

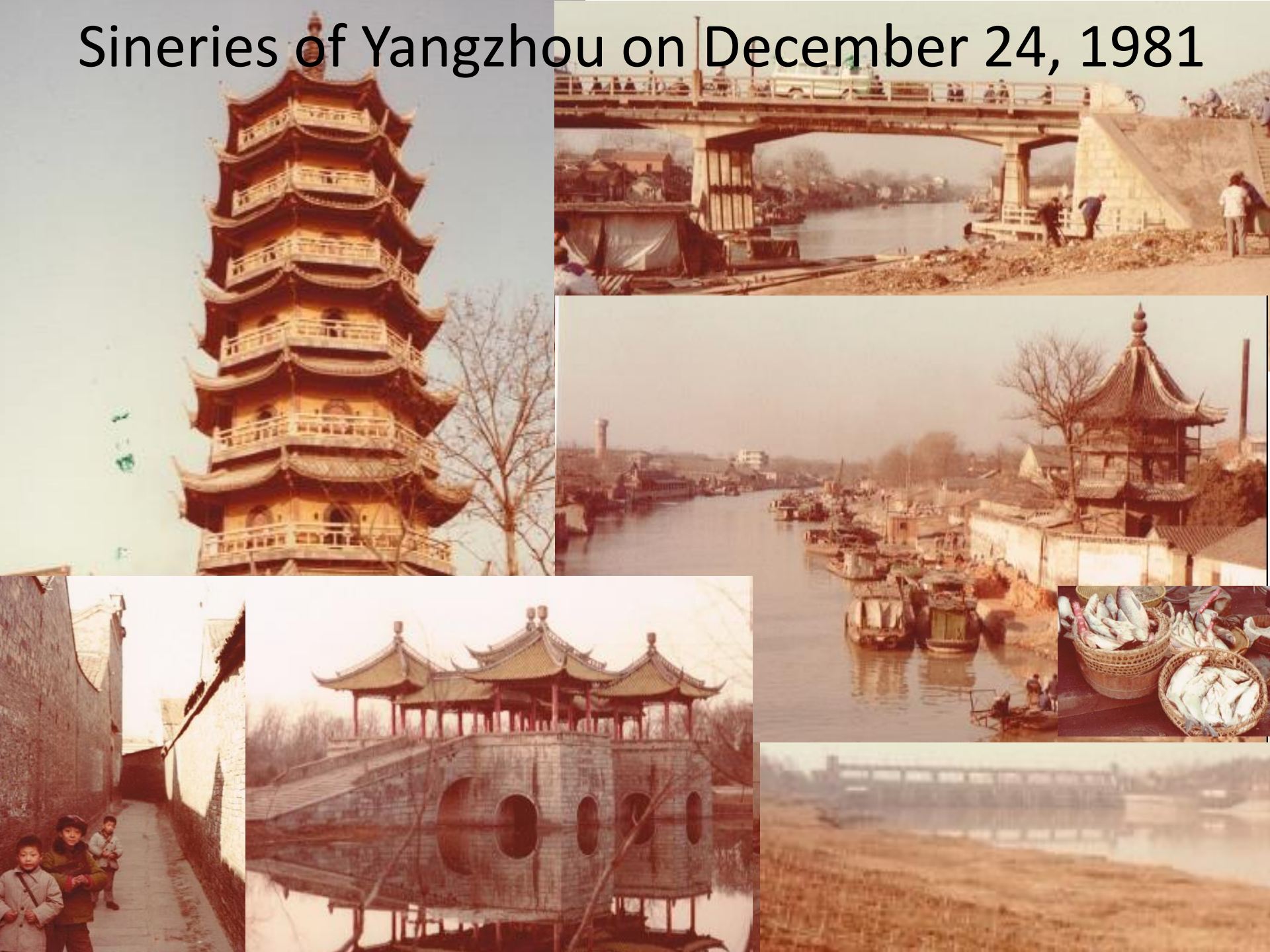
**International Symposium on
“Connecting the Connectivities in Asia-Pacific”**

**Connectivity and regional integration:
Japan’s experience**

September 27, 2016

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Japan International Cooperation Agency (JICA)**

Sineries of Yangzhou on December 24, 1981



View of the City from Wenfeng Tower on December 24, 1981

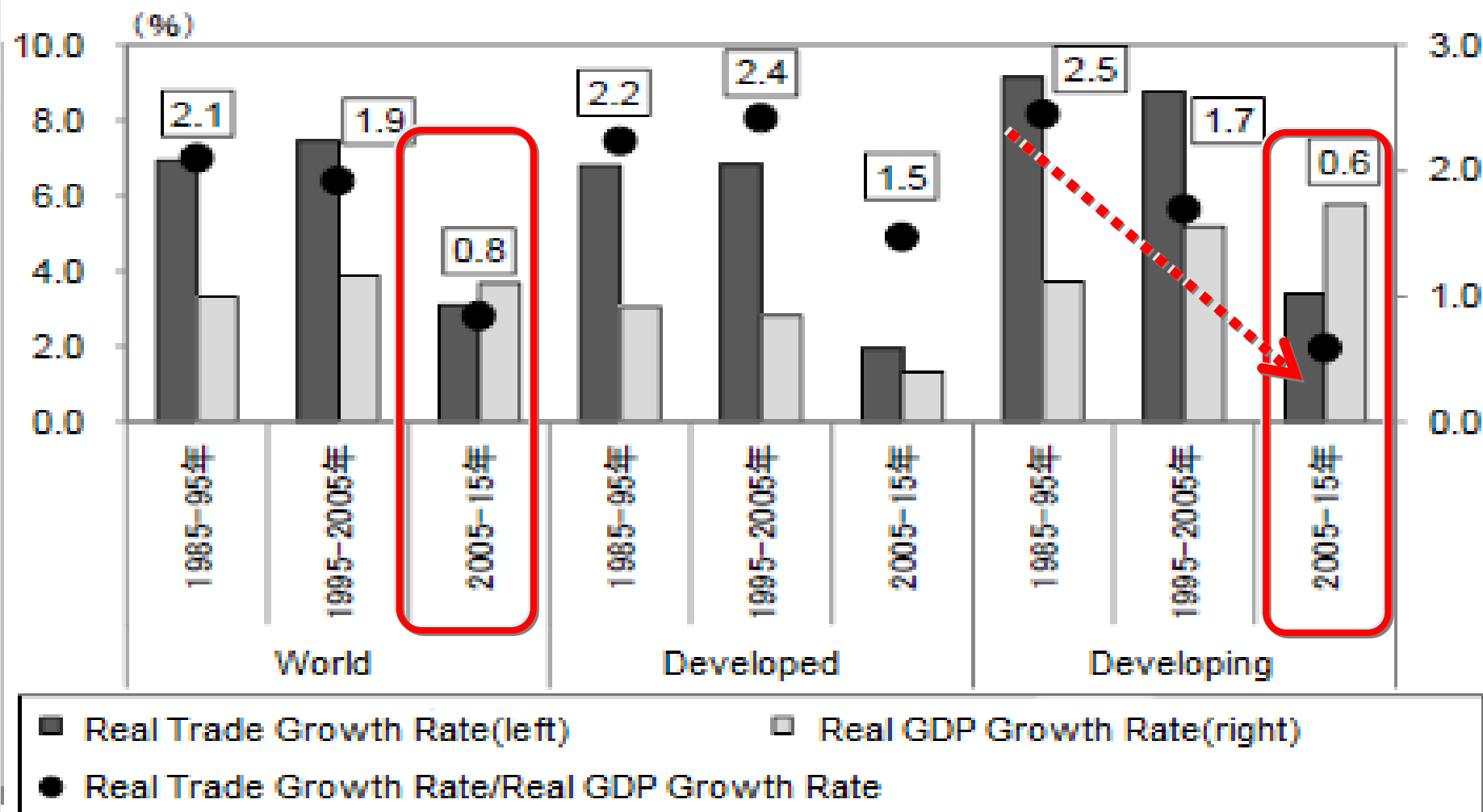


Outline of the Presentation

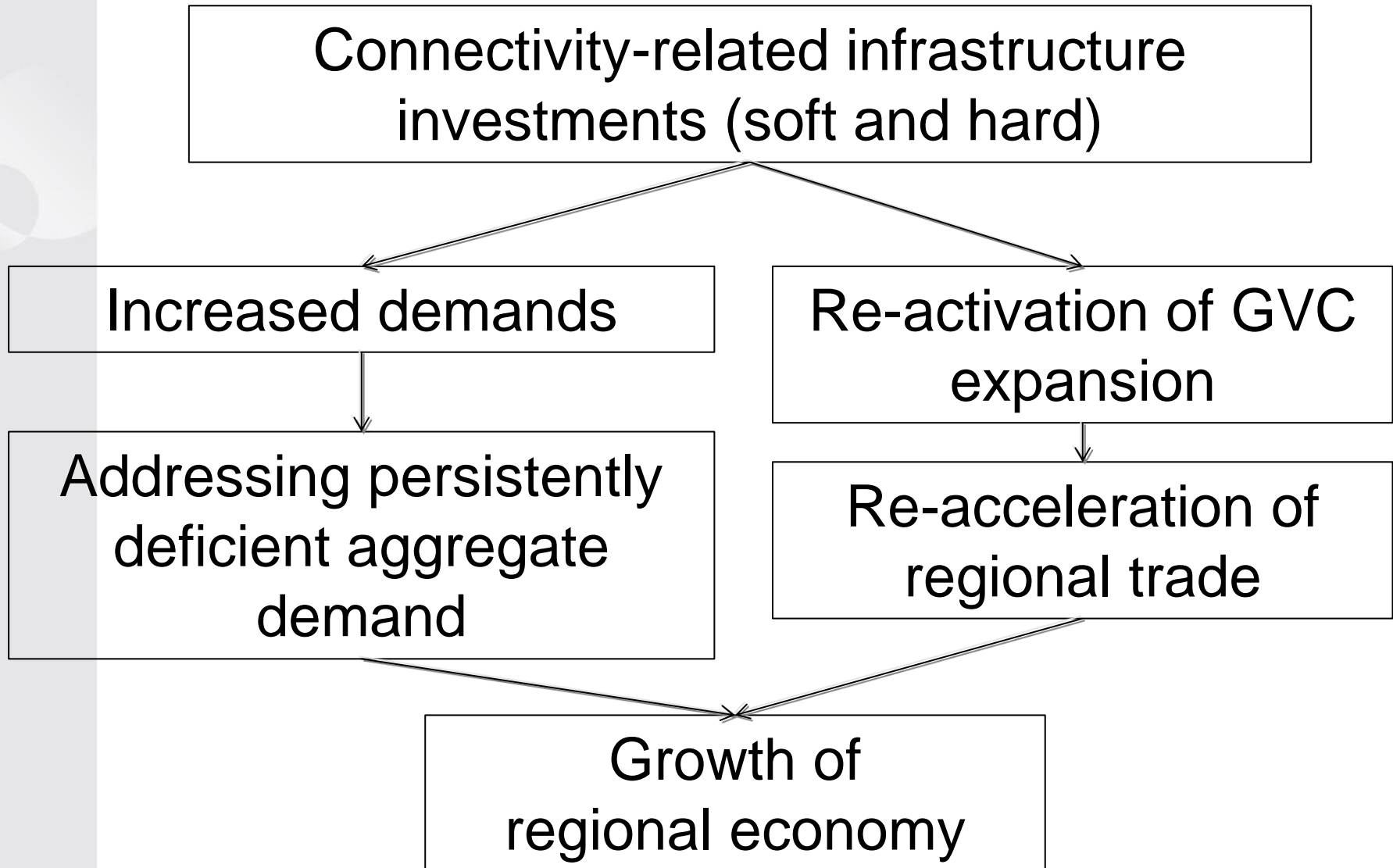
1. Connectivity and the regional economy
2. Japan's experience of "Pacific Ocean Belt Zone" Initiative
3. Connectivity enhancement: cooperation with China
4. Connectivity enhancement: cooperation with ASEAN Countries

Slow trade becomes apparent in emerging and developing economies

Growth of Trade vs. Growth of Economy

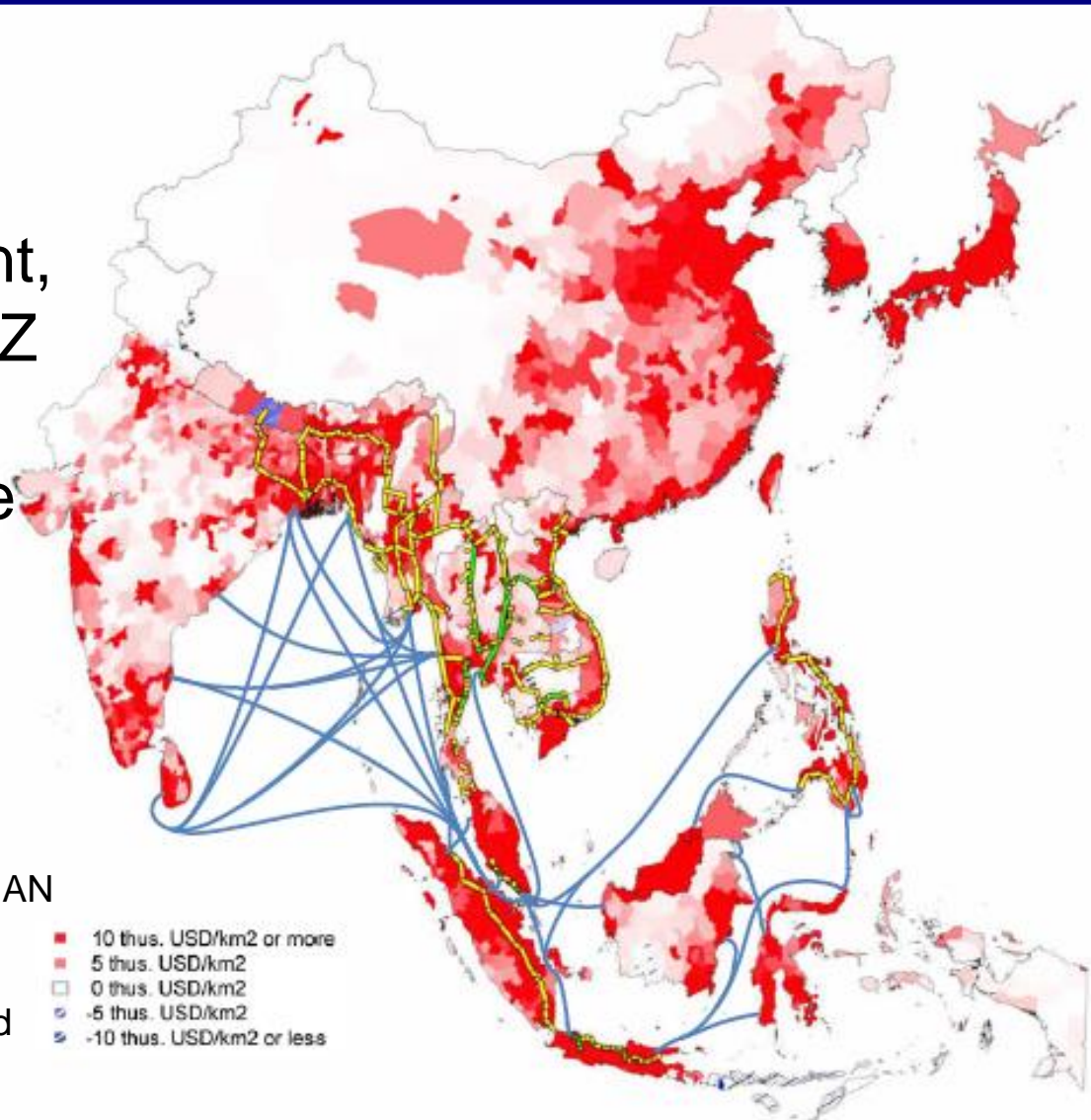


Connectivity & the regional economy



Economic impact of infrastructure development (soft and hard) in Asian region

A 10-year (2021–2030) cumulative impact of infrastructure development, reduction in NTB, and SEZ development is shown as *Impact density*, that is, the impact in US dollars divided by area.

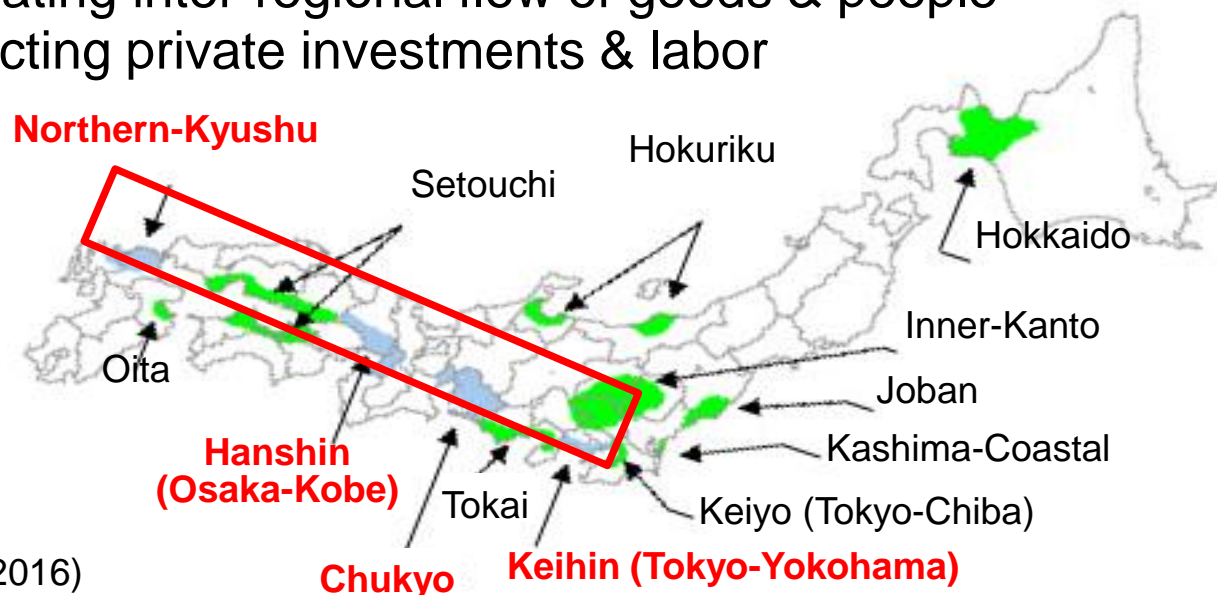


Source: Economic Research Institute for ASEAN and East Asia (ERIA). 2015. “The Comprehensive Asia Development Plan 2.0 (CADP 2.0): Infrastructure for Connectivity and Innovation.” p.145

Basic Idea behind the Initiative

Connecting 4 industrial zones to accelerate growth in line with the Income- Doubling Plan

- Double-digit growth for 10yrs (1960-70) under the 'Income Doubling Plan'
- **'Pacific Ocean Belt Zone'**
 - Proposed under Industrial Zoning Committee of Economic Council
 - To overcome the bottlenecks between 4 major industrial zones
 - Fueled the growth through;
 1. Activating inter-regional flow of goods & people
 2. Attracting private investments & labor

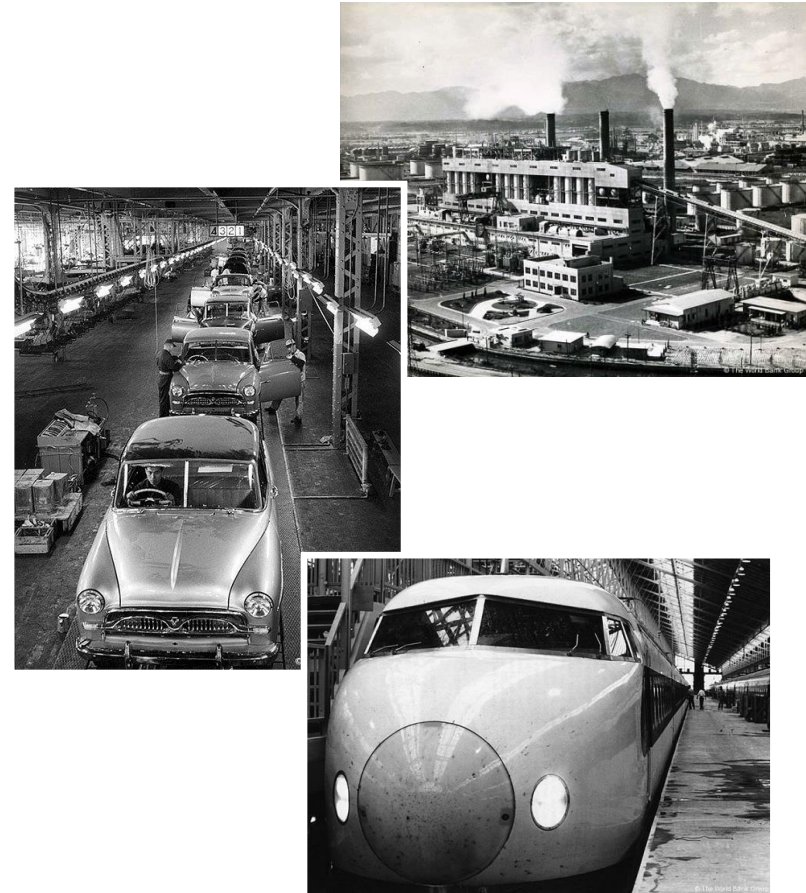


“Pacific Ocean Belt Zone” Initiative

World Bank loans for Infrastructures along the Belt

Project Title	Commitment	Approval	Belt (*)
Kansai Power Project	21.5	15-Oct-53	XX
Kyushu Power Project	11.2	15-Oct-53	X
Chubu Power Project	7.5	15-Oct-53	XX
Nippon Steel Project	5.3	25-Oct-55	X
Industry Project	8.1	21-Feb-56	XX
Agriculture Project	4.3	14-Dec-56	
Kawasaki	20.0	14-Dec-56	XX
Aichi Water Project	7.0	8-Aug-57	XX
Kawasaki Project (02)	8.0	28-Jan-58	XX
Kansai Power Project (02)	37.0	12-Jun-58	X
Hokuriku	25.0	26-Jun-58	
Sumitomo	33.0	9-Jul-58	XX
Kobe Steel Project	10.0	14-Aug-58	XX
Nippon Kokan Steel Project	22.0	9-Sep-58	XX
Chubu - Hatanagi Hydroelectric Project	29.0	9-Sep-58	X
Miboro Project	10.0	16-Feb-59	X
Nippon Steel Project - Hirohata	24.0	10-Nov-59	XX
Nippon Steel Project - Tobata	20.0	10-Nov-59	X
Amagasaki - Ritto Expressway Project	40.0	15-Mar-60	X
Kyushu Power Project (02)	12.0	15-Mar-60	X
Kawasaki (03)	6.0	16-Dec-60	XX
Sumito (02)	7.0	16-Dec-60	XX
New Tokaido Line Project	80.0	1-May-61	X
Expressway Project (02)	40.0	28-Nov-61	X
Expressway Project (03)	75.0	24-Sep-63	X
Expressway Project (04)	50.0	21-Apr-64	X
Haneda - Yokohama Expressway Project	25.0	22-Dec-64	XX
Kuzuryu Project	25.0	12-Jan-65	X
Expressway Project (05)	75.0	25-May-65	X
Kobe Expressway Project	25.0	9-Sep-65	XX
EXPRESSWAY III	100.0	28-Jul-66	X
Total	862.9		
(of which X+XX)	833.6	(96.6%)	

Source: Okamura (2016)



Note:

Unit for the committed amount: USD mn

(*) XX: Within 3 major metropolitan areas

X: Within Pacific Ocean Belt Zone or contributed to the development of the zone

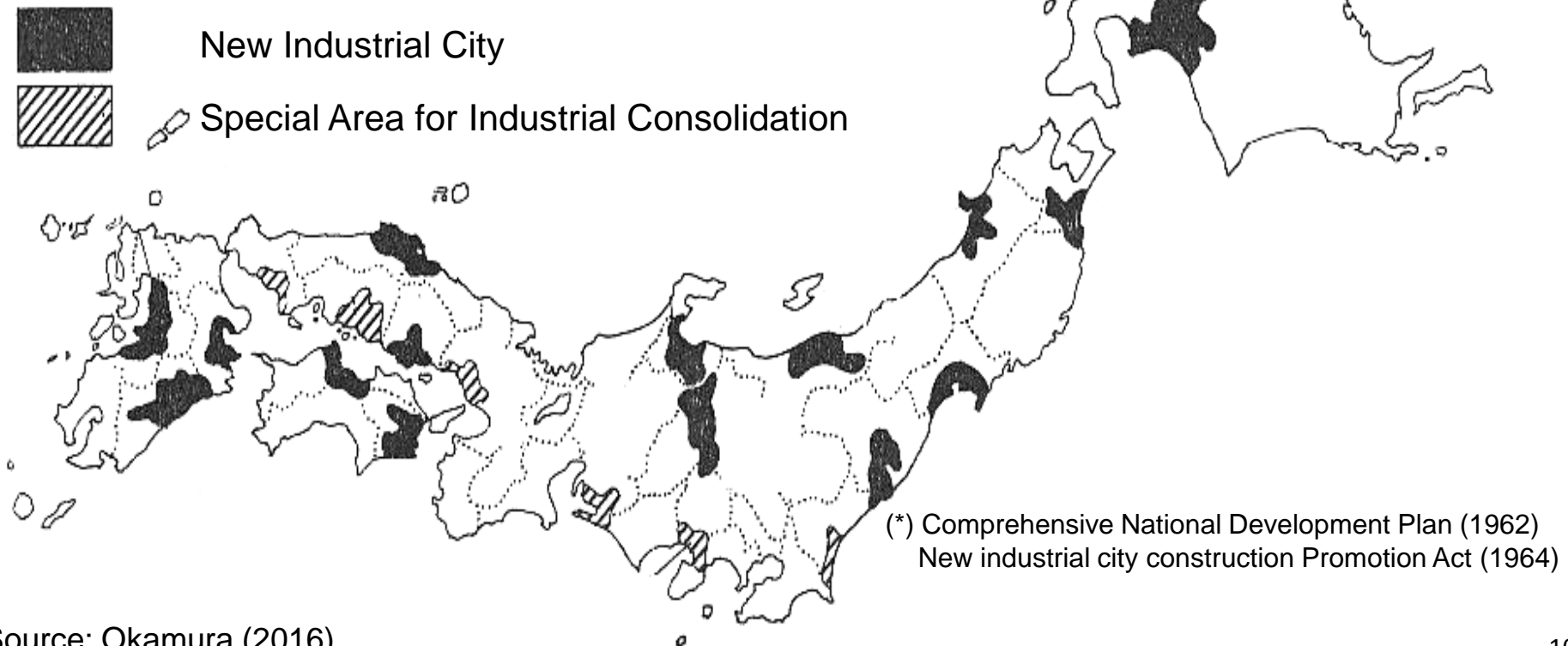
Source: World Bank

Japan International Cooperation Agency

“Pacific Ocean Belt Zone” Initiative

Balanced Growth: Balanced Industrial Development

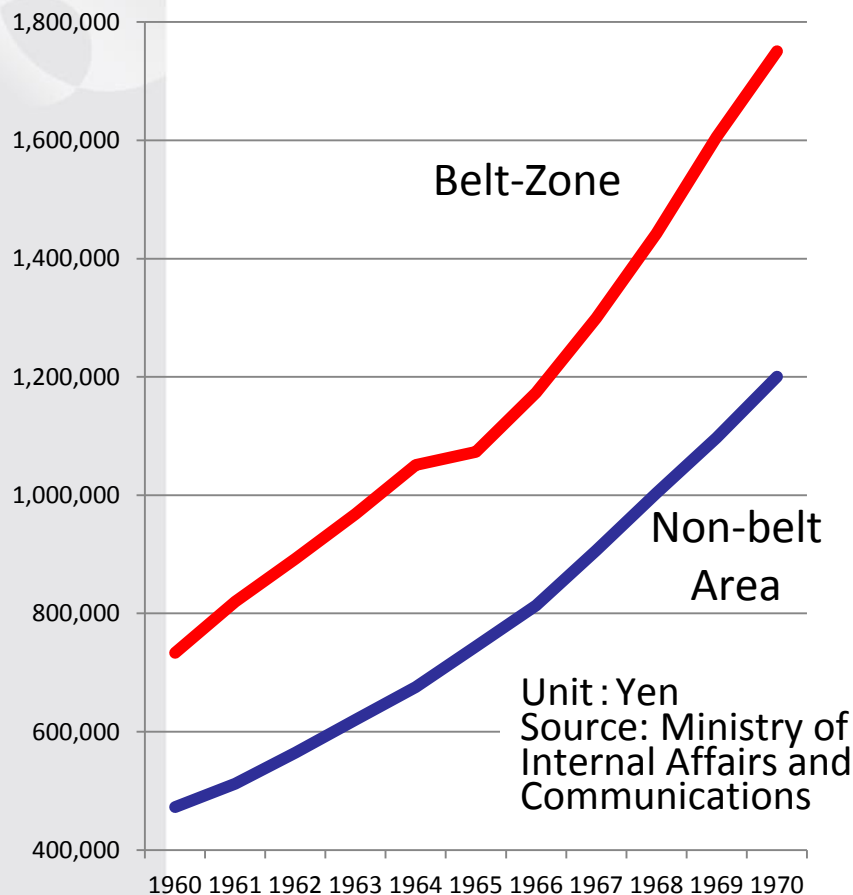
The need to correct regional disparities was emphasized in the Comprehensive National Development Plan in 1962.



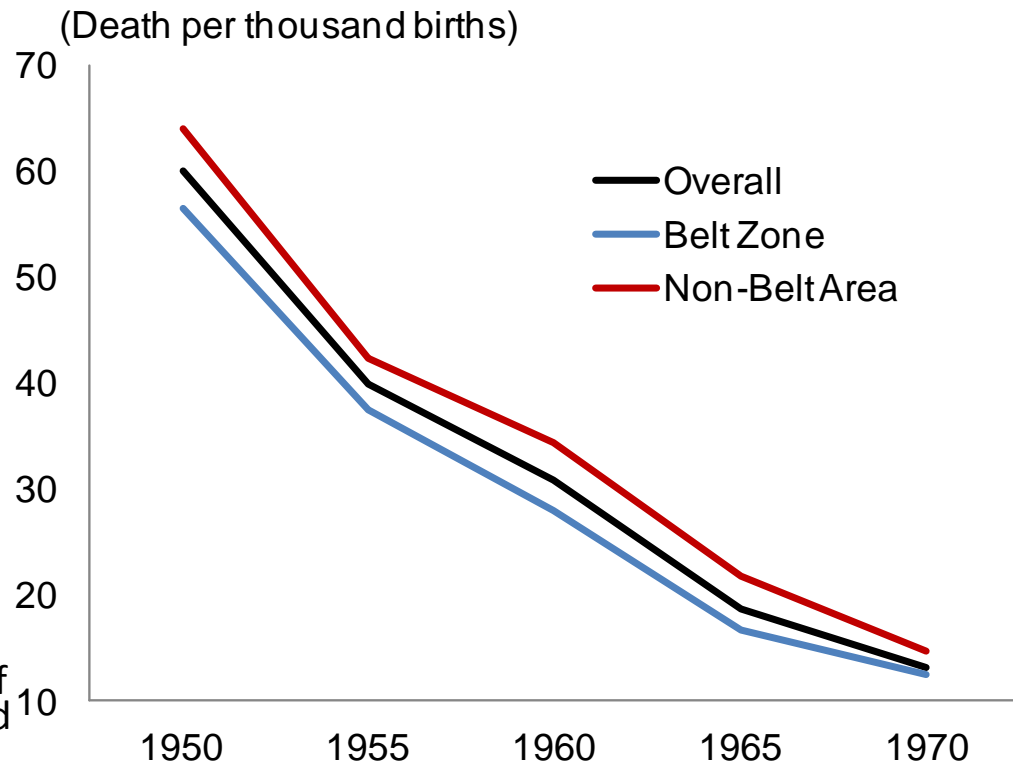
“Pacific Ocean Belt Zone” Initiative

Balanced Growth: Equitable Development

Gross National Expenditure per capita



Infant Mortality Rate



Source: Ministry of Internal Affairs & Communications

“Pacific Ocean Belt Zone” Initiative

Negative Legacy: Pollutions



“Pacific Ocean Belt Zone” Initiative

Three takeaways from Japan's experience on the Pacific Ocean Belt Zone

1

‘Belt’ has accelerated industry accumulation

2

Care for Non-belt Areas necessary for balanced growth

3

Negative side-effects also need to be managed

Connectivity enhancement: Cooperation with China

Role of Japanese Experts in China's development policies

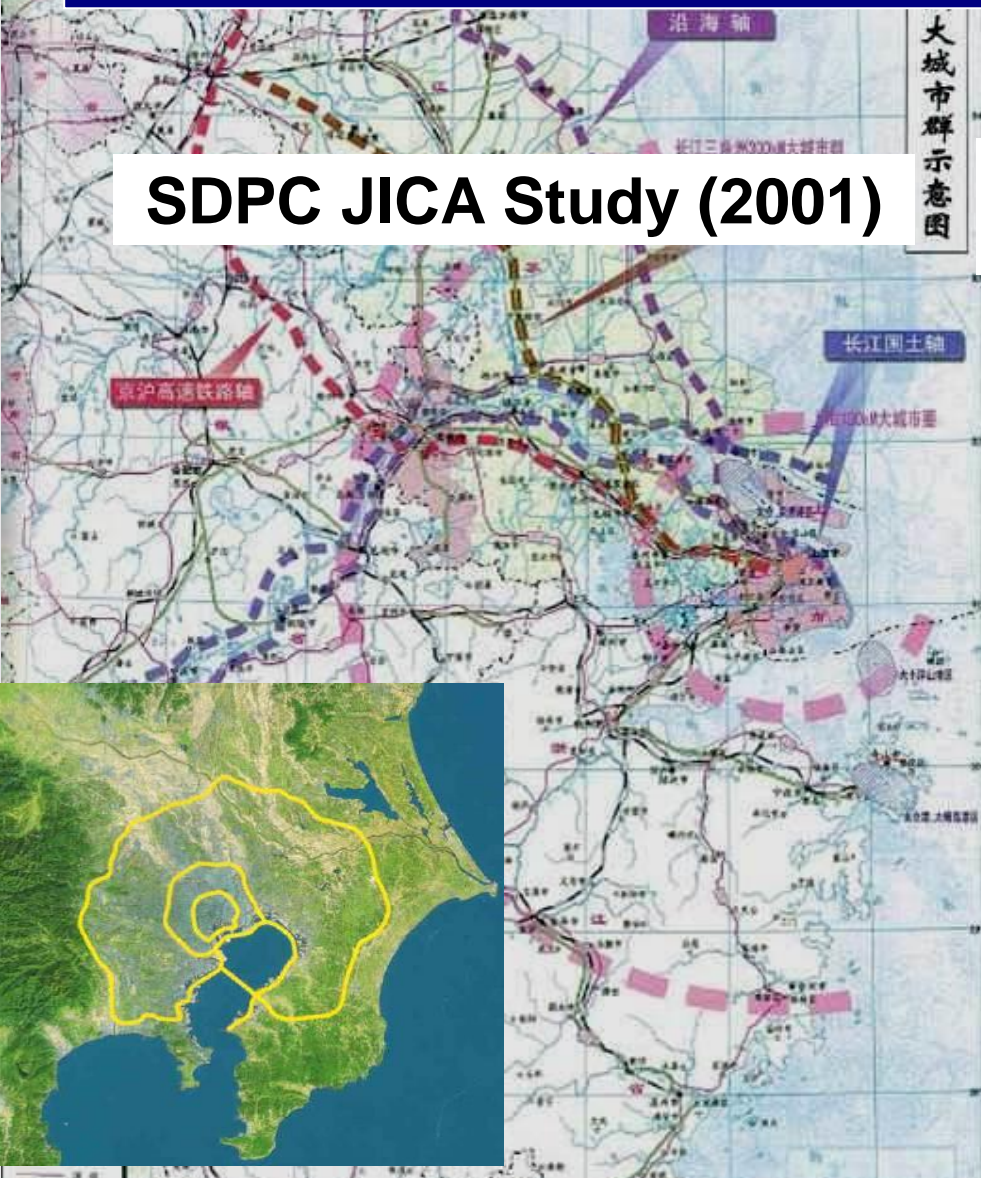
In early 1980's, then-President of National Institute for Research Advancement (総合開発研究機構: NIRA), **Dr. Atsushi Shimokobe**, the mastermind of Japan's Comprehensive National Development Plans, made a field trip to Shanghai and neighboring provinces, and presented the concept of **Shanghai Economic Zone(上海経済圏)** to China's national and local leaders such as the then-Shanghai Mayor, **Mr. Wang Daohan (汪道涵)**.



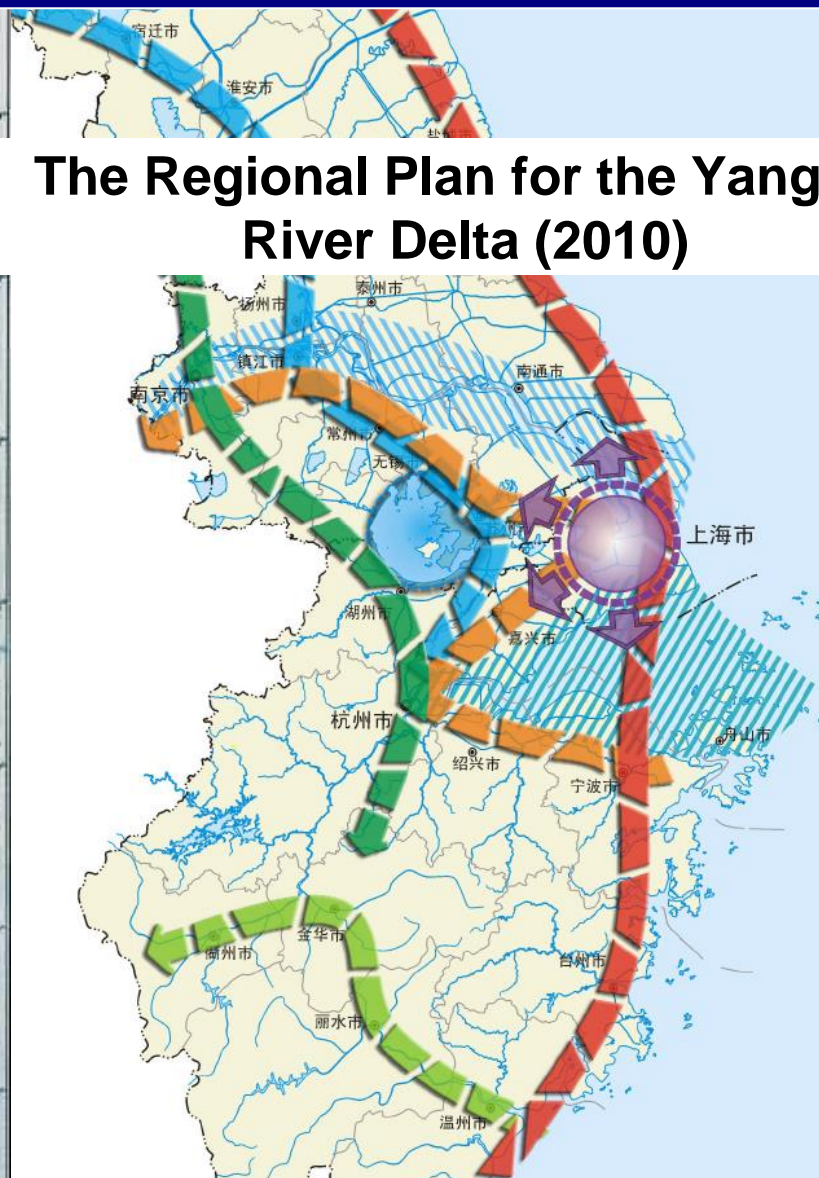
Connectivity enhancement: Cooperation with China

NDRC JICA Joint Study on China's Urbanization Policy

SDPC JICA Study (2001)



The Regional Plan for the Yangtze River Delta (2010)



Source: SDPC and JICA (2001) Urbanization: Theme of China's Modernization

<http://zfxgk.ndrc.gov.cn/PublicItemView.aspx?ItemID=%7B41562019-3e9f-4658-bbaf-091ef4f041ee%7D>

Connectivity enhancement: Cooperation with China

Infrastructure development in Shanghai

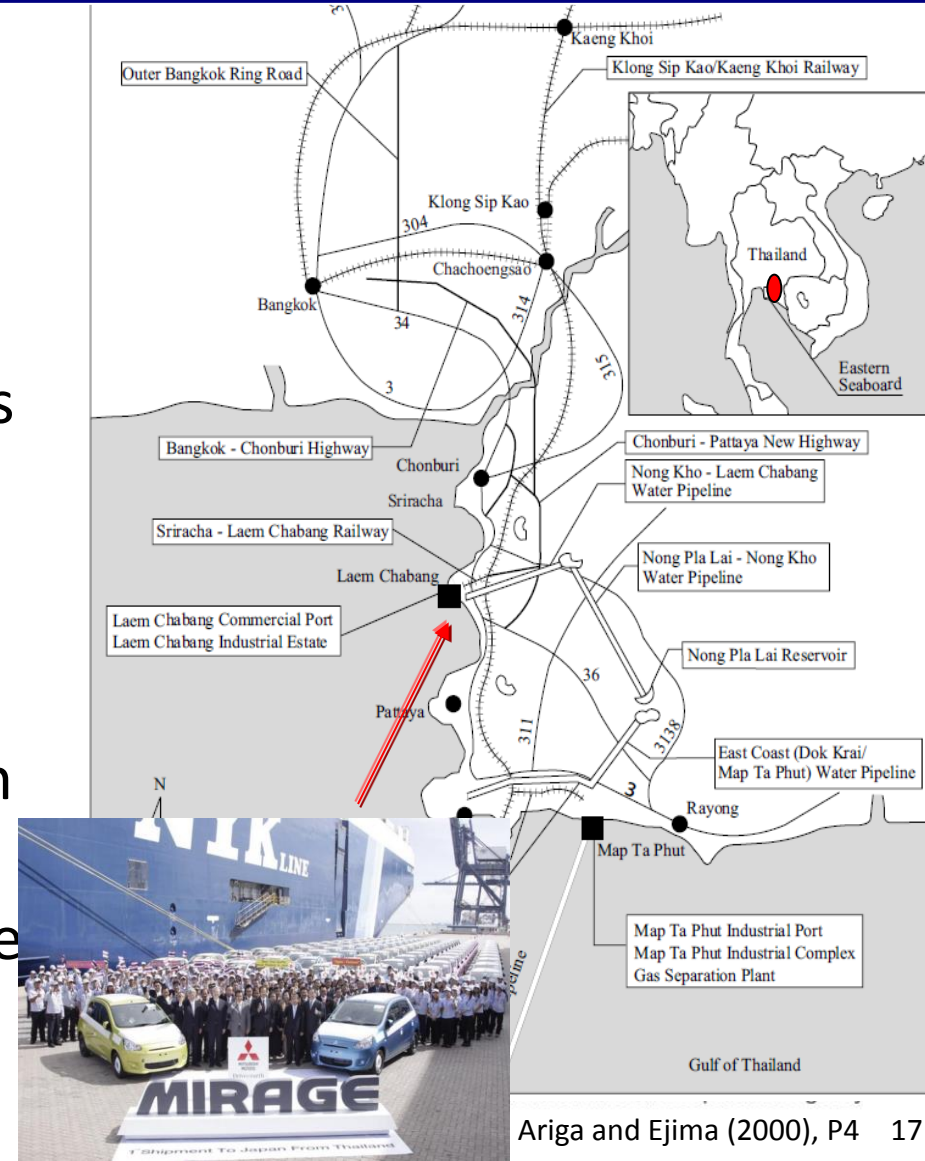
Japan also supported a number of infrastructure projects in Shanghai through technical cooperation and ODA Loans. Projects such as **Pudong International Airport** contributed to enhancing physical connectivity of Shanghai.



Connectivity enhancement: Cooperation with ASEAN Countries

Infrastructure development catalyzed FDI in Eastern Seaboard, Thailand

- ▶ Support Thai government's export promotion policy through the provision of ODA loans for infrastructure development including improving physical connectivity (ports, roads, railways etc.) + One Stop Service of FDI approval + Industrial estates constructed by Thai developers
- ▶ Formation of export-oriented automobile industrial clusters with 360,000 job creation
- ▶ Environmental considerations have been enhanced



Source: Shimomura (2014), http://www.mitsubishi-motors.com/publish/pressrelease_jp/corporate/2012/news/detail4592.html
<http://pattaya-times.com/images/en/7800.jpg>

Inclusive approach and human resource development

Rural development and human resource development in Thailand



Small scale irrigation programs

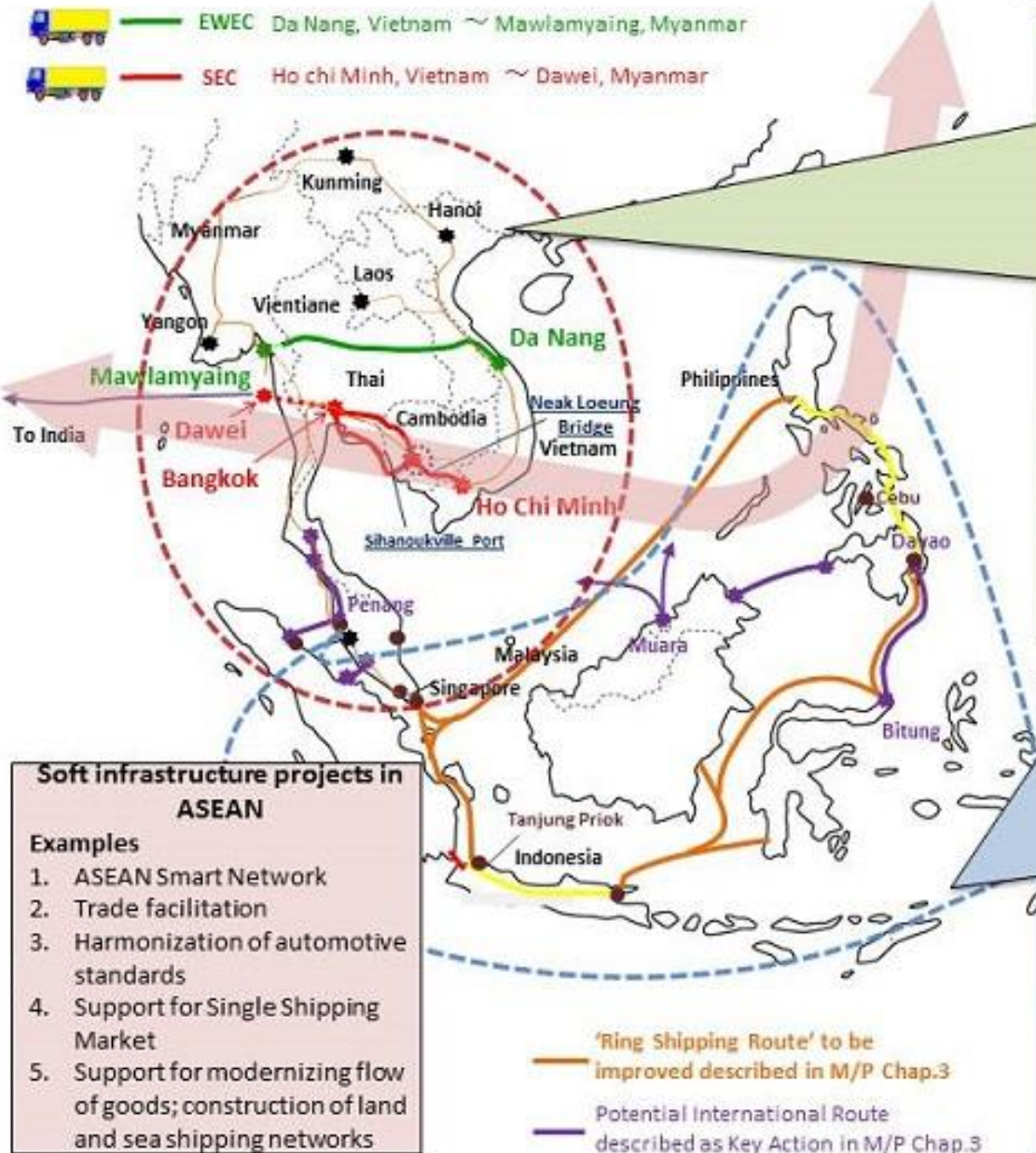


Vocational education projects

Japan's cooperation on ASEAN Connectivity

Source: Mission of Japan to ASEAN (2016)

Support for enhancing connectivity in the ASEAN region



<Vital Arteries of the Land Corridors> (EWEC & SEC)

Hard infrastructure development in the Mekong region connecting the South China Sea and the Indian Ocean. Support rehabilitation of the **"South Corridor"** connecting Ho Chi Minh, Phnom Penh, Bangkok and Dawei & **"East-West Corridor"** extending from Da Nang to Mawlamyaing. Develop both corridors to enable overland access across the Indochina Peninsula and significantly ease the transportation and distribution of goods.

Sample Projects

1. Missing Link Rehabilitation (e.g. Neak Loeung Bridge in Cambodia, South-North & Vietnam, central highway)
2. Port Development (e.g. Cai Mep-Thi Vai International Port in Vietnam, Sihanoukville Port Multipurpose Terminal in Cambodia, etc.)

<Maritime ASEAN Economic Corridor>

Consolidate connectivity by developing the ports, port-associated industries as well as energy and ICT network targeting cities in Malaysia, Singapore, Indonesia, Brunei and the Philippines.

Sample Projects

1. Development of the Roll-on/Roll-off (RoRo) Network and short-sea shipping (Philippines, Indonesia, etc.)
2. Development of the vessel traffic service systems (Indonesia, etc.)
3. Expansion work on Port Tanjung Priok (Indonesia)
4. Interconnecting electric power cables from Java to Sumatra, etc. (Indonesia, etc.)

Physical connectivity: Formation of the Vital Artery for East-West and Southern Economic Corridors



Quality Infrastructure: Construction of Neak Loeung (Tsubasa) Bridge



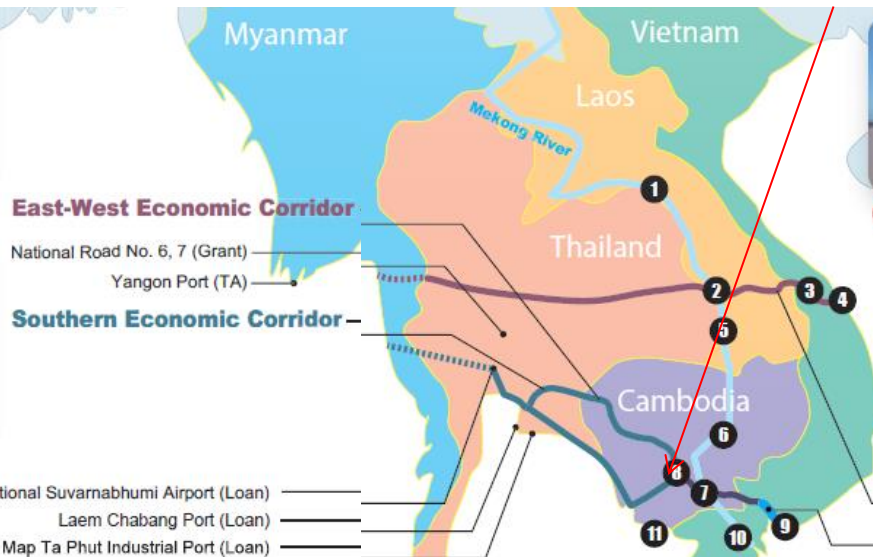
1 Bridge on Route 13 Rehabilitation (Grant)



2 2nd Mekong International Bridge (Loan)



3 Hai Van Tunnel (Loan)



East-West Economic Corridor

National Road No. 6, 7 (Grant)

Yangon Port (TA)

Southern Economic Corridor

Bangkok International Suvarnabhumi Airport (Loan)

Laem Chabang Port (Loan)

Map Ta Phut Industrial Port (Loan)



5 Pakse Bridge (Grant)



6 KIZUNA Bridge & National Road No.6-7 (Grant)



7 Neak Loeung Bridge (Grant)



8 National Road No.1 (Grant)



9 Cai Mep Thi Voi Port (Loan)



10 Can Tho Bridge (Loan)



11 Sihanoukville Port (Loan)

Institutional Connectivity: JICA's cooperation on customs & trade facilitation

Introduction of NACCS
(Nippon Automated Cargo
and Port Consolidated
System) in Vietnam



Authorized Economic Operator (AEO)
Mutual Recognition Arrangement (MRA)

4 Party Cooperation Mechanism

JMOF

JICA

ADB

WCO

Asia Cargo Highway

Single Window

Authorized Economic Operator System

Customs modernization

*Seamless logistics flows
between Japan and ASEAN*

Asia Cargo Highway

AEO and MRA;
Single Window and
System International
Interoperability

Risk Management; Compliance
Scheme; Electric Clearance
System Coordinated Border
Management

ASEAN Economic Community Blueprint Actions

Establishing National Single Window
ASEAN6: by 2008, CLMV: by 2012

Establishing ASENA Single Window by 2015

Modernize customs techniques with simple and
harmonized customs procedures

Establish a regional trade facilitation cooperation
mechanism

ASEAN University Network / Southeast Asia Engineering Education Development Network (AUN/SEED-Net) 1/2

People to People Connectivity: Network of 40 engineering universities in ASEAN and Japan

Project Outline

The project has been implemented since 2001 aiming at developing engineering human resources required for social and economic development of ASEAN through educational and research capacity enhancement of Member Institutions in ASEAN, and strengthening a network among Member Institutions and Japanese Supporting Universities. Currently Phase III of the project (March 2013-March 2018) is being implemented.

Achievement

1. Improvement of Quality of Academic Staff

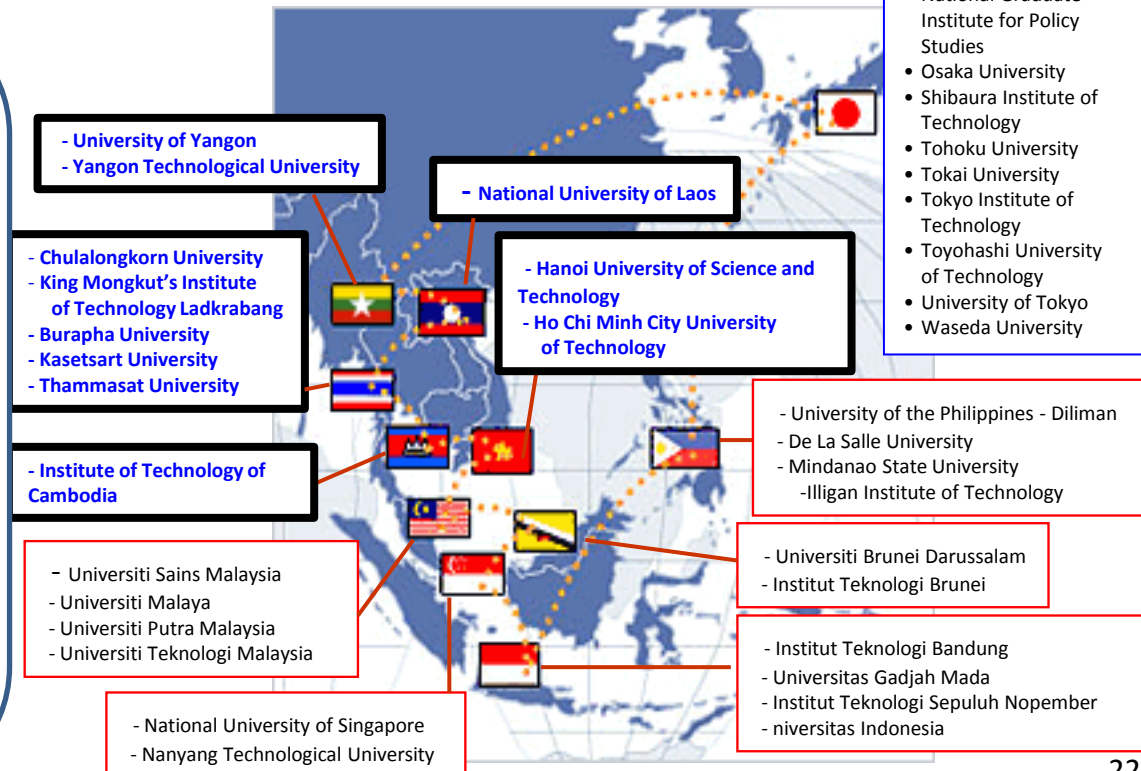
About 900 academic staff at Member Institutions have obtained opportunities to study for master's degree and/or Ph.D. at leading Member Institutions in the region or Supporting Universities in Japan.

2. Improvement of Quality of Research

Research capacity of academic staff at Member Institutions has been strengthened by collaborative research with Supporting Universities in Japan and implementation of academic seminars/conferences. More than 700 collaborative research projects have been undertaken and more than 1000 academic papers have been published.

3. Establishment of Network

A human resources network has been developed by the project, and participated by 400 ASEAN and 200 Japanese academic staff. An international academic journal has been published since 2011.



**ASEAN University Network /
Southeast Asia Engineering Education
Development Network
(AUN/SEED-Net) 2/2**

