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# International Forum For Trilateral Cooperation 2015

## Final Outcome Report

Challenges and Opportunities - Ushering into a New Era  
Friday, April 3, 2015



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## ABOUT IFTC

IFTC is an annual forum that brings together eminent scholars/policy makers to share and offer new insights into the political climate, economic cooperation, and socio-cultural ties among the three countries. IFTC is sponsored by media partners from the three countries: Asahi Shimbun (Japan), Chosun Ilbo (ROK), and People's Daily (China) and is designated to be held on a regular and rotational basis among the three countries. The forum is targeted at participants of government dignitaries, scholars, business leaders, journalists and civil society leaders from the three countries.

The inaugural IFTC was held by the Ministry of Foreign Affairs of the ROK and Sejong Institute in 2011, commemorating the launch of the Trilateral Cooperation Secretariat (TCS). The TCS, in the following year, succeeded the initiative and organized the IFTC 2012 as its independent project with the theme of "2012: Year of Transition and the Trilateral Cooperation" in Seoul, ROK on October 15, 2012. The organization again hosted IFTC 2014, titled "The Unity in Diversity – Fostering East Asian Identity & Spirit of Community" in Seoul, ROK on April 15, 2014. The TCS hosted IFTC 2015 in Tokyo, Japan on April 3, 2015 under the title of "Challenges and Opportunities – Ushering into a New Era" It was the first forum to be held in Japan.



Panoramic view of IFTC 2015

### Disclaimer

The summaries of speeches and discussions contained in this report are drafted by the TCS without consultation with the participated speakers and panelists. The TCS made its best efforts to make the contents as precise as possible but in some cases they may not reflect the intention of the speakers and panelists. Therefore, the quotations from this reports is strictly prohibited without prior consultation with the TCS as well as respected speakers and panelists.

## OPENING SESSION

### WELCOMING REMARKS

IWATANI Shigeo  
Secretary-General of the Trilateral Cooperation Secretariat (TCS)

### CONGRATULATORY REMARKS

KISHIDA Fumio  
Minister for Foreign Affairs of Japan

WATANABE Masataka  
President and CEO of the Asahi Shimbun

SONG Hee-young  
Editor in Chief of the Chosun Ilbo



Group Photo



IWATANI Shigeo



SHIMOKAWA Makita



WATANABE Masataka



SONG Hee-young

#### Welcoming Remarks by Mr. IWATANI Shigeo

Mr. IWATANI Shigeo welcomed all participants attending IFTC 2015 which is held in Japan for the first time. He began his speech by highlighting the solid progress in the trilateral cooperation signified by the Trilateral Foreign Ministers' Meeting on March 21st. He called for the three countries to courageously address challenges in a constructive and forward-looking manner, and showed his expectation on the increasing opportunities of the trilateral cooperation in the coming years as witnessed from the recent movements to resume important ministerial meetings, on-going progress of CJK FTA negotiations, and increasing cooperation in wide range of fields. He added that the three countries need to make full use of ASEAN+3 as the main vehicle for East Asia Cooperation. He emphasized that TCS stands ready to work closely with all parties to open up a new chapter in trilateral cooperation in the new era. He concluded his remarks by hoping the Forum to be a platform for open and candid discussions.

#### Congratulatory Remarks by Mr. KISHIDA Fumio

Congratulatory remarks by Mr. KISHIDA Fumio was delivered by Mr. SHIMOKAWA Makita, Deputy Director-General of Ministry of Foreign Affairs of Japan. Mr. KISHIDA stated that the Forum is held in a timely manner immediately after the Trilateral Foreign Ministers' Meeting, in which various issues on trilateral cooperation were discussed, and where the joint press release was issued for the first time in five years. Noting that the three countries have reached a common view on holding the Trilateral Summit "at the earliest convenient time", he emphasized Japan's commitment to make efforts to hold the Trilateral Summit in cooperation with China and the ROK. He hoped for the fruitful exchange of opinions at the Forum.

#### Congratulatory Remarks by Mr. WATANABE Masataka

Mr. WATANABE underscored that during the past

70 years after the end of the World War II, the three countries have overcome variety of difficulties and built up friendship with each other. He mentioned some of the significant moments in the trilateral cooperation including the symbolic Trilateral Summit of 1999, the launch of the TCS and IFTC, and the visit of the three leaders to the disaster area of Great East Japan Earthquake. While acknowledging the difficulties in diplomatic relationships among the three countries, Trilateral Foreign Ministers' Meeting was held recently. He stressed that the trilateral cooperation in the exchanges of people, culture and goods is still in mid-course of developing, and recognized the steady efforts by the TCS in conducting various cooperative activities. He hoped that the Forum serve as a good platform where new perspectives and suggestions from the experts in all the circles are addressed.

#### Congratulatory Remarks by Mr. SONG Hee-young

Mr. SONG explained that the three countries' endeavor over the last 70 years has been made not to repeat the history of conflicts. Mentioning the gradual development of the TCS, he anticipated that TCS will play a major role in the cooperation history of the three countries. Albeit the recent hardships in the trilateral cooperation, he stated that the three countries had overcome obstacles even when they were under more difficult situations looking back at the past 70 years. He reiterated the importance of the relief of historical burdens as well as political and economic cooperation for the TCS's future development. Along with the recent Foreign Ministers' Meeting, he hoped that the Summit will be held soon, marking a new starting point for the trilateral cooperation. He also urged the three countries to make collective efforts to involve North Korea with international society for the region's peace and stability. He from the standpoint of the journalist further requested political leaders of the three countries to refrain from making sensitive remarks and actions that would hurt people of the other two countries.

## SESSION 1

### KEYNOTE SPEECHES

#### SPEAKERS

**FUKUDA Yasuo**  
Former Prime Minister of Japan  
**LI Zhaoxing**  
Former Foreign Minister of China  
**HAN Seung-soo**  
Former Prime Minister of the ROK



#### Keynote Speech by Mr. FUKUDA Yasuo

Mr. FUKUDA described that the trilateral relationship is progressing in socio-cultural and economic terms yet experiencing turbulences in political terms. He pointed out two reasons for such political difficulty, which are the change of power balance among the states in Northeast Asia and the transformation of diplomatic issues into domestic political questions. Noting the recent Japan-China Summit on the sidelines of APEC meeting and the Trilateral Foreign Ministers' Meeting, he anticipated that the way toward future-oriented trilateral partnership will naturally be opened up if the three countries' leaders have strong political will and deep insight. To promote and strengthen the cooperative relationships, Mr. Fukuda urged three countries to 1) continue relentless efforts to create formalized frameworks for dialogue and cooperation; 2) enhance the cooperative programs for people-to-people exchanges; 3) expand the fields of trilateral cooperation to confidence building and security issues and 4) advance cooperation with outside countries and regions, the ASEAN countries in particular. Mentioning the language barrier as one obstacles to furthering the trilateral cooperation, Mr. FUKUDA introduced 808 Chinese Characters proposed by the

Northeast Asia Trilateral Forum (NAFT) where he has been serving as the co-chair, hoping that the characters can be utilized as the communication tool among the three countries. He concluded his speech by stressing the importance of the continued stable functioning of the TCS for the development of the trilateral cooperation.

#### Keynote Speech by Mr. LI Zhaoxing

Mr. LI underscored the importance of strengthening trilateral cooperation that not only brings benefits to the three countries but also to Asia and to the whole world. He stated that the trilateral cooperation has made tremendous progress with the development of government-level consultative mechanisms in a variety of areas, and growing exchanges in economic and socio-cultural field. He expressed his gladness that at the 7th Trilateral Foreign Ministers' Meeting, the three countries agreed on addressing sensitive issues in trilateral relations properly and working together to improve bilateral relations and strengthen trilateral cooperation. In order to make the best of increasing momentum for the trilateral cooperation, he asked three countries to pay attention to six areas, including 1) enhancing political mutual trust and support; 2) deepening reciprocal cooperation; 3)

strengthening people-to-people exchanges and mutual understanding; 4) promoting regional interaction, with ASEAN in particular; 5) supporting work of the TCS to play the role of a stabilizer and thruster and 6) carrying out cooperation on capital areas

#### Keynote Speech by Mr. HAN Seung-soo

Mr. HAN underlined the importance of future-oriented role played by the political leaders of the three countries in establishing peace and prosperity in the Northeast Asia referring to the EU's experience of promoting cooperation and integration policies in the 20th century. In order to resolve the pressing issues of history and politics, he suggested frequent "sub-summit meetings" and a sectorial approach or building-block approach as a possible solution. Stressing the need for trilateral cooperation in the area of global issues particularly

with external diseconomies, Mr. HAN presented four proposals as follows: 1) the cooperation in solving the climate change; 2) efforts for making contribution to global disaster reduction through a joint response capacity building; 3) establishment of Northeast Asian Atomic Energy Community and 4) participation in the Asia Infrastructure Investment Bank (AIIB). He also called for friendly strategic dialogues between the U.S. and China for the region's peace and prosperity. He closed his speech by urging the responsible comments and actions of the political leaders as well as the efforts of general publics of the three countries in taking a long-term view to promote trilateral peace and prosperity.

## SESSION 2

### TOWARDS A PEACEFUL AND COOPERATIVE NORTHEAST ASIA

: Exploring Practicable Dialogue Mechanism for Common Security

#### MODERATOR

IWATANI Shigeo

Secretary-General of the Trilateral Cooperation Secretariat (TCS)

#### SPEAKERS

ITO Kenichi

President of the Japan Forum on International Relations, Inc. (JFIR)

JIN Canrong

Associate Dean of School of International Studies, Renmin University

SHIN Bong-kil

President of the Institute of Foreign Affairs and National Security (IFANS), Korea National Diplomatic Academy

Suchit BUNBONGKARN

Professor Emeritus of Chulalongkorn University

Ralph A. COSSA

President of Pacific Forum, Center for Strategic and International Studies (CSIS)



Session 2 Group Photo



IWATANI Shigeo



ITO Kenichi



JIN Canrong



SHIN Bong-kil



Suchit BUNBONGKARN



Ralph A. COSSA

#### Session overview

The session 2 moderated by Mr. IWATANI Shigeo, Secretary-General of TCS, promoted discussion on trilateral security issues, bringing together eminent scholars from China, Japan, the ROK, Thailand and the United States, to examine whether it is desirable and feasible to establish an OSCE type or UNSC type dialogue mechanism among China, Japan and the ROK on political and security issues. It also explored the appropriate format of the security dialogue and topics which should be dealt with in this trilateral security dialogue mechanism.

#### Presentations

Dr. ITO Kenichi began his remarks by pointing out the absence of permanent secretariat and regular consultation on dealing with security cooperation in

East Asia, the region which is confronted with variety of security frictions and conflicts. As for the trilateral mechanism among China, Japan and the ROK on tackling these security concerns, he suggested making the breakthrough of security cooperation starting with Track 1.5 or Track 2 dialogues. In this regard, he introduced one successful security dialogue model "Network of East Asian Think-Tanks (NEAT)", which is a Track 2 network comprised of the think-tanks from ASEAN countries, China, Japan and the ROK, maintaining the linkage with the Track 1 by providing the policy recommendations in various fields including non-traditional security issues to ASEAN Plus Three (APT) Summit Meeting. Those recommendations are also reflected in the actual governmental level policies as well. Observing the current confronting security situation in Northeast Asia, Dr. JIN Canrong noted that even though

there are several dangerous spots such as East China Sea, Korean peninsula and Taiwan Strait in this region, they are well restrained due to the stable U.S.-China relation. Regarding the agenda of trilateral security dialogue among China, Japan and the ROK, he advised not to touch the sensitive issues including history and territorial disputes considering the strong nationalism in the three countries. Instead, he suggested beginning with confidence building dialogue among governmental officials especially military officials as the first step, focusing on the issues that the three countries seem to be able to make an achievement including DPRK nuclear issue and less sensitive issues such as non-traditional security issues.

Dr. SHIN Bong-kil started his remarks by elaborating upon two policies proposed by the PARK Geun-hye administration: "Northeast Asia Peace and Cooperation Initiative (NAPCI)" and the establishment of "regional nuclear security dialogue". He explained that NAPCI resembles Europe's Helsinki Process and took approach to start with non-traditional security issues. Furthermore, given the current cooperation on security issues among China, Japan and the ROK including "Track 2 Dialogue on Sharing Experiences among TCS/OSCE/ARF/SCO

in Confidence Building Measures (CBMs)" initiated by the TCS and "Trilateral Defense Dialogue" proposed in Trilateral Summit Meeting of 2010, Dr. SHIN pointed out the lack of confidence building in this region. He underscored the necessity to touch both non-traditional and traditional security issues, and proposed to start from Track 2 dialogue and gradually develop to Track 1.5 and 1 dialogues. He also expressed his high expectation on the TCS' role in facilitating such dialogue mechanisms.

Dr. Suchit BUNBONGKARN shared his views from the perspective of Southeast Asia. He analyzed that the existing mechanisms on security issues in Asia-Pacific including ARF, APT, ADMM+ and EAS are ASEAN centric, but not courageous enough to venture into new policy direction. He also identified three major obstacles to the security cooperation in Northeast Asia: 1) the persistence of mutual distrust due to the rise of China and U.S. strategic move to strengthening its security role in the Asia-Pacific, 2) the Cold War mentality including DPRK's security threat, and 3) the existence of nationalist sentiment in the three countries. As for the possibility of trilateral security cooperation, he expressed different views from those of Dr. JIN who suggested avoiding the

sensitive issues. Dr. BUNBONGKARN drew lessons from ASEAN experience by emphasizing the significance of establishing the Track 1 dialogue rather than Track 2. He argued that hot issues in ASEAN are not properly resolved yet because ASEAN avoided dealing with these issues. He concluded his remarks by expecting the progress in trilateral security cooperation which is considered to serve the interest of ASEAN as well.

Dr. Ralph A. COSSA shared his insights on exploring a practical dialogue mechanism for common security in Northeast Asia from an American perspective. As to the key question by moderator, while it might be a long-range goal, he stressed that the three countries need to start with laying out the vision and objectives of the dialogue mechanism in advance. Reflected his personal experience, he proposed the Track 2 dialogue such as Eminent Persons Group (EPG) to serve this function. As for the dialogue topics, Dr. COSSA has the same point of view with Dr. BUNBONGKARN, supporting to address the sensitive issues including history issue and the security issue on Air Defense Identification Zones. He argued to deal with history issue in the proper perspective by dividing the 20th century into two periods: Japan's regrettable past in the first half of 20th century and Japan's contribution to China and the ROK in the second half, and encouraged the military and governmental officials from the three countries to balance the both halves of the 20th century in the discussion. Moreover, Dr. COSSA added his comments on dealing with DPRK nuclear issues and suggesting involving young generation in the security dialogue discussions as well.

### Discussion and Q&A

(1) Mr. IWATANI summarized the session with two agreements reached by the speakers: 1) All the speakers are supportive to address non-traditional security issues;

2) Establishing the regular dialogue mechanism on Track 1.5 or 2 including trilateral think-tank network, in which the TCS can take the initiative. On the other hand, it requires more discussion on the topics whether include sensitive issues or not as well as the proper type of dialogue mechanism.

(2) Q&A session brought lively discussion with several key questions. As for the reason why President PARK Geun-hye did not hold Bilateral Summit with Japan, Dr. SHIN responded that the atmosphere is not matured enough yet, instead Trilateral Summit is more comfortable occasion which discusses future-oriented issues. Regarding the regional security mechanism, Dr. JIN mentioned that U.S.-China relation forms the basic framework in this region. Dr. COSSA added that trilateral relations among the U.S., Japan and the ROK, and that of China, Japan and the ROK are mutually supportive.



## **SESSION 3**

### **COOPERATE TO LEARN, LEARN TO COOPERATE**

: The Trilateral Educational Exchanges and Sense of Community

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#### **MODERATOR**

**KANG Sang-jung**

Professor Emeritus of the University of Tokyo

#### **SPEAKERS**

**CHANG Jekuk**

President of Dongseo University

**CHEN Gang**

Vice President of Jilin University

**IMAMURA Masaharu**

Vice President of Ritsumeikan Asia Pacific University (APU)

**Viorel ISTICIOAIA-BUDURA**

Ambassador of the European Union to Japan

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### Session overview

In this Session, education experts and students from the three countries and Europe reviewed the progress in trilateral education cooperation including CAMPUS Asia, and discussed measures to promote young generations' education for the future of East Asia.

### Presentations

Mr. CHANG Jekuk pointed out the significance of CAMPUS Asia for serving as a basis for the new solution to the conflicts that strains trilateral relations. He explained the impressive results of the Project including 1) enhancement of knowledge on languages, cultures and histories of the three countries; 2) mutual respects based on the consideration to each other; and 3) establishment of friendly relationships and network among participants. For the further advancement of the Project, he called for the continuation and expansion

of the Project, and improvement on administrative, financial and legal support to institutionalize dual/joint degree programs. Mr. CHANG from the perspective of a participating university also suggested to launch trilateral Massive Open Online Course (MOOC) and annual summer program to expand the benefits of the Project to a larger number of students in the three countries.

Ms. LI Meihua, Executive Deputy Director of the Division of International Relations at Jilin University delivered the presentation on behalf of Vice President Mr. CHEN Gang. She identified three elements that distinguish CAMPUS Asia from other exchanges: 1) support by the three governments; 2) advantage in serving as a good platform for promoting three countries' cultures and mutual understanding and 3) development of human resources who can contribute to Asia. She also elaborated on the achievements of the Project; students expressed their satisfaction of having increased interests



Session III Group Photo



KANG Sang-jung

CHANG Jekuk

Ms. LI Meihua

IMAMURA Masaharu



Student Presentation

in Eastern culture and enjoying the interaction with the people in neighboring countries which eventually changed their perception toward those countries. Lastly, Ms. LI asked for the continued support for the Project by the governments, enterprises and education experts.

Mr. IMAMURA Masaharu introduced trilateral and multi-layer education cooperation among the three countries where two Ritsumeikan universities, including Asia Pacific University (APU), are involved under the backdrop of Japan's policies to create the environment corresponding to the globalization. He especially elaborated on the Ritsumeikan Global Initiative that aims to promote 1) Asia-Japan Research Center; 2) joint degree program

focusing on Asia with an overseas university; 3) inheritance advancement of the CAMPUS Asia and 4) development of coherent global education system from elementary to university education. Urging to look at Asia without biases influenced by the Western perception, Mr. IMAMURA stressed that the students' exposure to multicultural environment is crucial to the cultivation of multilateral perspective and mutual understanding.

Mr. Viorel ISTICIOAIA-BUDURA underscored the necessity for helping young generations to respond quickly and intelligently to future change. He commented that the trilateral cooperation in this sense offers excellent opportunity for the generation who are required to be

trained for the new market demands, new technologies and a multinational working environment. Stating that European experience holds great relevance for the trilateral cooperation, he pointed out the highlights of the education cooperation in Europe signified by the Erasmus Program. The Program is not only expanding in statistical terms, but also encouraging students to enjoy more favorable conditions for studying in various multinational contexts, choose specialties with intensive training that fits to students' needs, and recognize experts in many fields. He hoped that the three countries strengthen the cooperative relationship with the European Union which shares understanding of the difficulties in overcoming the past and demanding efforts of the leaders to offer new choices for the people including the younger generation.

### CAMPUS Asia Student Presentations

Following the expert presentation, three students participating in the CAMPUS Asia Project, Ms. KANNO Yoko of the University of Tokyo (Japan), Ms. WANG Minzhao of Pecking University (China), and Ms. LEE Bobae of Korea Development Institute (ROK) delivered their thoughts and experience on the Project and trilateral education exchanges. The three students explained that they enrolled the program to enlarge one's understanding on the cultures of the three countries and to have an objective outlook of the trilateral relationship. They said that the program has substantial benefits including 1) the acquisition of degrees from prominent universities, 2) availability of diverse courses related to one's major, 3) access to rich, useful research materials. The students mentioned that the program also helped them to solve misunderstandings by discussions with foreign students and became good friends with them. Expressing their hope that the program be continued in the future, the students called for closing the gaps in accommodation facilities and improving local language training.

### Discussion and Q&A

(1) For the suggestions to improve educational exchange system in East Asia, Mr. ISTICIOAIA-BUDURA advised that the exchange system should be designed in a way to 1) ensure convenient movements of students, and 2) consider regional identity building and respect for cultural diversity as the main priority.

(2) About the idea of the trilateral MOOC, Mr. CHANG the universities in Asia need to share their information and knowledge more actively with the outside world. Thus He suggested the launch of trilateral MOOC utilizing the existing online lectures, and expressed his willingness to develop related credit exchanges or dual degree program.

(3) Regarding the role of companies and local governments in the trilateral educational exchanges, Mr. IMAMURA introduced APU as a positive example of the cooperation among university (Ritsumeikan University), corporation and local governments (Oita Prefecture and Beppu City). Ms. LI one the other hand illustrated the necessity to combine universities' educational goal with the needs of corporations, which can benefit both parties. She also elaborated on students' interaction with the local communities which continued even after their return to the home country.



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## SESSION 4

### NEW OPPORTUNITIES FOR TRILATERAL INDUSTRIAL “COOPETITION”

: Collective Voice of Business Leaders toward CJK FTA and Beyond

#### MODERATOR

FUKAGAWA Yukiko

Professor of School of Political Science and Economics,  
Waseda University

#### SPEAKERS

MUKUTA Satoshi

Senior Managing Director of Keidanren (Japan Business Federation)

WANG Li

Director-General of International Relations Department, China  
Council for the Promotion of International Trade (CCPIT)

PARK Chan-ho

Secretary-General of the Federation of Korean Industries (FKI)



#### Session overview

The Session facilitated a dialogue among business representatives of the three countries, and disseminated their real needs for CJK FTA to promote the so-called “co-opetition (cooperation + competition)”, which can help to enhance their ability of innovation and sustain the regional competitive edge in the global economy. In the long run, the Session expected to promote the discussions among the three business groups for opening up a new era for trilateral industrial cooperation.

#### Presentations

Mr. MUKUTA Satoshi mentioned that innovation and globalization are the two key elements for revitalizing Japan's economy and CJK FTA will play an important role for accelerating innovation and globalization. The companies in the three countries should clearly understand the division of labor in the value chain with development of international distribution system and advanced ICT innovation technology, which can help to

strengthen business strategy for company innovation. He also added the principles for selecting cooperative partners in the value chain. Mr. MUKUTA is convinced that CJK FTA, alongside with TPP and RCEP is the steppingstone towards the formation of FTAAAP (Free Trade Area of the Asian Pacific). He also elaborated his views on services and investment sectors in CJK FTA, suggesting 1) promoting foreign direct investment for industrial accumulation; 2) increase of employment opportunities and technology transfer; 3) achieving connectivity of value chains; 4) relaxation of foreign capital ceilings in major sectors; and 5) elimination of performance requirements. He also pointed out necessity of 1) transparency and rationality on domestic regulations; 2) specific mechanism comprised of the governments and the business community to discuss on how to improve the business environment. At last, Mr. MUKUTA reiterated the possible sectors for enhancing trilateral industrial cooperation stated in Joint Statement of the CJK Business Summit 2012, including

environment, renewable energy, distribution and high-tech industries, which help the companies to create competitive value chains within the region.

Ms. WANG Li pointed out that the world economy is still being restructured while various risks co-exist, such as low growth, low inflation, low demand, high unemployment, high debt and high price etc. Bearing those facts in mind, she highlighted that deepening the trilateral economic and trade cooperation not only serves the fundamental interests of the three countries, but also contributes to the prosperity and stability in Asia as well as the world. In this regard, she made the following suggestions on promoting trilateral industrial cooperation: 1) exploring innovation; 2) promoting cooperation on new energy and green economy; 3) promoting and accelerating CJK FTA negotiations; and 4) making the business associations fully play their roles in serving enterprises and responding to the appeals and demands from business community. Finally, Ms. WANG expressed the hope that the mechanism of Trilateral Business Summit should be resumed as soon as possible.

Mr. PARK Chan-ho shared ROK's lessons from the concluded FTA treaties: necessity of domestic

negotiation and public support and timely and speedy actions. If the timing of conclusion of CJK FTA continues to be delayed, the three countries might lose the momentum for concluding the FTA. He stressed that business groups must play a leading role in promoting trilateral FTA, in this regard, Mr. PARK suggested: 1) collective responses and actions to improve business environments; 2) joint efforts in global resource infrastructure market; 3) joint efforts and response in BEPS (base erosion & profit shifting) and global warming to reflect the interests of East Asia. Mr. PARK added that it might be more practical to develop technologies to address climate change such as improving energy efficiency, new renewable energy and CCS (Carbon Capture and Storage) than solely controlling greenhouse gas emission. He highly recommended to strengthen joint researches in environments and energy, and introduced the ROK government's initiative of Northeast Asia Oil Hub as a possible cooperation area. Finally, Mr. PARK suggested the early resumption of Trilateral Business Summit and conclusion of CJK FTA negotiations.

## Discussion and Q&A

(1) Session moderator Professor FUKAGAWA mentioned that: 1) FTA is not an objective or a goal, but rather a method or measure to create an affluent society, so it is essential to combine national growth strategy and FTA; 2) in addition to tariff deduction, non-tariff barrier also needs to be seriously considered. The concrete proposals need to be proposed to the governments by business or private sectors; 3) when growth in a country runs into bottleneck, trade liberation will become very difficult. Under the situation, how the three neighboring countries can take CJK FTA as a new opportunity to achieve the win-win-win outcome.

Mr. MUKUTA agreed that FTA is not a goal but a measure, and repeated that innovation and globalization are the two key elements for revitalizing Japan's economy. The three countries' common challenges such as air pollution and aging problem and declining of birth rate can be key cooperative areas for three countries to create more business opportunities. Also, he stressed that the three countries can join hands in FTA to open up a new era for innovation, to create a new engine for national growth strategy.

Ms. WANG explained that currently, Chinese government attaches great importance to market-oriented economy, and issued favorable policies including fair trade policy to attract more foreign investment. In particular, China focused on restructuring from "Made in China" to "Innovated in China" in manufacturing industry. While strengthening policies to protect intellectual property rights (IPR), it motivates Chinese companies to put more efforts on R&D of new products to be more competitive so that they can enjoy a better cooperation with Japanese and Korean companies.

Mr. PARK reaffirmed that companies in the three countries do not only have domestic business, but need to be integrated in global network. In this regard, bilateral FTAs has constraints for adopting local contents, regulations and rules, and it is absolutely necessary to have multilateral FTAs. Compared with other multi-FTAs (TPP, RCEP etc.), CJK FTA has comparative advantage in geographical location, it can efficiently reduce tariff and increase competitiveness in price if considering other costs such as transportation.

(2) Moderator Professor FUKAGAWA and the three speakers had lively discussions on fair trade law in Chinese markets, joint efforts in infrastructure market in the third country and how companies can overcome non-tariff barriers and benefit from the CJK FTA.



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## CLOSING REMARKS

Mr. IWATANI expressed his appreciation towards all the participants for their sincere participation and productive discussions. He also showed his satisfaction that the Forum was successfully organized in Japan for the first time. Reflecting on the constructive discussions of each session, he reconfirmed the value of the trilateral cooperation that is distinguished from that of bilateral cooperation. Mr. IWATANI noted that the trilateral cooperation can yield an outcome which cannot be produced in bilateral terms. In this sense, he asked the participants to consider the potential of the trilateral cooperation in their daily business, and give meaningful suggestion and recommendation to the TCS. He closed his remarks by recognizing the future role of the TCS as a thruster as well as stabilizer in the trilateral relations as was defined by Mr. LI Zhaoxing in his keynote speech.



Closing Remarks | IWATANI Shigeo

## ABOUT TCS

The Trilateral Cooperation Secretariat (TCS) is an international organization established with a vision to promote peace and common prosperity among Japan, the People's Republic of China (China), and the Republic of Korea (ROK). Upon the agreement signed and ratified by each of the three governments, the TCS was officially inaugurated in Seoul, September 2011. On the basis of equal participation, each government shares 1/3 of total operational budget. The TCS aims to serve as a cooperation hub for trilateral cooperation that encompasses the broad spectrum of sectors and actors. With a view to solidifying the cooperative ties among the three countries, the TCS will strive to ensure that trilateral cooperation remains dynamic and future-oriented in the coming days.

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