The Financial & Economic Crisis and FTAs:
How can intra-regional export growth through FTAs help tackle the crisis?

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Discussant
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Appreciation for the Chance to Review Two Valuable Pieces

• Noriyuki Mita’s key focus on:
  – the potentially huge Asian markets;
  – FTAs as positive factor for efficient regional production network;

• Thomas G. Aquino’s key emphasis on:
  – Need for deepening regional integration on capital flows & professional migration;
  – Confidence-building on issues of global concern with regional institutionalization.
Self-Regarded Task as a Discussant

• To supplement the two presentation with some additional observations;
  – The Financial Crisis & Its Impacts;
  – The Economic Crisis & Its Contentions

• To ask questions for further discussion
  – A New Model for Regional Integration?
  – Regional Integration: Whatever Its Worth & Commitment?
Financial Collapse of a Cross-Border Bank
The Financial Crisis & Its Impacts

• The crisis has caused the domino and ripple effects around the globe, particularly on areas with strong MNC presence.

• For lack of a prudent financial monitoring system & sound corporate governance, the international financial market is under siege, and the free-market capitalist model is under scrutiny.
GDP growth 2009 forecast
Annual % change

Unemployment rate 2009 forecast
* Current

Europe
- Stress in many European countries, risks to spread already called in for by, Romania and its unclear how far EU to the region

Africa
- Falls in commodity prices hitting many economies hard
- Growth falling below population increase, creating a large growth in absolute poverty and fears of social unrest

Emerging Asia
- Chinese growth expected to be 6.3 per cent this year - fast but nothing like recent trends
- Other east Asian economies in recession as export industries are hit extremely hard

Japan
- Hit hardest of advanced economies and expected to contract by 6.6 per cent this year
- Deflation taking hold again as exports slump

Sources: IMF; OECD; Consensus Economics;
Asia economic outlook
Actual 2008 GDP, plus 2009 and 2010 IMF forecasts.

Source: IMF
The Economic Crisis & Its Contentions

• Are Asians saving too much & spending too little?
• Where should the next export targets be?
• Why is protectionism rampant despite of the collective pledges against it?
• Do we need to rethink a new model for development, regional or global?
Exploring a New Model for Regional Economic Integration?

• Do we need a fundamental reconstruct of a regional community beyond GDP growth & production efficiency?
• Could we learn from the Sarkozy/Stiglitz/Sen’s Well-Being Report in the context of Sustainability?
• Instead of measuring economic production and stimulating consumption of conventional goods, how do we promote health, education, and household income, as HDI measures, in the region?
Regional Integration: Whatever Its Worth & Commitments?

• A Sense of community-Building?
• A Pursuit of Development Cooperation?
• A Nurturing of Confidence-Building?
• A Pledge to Non-Exclusivity?
• A Devotion to Peace & Co-Prosperity?
• A Commitment to Regional Stability?
• A Model for Global Exemplary?
The End

Thanks for your attention.