

発表資料

公開フォーラムの発表資料（パワーポイントスライド、トーキングポイント・メモを活用したスピーカー分のみ）

Session 1 : A sustainable and inclusive economy

- ① Josef T Yap

Session 2 : The International Economic Framework

- ① Ahn Choong-Yong
- ② Vo Tri Thanh

Session 3 : Regional Economic Integration

- ① Murray McLean
- ② Shujiro Urata
- ③ Man-Jung Mignonne Chan

Promoting Sustainability through Green Fiscal Recovery Measures

Josef T. Yap

03-04 December 2020

Major References

- Hepburn, C., O’Callaghan, B., Stern, N., Stiglitz, J., & Zenghelis, D. (2020). Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?. *Oxford Review of Economic Policy*, 36.
- International Energy Agency. (2020). *Sustainable recovery: World energy outlook special report*. Retrieved from: <https://www.iea.org/reports/sustainable-recovery>
- Khanna, M. (2020). COVID - 19: A cloud with a silver lining for renewable energy?. *Applied Economic Perspectives and Policy*.

Economic Impact of Pandemic

- Possible triple whammy: demand shock, supply shock, financial shock
- Philippines: estimated 9.1% decline in GDP, 5.9% decline in power consumption
- Unemployment rate in July 2020: 10% (July 2019: 5.4%)
- Silver lining: Globally, GHG emissions estimated to fall by 8 per cent or 2.6 GtCO₂ in 2020, highest historical decline in absolute terms

Fiscal Rescue Measures

- Direct provision of basic needs
- Targeted direct cash transfers or temporary wage increases
- Liquidity support for households and businesses
- Rent, tax and interest payment deferrals
- Expand access to health care

Fiscal Recovery Measures

- Accelerate infrastructure spending
- Tax cuts
- Worker retraining
- Rural support policies (e.g. agriculture subsidies)

Green Fiscal Recovery Measures (Hepburn, et al. 2020)

- Clean physical infrastructure (e.g. solar and wind energy projects, modernizing grids)
- Building efficiency retrofits
- Investment in education and training
- Natural capital investment (e.g. parks and mangrove forests)
- R&D in clean energy

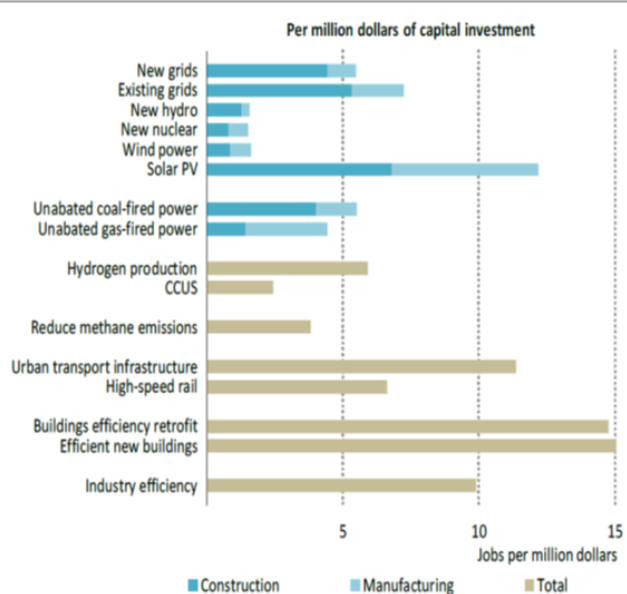
Response to COVID-19 Pandemic

Table 2.1 ▶ Energy sector measures analysed

Sector	Measure
Electricity	<ul style="list-style-type: none"> Expand and modernise grids Accelerate the growth of wind and solar PV Maintain the role of hydro and nuclear power Manage gas- and coal-fired power generation
Transport	<ul style="list-style-type: none"> New vehicles Expand high-speed rail networks Improve urban infrastructure
Buildings	<ul style="list-style-type: none"> Retrofit existing buildings and more efficient new constructions More efficient and connected household appliances Improve access to clean cooking
Industry	<ul style="list-style-type: none"> Improve energy efficiency and increase electrification Expand waste and material recycling
Fuels	<ul style="list-style-type: none"> Reduce methane emissions from oil and gas operations Reform fossil fuel subsidies Support and expand the use of biofuels
Strategic opportunities in technology innovation	<ul style="list-style-type: none"> Hydrogen technologies Batteries Small modular nuclear reactors Carbon capture, utilisation and storage

Response to COVID-19 Pandemic

Figure 2.1 ▶ Construction and manufacturing jobs created per million dollars of capital investment and spending by measure



감사합니다

Maraming Salamat!!!

Terima Kasih

ขอบคุณครับ

ありがとう

धन्यवाद

Cảm ơn rất nhiều

ຂອບໃຈຫລາຍໆ

謝謝你。

សូមអរគុណ

ကျေးဇူးတင်ပါတယ်။

THANK YOU !!!

Joint writing of international norms and rules post–COVID for trading systems in Asia-Pacific

By Ahn, Choong Yong

Distinguished Professor of Economics, Graduate School of International Studies, Chung-Ang University

The trade landscape in Asia-Pacific post-Covid is likely to be shaped by four major factors: 1) when and how the Covid pandemic is fully controlled, 2) when the recently concluded RCEP becomes effective and how many new members will enter the expanded CPTPP, 3) how the ongoing trade conflict between the U.S.-China will unfold under the Biden administration, 4) whether action-oriented collective leadership to safeguard a liberal trade order can be established.

Against this backdrop, writing norms and rules for intra-regional trade and investment post-COVID could be approached with a top-down institutional arrangement, such as regional FTAs, or bottom-up, local-to-local, private-to-private interaction architecture.

Whatever the norms and rules for post-Covid regional trade, they need to adhere to the fundamental principles of the GATT/WTO – the most favored clause among nations for non-discriminatory trade policies and

national treatments for imported goods and services with respect to internal taxation or other government regulations beyond borders.

Henry Kissinger has said that Covid-19 will alter the world order forever. The pandemic does not recognize national borders. Any exit strategy can be fully effective only through concerted multilateral efforts for disease prevention and vaccine development.

Cross-country behavioral norms in Asia-Pacific economies must be shared and respected to salvage the worst regional economic setbacks since the Great Depression. For this purpose, all regional economies should commit to global COVAX facilities as regional norms. These facilities are a G20 initiative that was later joined by the WHO, UN, and European Union to engage in global collaborations to accelerate the development of, production of, and equitable access to Covid-19 diagnostics, therapeutics, and vaccines. The financial burdens must be equitably shared by the regional economies. This underlying spirit of a concerted joint effort is likely to pave the way for the UN and WHO and could be more effective to manage a global health crisis.

As for the responsibility of rule writing, ideally it should belong to the WTO, but the group can no longer rely on a traditional consensus-based method due to the distrust between the China, U.S., and EU.

However, in the Asia-Pacific, it is fortunate that RCEP has been concluded with 15 signatory members, with the door open for India. In addition, the CPTTP has been partially effective. More good news is that the Biden administration, although it might take time to renegotiate, is likely to return to multilateralism and the TPP. Thus, most Asia-Pacific economies have an agreed-upon basic frame for a liberal regional order but need additional inclusions and refinements suitable for controlling the pandemic and embracing digital technology in trade.

Although the quality of RCEP is lower than CPTTP, most conceivable rules and norms are already contained in the two mega deals. The question is how we can enhance RCEP provisions to effectively accommodate newly emerging post-Covid issues, including digital trade and data movements, to embrace the higher standards of TPP. Another challenge is combining RCEP and the CPTTP for the integration of Asia-Pacific economies in the long run.

As an immediate action agenda, we need to first extinguish the pandemic wildfire. Then, to revive well-embedded regional supply chains, qualified business travel and tourism need to be allowed, provided that the international traveler carries a mutually recognized health certificate.

These urgently needed rules could be addressed at the APEC or G20. It might take time to reach a consensus-based agreement even at a sub-regional

level. If so, some of those successful at controlling the pandemic may take a pathfinder approach, as adopted in the APEC process.

In the post-COVID era, one of the best ways to foster growth will be to expedite digital trade through e-commerce and digital connectivity, starting with electronic authentication. For this, we need to enforce a stricter policy against internet hacking and counterfeit goods and services. Consensus must also be reached regarding newly emerging digital tax and data protection issues.

Finally, amid the ongoing U.S.-China strategic rivalry, especially with respect to 5G technology, and to avoid any geopolitical risks in which other Asia-Pacific economies would have to choose between the U.S. and China, regional constructive powers should be able to make persuasive rules in such a way that a level playing field could be developed free from the hegemonic competition. .

In conclusion, the post-pandemic regional trade order will need not only stability of rules and processes, but a mechanism to help build consensus on how to set new rules. Uniform regulations by likeminded countries must be made clearly, simply, and as transparently and online as possible.

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Development and shifts of GSCs

- Comparative advantages + Trade & Investment Liberalization + Reduction of transportation cost → Regional production networks & GSCs)
- 4th IR & Digital transformation → Service-link improvement & SC optimization (shortened SC)
- US-China trade war & Covid-19 → Taking into account the political risks & "core technologies"/"strategic products" (important partners!)
- China as a "hub" and the shift of GSCs from China
 - Restructuring of China economy + labor cost increase → China + 1 investment strategy
 - Trade war + Covid-19 → Changes in investment strategies + policy supports → the shift has been somehow accelerated. *But that's a long process....*

Why Vietnam?

- The advantages VN can enjoy to grow
 - Strategic geographical location in a dynamic Asia-Pacific region
 - Political stability
 - Young population (60% < 35 years old) + (still) rather low labor cost
 - Growing domestic market with a rising middle class
- VN is transitional and developing economy → A country of changes & An economy for investment & business opportunities
- VN can be seen as a "hub" for investments and doing business (18 FTAs, including TPP/CPTPP, EVFTA, RCEP... Most members are comprehensive/strategic partners of VN) → Doing business in or with VN is also with major markets and important investors in the world

3

In broader context

"Rethink, Redesign, and Rebuild" in a changing world

Policies & reforms till 2019	Responses to Covid19
Macroeconomic stabilization (since 2011)	Containing Covid-19 as a most important factor for minimizing its negative economic impacts + Stimulus packages while ensuring macroeconomic stability and resilience
Restructuring of the economy (SOEs; Financial & banking sector; Public investment)	Focus is also on private sector dev't and restructuring of agricultural sector, tourism, and some industrial clusters.
Deeper international integration (TPP/CPTPP; EVFTA: AEC và RCEP; bilateral FTAs, ...)	Effective realization (CPTPP since Jan 2019 & EVFTA since 1/8/2020). RCEP signing (15/11/2020) Attraction of FDI, esp. the leading firms, thanks to the shifts of GVCs
Promotion of productivity and innovation/startups (esp. since 2015)	Program of National Digital Transformation (6/2020); AI Strategy; New Innovation Centres;...

4

“Firm in Principles, Flexible in Response to the Multi-unexpected Changes”

(đĩ bất biĩn, ứng vạ biĩn)

- ***Doi Moi (Renovation)***: Market reforms + Macro-stabilization + Inter. Integration
- the integration process has been continuous and became more comprehensive over time (ASEAN; VN-US BTA; WTO; FTAs). 2013: the scope of integration covers all areas, not just economic activities (economic integration is the center)
- VN strives to balance relations with partners (friend of all countries and territories + Comprehensive/Comprehensive strategic partnership with key partners + Respectation & support of multilateral framework (UN, WTO, APEC, ASEAN,...).
- The principle of 4 No’s (*No military alliances; No aligning with one country against another; No foreign military bases on Vietnamese soil; and No using force or threatening to use force in international relations*). In addition, VN has extended security cooperation with partners to improve its defence capacity and address common security issues.

ASIA-PACIFIC FORUM

December 3-4 2020

Session 3 – Regional Economic Integration

Indo Pacific:

Do ASEAN and the Quad have a common conception of the Indo Pacific?

Murray McLean

In response to the question posed:

“Do ASEAN and the Quad have a common conception of the Indo Pacific?”

I would say both “Yes” and “No”.

First, some background....

The “Indo Pacific” is hardly a new term, especially in the context of maritime issues, but its increasingly wider use as a geopolitical concept or description of a group of countries is a recent and evolving phenomenon.

By 2020, there is now widespread and common usage of the term, but what it means as a **concept** to any one country, or to any one of the various regional groupings, or sub-groups, can easily be different in substance, emphasis and nuance.

No time to go through this in any detail but such differences arise from a range of factors including geographic location, broader strategic considerations and particular economic interests and relationships. **It means that what is understood by the term Indo Pacific varies and is a developing story.**

Let me provide a couple of examples. For Australia and Indonesia, as maritime countries sitting in the middle of, or in between the Indian Ocean and the Pacific Ocean, the term Indo Pacific is a natural and inclusive one to use embracing the many countries bordering or within the area covered by these two oceans. For such countries use of the term “Indo Pacific” does not necessarily mean, or imply alignment with a United States view, or against a Chinese view or for that matter any other view.

Another more specific example relates to India - the Indo Pacific in its wider use as a geopolitical description, has been aimed particularly (at least in part) to be more inclusive of India than terms such as East Asia or perhaps even Asia Pacific do.

How do the Quad and ASEAN's respective conceptions of Indo Pacific stack up?

The Quad

Two members of the Quad, Japan and Australia had been increasingly using the term Indo Pacific since 2011, but by 2017, when the Quadrilateral Security Dialogue was resurrected after a hiatus of ten years, usage of the term "Indo Pacific" had already evolved to become accepted parlance (albeit with differing nuances) amongst all four of the Quad countries namely: Japan, Australia, India and the United States.

The Quad's aim announced at the 2017 meeting was to support a "**free, open, prosperous and inclusive Indo Pacific region**" - with an unstated but implied objective of responding to rising Chinese influence in the Indo Pacific region.

- While Japan, Australia and India have been somewhat more nuanced, the US has publicly stated its focus on China most directly in its national strategic reviews since 2017. The other three countries, have been more nuanced in public, reflecting a debate over whether it is an objective geopolitical statement, or a more loaded political term used to signal support for the US over China.

At the first Quad Foreign Ministers' meeting in 2019, more specific and broad-ranging areas of potential cooperation beyond generalised statements were identified.

- These included maritime security, quality infrastructure and connectivity based on preserving and promoting rules-based order in the region, together with cooperative initiatives on CT, cyber security and regional disasters.
- Importantly, the Quad also affirmed its strong support for ASEAN centrality and ASEAN-led architecture and in a meeting later in 2019 welcomed the ASEAN Outlook on the Asia Pacific' (AOIP).

These sentiments are now common in all subsequent statements issued at Quad-related meetings including the most recent October 2020 Quad Foreign Ministers' meeting.

That meeting spelled out the importance of solidifying the Indo Pacific vision.

It also discussed cooperation on the challenges posed by COVID, regional issues "including North Korea, and the East and South China Seas" and for the first time also "welcomed proactive efforts by other countries including Europe towards a free and open Indo Pacific"

ASEAN

As ASEAN participants well know, in mid-2019, after extended debate, ASEAN issued its "ASEAN Outlook on the Indo Pacific" (AOIP) defining the Asia Pacific and Indian Ocean regions as a single interconnected region, namely, the "Indo Pacific" with ASEAN playing a central and strategic role, noting that its member states are situated in the centre of two dynamic regions.

This formulation is consistent with Indonesia's view of itself as a maritime fulcrum, indeed agreement on the AOIP's was driven significantly by Indonesia.

Even though there are subtle differences between the AOIP and the Quad especially in use of language describing the Indo Pacific ("free", inclusive etc), the Quad countries welcomed the AOIP.

Moreover, while some dislike the Indo Pacific term, **the AOIP's statement effectively means that at least for now, the "Indo Pacific" is the geographic term shared in common by most if not all countries in the broad region. As such this is a significant development.**

Despite this broad acceptance of "Indo Pacific" as appropriate nomenclature, ASEAN has made it clear this should not be misinterpreted as saying that ASEAN's Indo Pacific concept is either directed at China or that it is choosing the United States' stated position.

- Rather, the AOIP is directed at the whole region embraced by the geographic term "Indo Pacific" in "an attempt to reclaim the geopolitical narrative amid the strategic rivalry between the United States and China."

The ASEAN Leaders summit in November 2020 "reaffirmed the importance of the AOIP as a guide for ASEAN's engagement in the wider Asia-Pacific and Indian Ocean regions, encouraging external partners to cooperate with ASEAN, on the four key areas of maritime cooperation, connectivity, Sustainable Development Goals (SDGs) and economic and other possible areas of cooperation....".

In other words, the AOIP is consistent with ASEAN's comprehensive security approach and existing ASEAN norms and mechanisms

Conclusion

When one matches up the statements that were made at the Quad's Foreign Ministers meeting in October 2020 and this ASEAN Leaders' statement there is much in common.

So, in quick summary - where there are differences in conception these are often differences of degree only. They relate to several areas:

- How to regard and refer to China's BRI and other maritime activities. Unlike the Quad's use of "free, open, prosperous and inclusive IP", AOIP avoids use of "free", albeit that it refers to "freedom of navigation"
- Whether the concept is viewed mainly as enhancing existing mechanisms of cooperation (AOIP) or whether it takes a more overt military-strategic orientation (Quad)

Postscript

In response to a question to me from the moderator about whether leadership changes might have some impact on the evolving Indo Pacific dynamic, I referred to President-elect

Biden's initial telephone meetings with leaders in the Indo Pacific and noted that there was an interesting consistency in the formulation used by Biden to describe the Indo Pacific.

Biden had referred in all cases to the Indo Pacific but he had used the term "secure and prosperous" Indo Pacific rather than the Trump Administration's use of "free, open and prosperous Indo Pacific".

- Biden used this language according to press releases issued after his conversation with PM Morrison, President Moon, PM Modi and PM Suga and may also have done the same with others.

This subtle change is potentially quite significant as it removes the language focussed on China by inference and which ASEAN had also been avoided (the "free" word) in the AOIP. If this usage continues then this might be a smart way for the US to find even more common ground with ASEAN and the AOIP.

Just in time manufacturing and “trade in tasks” versus resilience of supply chains? Impacts of COVID-19 pandemic on supply chains

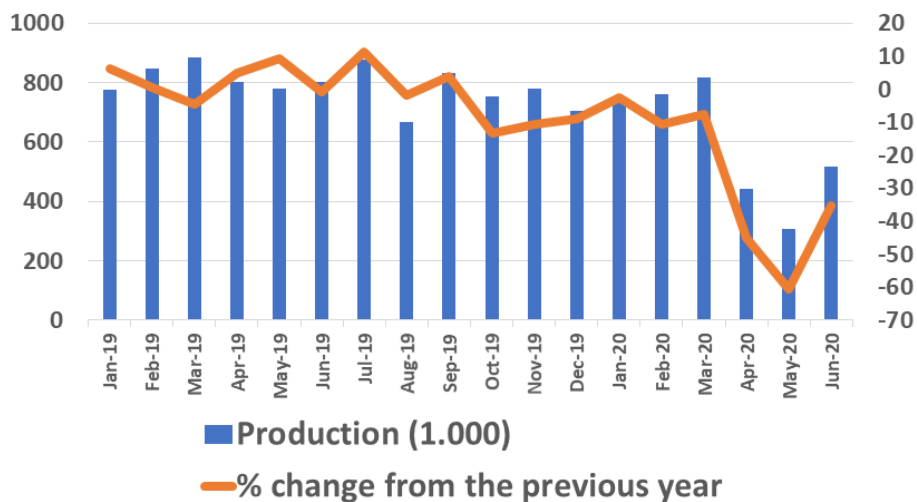
4 December 2020

Shujiro URATA

Waseda University

1

Impacts of COVID-19 Pandemic on Supply Chain Disruption Automobile Production in Japan



2

Responses of Firms to COVID-19 Pandemic

- **Immediate to short term responses**
- Run down inventories → build up inventories
- “just-in-time” production system → “just-in-case” production system
- Reduce production
- Procure parts and components from alternative sources within existing supply chains.

3

- **Medium to long term responses**
- **Assumptions on future economic/non-economic prospects**
- **Possible risks/uncertainties in the future**
- Natural disasters: COVID-19, new infectious disease, climate change
- Rising China: changing international order
- Uncertainty in US foreign economic policy
- Continuation of US-China rivalry
- Ineffective multilateral/global governance: e.g. WTO
- Rapid technological progress: e.g. digital transformation

4

- **Medium to long-term responses**

- Diversify supply chains (reduce dependence on China) : High dependence on China, rising wages in China
- Return to home country (Reshoring) : maintain operation in China for local sales
- Shorten supply chains
- Move production to the place of consumption
- Introduce labor saving technology (e.g. robots)
- Shift from custom-made parts to general-use parts
- Shift from trade in products to trade in services (data): e.g. 3-D printing

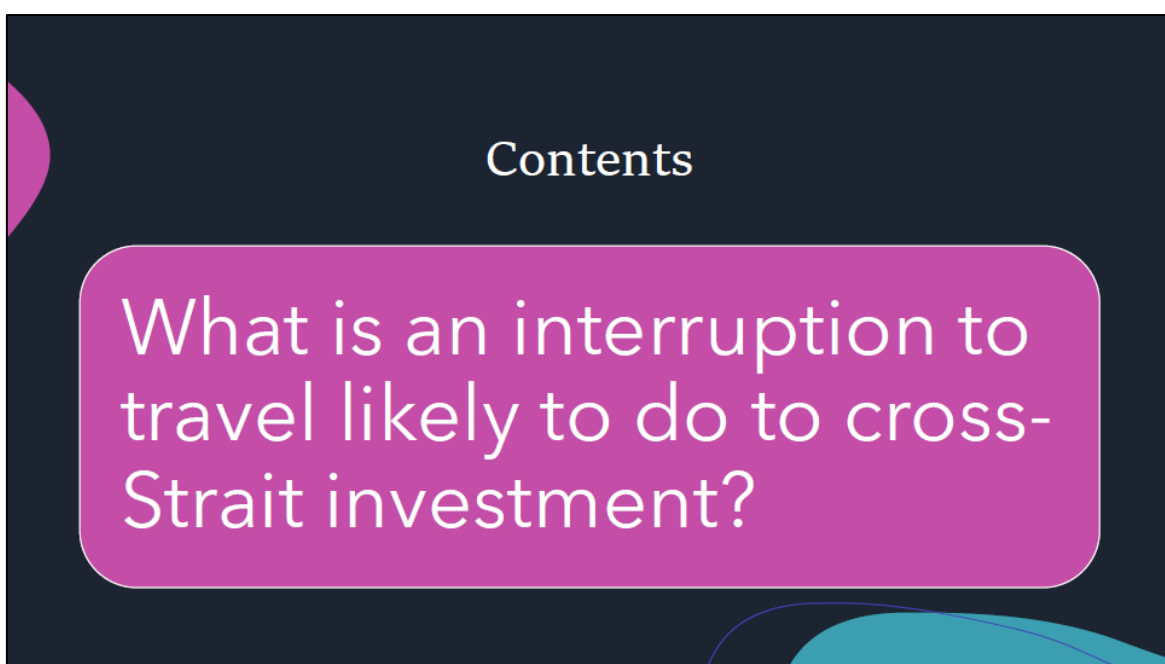
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Responses of Governments to COVID-19 Pandemic (future risks)

- Implemented
- Secure supply of essential goods by restricting exports and promoting domestic production
- Provide assistance to firms for adjustment: e.g. Japanese government provided subsidy to Japanese firms for reshoring and diversification of supply chains

6

- Desirable responses
- Establish an open and transparent rules-based trading environment for goods, services, particularly data, for example, by setting international rules using various frameworks such as FTAs, CPTPP, RCEP, APEC, G20, WTO (to reduce risks)
- Avoid excessive government intervention: e.g. narrowly defined industrial policy
- Achieve inclusive growth to avoid protectionism
- Develop human resources who can use ITC, particularly for small and medium-sized enterprises, to achieve inclusive economic growth
- Promote R&D in ITC, medicine, etc



Business Uncertainties

- Cross-Strait Policies
 - Mutual Governmental Distrust: for Lack of “92-Consensus” as Anchor to Bilateral Relations
 - The Stalled Cross-Strait Services Trade Agreement since the Sunflower Movement
 - National Security Information Protection Law & Anti-Infiltration Law: Ambiguity of the latter generated uncertainty
- Geopolitical Landscape: U.S.-China Competition
 - U.S. high-ranked government officials' visits to Taiwan
 - U.S. Demand for “Supply Chain Restructuring”
- Covid-19 Pandemic
 - Restricted Personal Travel: Taiwan restricted inbound travel and required quarantine
 - Video Conferences at Play: People-to-People Exchanges Remain

Taiwan's Investment in Mainland China

- During Jan-Aug 2020, Investment Commission has approved outbound foreign investment totaled 682 cases with the value of US\$10.2 billion, in which US\$3.9 billion (38% the largest share). This is an increase of 49.5% YoY. The accumulated outbound investment to China since 1991 with a value of US\$190.4 billion, which is 56.1% of Taiwan's total foreign investment.
- During Jan-Aug 2020, the approved China's investment to Taiwan totaled 71 cases with the amount of US\$118.3 million. The accumulated totaled 1,442 cases with the amount of US\$2.4 billion from June 2009 to August 2020.

No Sign of Meaningful De-coupling from the Supply Chain with China

- Taiwan's investment to China has not been curbed by the business uncertainties of natural pandemic & man-made trade tension.
- Just as other FDI interests in China remain high, Taiwanese business sectors continue their investments in China, and sustain their contribution to the supply chain.

Thank you