special needs and concerns of the newer ASEAN Member Countries are taken into consideration. The EPC considers that this ratio could, where deemed appropriate, diverge from the existing ratio but should not be less than the ratio of 7:1.

33. The EPC also considers that the Centre should develop new and additional activities, as outlined in the annexes, to support the close economic cooperation between Japan and ASEAN, which will then require a substantial increase in the budget of the Centre. Therefore, the EPC strongly encourages Japan to increase its contributions by providing additional voluntary contributions as concrete demonstration of its continued support for the Centre and its relations

with ASEAN. The EPC also considers that ASEAN Member Countries could, where deemed appropriate, make voluntary contributions, including in-kind contributions.

34. The Centre has been making efforts toward securing extra budgetary resources, such as from the Japan-ASEAN Solidarity Fund to implement some projects supporting the "Visit ASEAN Campaign" and promoting tourism in GMS and BIMP-EAGA. The EPC also recommends for the Centre to continue such efforts, especially in securing additional funding from the Japan-ASEAN Integration Fund (JAIF). In this connection, the EPC urges Member Countries to support the Centre in relevant fora in endeavors to secure extra budgetary resources.

VI. Revision of the Agreement Establishing the Centre

35. The recommendations to reform the Centre drawn up by the EPC should be included in 2007 as amendments to the renewal of the Agreement Establishing the Centre.

ANNEXES

to the Final Report

1: CURRENT ACTIVITIES OF THE ASEAN-JAPAN CENTRE (for Deepening of the Centre's Activities)

A. Current Approaches

1. Trade

a. Continued implementation of trade exhibitions and trade missions at the PEH of the Centre and participation in Special Exhibitions.

b. Annual implementation of Information and Intermediary Services, such as participation in regional trade fairs in Japan to promote PEH activities, as well as printing of reference materials in support of these activities, such as Exhibitors' Directories, and Importers' or Buyers Directories per industrial sector, Statistical Yearbook, etc.

c. Holding of selected programs in ASEAN Member Countries instead of in Tokyo to save on costs and, thereby, enabling the Centre to organize follow-up activities.

d. Market Survey/CEP (since FY 2004) – conduct of market surveys to explore opportunities to further open up and enlarge Japan's market for ASEAN exports.

2. Investment

a. Continued implementation of Investment Seminars, Industrial Familiarization Programs, Outbound Investment Promotion Missions, and Capacity-Building Programs (technical assistance and human resource development/HRD).

b. Roundtable Seminars on Foreign Direct Investments in ASEAN-Japan Comprehensive Economic Partnership (September 2004, Tokyo, and September 2005, Jakarta), in cooperation with the ASEAN Secretariat and UNCTAD. (Note: discontinued from FY2006 since there was no budgetary allocation)

c. Holding of selected programs in ASEAN Member Countries instead of in Tokyo to save on costs and, thereby, enabling the Centre to organize more activities for member countries.

3. Tourism

Continued implementation of Technical Cooperation Program (seminar or training program), ASEAN Tourism Fair, Sales Promotion for Travel Trade Sector, Tourism Promotion through Media, and Information and Intermediary Services.

B. Information and Communications Technology (ICT)

ICT Technical Assistance Program to help develop and/or enhance the websites of Trade Promotion Organizations (TPOs)

C. Bridging Intra-ASEAN Economic Gaps

1. Trade

- a. ICT Technical Assistance Program
- b. Capacity-Building Program (Marketing and Promotion)

2. Investment

Investment Enhancement Projects

3. Tourism

Regional Sales Promotion (GMS, BIMP-EAGA)

D. Raising the Profile and Effectiveness of the Centre

1. The Secretary General participates in the annual ASEAN Tourism Ministers' Meeting

2. Production of Publications (Annual brochure and ASEAN-Japan Statistical Pocketbook), ASEAN-Japan Centre Website, PR Activities through Mass Media, General Information Corner at the Centre, Participation in Fairs and International Cooperation Festival in Hibiya Park in October each year (now known as *Global Festa Japan*)

3. Participation in regional trade fairs to promote PEH Activities in cooperation with Local Prefectures

E. Linking with Other Organizations, both Public and Private

1. ASEAN Cultural Heritage Photo Exhibition at PEH (March-May 2003) in cooperation with the ASEAN Secretariat in Jakarta

2. Increased interaction with other Japanese and private organizations by seeking co-sponsorship and other types of cooperation for various investment promotion programs of the Centre, such as JETRO, JBIC, JICA, local chambers of commerce, universities, banks and manufacturing companies

2: NEW IDEAS FOR INTRODUCING NEW INITIATIVES & APPROACHES (for Deepening of the Centre's Activities)

A. Trade

1. Technical Assistance Program for Organic Products (Organic Certification) to facilitate market entry for organic and natural products

2. Packaging Development Program
3. Development of a Distinct ASEAN Style to brand products and services
4. National Solo Country Exhibition at the PEH Assistance Program
5. ASEAN Trade Fair in Japan

6. Trade Facilitation and Cooperation –to facilitate entry of new ASEAN products for exhibition purposes, through the use of "Carnet," especially sensitive products that require stringent import requirements, such as food supplements and other herbal and natural products.

7. Marketing Assistance Program (Preliminary Survey through the Internet in Japan) for Potential ASEAN Products

8. ASEAN-Japan Apparel Fashion Design Week in Tokyo (Networking and Business-matching)

9. Outsourcing Service Promotion for Software Development

10. ASEAN-Japan SME Networking Program

11. ASEAN-Japan Exhibition Management Program

B. Investment

1. Promotion of ASEAN 11 Priority Sectors as the focus for FDI promotion programs.

2. Industry Standards Improvement Program to improve level of industries in member countries, thereby creating a more attractive environment for more foreign direct investments (FDIs).

3. Internship Program in Japan for ASEAN officials and business executives to increase their FDI promotion skills, including the improvement of their knowledge on Japanese industries and businesses.

4. Japanese Expert Attachment Program in ASEAN governments for FDI promotion and industry capability building, in cooperation with, e.g., JICA.

5. Investment Seminars on Cambodia, Laos, and Myanmar and Vietnam in selected ASEAN Member Countries where Japanese companies are operating.

C. Tourism

1. Workshops/Seminars on Post-Disaster Management for Tourism Industry (e.g., Tsunami, SARS, Bird flu, terrorism etc.)

2. Conduct of image recovery campaigns on ad-hoc basis for destinations suffering from negative images

3. Facilitation of participation of the Japanese travel trade sector to travel marts/shows in ASEAN Member Countries

4. Promotion of new potential tourism destinations

5. Enhanced ASEAN tourism promotion activities in local cities, as well as in major cities of Japan

6. Tie-up with major media to have series of ASEAN exposures to the public

3 : NEW IDEAS FOR UTILIZING NEW TECHNOLOGY OF ICT AND MINIMIZING DIGITAL GAP

A. Utilization of ICT in the Centre's Website

1. Introduction of Frontier ICT Technology to the Centre's Website, e.g., 3-D modeling technology for virtual exhibition, as well as migrating it from being information-based to transaction-based web applications

2. Addition of more advanced remote learning technologies and contents to strengthen e-learning as part of capacity building

3. Launch of One-Stop Comprehensive Website for development of a common information gateway, which can serve as the portal for ASEAN trade promotion organizations (TPOs)

B. Bridging the Digital Gap

1. Focus the Centre's ICT Assistance Program mainly to new ASEAN Member Countries, especially Cambodia, Laos and Myanmar

2. ICT Technical Assistance Program to help migrate the websites of ASEAN TPOs from purely information-based into transaction-based web applications

3. ICT/Website Improvement Program for Investment

4. ASEAN-Japan Digital Contents (animation, etc.) Industry Tie-up Program

4 : NEW IDEAS FOR BRIDGING INTRA-ASEAN ECONOMIC GAPS

A. Trade

1. ASEAN Sub-Regional Fair at the PEH of the Centre

2. Expansion of Capacity-Building Programs to include:

- a. ASEAN-Japan Networking for SMEs;
- b. Technical Assistance on Export Marketing for New Member Countries; and
- c. Product Design Enhancement for ASEAN Manufacturers

B. Investment

In cooperation with the ASEAN Secretariat and based on the Vientiane Action Programme of 2004, the Centre should undertake selected programs and activities that could help narrow the developmental gaps among ASEAN Member Countries through increased investments mostly in new members of the Centre, such as Cambodia, Laos and Myanmar, as follows:

1. Accord special consideration to new members of the Centre, especially Cambodia, Laos, and Myanmar in availing of the Centre's programs and activities;
2. Undertake a benchmarking study to identify these developmental gaps so that appropriate interventions could be made;
3. Organize annual discussions on key FDI issues, such as regional integration, FDI development dimension for sustainable growth and to facilitate regional production networks intra-ASEAN as well as with Dialogue Partners;
4. Organize investment seminars/workshops to strengthen ASEAN institutional capacity on all investment-related measures; and
5. To raise the profile of Cambodia, Laos, and Myanmar in Japan, more resources should be allocated to increase the frequency of missions (including press and investment promotion missions) to these countries.

C. Tourism

Programs with emphasis on ASEAN Sub-Regional Tourism Promotion

D. All Sectors

Special ASEAN Exhibition on Trade, Investment and Tourism Program (showcase)

5 : TWO-WAY PROMOTION: TOURISM

- a. Expansion of Website contents
- b. Holding of Japan Tourism Fair in ASEAN to introduce Japanese culture and traditional performing arts
- c. Establishment of a Mutual Exchange Program for tourism industry personnel
- d. Promotion of ASEAN-Japan youth exchange program including educational excursion tours

6 : NEW IDEAS FOR INTRODUCING NEW TECHNOLOGIES AND APPROACHES IN PR ACTIVITIES

- a. Utilization of Internet/video-streaming Broadcasting as a PR tool
- b. PR Activities in ASEAN Countries and Japan to promote ASEAN-Japan relations and the Centre's programs and activities, e.g., the organization of a caravan of ASEAN Ambassadors in major local cities of Japan to publicize ASEAN-Japan relations
- c. Public Awareness Campaign to promote acceptance of CEP/EPA in Major Cities throughout Japan
- d. Renovation of the General Information Corner of the Centre into an ASEAN Library
- e. Brief presentations by the staff on the Centre's background, objectives, programs, etc. during seminars and/or workshops being organized by its Divisions
- f. Continuation of its press missions and making efforts to increase the number of such missions each year so as to increase publicity for member countries in various Japanese publications

7 : NEW IDEAS FOR STRENGTHENING LINKS BETWEEN THE CENTRE AND OTHER ORGANIZATIONS, BOTH PUBLIC AND PRIVATE

- a. Undertaking of joint programs and activities that are within each others' respective mandates
- b. Participation in the promotional activities of JETRO's Asian Trade Promotion Forum (ATPF) as an institution, as well as to attend its annual working level meeting in Tokyo and in its annual meeting in a member country, as an observer
- c. Enhancement of promotion of the Centre's activities to Japanese SMEs through governmental trade and investment agencies, chambers of commerce, and METI branch offices
- d. Conduct of a Business Enhancement Seminar and Training (B.E.S.T) Program for ASEAN SMEs to improve operations, managerial skills and expertise in cooperation with training institutions, both in Japan and in ASEAN Member Countries
- e. Development of ASEAN SMEs in cooperation with the Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMRJ)

List of the Members of the Eminent Persons Committee

President, India

S. R. Bhanu Prasad, President, Council of Ministers,
Government of India,
Ministry of External Affairs, New Delhi

Chairman of the Committee

S. R. Bhanu Prasad, President,

Government of India,

Ministry of External Affairs,

New Delhi

2. List of the Members of the Eminent Persons Committee

Chairman of the Committee

S. R. Bhanu Prasad, President of the Council of Ministers,
Government of India,
Ministry of External Affairs, New Delhi

Members

S. R. Bhanu Prasad,

President, Council of Ministers,

Government of India, New Delhi

Minister of External Affairs, New Delhi

Minister of External Affairs,

Government of India, New Delhi

The Eminent Persons Committee

S. R. Bhanu Prasad,

President, Council of Ministers,

Government of India, New Delhi

Minister of External Affairs,

Government of India, New Delhi

List of the Members of the Eminent Persons Committee

Brunei Darussalam

H.E. Mr. Pengiran Dato Paduka Osman Patra
Permanent Secretary,
Ministry of Foreign Affairs and Trade

Kingdom of Cambodia

H.E. Dr. Kao Kim Hourn
Secretary of State,
Ministry of Foreign Affairs
and International Cooperation

President and Founder of the University of
Cambodia

The Republic of Indonesia

H.E. Mr. Wisber Loeis (Chairperson of the EPC)
Former Executive Director of the ASEAN
Foundation

Former Ambassador of Indonesia to Japan

Japan

H.E. Mr. Kimio Fujita
Visiting Professor,
Ritsumeikan Asia Pacific University

Former Ambassador of Japan to Indonesia

Former President,
Japan International Cooperation Agency (JICA)

The Lao People's Democratic Republic

H.E. Mr. Khamsing Sayakone
Vice-Chairman,
Committee for Economic and Finance,
Lao National Assembly

Former Ambassador of Laos to Japan

Malaysia

Mr. Tan Sri Abdul Razak bin Ramli

Chairman, Shangri-La Hotels (Malaysia) Berhad

Deputy Chairman, Chem Quest Sd. Berhad
(A subsidiary of PPB Group Berhad)

Deputy Chairman, Favelle Favco Berhad
(A subsidiary of Muhibbah Engineering (Malaysia) Berhad)

Former Secretary General of Ministry of
International Trade and Industry

The Republic of the Philippines

Mr. Tomas I. Alcantara

Chairman & President of Alsons Consolidated
Resources Inc.

The Republic of Singapore

Mr. Simon Seong Chee Tay

Chairman,
Singapore Institute of International Affairs

Chairman,
National Environment Agency

Associate Professor,
Faculty of Law, National University of Singapore

Kingdom of Thailand

Mr. Kunyaphan Raengkhum

Deputy Director-General,
Department of Export Promotion (DEP),
Ministry of Commerce

The Socialist Republic of Vietnam

Mr. Nguyen Bao

First Deputy Director-General,
Vietnam Trade Promotion Agency (VIETRADE),
Ministry of Trade



Eminent Persons at the First Meeting of the Eminent Persons Committee in Tokyo, May 31, 2005.

Sitting from left to right are H.E. Dr. Kao Kim Hourn (Cambodia), H.E. Mr. Kimio Fujita (Japan), H.E. Mr. Wisber Loeis (Indonesia, Chairperson of the EPC), H.E. Mr. Khamsing Sayakone (Lao P.D.R.) and Mr. Tan Sri Abdul Razak bin Ramli (Malaysia).

Standing from left to right are Mr. Simon Seong Chee Tay (Singapore), H.E. Mr. Pengiran Dato Paduka Osman Patra (Brunei Darussalam), Mr. Kunyaphan Raengkhum (Thailand), Mr. Nguyen Bao (Vietnam), Mr. Tomas I. Alcantara (the Philippines) and Mr. Nobutoshi Akao (Secretary General of the ASEAN-Japan Centre).

Terms of Reference of the Eminent Persons Committee

1. Objectives and Mandate

1.1. The Eminent Persons Committee (EPC) shall be established to provide advice and guidance to the Council of the OIC on all matters relating to the organization, functioning and objectives of the Committee.

1.2. The EPC shall be composed of eminent persons who shall provide the Council with advice and guidance on all matters relating to the organization, functioning and objectives of the Committee.

2. Membership of the EPC

2.1. The EPC shall be composed of eminent persons who shall provide the Council with advice and guidance on all matters relating to the organization, functioning and objectives of the Committee.

3. Secretariat of the EPC

3.1. The EPC shall have a secretariat which shall be responsible for the day-to-day functioning of the Committee.

4. Meetings of the EPC

4.1. The EPC shall meet at least once a year to discuss and advise the Council on all matters relating to the organization, functioning and objectives of the Committee.

5. Related Work of the EPC

5.1. The EPC shall be responsible for the day-to-day functioning of the Committee and shall provide advice and guidance to the Council on all matters relating to the organization, functioning and objectives of the Committee.

6. Conclusion

6.1. The EPC shall be established to provide advice and guidance to the Council of the OIC on all matters relating to the organization, functioning and objectives of the Committee.

Terms of Reference of the Eminent Persons Committee

1. Objectives and Principles

1a. An Eminent Persons Committee should be able to provide valuable views and opinions for the reform of the Centre, based on the wide knowledge, experience, and expertise of its members.

1b. The reform of the Centre will be discussed with a view to promoting the growing economic partnership between ASEAN and Japan. This is an attempt to meet new challenges and to maintain and enhance the rationale of the Centre under these new circumstances.

2. Membership of the EPC

Each member country will nominate a representative to the EPC with wide experience in Japan-ASEAN relations and other relevant fields, through activities in government, academia, and/or business. The nominations or their replacements will be communicated to the Secretary General of the ASEAN-Japan Centre through the respective Council Directors.

3. Secretariat of the EPC

The ASEAN-Japan Centre will be tasked to be the Secretariat of the EPC.

4. Venue of the meeting

The meetings will be held at mutually agreed venues in ASEAN or Japan.

5. Related cost of meetings

The Government of Japan is willing to assist in financing the cost necessary for organizing meetings including airfares and accommodation for an Eminent Person from each participating country. The details of the required cost will be communicated to Japan through the Secretariat.

6. Modality

6a. The EPC members will appoint a chairperson among themselves.

6b. The participating country, at its own expenses, may send staff to the meeting to assist its respective Eminent Person.

6c. The Chair, assisted by the Secretariat, will prepare the draft agenda, relevant documents and report.

6d. The EPC will submit the report to the Council Directors. Pursuant to Chairman's statement of the Eighth ASEAN-Japan Summit, the respective Council Directors will report to their respective leaders.

7. Time Frame

The EPC will commence discussions in May 2005 with a view to completing its work within one year.

4. Chairperson's Summary Record of the First Meeting of the Eminent Persons Committee

Chairperson's Summary Record of
the First Meeting of the Eminent Persons Committee
(Tuesday, May 31, 2005, at the Akasaka Prince Hotel)

1. Opening

The First Meeting of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre was convened on May 31, 2005, at the Akasaka Prince Hotel in Tokyo, Japan.

The list of participants is attached as Annex 1. (not attached)

2. Election of Chairperson

H.E. Mr. Wisber Loeis, the eminent person of Indonesia, was unanimously elected as the Chairperson.

Mr. Loeis underlined the fact that the participants were independent persons nominated by the government of Japan and governments of nine ASEAN countries. As a group of independent personalities the participants are expected to contribute views and opinions for the reform of the ASEAN-Japan Centre ("the Centre"). Recommendations of the EPC will serve as the basis for the enhancement of the future work of the Centre commensurate with the new realities prevailing in the world and in the region, especially in the mutually beneficial relations between ASEAN member countries and Japan.

3. Adoption of Agenda

The Committee adopted the agenda as in Annex 2. (not attached)

4. Presentation on the Organization and Activities of the Centre

Mr. Nobutoshi Akao, Secretary General of the ASEAN-Japan Centre, made a presentation on the organization and activities of the Centre.

5. Exchange of Views on the Reform of the Centre

Varied comments on the "Assessment of the Activities of the Centre" and the "Direction and Scope of the Reform of the Centre" were expressed:

5.a. "Assessment of the Activities of the Centre"

The Role and Activities of the Centre

The Centre has been playing an important role in trade, investment and tourism promotion since its establishment and its founding purpose remains relevant in the broader context of closer ASEAN-Japan relations. Its activities have also been effective and highly appreciated by member countries. For instance, Laos has joined the Centre for only three years and within the short span, it has benefited much in terms of a higher profile in Japan and more visiting Japanese tourists as a result of the promotional activities carried out by the Centre in the fields of trade, investment and tourism.

As ASEAN-Japan relations move closer with the negotiations and formation of FTAs, EPAs and the ASEAN-Japan CEP, it is now important for the Centre to explore new activities and new areas for cooperation to further promote trade, investment and tourism between ASEAN and Japan. In view of this, funding of the Centre remains a fundamental issue for its continued success and adequate budget should be given to ensure its relevance and effectiveness in its future activities. For instance, with the decreased budget, the number of ASEAN companies that can benefit from the Centre's programmes such as trade fairs is now reduced and the Permanent Exhibition Hall is also less utilized as a result of lesser activities. Hence, during the reform discussions, it is important that the issue of funding for the Centre be addressed so that the Centre can increase its promotional activities to support the growing ASEAN-Japan relations.

Evaluation Mechanism

To gauge the impact and effectiveness of the Centre's activities, it is important for the Centre to have key performance indicators (KPIs). Although it may not be easy to accrue quantitative impact of the Centre's activities on increases/decreases in trade, investment and tourism between ASEAN and Japan, qualitative assessment may be possible. Moreover, the Centre should set two levels of KPI: (1) to evaluate whether the Centre's activities met the targets and (2) to measure the success of the operation of the Centre.

The Secretary General responded that the Centre has been using a set of quantitative and qualitative KPIs for the past years to constantly measure the effectiveness of its activities and to make improvements to activities whenever necessary in consultation with members of Working Groups. The KPIs are also reviewed annually to ensure that they remain relevant as measures of the Centre's performance.

5.b. "Direction and the Scope of the Reform of the Centre"

The Widening and Deepening of the Centre's Activities

Goals and Areas of Activities of the Centre

The importance and relevance of the Centre to ASEAN-Japan relations have grown with the increasing integration of ASEAN and Japan through the current regional agenda of ASEAN-Japan CEP and FTA/EPA movements. Hence, the Centre's overall goal should be to support the economic integration of ASEAN and Japan through promotional activities in the areas of trade, investment and tourism.

In its operations, it is important for the Centre to align its goal and activities with the fundamental blueprints and principles for ASEAN-Japan integration, as outlined in key documents such as the ASEAN-Japan Plan of Action and the Vientiane Action Programme, by the leaders of ASEAN and Japan. Ideas for new activities can be drawn from these key documents and sector focus areas can be on the areas as mentioned in the ASEAN-Japan Plan of Action.

As ASEAN and Japan move closer in its economic partnership, it is crucial that the Centre design programmes that can help bridge economic development gaps between member countries in ASEAN. This will ultimately help ensure a smoother integration of the economies of ASEAN and Japan. Support, in the areas of human resource development and capacity building, should be given to the newer members of ASEAN to help bridge regional economic gaps. The Centre should also look at individual interest of the member countries such as using skill-based themes for promotional activities instead of pre-designating the usual sectors of furniture and gifts. For example, a skilled-based theme of "Design & Manufacturing" will allow member countries to freely choose which sectors they would like to undertake improvements in design and manufacturing

(ranging from furniture design for one to electronics product design for another), thus rendering more sectors in being able to participate in the Centre's activities. Further, the Centre could consider the possibility of exploration of new markets beyond the Asia-Pacific region.

It is also important for the Centre to increase its exposure to the leaders of ASEAN and Japan through the regional ministerial economic meetings as it will ensure that the Centre will be better positioned with a higher profile to secure funding for its activities as the leaders recognize the significant contributions of the Centre in building ASEAN-Japan economic relations.

The Secretary General responded that the Japanese government in fact made efforts to have the Centre being included in several paragraphs of the ASEAN-Japan Plan of Action at the ASEAN-Japan Commemorative Summit in 2003.

PR promotion as the Fourth Pillar of the Centre

One view is that to raise the profile of the Centre, especially to the private sector is important. With PR as the fourth pillar, it will increase and strengthen public awareness of the existence of the Centre and ASEAN-Japan relations in ASEAN and in Japan.

Another view is that there is difficulties involved as the PR for ASEAN-Japan relations is best carried out mainly by bodies such as the ASEAN Secretariat and the respective member countries, and the Centre should just play a supporting role.

Taking into account the views above, the Secretary General responded that PR will be continued as usual with a minimal budget to promote ASEAN-Japan relations.

Usage of Information Communication & Technology

The Centre should make use of ICT in its activities and also contribute to efforts to assist newer member countries to bridge the digital gap. Areas that the Centre can explore in utilizing ICT include the set-up of a virtual exhibition hall on its website to publicize ASEAN goods and services. It may also be useful to set up a one-stop comprehensive website that has trade,

investment and tourism information on all member countries. At the same time, the Centre is challenged with the task of improving the ICT environment in some countries.

Links with Other Organizations and the Private Sectors

To bring about a greater synergy, the Centre should also work closely with other forums, such as the ASEAN Secretariat and Asian Trade Promotion Forum (ATPF), thereby generating a higher profile in the region and also improving performance in joint projects. The Centre should also work closely with the respective ASEAN agencies in trade, investment and tourism promotion as there can be resulting economies of scale through shared budget and resources for joint bilateral projects.

The Centre should also look at more ways to engage the private sector in the Centre's activities, in particular the SMEs and Keidanren.

The Secretary General explained that the Centre is working with the private sectors quoting the examples in the tourism sector which involved the Japanese travel agents in sub-regional project.

Expansion of Activities

The Centre should not expand into think-tank related functions, such as research and study, as it is a promotion centre and there are already many think-tanks researching on ASEAN and Japan economies. The Centre can instead leverage on the research of existing think-thanks and other organizations.

As for the widening of the Centre's activities to be a facilitator of trade, investment and tourism, the Centre can be involved by compiling a report with recommendations from Japanese investors on how business should be done in ASEAN for member countries' consideration during policy changes. There is, however, no need for the Centre to go beyond that as the Centre's main work is to conduct promotional activities.

From One-way Promotion to Two-way Promotion

One-Way Promotion or Two-way promotion

One view is that the Centre should consider two-way promotion in a step-by-step manner. ASEAN and Japan are now on the same footing

instead of the donor-recipient status in the past. Hence, it is timely to consider that the Centre should engage in two-way promotion to reflect the current economic relations between ASEAN and Japan. However, the shift to a two-way promotion should be in a step-by-step manner, starting first in the area of tourism (as there are no immediate issues in trade and investment) with the promotion of tourists from ASEAN to Japan.

Another view is that in view of the budgetary constraints, two-way promotion should only be considered in the future. In addition, before two-way promotion is carried out, there should be a preliminary study to assess the need for it. There should also be no duplication of activities with other organizations such as JETRO. The Centre may also not be the most effective party to carry out two-way promotion. For example, for the promotion of tourists from ASEAN to Japan, the private sector is more apt to carry out such promotion than the Centre.

Establishment of an ASEAN Branch

Given the budget constraints, the Centre should not establish a branch in ASEAN.

Budget-and Finance-related Issues

General View

To ensure that the Centre's activities remain effective and to further widen and deepen its activities, it is necessary to ensure a stable core funding from the Japanese government. The current state of decline of contributions from the Japanese government is regrettable. Given the strong relations between ASEAN and Japan, the Japanese government should not decrease its contributions, as that will send the wrong signals to the ASEAN community. The Centre and member countries must make an appeal to the Japanese government to stop the downward trend and to return to the amount of contributions before the decline.

Formula of the Obligatory Contributions

The ratio of the current formula of obligatory contributions (9:1=Japan:ASEAN) was a reflection of the level of economic development of Japan and ASEAN at the time of the establishment of the Centre, and also

was the expression of Japan's political will to support ASEAN countries. Since the economic situation has changed after 24 years, it is necessary to reconsider a new ratio, e.g. 7:1, using GDP as an indicator to reflect the current economic balance between Japan and ASEAN.

Another view is that considering the political will involved initially in the set-up of the Centre to promote ASEAN-Japan relations, Japan should not decrease its contributions.

Share burden of Obligatory Contributions among ASEAN countries

One view is that instead of the current formula of allocating ASEAN's contributions equally among ASEAN member countries, the Centre should consider introducing a differential share of burden depending on the economic development of the members as in case of other organizations such as UN, APEC and APO. If a similar scheme would be adopted for ASEAN member of the Centre, the burden on new members could be substantially alleviated.

Another view is that unlike other organizations, the Centre is a reflection of the relations of 2 blocs: ASEAN and Japan. Hence, as membership is not on an individual country basis, but on a bloc-basis, the current formula of equal burden sharing is appropriate.

Voluntary Contributions

The Centre should explore alternative sources of contributions, such as institutions (through memberships) and the private sector. In addition, the Centre can also explore contributions in kind from member countries (e.g. venue and logistics) when activities are held in member countries. The Secretary General informed the Committee that the Centre accepted the partial in-kind contributions from time to time and would continue to do so.

6. Schedule of Future Work of the Eminent Persons Committee

The Committee agreed to hold a total of three meetings (inclusive of this meeting) on the reform of the Centre, and to hold the next meeting on October 3-4, in Bali, Indonesia. The third meeting will be held in Tokyo, and the EPC report will be finalized at the third meeting.

7. Other Matters

An opinion was expressed that each member would individually consult with his respective government on the possibility of contributions, and would sound private sector to get them involved materially or financially in activities of the Centre.

8. Closing

The Committee expressed its most sincere appreciation to the Chairperson for his excellent chairmanship.

5. Chairperson's Summary Record of the Second Meeting of the Eminent Persons Committee

**Chairperson's Summary Record of the Second Meeting of
the Eminent Persons Committee**
(October 3-4, 2005, Bali, Indonesia)

The Second Meeting of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre was convened on October 3-4, 2005, at Melia Bali Villas & Spa Resort, Nusa Dua, Bali, Indonesia, under the chairmanship of

H.E. Mr. Wisber Loeis, the eminent person of Indonesia.

The list of participants is attached as Annex 1. (not attached)

The Committee expressed its sincere condolences and sympathies to the victims of the Bali bombing of October 1.

1. Adoption of Agenda

The Committee adopted the agenda as Annex 2. (not attached)

2. Discussion of the Working Paper on Main Points for Discussion

Varied comments and views were expressed on the reform of the Centre based on the Working Paper on main points for discussion.

3. Schedule of Future Work of the Eminent Persons Committee

The Committee agreed to hold the last meeting on the reform of the Centre on April 4-5, 2006, in Tokyo, Japan, whereat a final report should be completed.

4. Adoption of the Report

The outcome of the discussion was made into an Interim Report of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre (Annex 3), which was unanimously adopted by the Committee. The Interim Report shall be submitted, through appropriate channels, to the ASEAN-Japan Summit to be held in December this year in Malaysia.

Interim Report of the Eminent Persons Committee
on the Reform of the ASEAN-Japan Centre

October 3-4, 2005

Bali, Indonesia

Introduction

1. After the Japan-ASEAN Commemorative Summit held in December of 2003, in Tokyo, the Japan-ASEAN relations have entered a new chapter against the backdrop of globalization. At the same time, regional integration is in rapid progress among ASEAN countries, which makes promotion of closer economic partnerships between ASEAN and Japan increasingly important. Additionally, wider East-Asian cooperation in the East-Asia Summit and the ASEAN + 3 process, make it essential to revitalize Japan-ASEAN relations.

2. In order to ensure smooth and early formation of closer economic partnerships, a wide range of public support is indispensable. In this regard, the ASEAN-Japan Centre could play a more active and dynamic role in response to the diverse needs of the new era.

3. With this recognition, the leaders have called upon the Centre to –

"Initiate consultations for the reform of the ASEAN-Japan Centre to strengthen its functions, and widen and deepen its scope of activities, including mutual cooperation in the industrial sector, tourism and SME activities."

(ASEAN-Japan Plan of Action: 1-A-13 ASEAN-Japan Centre)

I. Assessment of the Centre's Activities & Its Future Direction

Assessment of the Centre's Activities

4. Since its establishment in May 1981, the Centre has played a crucial and important role in trade, investment, and tourism promotion and has since remained relevant in the broader context of closer ASEAN-Japan relations. This has not gone unnoticed, as the Centre continually receives positive evaluations from ASEAN member countries and Japan for its programmes and activities.

5. In terms of Key Performance Indicators (KPIs) for both the quantitative and qualitative KPIs, the Centre is continuously undertaking improvements and rationalization of all target settings.

Future Direction in General

6. Recent global developments and the advent of information and communications technology had brought about a new way of thinking and new business models. This has necessitated a new and innovative approach in conducting the Centre's operations in its projects and programme conceptualization and implementation, most especially on ICT-related initiatives.

7. Additionally, the importance and relevance of the Centre to ASEAN-Japan relations have grown with the increasing partnership of ASEAN and Japan through the current regional agenda of ASEAN-Japan Comprehensive Economic Partnership (CEP)/Economic Partnership Agreement (EPA) initiatives.

8. It has therefore become imperative for the Centre to design its future direction as an integral part of the global and regional scenarios based on key documents, such as the ASEAN-Japan Plan of Action of 2003 and the Vientiane Action Programme of 2004, which include the following, among others:

- a) Facilitation and cooperation in information and communications technology (ICT) to assist in narrowing the digital divide among ASEAN Member Countries
- b) Assistance in the development of SMEs through capacity-building programmes
- c) Implementation of CEP/EPA initiatives
- d) Holding of seminars/workshops to facilitate investment and resolve possible investment issues
- e) Conduct of a survey to explore opportunities for further opening and enlarging Japan's market for ASEAN export
- f) Conduct of seminars and workshops in ASEAN Member Countries to train travel industry personnel and other service providers in handling Japanese visitors
- g) Networking to facilitate the flow of information in the region by utilizing ICT
- h) Enhancing the cooperation in supporting ASEAN Member Countries' initiatives, such as the Greater Mekong Sub-Region (GMS) Programme and the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) to help in bridging the economic or developmental gaps

II. Future Direction: Deepening of the Centre's Activities

9. Within its 3 pillars mandate of promoting export from ASEAN to Japan, accelerating the inflow of investment from Japan to ASEAN, including the transfer of skills and technology, and vitalizing tourist traffic from Japan to ASEAN, the Centre will proactively continue its ground-breaking activities and programmes that could help deepen its activities to support the ASEAN-Japan economic integration.

10. The Centre will continue to conduct various programmes and activities, such as exhibitions of ASEAN goods, organization of seminars and workshops, dispatch and invitation of missions, as well as experts to help ASEAN small and medium enterprises (SMEs), capacity-building and technical assistance programmes, among other worthwhile undertakings.

(Please see **ANNEX 1**)

New Activities

A. New Initiatives / Approaches

11. The Centre's programmes and projects should also focus on the 11 priority sectors of ASEAN, as identified by the ASEAN Economic Community Plan of Action. The individual needs of member countries and sub-regions should also be considered.

12. In addition, the Centre should focus on assistance to ASEAN SMEs by incorporating the following:

- a) Assist ASEAN SMEs to understand Japanese business practices and translate Japanese market information.
- b) Provide information, through the use of ICT, on the trends and tastes of Japanese consumers to ASEAN SMEs.
- c) Ensure a wider level of participation (i.e. more participants from SMEs, private sector etc.) to create a higher level of success. Hence, this would require securing more budget to increase the number of participants.
- d) Implement capacity building in areas such as product design and business skills.

13. Based on the EPAs between Japan and ASEAN member countries, there will be increased movement of people from ASEAN to Japan to provide services. Therefore, the EPC noted that the Centre could assist them in language training and in understanding the Japanese culture and tradition.

(Please see **ANNEX 2**)

B. Information and Communications Technology (ICT)

14. The use of new ICT technologies is integral to assist the dissemination of information and for the PR of the Centre. Moreover, the Centre should migrate its information-based to a transaction-based one. Efforts should also be made to narrow the digital divide between ASEAN and Japan, and among ASEAN member countries.

(Please see **ANNEX 3**)

C. Bridging Intra-ASEAN Economic Disparities

15. There should also be activities in the future to help narrow the economic development gaps among ASEAN member countries. There should be strengthening of skills and knowledge of industries in ASEAN member countries and sub-regional growth areas through capacity-building programmes.

(Please see **ANNEX 4**) (not attached)

D. Raising the Profile of AJC to ASEAN Leaders, and Public Relations (PR)

16. The Centre has been making great efforts to promote its activities. To build on its successes, the Centre should continue to undertake the following measures to raise its profile:

- a) The Centre's Secretary General should be included in the invitation lists of all relevant ASEAN-related meetings and events. Member countries can make the appropriate recommendations to their country's respective ministries and institutions.
- b) During his overseas trips, in addition to calls on government officials, the Secretary General should introduce the Centre through speeches and presentations at business organizations, trade associations, academic institutions, etc.
- c) The Centre should consider organizing a major ASEAN-Japan event to mark its founding day, coinciding with other ASEAN-related events.

(Please see **ANNEX 5**)

E. Linking with Other Organizations, both Public and Private

17. To further increase its effectiveness in networking, there is a need for the Centre to closely cooperate and maintain links with the following:

- a) Relevant regional and international organizations such as ASEAN Secretariat, UNCTAD, World Tourism Organization, UN-ESCAP.
- b) Japanese and other funding agencies like ADB, IFC, JBIC.
- c) Business organizations such as chambers of commerce, trade and industry associations in ASEAN and Japan.
- d) Relevant business related think-tanks including IDE-JETRO.

(Please see **ANNEX 6**)

III. Future Direction: Widening of the Centre's Activities

18. The Centre's main activities should be based on its current mandate (promotion of trade from ASEAN to Japan, and of investment and tourism from Japan to ASEAN).

19. In the case of investment, promotion could be held in conjunction with the individual member country's own initiatives for their investment promotion plans in Japan. As for the widening of its overall activities, the Centre should also avoid duplication with other organizations and should, instead, seek to complement other organizations.

20. To reflect the emerging realities that show increasing ASEAN tourists going to Japan, the AJC may wish to consider the possibility of developing a two-way programme for tourism promotion between ASEAN and Japan. This two-way promotion would necessitate the need for additional voluntary contributions from Japan. Therefore if the AJC should embark on this course, there should be a legal and statutory revision of the Centre's mandate.

(Please see **ANNEX 7**)

IV. Budget & Finance-Related Issues

21. As an international promotion organization, the Centre needs a sustained and predictable funding that is not subject to the annual deliberation process in obtaining it. Hence, the EPC recommended that the Japan and ASEAN governments commit themselves to sustain the AJC on a more predictable and certain basis.

22. In this connection, the EPC appreciated the political commitment Japan has made to make the majority of the contributions and strongly urged Japan to continue to maintain its contributions to the AJC.

23. The EPC noted that the current ratio of funding between Japan and ASEAN stands at 9:1 for obligatory funding. As their economies are growing, the EPC recommended that ASEAN member countries could consider contributing to the AJC in a ratio that reflects this growth, provided that the special needs and concerns of the newer ASEAN member countries are taken into consideration. The EPC considered that this ratio could, where deemed appropriate, diverge from the existing ratio but should not be less than the ratio of 7:1.

24. The EPC has also considered that AJC should develop new and additional activities to support the close economic cooperation between Japan and ASEAN. Therefore, the EPC strongly encouraged Japan to increase contributions by providing additional voluntary contributions as concrete demonstration of its continued support for the AJC and relations with ASEAN. The EPC also considered that ASEAN member countries could, where deemed appropriate, make voluntary contributions, including in-kind contributions.

25. The EPC encouraged the AJC to plan its budget on a multi-year basis in consultation with Japan and ASEAN member countries. This would assist in its forward planning to be more effective.

V. Other Matters: Future Direction

A. Improvement of Current Organizational Structure

26. To efficiently and effectively respond to the present work and business environments, such as the recent developments in the economic integration of ASEAN and Japan through the CEP/EPA initiatives, the Centre should carry out the following strategic planning functions:

- a) Determine the Centre's major long-term institutional objectives and the broad, overall courses of action that the institution will follow to achieve these objectives;
- b) Identify and assess financial growth areas for the Centre and formulate policies, and marketing and promotional strategies to pursue these opportunities; and

- c) Coordinate the programmes related to measures for facilitation and cooperation of the CEP between ASEAN and Japan.

B. Recruitment Programme

27. For the Centre to live up to its existence as an international organization, major efforts would be put in place in the area of personnel recruitment. For example, the secondment of staff from ASEAN and Japanese governments must be based on qualification standards, merits and thorough interview.

28. In addition, a policy of hiring Japanese and ASEAN staff for senior and junior/temporary posts through general recruitment process would be put in place to ensure the internationality of the operations of the Centre.

C. Myanmar's Membership

29. The EPC welcomed Myanmar's application for membership of the Centre which would be finalized as soon as possible.

VI. Revision of the Agreement Establishing the Centre

30. The recommendations to reform the Centre that would be drawn up by the Eminent Persons Committee should be included in 2007 as amendments to the renewal of the agreement establishing the Centre.

ANNEXES

to the Interim Report

1: CURRENT ACTIVITIES OF THE ASEAN-JAPAN CENTRE

A. Current Approaches

1. Trade

a. Continued implementation of trade exhibitions and trade missions at the Permanent Exhibition Hall (PEH) of the Centre and participation in Special Exhibitions

b. Annual implementation of Information and Intermediary Services, such as participation in regional trade fairs in Japan to promote PEH activities, as well as printing of reference materials in support of these activities, such as Exhibitors' Directories, Statistical Yearbook, etc.

c. Holding of selected programmes in ASEAN member countries instead of in Tokyo to save on costs and, thereby, enabling the Centre to organize follow-up activities.

In the case of the ICT Programme for Fiscal Year 2004, it was hosted by IE Singapore last November 2004, with the follow-up activity hosted by MATRADE, which was held in Kuala Lumpur last March 2005. For the Capacity-Building Programme under Fiscal Year 2005, it was hosted by CITEM/Philippines last April 2005 in Manila, with the follow-up activities held in Cambodia and Laos from August 24-September 9, 2005.

d. Market Survey/CEP (since FY 2004) – conduct of market surveys to explore opportunities to further open up and enlarge Japan's market for ASEAN exports

2. Investment

a. Continued implementation of Investment Seminars, Industrial Familiarization Programmes, Outbound Investment Promotion Missions, and Capacity-Building Programmes (technical assistance and human resource development/HRD)

b. Roundtable Seminars on Foreign Direct Investments in ASEAN-Japan Comprehensive Economic Partnership (September 2004, Tokyo, and September 2005, Jakarta), in cooperation with the ASEAN Secretariat and UNCTAD

3. Tourism

a. Continued implementation of Technical Cooperation Programme (seminar or training programme), ASEAN Tourism Fair, Sales Promotion for Travel Trade Sector, Tourism Promotion through Media and Information and Intermediary Services

B. Information and Communications Technology (ICT)

1. ICT Technical Assistance Programme to help develop and/or enhance the websites of Trade Promotion Organizations (TPOs)

C. Bridging Intra-ASEAN Economic Disparities

1. Trade

- a. ICT Technical Assistance Programme
- b. Capacity-Building Programme (Marketing and Promotion)

2. Investment

- a. Investment Enhancement Projects

3. Tourism

- a. Regional Sales Promotion (GMS, BIMP-EAGA)

D. Raising of Profile of AJC to ASEAN Leaders, and Public Relations (PR)

1. The Secretary General participates in the annual ASEAN Tourism Ministers' Meeting

2. Production of Publications (Annual brochure and ASEAN-Japan Statistical Pocketbook), ASEAN-Japan Centre Website, PR Activities through Mass Media, General Information Corner at the Centre, Participation in Fairs and International Cooperation Festival in Hibiya Park in October each year (now known as *Global Festa Japan*)

3. Participation in regional trade fairs to promote PEH Activities in cooperation with Local Prefectures

E. Links with Other Organizations, Both Public and Private

1. ASEAN Cultural Heritage Photo Exhibition at PEH (March - May 2003) in cooperation with the ASEAN Secretariat in Jakarta

2. Increased interaction with other Japanese and private organizations by seeking co-sponsorship and other types of cooperation for various investment promotion programmes of the Centre, such as JETRO, JBIC, local chambers of commerce, universities, banks and manufacturing companies

2 : NEW IDEAS FOR INTRODUCING NEW INITIATIVES & APPROACHES

A. Trade

1. Organic Certification Programme to facilitate market entry for organic and natural products
2. Packaging Development Programme
3. Development of a Distinct ASEAN Style to brand products and services
4. National Solo Country Exhibition at Permanent Exhibition Hall (PEH) Assistance Programme
5. ASEAN Trade Fair in Japan
6. Trade Facilitation and Cooperation –to facilitate entry of new ASEAN products for exhibition purposes, through the use of "Carnet," especially sensitive products that require stringent import requirements, such as food supplements and other herbal and natural products.

B. Investment

1. Improvement of Industry Standards to attract more foreign direct investments (FDIs)
2. Internship Programme of ASEAN Nationals in Japan in FDI promotion
3. Japanese Expert Attachment Programme in ASEAN governments for FDI promotion, in cooperation with JICA
4. Promotion of ASEAN 11 Priority Sectors as the basis for FDIs
5. Investment Seminars on Cambodia & Laos in Selected ASEAN member countries, where Japanese companies are operating, in cooperation with major Japanese chambers of commerce and industry, among others

C. Tourism

1. Workshops/Seminars on Post-Disaster Management for Tourism Industry (e.g. Tsunami, SARS, Bird flu, terrorism etc.)
2. Conduct of image recovery campaigns on ad-hoc basis for destinations suffering from negative images
3. Facilitation of participation of the Japanese travel trade sector to travel marts/shows in ASEAN member countries
4. Promotion of new potential tourism destinations

5. Enhanced ASEAN tourism promotion activities in minor cities than in major cities of Japan
6. Tie up with major media to have series of ASEAN exposures to the public

3 : NEW IDEAS FOR UTILIZING NEW TECHNOLOGY OF ICT AND MINIMIZING DIGITAL GAP

A. Utilization of ICT in the Centre's Website

1. Introduction of Frontier ICT Technology to the Centre's Website, e.g., 3-D modeling technology for virtual exhibition, as well as migrating it from being information-based to transaction-based web applications
2. Addition of more advanced remote learning technologies and contents to strengthen e-learning as part of capacity building
3. Launch of One-Stop Comprehensive Website for development of a common information gateway, which can serve as the portal for ASEAN trade promotion organizations (TPOs)

B. Bridging the Digital Gap

1. Focus the Centre's ICT Assistance Programme mainly to new ASEAN member countries, especially Cambodia and Laos
2. ICT Technical Assistance Programme to help migrate the websites of ASEAN trade promotion organizations (TPOs) from purely information-based into transaction-based web applications
3. ICT/Website Improvement Programme for Investment

4 : NEW IDEAS FOR BRIDGING INTRA-ASEAN ECONOMIC DISPARITIES

A. Trade

1. ASEAN Sub-Regional Fair at the Permanent Exhibition Hall of the Centre
2. Capacity-Building Programme on SME business enhancement and merchandise development (design awareness) and quality improvement for better and higher market acceptance

B. Investment

In cooperation with the ASEAN Secretariat and based on the Vientiane Plan of Action of 2004, the Centre should undertake selected programmes and activities that could help narrow the developmental gaps among ASEAN member countries through increased investments mostly in new members of the Centre, such as Cambodia and Laos, as follows:

1. Accord special consideration to new members of the Centre, especially Cambodia and Laos, in availing of the Centre's programmes and activities
2. Undertake a benchmarking study to identify these developmental gaps so that appropriate interventions could be made
3. Organize annual discussions on key FDI issues, such as regional integration, FDI development dimension for sustainable growth and to facilitate regional production networks intra-ASEAN as well as with Dialogue Partners
4. Organize investment seminars/workshops to strengthen ASEAN institutional capacity on all investment-related measures as and when required

C. Tourism

1. Programmes with emphasis on ASEAN Sub-Regional Tourism Promotion

D. All Sectors

1. Special ASEAN Exhibition on Trade, Investment and Tourism Programme (showcase)

5 : NEW IDEAS FOR INTRODUCING NEW TECHNOLOGIES AND APPROACHES IN PR ACTIVITIES

- a. Utilization of Internet/video-streaming Broadcasting as a PR tool
- b. PR Activities in ASEAN Countries and Japan to promote ASEAN-Japan relations and the Centre's programmes and activities, e.g., the organization of a caravan of ASEAN Ambassadors in major local cities of Japan to publicize ASEAN-Japan relations
- c. Public Awareness Campaign to promote acceptance of CEP/EPA in Major Cities throughout Japan
- d. Renovation of the General Information Corner of the Centre into an ASEAN Library

6 : NEW IDEAS FOR STRENGTHENING LINKS BETWEEN THE CENTRE AND OTHER ORGANIZATIONS, BOTH PUBLIC AND PRIVATE

- a. Undertake joint programmes and activities that are within each others' respective mandates
- b. Participation in the promotional activities of JETRO's Asian Trade Promotion Forum (ATPF) as an institution, as well as to attend its annual working level meeting in Tokyo and in its annual meeting in a member country, as an observer
- c. Enhancement of promotion of the Centre's activities to Japanese SMEs through governmental trade and investment agencies, chambers of commerce, and METI branch offices
- d. Conduct of a Business Enhancement Seminar and Training (B.E.S.T) Programme for ASEAN SMEs to improve operations, managerial skills and expertise in cooperation with training institutions, both in Japan and in ASEAN member countries
- e. Development of ASEAN SMEs in cooperation with the Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMRJ)

7 : TWO-WAY PROMOTION: TOURISM

- a. Expansion of Website contents
- b. Holding of Japan Tourism Fair in ASEAN to introduce Japanese culture and traditional performing arts
- c. Establishment of a Mutual Exchange Programme for tourism industry personnel

6. Chairperson's Summary Record of
the Third Meeting of the Eminent Persons Committee

Chairperson's Summary Record of the Third Meeting of the Eminent Persons Committee

(April 4-5, 2006, Tokyo)

The Third Meeting of the Eminent Persons Committee (EPC) on the Reform of the ASEAN-Japan Centre (hereinafter "the Centre") was convened on April 4-5, 2006, at the Akasaka Prince Hotel in Tokyo, Japan, under the chairmanship of H.E. Mr. Wisber Loeis, the eminent person of Indonesia.

The list of participants is attached as Annex 1. (not attached)

1. Adoption of Agenda

The Committee adopted the agenda as Annex 2. (not attached)

2. Discussion of the Working Paper on Main Points for Discussion

Various comments and views were expressed on the reform of the Centre based on the Working Paper on main points for discussion. Particularly, the Japanese government's decision to reduce its voluntary contributions by almost 30% was noted with concern. At the same time, an effort on the part of the Japanese government to set up a fund to which the Centre may have access to finance its programs was also noted.

The EPC was of the view that the Centre in its planning and operations requires certainty and predictability of funding. The EPC reiterated its recommendation (paragraphs 31 and 33 of the Final Report) that Japan maintains the level of its contributions to the Centre.

3. Adoption of the Report

The outcome of the discussion was made into the Final Report of the Eminent Persons Committee on the Reform of the ASEAN-Japan Centre (Annex 3) (refer to 1. of this document), which was unanimously adopted by the Committee. The Final Report shall be submitted, through appropriate channels, to the ASEAN and Japanese leaders.