

Welcome Remarks at the Asia-Pacific Forum 2014

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Professor Simon Tay, Chairman of Singapore Institute of International Affairs (SIIA), experts gathered here today from the Asia Pacific region, and to all of you in the audience, it is an honor to greet and welcome you. My name is Kazumasa Kusaka, Chairman of the Japan Economic Foundation.

The first Asia Pacific Forum convened here in Singapore in 2003, with the purpose of promoting FTAs in the Asia Pacific region. Japan had signed its first FTA with Singapore the previous year, and it was around this time that the ASEAN region, having progressed with its economic integration, was also looking to FTAs with other regions in Asia. Twelve of the participating economies have now all taken turns in co-hosting the Forum, and like the twelve zodiacs, have completed a round. With the momentum for competitive liberalization increasing in the region with mega-FTAs, we have now embarked on the second round of the Forum.

In convening today's thirteenth Asia-Pacific Forum, I would first like to thank everyone at SIIA, which has taken the leadership in co-hosting the first meeting in the second round as it did for the inaugural one in 2003. If it were not for your hard work, the forum of this size and grandeur would not have been possible.

Our challenge is to determine what factors are preventing the materialization of growth potentials in the region, and to eliminate the barriers. Infrastructure and human resources may sometimes be the limitations, or systems and policies that have become obsolete may be obstructing the process, in which case, the prescription is to promote trade and investment liberalization and push for structural reform.

This Forum has supported the promotion of FTA in this region in its early years, and has also fulfilled the role in providing peer pressure. FTA has now expanded and deepened, regional integration has made progress, and there has been developments of a global value chain in the real economy, and with that, the time has now come for the Forum to look at the roles structural reform plays as FTAs also shift their focus from the so-called border measures to more behind-the-border measures. The vehicle to move the structural reforms forward are the FTA negotiations.

In Japan also, the core of the growth strategy of Abenomics is speeding up structural reforms through TPP and RCEP negotiations. Developments and progress around TPP and FTA is essential to Japan.

Prime Minister Abe dissolved the Diet, and Japan is headed towards a General Election.

In any country, in order to promote broader and deeper liberalization of trade and investments along with an economic integration of the region, the general public needs to be convinced through analysis and debates, including election campaigns, that liberalization is a positive development. This is essential in any democratic nation.

In order to lead the region's growth strategy to success, there is a need for us to mutually understand the dynamism of how actual politics swallowed the resistance of the stakeholders, and of how FTA was utilized to advance structural reform in order to achieve its vision of the society that we aim for.

Lastly, I would like to close my remarks by hoping that today's discussions will strengthen the existing ties within the Asia Pacific region, and that it will contribute to further the region's economic integration process. Thank you very much for your attention.