

# **Interim note on the development of the ASEAN-Japan Economic Co-Creation Vision: Working Draft (Provisional Translation)**

## **1. Introduction - Redefining the ASEAN-Japan economic relationship in commemoration of the 50th Year of Friendship and Cooperation between ASEAN and Japan**

- The economic relationship between ASEAN and Japan has changed dramatically over the last 50 years and will keep changing over the next 50 years.
- In the latter half of the 20th century, Japan supported ASEAN's industrialization and economic development in line with the flying geese model, e.g., infrastructure development through a network of foreign direct investment, mainly in manufacturing, public finance, and industrial human resource development through public-private partnerships. In the 21st century, Japan has continued to contribute to ASEAN's development through promotion of ASEAN-Japan cooperation in various perspectives, such as reduction of regional inequality within the ASEAN region through the Japan-ASEAN Integration Fund (JAIF), the ASEAN+3 Macroeconomic Research Office (AMRO) as a monitoring organization for macroeconomics and the Chiang Mai Initiative after the Asian Financial Crisis, as well as economic integration through the RCEP negotiations and the establishment of the Economic Research Institute for ASEAN and East Asia (ERIA).
- However, the relationship between ASEAN and Japan has changed drastically over the years.
- While Japan is the world's third largest economy in terms of GDP, its economic situation is still in what we call the “lost three decades: a period of economic stagnation” with low productivity and stagnation of wages and GDP per capita. Japan also faces social issues affecting many other mature developed countries, such as a declining birthrate, an aging population and a declining economy in rural areas. Particularly, the country faces challenges such as energy security and food security due to low energy and food self-sufficiency, the absence of digital platformers, or Big Tech Giants such as GAFA (Google, Amazon, Facebook, Apple), losing its “animal spirit” for innovation, and falling behind in the transformation

of its industrial structure.

- ASEAN, on the other hand, has enhanced its presence as a community, upholding ASEAN Centrality and Unity. Particularly, in terms of economy, it has established the ASEAN Economic Community and is working on economic integration from various perspectives. ASEAN also represents a dynamic growth center that will drive global economic development in the future with the prediction of exceeding Japan's GDP by 2030. ASEAN promotes innovation by startup companies whose growth patterns are called leapfrogging, the ability of a developing or less developed country to skip inefficient and unproductive industrial development stages and to achieve the standard of developed countries through the introduction of digital technology from developed countries. These companies have provided products and services to solve social challenges in a wide range of fields, such as logistics, payment and financial services using digital technology. Additionally, it has a young population with a rapidly rising income level, and a middle-income class who enjoy urban city life is emerging. Seeing the economic vibrancy of this region, China and South Korea, as well as Europe and the U.S., have actively been investing in ASEAN.
- In this context, there are voices from ASEAN countries which regard Japan as just one of their partners and not as a big player as it once was, and that Japan lacks agile decision-making. However, given the solid relationship fostered over the years by Japanese companies in ASEAN and the fact that Japan is a pioneer experienced in addressing social challenges in ASEAN countries, there are still high expectations for Japan.
- From Japan's point of view, it is important to accept the reality of such a drastic change in economic relations and to reaffirm Japan's strengths. Then it is necessary to build a mutually beneficial relationship between ASEAN and Japan. From ASEAN's point of view, it is important to clarify its expectations for Japan and actively encourage Japanese companies to expand their business into the ASEAN region.
- Furthermore, as a strategic goal to be achieved by ASEAN-Japan cooperation, it is more important to focus on what kind of society will we build together rather than the traditional goal of balance in an era of great power competition. This means building a safe, prosperous and free society in each country, where fundamental human rights are upheld, and shaping the international environment to this end.
- Looking ahead to the next 50 years, this vision will share the major directions and strategic goals that both ASEAN and Japan should aim for and plan the actions to achieve the goals to pass on the bond of trust between ASEAN and Japan to the next generation, to rebuild a new generation of ASEAN-Japan economic partnership and co-create innovations.

## **2. Recognition of the current situation - Reflecting on the changes in the relationship between ASEAN and Japan and understanding our current position**

### **2.1. Changes in ASEAN-Japan relations**

- The factors behind the continued growth of the ASEAN countries as global growth centers include: the location of manufacturing bases from other countries; the expansion of the middle class, especially in the metropolitan areas due to high economic growth; playing the role of an innovation hub, such as an environment for companies solving local social challenges through digital technology; and development via the leapfrog model, in which the lack of existing social infrastructure can be leveraged to accelerate technological progress by the introduction of unique initiatives or new business models and technologies from developed countries.
- At the same time, this economic growth has forced rapid social changes to the society of ASEAN countries. In the process, there are emerging social challenges such as unbalanced development between urban and rural areas due to dramatic urbanization and widening inequality between high-income and low-income groups. In addition, many ASEAN countries are entering a period of generational change, and there is an increasing need to consider the changes that the young generation will face in the next 20 years (e.g., declining birth rates and ageing populations, accompanied by changes in the relative positioning of the economic power of ASEAN countries). These changes are expected to increase the diversity of the ASEAN countries even more, and to clarify differences of the characteristics and features of each country. Widening disparities within the Southeast Asian region would make it difficult to reach consensus for mutual cooperation and deepening economic integration within ASEAN. This trend necessitates Japan to pay careful attention to the differences among each country.
- As mentioned above, Japan's growth has been stagnant, and the country faces challenges in terms of human resources, especially a shortage of digital human resources and women involved in technology areas, which could be an obstacle to future economic growth. On the other hand, the values which Japan holds are increasing in importance, given that Japan is a member of the Asia-Pacific countries as well as the only G7 member in Asia, the “Japan brand” represented by high technological capabilities centered on the manufacturing industry and subcultures, and the experience in solving social challenges related to the global environment and the urban environment ahead of other countries.

**2.2. Economic stagnation in many countries due to the COVID-19 pandemic and tensions in world affairs, and the growing need to tackle global issues (e.g., widening inequalities and environmental problems)**

- The situation surrounding ASEAN and Japan has become increasingly tense due to the prolonged economic stagnation in various countries caused by the COVID-19 pandemic in addition to tensions amongst major powers, leading to uncertainty over our future. In particular, Russia's aggression against Ukraine is not only a source of concern for the countries that rely on Russia for energy and food but has also spiked energy and food prices and has become an obstacle to global economic growth. In addition, the polarization of the U.S. and China has the potential to bring a significant impact on solidarity within ASEAN countries. There is an increasingly apparent need to address global social challenges, such as climate change, and country-specific social challenges, such as the widening inequality associated with rapid economic growth and urbanization. In the context of intensifying geopolitical conflicts, the collaboration between ASEAN and Japan to create a peaceful and prosperous region will contribute significantly to the stability of the Indo-Pacific.
- Regarding the business domain, both the U.S. and China have produced digital platformers that have successfully utilized digital data and technology, such as Big Tech (GAFA and BATH), and are developing business in both ASEAN and Japan. Thus, some developed countries are achieving further growth through the development and dissemination of digital technologies, the transformation of supply chains and the nature of industrial cooperation through digitalization, and some emerging countries will follow this path. On the other hand, some emerging countries have missed the boat on these changes, which is also a factor in creating disparities within emerging countries.
- The achievement of global agendas such as the Sustainable Development Goals (SDGs) has become an urgent issue as a response to global challenges. Specifically, the importance of addressing global common values such as sustainability and human rights has increased, and emerging countries have also been requested to follow and take measures to balance both economic and social values.
- Inequality in access to science and technology, revealed through the COVID-19 pandemic, will become more important over the coming decades. In the transition from an industrial economy to a knowledge economy, ensuring accessibility to advanced science and technology (e.g., mRNA vaccines, AI, quantum computing, etc.) that could solve major social challenges is a foundation for establishing trust on a global scale to establish

societies where “No one is left behind.”

### **2.3. Towards a strong ASEAN-Japan partnership as co-creation partners in the changing relationship**

- It is becoming increasingly important to establish an even stronger partnership in bilateral and multilateral cooperation among ASEAN countries and Japan as a foundation for stability and prosperity to address uncertainties, inequalities in economic growth and common values such as human rights on a global scale.
- The ideal business relationship of ASEAN and Japan will be realized by bringing together the experiences, skills and vitality of the younger generation to deal with the various challenges ASEAN and Japan face, to co-create a future together.
- The ASEAN region, as a key region in the global supply chain, has experience in fostering new industries and employing the leapfrog growth model, utilizing digital technology with active investment from countries around the world. In response to these changes, a shift must be made from the flying geese development model to global value chain (GVC)-model development. In other words, instead of large companies taking the lead in overseas expansion and small or medium-sized enterprises (hereinafter, SMEs) and start-ups following afterward, a multilayered partnership is needed. For example, SMEs and start-ups could co-create new value utilizing their technologies and new business models through dialogue and collaboration with ASEAN local companies, and also, large companies could collaborate with ASEAN local start-ups to develop new technologies and implement them.

### **3. Vision for a New ASEAN-Japan Economic Relationship**

#### **3.1. To develop a society that is “safe, prosperous and free” through fair and mutually beneficial economic co-creation with trust**

- In response to these changes in the economic and social situation in the world including ASEAN and Japan, the vision for the future relationship between ASEAN and Japan is to “Develop a society that is ‘safe, prosperous and free’ through fair and mutually beneficial economic co-creation, based on the trust that has been built over the past 50 years.” It is important to not only provide value in one direction, such as conventional aid from Japan and promotion of economic activities by Japanese companies in ASEAN, but also to promote economic co-creation while realizing inclusive growth in a two-way and mutually beneficial manner, taking into account fairness, respecting the diversity of ASEAN countries and enjoying the benefits of various growth models and innovations that reflect the strengths of each country.
- Trust is becoming increasingly essential because of the growing importance of the Knowledge Economy in the global economy, since trust is a key factor in the selection of partners for the acquisition/utilization/sharing of data and the testing of software and algorithms to create economic and social value.
- Trust between ASEAN and Japan could also be an enabler for both sides to discover one another’s economic and social value, which leads to further promotion of co-creation.

#### **3.2. Three fundamental concepts to support the vision - sharing practices for overcoming challenges, facing the reality of the region and respecting diversity, and circulating human resources**

- The economic and social landscape of ASEAN is undergoing major changes due to generational change in many ASEAN countries, and the circulation of human resources. Against this backdrop, the following are the three fundamental concepts to support the vision.
- Firstly, Japan has accumulated experience and knowledge as an advanced country in terms of solving social challenges that ASEAN will face in the near future, such as problems accompanied by urbanization and industrialization, air and water pollution and low birthrates and ageing societies. Intangible values such as environmental friendliness and safety, which have been cultivated through the resolution of these social

challenges, are effective experiences for resolving the challenges faced by ASEAN countries.

- Secondly, Japan has faced the individual circumstances of each ASEAN country, respected their diversity, and worked to respond in a realistic manner. Japan is expected to share with ASEAN the need for understanding such realistic and diverse responses, and also to play a role in directing discussions with the Western countries through multiple channels, such as the G7. One example is the Asia Energy Transition Initiative (AETI), which supports realistic and diverse approaches to realizing carbon neutrality. In the past, Japan has faced the political and social realities of its partners to build long-term relationships of trust and achieve economic growth together. In times of crisis, the countries have supported each other with their own unique approaches. The existence of such long-term and strong business relationships is becoming increasingly important in a fast-changing global order. The economic co-creation model established by ASEAN and Japan is expected to become a model that balances economic growth and solution of social challenges arising from rapid economic development.
- Thirdly, human resources are an indispensable foundation to support the significant changes that the ASEAN-Japan economic society is undergoing. Furthering the circulation of young human resources who will support the future of ASEAN and Japan will be the foundation for new ASEAN-Japan economic co-creation. ASEAN has a diverse and rich pool of young next-generation and human capital. Japan, by capturing the high value of the abundant next-generation human resources, including digital and STEAM human resources, is expected to create new industries that will contribute to the growth of the Japanese economy, and for ASEAN to expand opportunities for the global activities of its young generation. As an example, it is desirable to actively invite highly motivated ASEAN young people to Japan and promote entrepreneurship in Japan, and to reform the Japanese corporate culture and structure, such as by reviewing the wage system of Japanese companies and introducing performance-based systems, in order to promote co-creation. In addition, ASEAN has an environment and opportunities that provide a foundation for innovation, and many start-ups have been created by taking advantage of these opportunities without hesitation, while large companies represented by conglomerates are expanding their businesses globally. It is also important to send Japanese entrepreneurs, students and others to the ASEAN region, to build up the foundation for ASEAN-Japan economic co-creation.
- In this drastically changing economic society, ASEAN and Japan are expected to promote collaboration as co-creation partners by sharing their experiences in solving social challenges and their diverse human resources, funds, technology and information. In other words, it is hoped that

ASEAN-Japan will solve the social challenges they face and create a sustainable economic society through horizontal, mutually beneficial, fair and equitable economic co-creation in which value is provided and shared not in one direction but in both directions. The goal is to demonstrate the economic society built by ASEAN-Japan as one of the models to be pursued globally, and to contribute to the establishment of a free, fair, and open regional economic order.



## **4. Four pillars of action to realize the vision**

### **4.1. Four pillars of action to achieve sustainability by promoting innovation based on ASEAN-Japan connectivity and human capital**

- The creation of an equal foundation and undertaking activities to produce economic and social value on top of that foundation, is expected to create an economic society based on mutually beneficial relations between ASEAN and Japan. Specifically, it is necessary to implement initiatives from four perspectives: balancing diversity and inclusiveness in sustainable development, strengthening cyber and physical connectivity, promoting open innovation beyond borders, and building an ecosystem in co-creating dynamic human capital.
- Firstly, in order to achieve sustainability, it is essential to promote innovation which will transform the current economic society. To this end, ASEAN and Japan need to strengthen their physical and institutional connectivity and maximize the human capital of the companies, organizations and individuals who will be the driving forces for this.

### **4.2. Balancing diversity and inclusiveness in sustainable development that improves the global environment and solves its challenges, while ensuring wellbeing so that no one is left behind**

- To achieve sustainability on a global scale, Japan is expected to realize the “Asia Zero Emission Community” concept through promoting a wide range of initiatives, including financial support and technical cooperation. It is necessary to make maximum use of Japan’s knowledge and experience to achieve diverse and realistic energy transitions with consideration to energy security and sustainable economic growth. In addition, ASEAN and Japan are also expected to work together to research and develop technologies and measures to improve the environment, such as biodiversity and natural capital conservation and initiatives regarding the circular economy, and to solve other global agendas.
- To realize sustainability in people's lives, expectation is focused on undertaking initiatives to realize a circular economy and food security, improve mobility to enhance urban convenience, and to strengthen resilience, including disaster prevention measures to improve the resilience of urban centers. In particular, initiatives such as urban development models with low environmental impact and resilience (e.g., TOD (Transit Oriented Development)) are expected to help solve the issues faced by ASEAN countries, such as the disparity between rural and urban areas, population influx into cities, urban traffic congestion and natural disasters. In addition, it is also possible to conduct pilot projects in ASEAN for

the construction of decentralized infrastructure systems in rural areas. The reason for this is that Japan, during its period of rapid economic growth, built highways connecting Tokyo to other regions under the slogan of “balanced development of the nation,” but contrary to the intention, the concentration of people in Tokyo has increased, resulting in social challenges such as the falling birthrate and ageing population. ASEAN is expected to build a new development model for regional cities different to megacities, utilizing digital technology. In addition, given the growing population of the middle class in line with ASEAN's economic growth and rising incomes, expectation is focused on implementing initiatives for achieving wellbeing such as providing a high quality of life and living environments. In particular, in terms of clothing, food and housing from the perspective of the realization of wellbeing, the following objectives are expected to be achieved: a high market share in the global market by leading Japanese companies; promoting the safety and quality of Japanese food; product technologies that support the reduction of negative environmental impacts and contribute to better health; and the establishment of mechanisms (such as insurance) that support secure lifestyles by eliminating future concerns and providing safety.

#### **4.3. Promoting open innovation beyond borders to promote innovation and technology and business models to solve social challenges**

- Innovation is necessary to solve social challenges and create a sustainable economic society. It is important to develop a co-creation environment from the perspectives of both promoting technological innovation and promoting business model innovation. In order to do so, measures to promote open innovation beyond borders have to be taken by ASEAN and Japan. For example, the governments and public institutions of ASEAN and Japan may support co-creation activities, such as ASEAN start-ups creating new businesses and solving social challenges by utilizing the data, supply chains, customer bases and other resources owned by Japanese companies.
- In terms of promoting technological innovation, focusing on growth areas, expectation focuses on building an ecosystem to promote global joint research and open innovation by ASEAN-Japan universities and companies, and also building a start-up ecosystem to promote support for the growth of ASEAN-Japan start-ups. It is also essential to promote social implementation in areas such as manufacturing and the IoT, where Japan's strengths can be utilized. As an example, initiatives to provide a matching service for start-ups with technologies and large companies with social implementation capabilities are expected to contribute to value co-creation.

- As for the promotion of business model innovation, providing support for resources could promote collaboration (value co-creation) between ASEAN-Japan companies. In particular, support should include the sharing of technology, knowledge and skills between ASEAN and Japan through initiatives that enable young entrepreneurs to connect with each other (e.g., support for building a network of people involved in entrepreneurship) and a mechanism to ensure fair market trading and competition environments (e.g., competition policies such as IP protection and fair trade laws).

#### **4.4. Strengthening cyber-physical connectivity through the development of physical and institutional economic infrastructure to build a seamless logistics network that will form the basis for the development of the ASEAN economies**

- It is important to develop the economic infrastructure in terms of both strengthening physical connectivity and strengthening institutional connectivity so as to enhance ASEAN-Japan connectivity. In particular, with the recent development of digital technology, in addition to connectivity in physical space, it is also necessary to consider connectivity in cyberspace, and furthermore, in considering these issues, connectivity in managing the combined cyber space and physical space also should be taken into account.
- To strengthen connectivity in this digital age, for example, expectation focuses on advancing the sophistication of supply chains using digital technologies (such as making them more robust and greener) and promoting the development of institutions/systems based on actual examples. Specifically, to make ASEAN-Japan connectivity more resilient and flexible, a database for sharing and utilizing data beyond the boundaries of companies should be established. In addition, the development of supply chains that can manage indicators and data showing the status of human rights and decarbonization, and collection of specific examples of such systems, as well as organizing the necessary regulations, can lead to the development of specific systems for data sharing.
- As co-creation in the digital era, for example, it is conceivable to digitalize the Maternal and Child Health Handbook system that Japan has developed in ASEAN countries, build a platform to handle the data, and establish a system on which local companies can provide services using the data from the Maternal and Child Health Handbook on this platform. In this case, it is important that the platform operator is required to have the trust to handle the personal information, and data privacy mechanisms should be established so that the data can be shared with local

companies without being monopolized. Therefore, ASEAN and Japanese companies are expected to cooperate and demonstrate a new form of co-creation in the digital age.

- Furthermore, in order to strengthen connectivity in the digital age from a financial perspective, there is a need for two-way efforts to promote investment not only from Japan to ASEAN, but also from ASEAN to Japan.
- In terms of strengthening physical connectivity, expectation is focused on infrastructure development related to transport and logistics, and the development of digital infrastructures such as communication networks. Specifically, in addition to the development of infrastructure such as roads, bridges, ports, airports and power generation facilities in the East-West Economic Corridor, Southern Economic Corridor and Maritime ASEAN Economic Corridor, which will serve as the foundation for the economic activities of people in the ASEAN region, the development of digital infrastructure such as 5G technology and communication networks such as submarine cables is expected. Furthermore, given that digital infrastructure has become a lifeline, and with the digital divide in small and medium-sized enterprises (SMEs) becoming an emerging issue, it is important to aim for inclusive use of digital technology so that no one is left behind.
- As for initiatives for strengthening institutional connectivity, in addition to the steady implementation of economic partnership agreements such as the RCEP and the CPTPP, further developments are expected including the materialization of the Indo-Pacific Economic Framework (IPEF), the elimination of non-tariff barriers (investment regulations and trade procedures) towards the establishment of a seamless logistics network, the realization of digital innovation and DFFT (Data Free Flow with Trust) and the establishment of advanced supply chains. In particular, as digital technologies develop and become increasingly important in our daily lives, it is necessary to proceed simultaneously with the development of legislation to ensure cybersecurity and the protection of personal data.

#### **4.5. Building an ecosystem in co-creating dynamic human capital to create “Globalized Asians,” working globally via ASEAN and Japan**

- As a foundation to support ASEAN-Japan economic co-creation, it is necessary to create and maximize the potential of “Globalized Asians,” in other words “Technologically Savvy, Democratically Compassionate and Culturally Hybrid” people, who can drive innovation and industrial transformation on a global scale, drawing out the best from their abilities. To this end, it is important to establish an environment to develop

economic human resources in the light of both maximizing opportunities for human resource exchange and maximizing opportunities for human resource development for building an ecosystem in co-creating dynamic human capital.

- The exchange of human resources occurs not only between ASEAN and Japan but also other countries including the U.S. In order to ensure the exchange of human resources, which is the foundation of the ASEAN-Japan economic and social relationship, it is necessary to clarify the benefit of travelling to each other's regions and to reduce operational costs.
- Firstly, in terms of efforts to maximize opportunities for human resource exchange, it is extremely important to deepen the relations between the leaders of young generations. Specifically, it is necessary to enrich the flow of highly skilled human resources by creating opportunities not only for the exchange of labor, but also for the future young leaders of their respective societies, including students and internships, managers, entrepreneurs, researchers and policy makers. In order to achieve this, it is essential to find out how to attract such highly skilled human resources from ASEAN to Japan such as by offering more attractive career opportunities. These efforts, therefore, can establish a network of the next generation of ASEAN-Japan young business leaders, leading to the creation of mutually beneficial innovations by ASEAN and Japan.
- These efforts form the basis for the new maximization of human resource development opportunities. While ASEAN's economy is growing significantly, opportunities for the development of ASEAN's human resources are changing dramatically. Technical interns have played a major role in the past as well as undergraduate exchange, however, the current challenge is how Japan can contribute to the development of human resources in ASEAN, such as PhD holders, managers or candidates for such positions, who are internationally competitive. In addition to supporting human resource development for industrial upgrading, expectation is focused on boosting inter-ASEAN exchange such as providing employment opportunities for ASEAN nationals who come for technical training in Japan to work in Japanese subsidiaries in ASEAN and Japanese companies in Japan. Furthermore, in ASEAN, which is a growth market and faces many social challenges in each country, the role of social entrepreneurs and innovators who create new businesses to drive growth and solve social issues will become increasingly important. Therefore, the development of human resources, such as incubators, accelerators, and investors to support them, will also be important. For promoting the production of such human resources who can innovate and solve social challenges, an institutional environment needs to be created across ASEAN-Japan, both geographically and in terms of fields, to foster human resources who understand the field of science and technology and

who are aware of their own purpose in society and who can engage in entrepreneurial activities.

- In order to improve the environment for ordinary workers crossing borders, it is important to provide support for qualification tests and examinations, better social benefits in labor (support for social security, employment-related benefits, etc. for labor migration) and decent living conditions (educational environments for children, etc.). Furthermore, to strategically attract the global human resources of ASEAN, institutional reforms, such as systems and policies, will also be important for medium- and long-term social inclusion.
- Meanwhile, more unicorn companies have emerged in ASEAN than in Japan, and conglomerates are also expanding their business globally. Looking ahead to the next 50 years, ASEAN will become a place and incubator for the development of Japanese human resources. In this context, it is important that a large number of young people from Japan actively move into ASEAN, and the Government needs to actively encourage them to take challenges in the global field. Specifically, the public and private sectors, as well as academia, need to work together to encourage Japanese students to study abroad in the ASEAN region, for young Japanese personnel to work for top companies in ASEAN, interns to work in ASEAN companies, and entrepreneurs to be sent to the region.

## 5. Conclusion - Next steps towards realizing the ASEAN-Japan Economic Co-Creation Vision

- The future vision for ASEAN-Japan proposed in this paper is to “Develop a society that is ‘safe, prosperous and free’ through fair and mutually beneficial economic co-creation, based on the trust that has been built over the past 50 years.” (This vision is based not only on conventional value provision in one direction, such as Japanese technical assistance and the promotion of economic activities by Japanese companies in ASEAN, but also on the provision of value in the other direction, such as respecting the diversity of ASEAN countries and enjoying the benefits of various growth models and innovations reflecting the strengths of each country.) It is expected that both the public and private sectors of ASEAN and Japan will establish a cooperative framework and promote related projects in the future. Specific measures already mentioned here include the sophistication of supply chains utilizing digital technology (creating 100 use cases in five years) as a way of strengthening cyber-physical connectivity, fostering entrepreneurs and building a network of young entrepreneurs (building a network of 100 entrepreneurs) as a way of building an ecosystem in co-creating dynamic human capital, promoting co-creation of businesses that solve the social challenges of ASEAN and Japan (promoting the creation of 100 businesses that solve social challenges every year) as a way for promoting open-innovation beyond borders, and initiatives to realize the “Asia Zero Emission Community” concept for balancing diversity and inclusiveness in sustainable development.
- In addition, as a measure to integrate and promote these individual initiatives, the further activities of international organizations such as ERIA that link ASEAN and Japan should be encouraged. In this context, we welcome the statement by ERIA at the East Asia Summit Economic Ministers' Meeting in September 2022 of its policy to establish a “Digital Innovation and Sustainable Economy Centre,” which was also clearly stated in the Chairman's Statement of the East Asia Summit in November of the same year. ERIA, which has been making policy recommendations for the economic development of ASEAN and East Asia since its establishment by the consensus of the leaders of East Asian countries in 2008, will be a new center for co-creation where the people who will lead ASEAN-Japan can come together across various boundaries, including public and private sectors and researchers, to work towards a sustainable economic society for ASEAN and Japan, and to promote the next stage of economic integration in ASEAN. Specific initiatives such as strengthening cyber-physical connectivity in the digital era, promoting open innovation across borders using such platforms, and developing projects to ensure diversity and inclusiveness and sustainability are also

encouraged. Furthermore, through these initiatives, it should evolve into a new platform for social entrepreneurs and a place to set standards in the era of public-private joint governance.

- The initiatives set out in this ASEAN-Japan Economic Co-Creation Vision need to be spread and expanded through implementation of specific projects jointly by the ASEAN-Japan public and private sectors and by building up successful examples one by one. Japan will make solid efforts for the ASEAN-Japan Economic Co-Creation Vision, in cooperation with ASEAN government and private institutions.