

## **ASEAN-JAPAN DIALOGUE RELATIONS**

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### **Introduction**

ASEAN and Japan first established informal dialogue relations in 1973, which were later formalised in March 1977 with the convening of the ASEAN-Japan Forum. Since then, significant progress has been made in the ASEAN-Japan relations. Cooperation has broadened and deepened, covering political and security, economic and financial, and social and cultural areas.

1. The relations have been further enhanced and strengthened by the signing of the “Tokyo Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium” together with the “ASEAN-Japan Plan of Action” at the ASEAN-Japan Commemorative Summit held in December 2003 in Tokyo, Japan and the adoption of the Joint Statement of the Ninth ASEAN-Japan Summit on the Deepening and Broadening of ASEAN-Japan Strategic Partnership in December 2005 in Kuala Lumpur, Malaysia.

### **Political-Security Cooperation**

2. ASEAN and Japan have deepened and broadened their cooperation to ensure peace, stability and prosperity in the region through mechanisms under the ASEAN-Japan dialogue relations, namely Summit, ministerial meetings, senior officials meetings and meetings at experts level, as well as through dialogue and cooperation frameworks initiated by ASEAN, such as the ASEAN Plus Three (APT) process, ASEAN Regional Forum (ARF), and East Asia Summit (EAS).

3. Japan acceded to the Treaty of Amity and Cooperation (TAC) in Southeast Asia in July 2004 in Jakarta, Indonesia. Japan’s accession to the TAC added importance to the Treaty as a code of conduct governing relations among countries in the region and a diplomatic instrument for the promotion of peace and stability in the region.

4. It also supports ASEAN as the driving force of the regional processes initiated by ASEAN such as APT, ARF and EAS.

5. The Tokyo Declaration and the ASEAN-Japan Plan of Action serve as roadmaps in moving forward ASEAN-Japan relations. They also provide guidance for future cooperation. The documents reflect the commitment of both sides to develop an enduring and comprehensive partnership in the 21st century. ASEAN and Japan have made efforts in implementing measures under the ASEAN-Japan Plan of Action, the results of which were reported to the 8th, 9th, 10th and 11th ASEAN-Japan Summits in November 2004 in Vientiane, Lao PDR, in December 2005 in Kuala Lumpur, Malaysia, in January 2007 in Cebu, Philippines and in November 2007 in Singapore, respectively. The fifth progress report will be submitted to the 12th ASEAN-Japan Summit in October 2009 in Thailand.

6. In view of the fast changing regional and global environment, particularly the emergence of threat posed by transnational crimes and terrorism, ASEAN and Japan have enhanced their cooperation in maintaining peace and stability in the region and in addressing issues on counter-terrorism, anti-piracy and combating other transnational crimes. ASEAN and Japan adopted a Joint Declaration for Cooperation on the Fight against International Terrorism at the 8th ASEAN-Japan Summit in November 2004 in Vientiane.

7. The 10th ASEAN-Japan Summit in January 2007 in Cebu agreed to establish an ASEAN-Japan Eminent Persons Group (EPG) to assess ASEAN-Japan relations over the past 33 years and explore ways and means to deepen and widen the existing cooperation between ASEAN and Japan. The ASEAN-Japan EPG have met three times and would submit its final report with recommendations to the 12th ASEAN-Japan Summit in October 2009 in Thailand.

### **Economic Cooperation**

8. ASEAN and Japan continue to deepen and expand their trade ties. Total trade between ASEAN and Japan expanded by 22.1% from US\$ 173.1 billion in 2007 to US\$ 211.4 billion in 2008. ASEAN exports to Japan increased by 22.8% from US\$ 85.1 billion in 2007 to US\$ 104.5 billion in 2008. ASEAN imports from Japan for the same period also grew from US\$ 87.9 billion to US\$ 106.8 billion or by 21.5%. Japan is the largest trading partner of ASEAN with a share of 12.4% of ASEAN's total trade. <sup>1</sup>

9. On Foreign Direct Investment (FDI) inflow to ASEAN, the FDI flows from Japan declined 8.4% from US\$ 8.3 billion in 2007 to US\$ 7.7 billion in 2008. Among ASEAN's Dialogue Partners, Japan ranked as the second largest source of FDI flows to ASEAN. <sup>2</sup>

10. ASEAN and Japan signed the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) in April 2008. The AJCEP Agreement is comprehensive in scope, covering trade in goods, trade in services, investment and economic cooperation. The AJCEP would strengthen the economic ties between ASEAN and Japan and would create a larger and more efficient market with greater opportunities in this region. The Agreement entered into force on 1 December 2008. As of July 2009, Brunei Darussalam, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, Viet Nam and Japan have ratified the Agreement.

11. The ASEAN-Japan Centre was established in May 1981 based on the Agreement Establishing the ASEAN Promotion Centre on Trade, Investment and Tourism signed by the governments of the Association of Southeast Asian Nations (ASEAN), (then consisting Indonesia, Malaysia, Philippines, Singapore and Thailand) and Japan. Later, Brunei Darussalam (June 1990), Viet Nam (February 1998), Cambodia (June 2001), Lao PDR (March 2002) and finally, Myanmar (April 2006) officially acceded to the Agreement. The Tokyo-based Centre plays a pivotal role to

promote an increase of exports, flow of investment and tourism in the economic development between Japan and ASEAN Member States.

12. ASEAN-Japan Commemorative Summit in December 2003 called for reform of the ASEAN-Japan Centre to strengthen its functions, and widen and deepen its scope of activities. The ASEAN-Japan Eminent Persons Committee (EPC) on the reform of the ASEAN-Japan Centre was established in 2005 and finalised its report in April 2006. The final report was submitted to the 10th ASEAN-Japan Summit in January 2007 in Cebu. The Summit noted the recommendations and instructed relevant Ministers and Senior Officials to undertake the reform of the Centre (including the amendments to the Agreement) based on the EPC's recommendations. The Council of Directors of the Centre reached an agreement on the amendments to the Agreement Establishing the ASEAN-Japan Centre in November 2007.

13. The proposed Amendments to the Agreement Establishing the ASEAN Promotion Centre on Trade, Investment and Tourism are currently going through the domestic procedure for acceptance or ratification by the signatories. To date, Lao PDR, Philippines, Brunei Darussalam, Cambodia, Singapore, Thailand and Japan have ratified and accepted the Amendments.

### **Socio-Cultural Cooperation**

14. In addition to being one of ASEAN's most important economic partners, Japan is also a major contributor to development cooperation activities in ASEAN. Japan continues to support ASEAN integration and community building efforts. Japan has provided technical assistance to ASEAN through the funding support of Japan-ASEAN Integration Fund (JAIF), Japan-ASEAN Exchange Programme (JAEP) and the Japan-ASEAN General Exchange Fund (JAGEF).

15. In order to better manage the utilisation of ASEAN-Japan cooperation funds, ASEAN and Japan have agreed to merge JAEP and JAGEF into JAIF and revise JAIF guidelines, incorporating elements from the JAEP and JAGEF guidelines. The consolidation of the Funds was completed in July 2008.

16. The JAIF was established to support ASEAN integration and strengthen ASEAN-Japan relations. There are various components under JAIF through which Japan is providing support and assistance to ASEAN. Among others, the components are East Asia Youth Exchange, ASEAN Japan Comprehensive Economic Partnership, Disaster Management and Emergency Response in the ASEAN Region, Emergency Assistance Related to Financial Crisis in the ASEAN Region and Japanese Language Training Courses for Nurses and Certified Careworkers.

17. ASEAN and Japan have placed emphasis on people-to-people contacts and cultural exchanges, particularly among the youth and intellectuals, with a view to foster a sense of togetherness, mutual respect and understanding of each other's traditions and values. The youth exchange programme in East Asia entitled "Japan-East Asia Network of Exchange

for Students and Youths” (JENESYS) was initiated by Japan and supported by JAIF. The JENESYS was launched in November 2007.