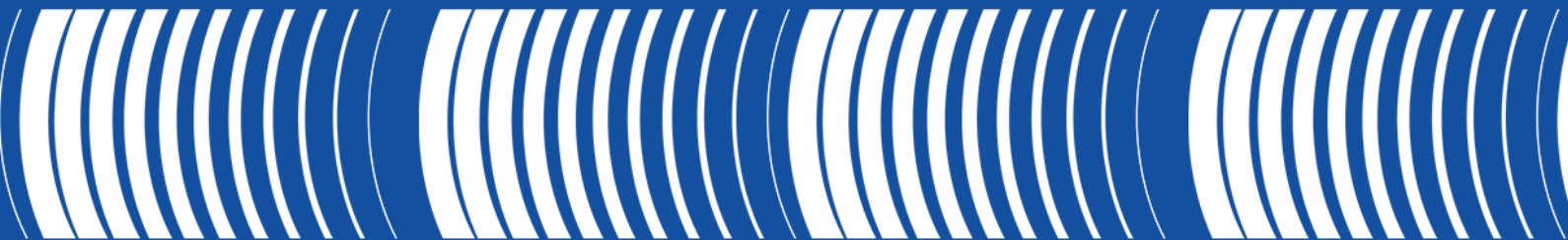


KEY TAKEAWAYS

*In Search of the Big Harvest: Unlocking ASEAN's
Growth Potential through Partnerships*



“In Search of the Big Harvest: Unlocking ASEAN's Growth Potential through Partnerships”

Speakers:

- **Sidharto R. Suryodipuro**, Director-General for ASEAN Cooperation at the Ministry of Foreign Affairs of Indonesia
- **Amb. Ong Keng Yong**, Executive Deputy Chairman of S. Rajaratnam School of International Studies (RSIS); Secretary-General of ASEAN (2003–2007)
- **Hiroshi Ishikawa**, Special Advisor to the President on Digital Innovation of Economic Research Institute for ASEAN and East Asia (ERIA)
- **Naoaki Mashita**, Chairman and Group CEO of V-cube, Inc.

Moderator:

- **Gwen Robinson**, Editor-at-Large, Nikkei Asia; Senior Fellow, Institute of Security and International Studies at Chulalongkorn University

Key Takeaways:

Co-creation between ASEAN-Japan

1. The beginning of ASEAN-Japan relations was formed as a donor-recipient relationship. However, over the past fifty years, the relationship has evolved from a donor-recipient model to a more balanced partnership. Under the term “co-creation,” the ASEAN-Japan relationship has transformed into co-creators, emphasizing collaboration on shared goals.
2. Compared to fifty years ago, the current relationship between ASEAN and Japan is completely different, especially from an economic perspective. Right now, the ASEAN market is already ninety percent of Japan's Gross Domestic Product (GDP).

3. The number of ASEAN citizens visiting Japan is between 3.5 million to 4 million annually. Although COVID-19 disrupted travel, these numbers have rebounded. Similarly, about 3 million to 4 million Japanese citizens visit ASEAN. This high level of exchange creates a strong foundation for a co-creative relationship.
4. ASEAN is seeking an equal partnership with Japan, moving beyond traditional dynamics and fostering collaboration based on mutual interests and shared goals. As highlighted, ASEAN and Japan are navigating a future where economic and technological advancements, and green economy, require joint efforts from both parties. This co-creation approach reflects a shift towards an equitable relationship where both sides contribute to and benefit from it.

ASEAN-Japan Economic Relationship

1. With growing trade and investment between ASEAN and Japan, there will be a great flow between the two sides. Opportunities will emerge for ASEAN citizens and companies to enter the Japanese market and for Japanese entrepreneurs and companies to enter other parts of the ASEAN market.
2. Japan's commitment to ASEAN is proven by the presence of various institutions, such as the Japan-ASEAN Integration Fund (JAIF), Japan International Cooperation Agency (JICA), and Economic Research Institute for ASEAN and East Asia (ERIA), which provide economic support to the region. This support is mainly dedicated to human capital and infrastructure development, aiming for the region's sustainable growth. In addition, the Japanese government has also increased its focus on the digital sector, as demonstrated by financial support to establish digital innovation and a sustainable economic center that focuses more on digitalization and startups.

Geopolitical Context

1. ASEAN and Japan should maximize their partnership by working more on multilateral initiatives to keep them efficient and useful for Japan and all ASEAN Member States. If both parties are committed to creating a safe, secure, open, and inclusive Indo-Pacific region for business and growth, significant diplomatic efforts will be required. By upholding multilateralism, ASEAN and Japan would be able to navigate global challenges effectively.
2. Japan, as one of ASEAN's key partners, should collaborate to ensure that Southeast Asian maritime regions remain open, inclusive, and productive. A safe and stable maritime environment would enable all countries in Southeast Asia and Japan to benefit from the region's growth.

Opportunities and Way Forward

1. Japan has been very advanced in terms of technological development, for example, in Artificial intelligence (AI). However, Japan needs more talent, which it cannot provide on its own. With an abundance of IT-savvy talent in Southeast Asia, ASEAN could combine its human resources with Japan's expertise to make a huge difference. This is the essence of the ASEAN-Japan relationship under the concept of co-creation.
2. Looking ahead, both parties need to focus on younger generations to sustain and strengthen their friendship. One initiative by the Japanese government to engage the youth of ASEAN and Japan is the ASEAN-Japan Young Leader Business Summit, which also facilitated the creation of the ASEAN-Japan Young Business Leaders' Community. To further deepen these connections, both parties should closely collaborate and maintain steady cooperation with the younger generation and relevant organizations.
3. Japan also has a substantive economic engagement in Southeast Asia, achieved through the establishment of its own supply chain that interacts among itself and with the external world. This supply

chain is supported mainly by the maritime sector, which ASEAN can learn from Japan to secure its own supply chain more effectively.

4. To unleash the potential of AI in the region, ASEAN and Japan need to establish common rules on data and privacy utilization. Currently, each country has its own regulations, especially regarding privacy, creating barriers to collaboration.
5. The cooperation between ASEAN and Japan cannot be limited to technology and trade; there are many other areas that can be further explored. For example, Japan is the most important dialogue partner for ASEAN in disaster management. Over the years, Japan has significantly contributed to build ASEAN's capacity and capability to respond to natural disasters through the ASEAN Humanitarian Assistance Center.
6. Education, supported by widespread internet connectivity and advancements in AI to overcome language barriers, plays a crucial role in alleviating poverty in rural areas. With Japan's technological advancements, ASEAN can also deepen collaboration to address poverty across the region.
7. ASEAN could collaborate with Japan by effectively utilizing Japanese educational content across the region to foster greater access to learning and create opportunities for underserved communities.

Conclusion:

The session underscored the importance of deepening ASEAN-Japan relations in innovation, youth engagement, and diplomacy efforts. Both regions face challenges like digital gaps and geopolitical pressures but have significant opportunities to co-create solutions in technology, education, and green economies. ASEAN's dynamic market and young population, coupled with Japan's technological and institutional strengths, make this partnership integral for mutual growth and global impact.



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SESSION F4

“In Search of the Big Harvest: Unlocking ASEAN's Growth Potential Through Partnerships”

C-Suite Room – Conference on Indonesian Foreign Policy 2024

Speakers:

1. **Sidharto R. Suryodipuro**, Director-General for ASEAN Cooperation at the Ministry of Foreign Affairs of Indonesia
2. **Amb. Ong Keng Yong**, Executive Deputy Chairman of S. Rajaratnam School of International Studies (RSIS); Secretary-General of ASEAN (2003–2007)
3. **Hiroshi Ishikawa**, Special Advisor to the President on Digital Innovation of Economic Research Institute for ASEAN and East Asia (ERIA)
4. **Naoaki Mashita**, Chairman and Group CEO of V-cube, Inc.

Moderator: Gwen Robinson, Editor-at-Large, Nikkei Asia; Senior Fellow, Institute of Security and International Studies at Chulalongkorn University

Gwen Robinson

Thank you very much, and, good afternoon, everyone. Thanks for joining us today. You've just heard the title of our session, which is rather broad. And, we just thought that is the title sort of suggests the rapidly shifting dynamics in this region, but to actually as one of the key issues at the heart of the new dynamics in this region. I think the Japan and ASEAN relationship is key, and that is what this session will focus on.

So, I hope you'll brace for a lot of Japan - ASEAN dynamics, and I can assure you we have an excellent panel today to address, all the many thorny issues, raised by what we're seeing now in the rapidly evolving situation in, Southeast Asia.

So, just allow me to briefly introduce our distinguished speakers. I'd like to start right next to me is Sidharto R. Suryodipuro, Director-General for ASEAN Cooperation at the Ministry of Foreign Affairs of Indonesia. Next to him is Amb. Ong Keng Yong, Executive Deputy Chairman of S. Rajaratnam School of International Studies (RSIS), and Secretary-General of ASEAN from two thousand and three to seven. Next to him is Hiroshi Ishikawa, who is special adviser to the president on digital innovation of ERIA, the economic research institute for ASEAN and East Asia. Last but very not least is Naoaki Mashita, Chairman and Group CEO of V-cube. Inc, which is an innovative visual communication services and software provider.

So, we don't have a lot of time, but we've got enough time for some intelligent discussion and a few questions at the end to so save up your challenging curly questions for them.

And I'd like to first turn to the dynamics of the Japan ASEAN relationship. As suggested, last year to commemorate the 50th year of ASEAN Japan friendship and cooperation, ASEAN and Japan together launched the ASEAN Japan economic co-creation vision, which is quite

a mouthful, but it charts the ASEAN and Japan economic cooperation push into present and future direction.

Sidharto R. Suryodipuro

Thanks for that, Gwen, and good afternoon, everybody. It's a pleasure for me to be a part of this panel. I'd like to thank the FPCI for including me here. Let me begin by giving a historical foundation to it, which I think all Indonesians would appreciate because, first of all, Japan is ASEAN's longstanding partner. We celebrated fifty years of relationship, a relationship that began in 1973.

But, you know, as my Indonesian, friends and colleagues here would know, would appreciate, that even before that, the role of Japan, in the founding of the Republic of Indonesia, there's the downside, obviously, but also the upside. So, this is a relationship that goes back a long way, but also creating, a solid foundation. And, when this relationship began fifty years ago, it began also as a donor recipient relationship.

But today, you now, consider this, the income per capita, for example, of Singapore is more than twice as large than the income per capita of Japan almost three times, in fact. You know, this is just one example, and this would illustrate how moving forward is going to be an increasingly equal partnership based on, common interests and therefore the title of co-creation. And you rightly identified issues like IT, AI, green economy. We have a common interest, for example, in working together on how to prepare our next generation, for the future of work, when AI and robotics is part, of the economic process. How do we ensure that our youth would be prepared for the future of work?

And then also addressing issues like climate change, rising sea level, health resilience, financial stability, and other issues of new sources of economic growth. How do we upgrade trade and investment in this relationship? So that is a broad, thinking behind co creations. So let me stop there.

Gwen Robinson

Can I just add very quickly because you mentioned the donor recipient relationship in the beginning, and I think that's probably an underlying theme in this whole panel? The, you know, the changing dynamic of Japan ASEAN is a shift from just donor recipient to a more equal relationship. But, you know, being more equal rather than just a recipient requires some, some contribution from the recipient side. So how does that play in with what you just said?

Sidharto R. Suryodipuro

So, when we talk about the future of work, that would mean workers in the future cannot only do repetitive work or be to specialize in one area because you cannot defeat AI or robotics. A person, in the work of the future would have to have range. It would have to have creativity. Creativity is an area where, I think it would be the last bastion of human employment, because this is where we create. We be creative. And this would require range, that not only specialization matters, but, general and multiple, specialization or, multiple capabilities would be important.

So, this is something that, we should together look at, and I think, in a partnership with Japan, ASEAN, there's a lot of creativity in ASEAN. I know a lot of creativity in Indonesia. So, when you think about manufacturing and then design, you know, Batik design, for example, it requires a lot of creativity or when it comes to movies or all of these, cartoons and so on, a lot of culture, is behind all of all of these, what comes out as a product, culture and creativity.

Gwen Robinson

Excellent. You mean also youth, which, Japan increasingly has less of, whereas Southeast Asia has a lot of. So, you're saying the contribution from ASEAN to equalize the relationship could be in kind, including human resources?

Sidharto R. Suryodipuro

Well, it is true. Yeah. But also, Japan has this deep source of culture and tradition that also has a lot of soft power outreach to Southeast Asia and vice versa.

Gwen Robinson

Right. Thank you. And turning to Ishikawa-san, in your opinion, what does co-creation mean from the Japanese perspective?

Hiroshi Ishikawa

Yeah. Thank you very much for the question. And first of all, thank you very much for having me, in this great panel discussion. And I am going to speak on behalf of, ERIA - Economic Research Institute for ASEAN and East Asia. And I'm involved in many cooperative projects between the, you know, ASEAN and Japan.

So, I completely agree to the Pak Sidharto mentioned about their co-creation. We just, created that kind of concept last year at a 50th anniversary of ASEAN relationship with Japan. And this is based on the background you just mentioned. Compared to fifty years ago, the situation of the relationship between the ASEAN and Japan are completely different and especially from the economic perspective. Like, right now, the ASEAN market as a whole is already, like, ninety percent of Japan's GDP.

So that single fact shows that the relationship between ASEAN and Japan changes completely. And for Japan, what the co-creation means is that the our relative size or the competitive advantage in the economic sense is completely changed last twenty, thirty years. And also we still have good Japanese company technologies that we cannot just to sell Japanese products to the entire market, especially the markets in the global south. So we need to work even closely with the Southeast Asian companies, Southeast Asian economies. And as Pak Arto mentioned about the creativity of diversity, that is something you know, we need to incorporate into our, like, corporate or, like, a technology.

And especially, in the field of AI just mentioned, AI means what is important about AI is that the size of the data or like the talent of size of the talent. That is something that Japan itself cannot provide. I mean, Japan is like, one million people, and if we combine with the ASEAN, then we we're going to have the seven hundred million. So that makes a huge difference. So that kind of a relationship is something we see in the concept of co-creation.

Gwen Robinson

Thank you. So let's turn to ASEAN Japan, both economic relations and prospects for leveraging those to further develop the relationship.

I mean, trade between ASEAN and Japan reached 241 billion dollars US in 2023, while total foreign direct investment inflow from Japan to ASEAN was about 14.5 billion dollars according to some measures. So currently, Japan stands as ASEAN's fourth largest trading partner and one of its top external sources of FDI. Now that provides an excellent base for further development, not just of trade, but, you know, you've got a solid bedrock to leverage into many other areas, which are already underway, but take it further.

So, I'd like to ask Ambassador Ong, you know, how do you see the current relationship, not just the economics of it, but, what's established? And, you know, how has that changed over the years and where do we go from here? How do you leverage the very robust economic trade relationship?

Amb. Ong Keng Yong

Well, first of all, let me recall what Pak Arto just mentioned. Japan and ASEAN, we used to have a donor donee relationship, but in the last forty years, the ASEAN part of it has become more and more creative. And in fact, we are now moving on our growth trends. Just one, significant data point. Our ASEAN population is around 685 million people as of 2023.

But the number of digital consumers, digital savvy people in ASEAN is around 460 million, four six zero. So, we have population of 685, but 460 million ASEAN citizens are already IT savvy, buying IT products, relying more and more on AI and other kind of digital inventions and technological advancement. So that relationship had changed from a simple buy and sell or sell and buy relationship to how we call the latest agreement between ASEAN Japan co-creation. Yeah. Under that, we will see more Japanese investment in innovative companies in ASEAN as well as movement of workers from Japan to Singapore to Indonesia to Malaysia to Thailand. These are the more advanced, IT sectors in ASEAN, but coming on strongly, Vietnam and all that.

Then Japanese side have also opened up their market for the IT savvy ASEAN citizen to work in Japan to maybe even invest in some Japanese startups, and Japanese can also invest in ASEAN startup. So this involve co-creating opportunities, co-creating new area of expansion for the economy. From the donor, donee, now we become co-creators. That is the most significant change in our relationship.

As you mentioned, the trade between Japan and ASEAN and investment from Japan to ASEAN, will continue to grow and will be very significant. But then inside this growth, you see more opportunities for ASEAN citizen, ASEAN companies to enter Japanese market and also for Japanese entrepreneurs and company to enter into other part of ASEAN market, which previously they have not thought about. So the whole concept here is that for the next twenty to twenty five years, there will be a great flow between the two sides, Japan and ASEAN. ASEAN countries, there are ten of us, and Timor Leste will join ASEAN very soon. So, eleven of us.

So it is a very dynamic market. And on top of that, the travel, the tourism part is something that we all must not minimize. Yeah. ASEAN citizen visiting Japan is between 3.5 million to 4 million a year. COVID took everything down, but now has come back.

And Japanese side also about 3 million to 4 million Japanese citizen come to ASEAN. And because of these millions of people exchanging ideas and visiting each other, over time, it will create a very strong basis for the co-creative relationship. So that is the most significant thing that has happened in ASEAN Japan relationship in the last three decades. Yeah. It reflect our ASEAN citizens' ability to move up technologically and to be opportunistic about all those growth and innovation we can see in digitalization as well as advancing technology.

Right. How this will affect the political relationship between ASEAN and Japan and the security defense relationship between ASEAN and Japan and the Southeast Asian; East Asian security situation, we will have to monitor because it is still early days. It's easy to say we are all friendly, ASEAN is friendly to everybody, and Japan looks at Southeast Asia. And we have many survey that show that Japan is the most trusted partner of ASEAN member states. But as you go along, there are other dynamics in play.

Most likely, other countries beyond ASEAN Japan will look at how the economic relationship advances and how this impact on security and defense of our respective ASEAN member states, Japan, as well as the whole region. Yeah.

And we have looked at this whole dynamic in the context of the overall global development, the competitive dynamic between China and US, and US role in providing the so-called security over the horizon for our ASEAN region to grow economically and socially. So, there is, in one word, change. And how we are able to write the change will determine how this relationship, benefit both sides.

Gwen Robinson

That's very interesting. I think you're essentially reinforcing, Pak Arto's earlier point about, you know, the digital talent and savvy and driving the equalizing dynamic between as well as, you know, the security

Thank you. So, I think you've set the stage very well for a question over there to Mashita-san, talking about all this. From the business community's perspective, you know, what successes and challenges have been encountered on the way and taking in these very good points?

And how have the efforts, including co-creation vision as well as regional agreements we've seen particularly in trade such as AJCEP, RCEP, CPTPP benefit the private sector and support the business community.

Naoaki Mashita

Okay. Thank you very much. Thank you very much. I hope my must still work. Yeah. Because its freezing cold actually.

So, I moved to Singapore thirteen years ago. So, I well, I noticed that the inside is always cold, but here is the coldest stage, actually. So, yes. So, thank you very much for having me on the stage. And my name is Mashita, and I'm tech entrepreneur. Started my business twenty-six years ago, so it seems to be no longer kind of a start-up. But, well, I started that company when I was in college. And, also, I was serving as a vice chair of Keizai Doyukai, which is one of the large, largest business community in Japan until this March. So I'm gonna talk from those perspective.

So Japanese business community has been believing the potential of ASEAN countries in the last fifty years and kept working with ASEAN through the investment and trading. And total amount of the GDP of ASEAN has been almost ninety percent of the GDP of Japan, which is 3.9 trillion dollars. That's a great gross.

And number of companies, working in ASEAN as a Japanese company, it has been more than ten thousand companies already, and particularly Indonesia, Thailand, and Vietnam for manufacturing and services. And now it's extending to financial industries and retailers and others. And the challenge is what we have is getting bigger and bigger. So I want to talk about two points.

The first one is about the size, the volume of the business. So well, somebody said that the Japan has been the fourth largest position of the trading with ASEAN. It used to be the number one.

So and then fourth largest, but still already one third, less than one third of the number one, which is China. So, it's almost impossible to compete with those size of the countries like United States, China, because Japan is a shrinking population. So, we need to forget about the size. So, we need to think about, the quality. How can we improve the quality of, well, the relationship with ASEAN? So that's one thing.

And the, another thing is, so the speed. So maybe a lot of people are thinking that the Japanese are very slow. Actually, it used to be not slow. Maybe after the World War two. So the Japan moved very quickly.

But now everything is very slow. So, I'm sitting as the board of large bank in Japan too. It's a very nice, good company, but everything is very slow. And, also, I'm serving as member of the regulatory reform committee of the Japanese government, which is changing a lot of regulations, including rideshare or telemedicine or those kind of things.

It's taking long, long, long time. Good news is that kind of things is now changing. Even the rideshare, it was almost impossible to implement into the Japanese society because of the huge, well, the against by the taxi association. But from this this April, partially, rideshare was finally implemented. So the, Uber, Grab, those kind of things will be available.

But still, it's in the halfway. So we need to move quicker, and then the speed is always the issue even for those kind of things. And, well, also the case of Keizai Doyukai, so as I mentioned, that's a large the business community in Japan. And it has sixteen thousand members in Tokyo. I'm sorry. One thousand six hundred members in Tokyo, and nationwide,

seventeen thousand members. And most of them are the corporate executives of large enterprises. And the Keizai Doyukai is now organizing has been organizing the AJBM (Asian Journal of Business and Management) in the last fifty years. This year has been fiftieth anniversary of the AJBM. So, we are bringing the those corporate executives from Japan, the top executives, to ASEAN to meet with local leaders, in ASEAN countries to let them understand the actual speed of ASEAN from bottom of their heart.

So are that kind of how can we improve the speed of the Japanese society and economy or business leaders are kind of, very big key, for the challenge. And another thing is, so the relationship between Japan and ASEAN has been quite long. And then we built the great friendship, from maybe thirty forty, fifty years ago, which means those people who made a friendship is getting older and older, and some of them has already passed away. So we are losing the people who has a great relationship between those two regions. So now we need to, how do you call it, extend those kind of friendship to the younger generation like us or even younger generation.

The Japanese government – METI - and, well, the JETRO and also Keizai Doyukai are organizing the events called Japan, ASEAN Japan Young Leader Business Summit. So we're not we are no longer young, but it's called the Young Business Leader Summit.

Gwen Robinson

Well, it's all relative.

Naoaki Mashita

They are young, very young people are sitting there.

Gwen Robinson

It's all relative.

Naoaki Mashita

Yeah. But that is so this year is gonna be the second conference in Kyoto, but we are gathering the top executive of young leaders in ASEAN and also entrepreneurs in Japan to make the good community with a friendship. So building those kind of friendship in younger generation is also another very important. Well, it's challenging, but it's very important for both regions.

Gwen Robinson

Yeah. I must say, I think this is an emerging theme already in this dialogue is youth as well, which I've never seen such focus in the last three decades in ASEAN policy making and, pundit circles on the young, which is fantastic to see the recognition of the capital and the value that comes from leveraging.

Amb. Ong Keng Yong

It's also a function of the economy, Gwen. If you look at the Indonesian economy and the number of unicorn company in Indonesia. No investor around the world can afford to ignore this big market in Indonesia. And then now you add on, Vietnam, yeah, Philippine, Thailand.

So, all the young people here, try your best to set up your own unicorns. Unicorn company, what is it? I was looking at my note.

Gwen Robinson

A billion dollars, I believe. Yeah.

Amb. Ong Keng Yong

Yeah. You have to have

Gwen Robinson

A billion-dollar company.

Amb. Ong Keng Yong

Value over one billion US dollar. But in ASEAN, we have fifty-nine unicorn company. Majority of them in Indonesia. So Indonesian colleagues, friends, go out there and make your millions or billions.

Gwen Robinson

Can I also throw in one other thing, which is it this is partly a result also of the age rapidly aging demographic in the older countries like Japan, etc. So, it instantly adds to the attractiveness of these young, vibrant, and huge economies like yours.

Sidharto R. Suryodipuro

But, you know, Japan also has a very large external economy in Southeast Asia. So apart from trade investment, the Japanese companies establishing its own, supply chain that interact among themselves and then export to the ASEAN market or to a third country is also very significant.

Amb. Ong Keng Yong

And that's why the maritime sector in ASEAN is very critical. Yeah. The Japanese economy is supported by such a strong, what do you call it, supply chain. Yeah. Many other countries in Europe suffer very much due to the disruption of the supply chain during COVID.

But Japanese company more or less got the thing under control quite quickly. So it is something that we can learn from Japan, and I think big economy like Indonesia, Vietnam, Philippines, we'll have to find a way to secure our supply chain more solidly by looking at the Japanese model.

Gwen Robinson

Right. Well, I think a lot of that prowess is also on logistics and transport. So yeah.

Hiroshi Ishikawa

Yes, I just want to add a comment about the digitalization and the start-up, especially the importance of the cooperation between the ASEAN and Japan in the field of start up in the digitalization. Because they are right now as now, we mentioned that the ASEAN has a huge young and additional savvy population, but it doesn't continue forever. So right now, ASEAN

has a very rich young initial savvy Torian, but it's going to continue for next ten, twenty years. So that is a window of opportunity for moving to the next step and for the innovation.

So that is why now we need to focus more on the digitalization and start up, and that area is something Japan plays more role for helping because we have technology, like, background and also the, you know, experiences of the last ten, twenty years for that, you know, younger I mean, like, we are already Asian, but we have, like, an asset of, you know, sharing with the Southeast Asian countries.

Gwen Robinson

Right. So in your role advising area and, you know, you're looking at some of the economic dynamics. Can I just ask you, how would you assess Japan's commitment to supporting this region through its economic institutions or joint institutions such as Japan Economic Foundation, Japan ASEAN Integration Fund? In addition, I'm based in Bangkok, so it was, news this this year when Japan revitalized and boosted its Mekong region fund to support those Mekong region countries as well.

So, in the future, are we going to see a more intensified economic commitment, from Japan towards ASEAN through those kinds of channels, which is big money channelled through big institutions?

Hiroshi Ishikawa

Right. Yeah. So Japan continues to commit to support the ASEAN region through various institutions, which you just mentioned, like, you know, JAIF or, like, you know, JICA, various institution. But what is common among those institutions is that we are helping. We are support is going post the human capital or like an infrastructure, which contributes to the sustainable growth of the ASEAN region.

Like, we don't want to, leave the unused infrastructure or, like, adjust the debt after we finish the support. So that is a common idea of which the Japan has for the support to that Southeast Asia region. And, I want to highlight one institution, which I belong to, which is the ERIA. ERIA is, of course, at the international independent institution. But last year, Japanese government, did the support, the financial support to the area to establish the digital innovation and sustainable economic center, which is going to focus more on the digitalization and the start up.

So because that is going to be the driver for the ASEAN's growth; and also now is the time for the focusing on the digitalization that.

Gwen Robinson

So you're saying that's additional and further evidence that Japan's still very committed to going using the channel of these big institutions into ASEAN?

Hiroshi Ishikawa

Right. Yeah.

Gwen Robinson

So we've got a lot of issues to get through and very little amount of time. So I'm gonna scrunch it down. But, one thing, I would like to throw in is to address the kind of more security political aspect of the relationship. And, just to remind people we've got both ASEAN and we heard in several panels today how many new leaders and new administrations are in the region. Japan as well has had a surprise change of, if not party, ruling party administration.

Now, as you know, there's a lot of, intensifying geopolitical rivalry in the region and the coming change of administration in the US, which is preoccupying probably everyone around the world and particularly this region.

So I'd like to ask both, Pak Arto and, Ambassador Ong, in light of the growing geopolitical rivalry in the region, how should ASEAN and Japan respond to these challenges? What strategic opportunities can be further harnessed to strengthen the ASEAN Japan partnership, enhance its impact and grapple with these, you know, very rapidly shifting dynamics?

Amb. Ong Keng Yong

Okay, I think the most important thing between Japan and ASEAN at that level that, the chairman of our session is talking about is one word only, which is multilateralism. So ASEAN countries, we are committed to multilateralism. We want to make sure the multilateral institution continues to work. ASEAN is here with multilateral. I come from Singapore, but when we talk about ASEAN, we need to think about all the views and interests of the ASEAN member states.

There are nine of us outside of Singapore. So Japan and ASEAN will continue to work on multilateral institution, multilateral initiatives, and we try our best to keep it efficient and useful for our own country's well-being. But more importantly, as a region, Japan and ASEAN, we are committed to keep our Asia Pacific region or now what we call Indo Pacific region safe, secure, and open for business and growth. But that will require a lot of diplomacy on our part, both in the case of Japan as well as ASEAN member states. But I think given our track record, Japan and ASEAN countries, we should be able to ride the storm, so to speak.

Yeah. And, hopefully, our leadership in ASEAN countries, as you mentioned earlier, there has now been changes of leaders and government and all that. But we have become more and more democratized in Southeast Asia, take Indonesia as an example. So hopefully by working with a democratic tradition like Japanese, we can do more to deal with all these challenges.

Question now is how do we coexist with China and coexist with America? Yeah. One guy say America cannot be here because, geographically, they are far away. But America says we are a maritime nation depending on international trade. So this is the growth area that they must be in. So how are they going to reconcile these two opposing positions?

All the young people here, you're going to think through and, work in government and your company to try to make sure peace continues so that Pak Arto and myself will all grow peacefully old.

Gwen Robinson

Well, I think that is an opening for you, Pak Arto, to, you know, to address those issues. Keep it short, and we'll have one more question, which will mean we'll run a little bit over time, but bad luck. Anyway, go on.

Sidharto R. Suryodipuro

Ambassador Ong Keng Yong, began with one word, multilateralism. I'll begin with two concepts, maritime stability and ASEAN centrality. Let me explain. This region, Southeast Asia, is the key region, maritime region for the world's traffic. And it is a challenge on how, all countries whose prosperity, whose security depends on access to this region and access through this region.

So Southeast Asian Maritime region is not only a thoroughfare, it's also an arena. So it's a matter for ASEAN first and foremost, but also with partners like Japan to ensure that this maritime region, will remain open, will remain inclusive, and above all, will remain productive. So, Japan and all ASEAN partners are a stakeholder. If the ASEAN region of seven hundred million people continue to grow, in a very healthy way as it is now, then all countries benefit from it. No country has an interest in any kind of disruption.

So that's the first one. A lot of work has been done, into this field. The second is on ASEAN centrality. I know this is a concept that has been doubted many times, and it should be, but let me give you, my perspective. When you talk about ASEAN centrality, we are actually talking about four interlocking concepts or dimensions.

One is geographic centrality. I touched on it earlier. It is geographically central. Secondly is institutional centrality. ASEAN, various ASEAN mechanisms, there are ASEAN summits, ASEAN East Asia summits, in which all the great powers come together.

The other is diplomatic centrality. A lot of diplomacy takes place at the sidelines of ASEAN meetings, a lot of diplomacy, even those not involving ASEAN countries. And then the fourth is economic centrality. We talked about ASEAN Japan economic relations. Japan is ASEAN's number four trading partner, but did you know that for Japan, ASEAN is, I think it's number two or number three largest trading partner.

ASEAN is the number one largest trading partner for China, also for Australia. I think for India is number two, for the U.S is number four, and for the European Union, ASEAN is the sixth largest trading partner. So economic centrality. And this is where, Japan and ASEAN, had a lot of room to work in.

Gwen Robinson

Thank you. And finally, if you're not frozen to death yet, much to say. Better be quick here. The value of ASEAN's digital economy is projected to double to 2 trillion dollars by 2030. What steps can ASEAN and Japan take to close the digital gap and

fully capitalize on the digital economy's projected growth? And I think you're going to say a make a point about the, MSMEs. So, keep it short. Okay.

Naoaki Mashita

Okay. Yeah. I will try. And then the digital gap is a huge issue, and then maybe that's the biggest thing is what Japan wants to learn from the ASEAN actually. So as Ambassador Ong said, so the digitalized people in Japan is still very small.

And the biggest agenda, what we have in the corporates in Japan, is a risk killing of the labourers. So Keizai Doyukai and also Google and some other the, well, the group of ministries in Japan are now doing the pre-screen for educating the employees about the digital things remotely. So that is coming up, and then we need to fix that. So we started from the no digital barrier or gap, which means if there is a people who cannot use smartphone, don't use smartphone, everyone don't use smartphone. So it doesn't work.

So now the people is using the smartphone and other technologies, and then there is a digital gap. So we need to fill the gap. So and then we need to extend those kind of things to, the ASEAN countries as well. And then if we look at the MSMEs, the start-ups. Yes. Should be the key. And the start-up should be the key. So the Japanese government is now trying to make the number of the start-ups ten times, and the investment to the start-ups ten times by 2027.

Gwen Robinson

You mean across the region, or you mean in Japan?

Naoaki Mashita

In Japan. In 2027. And then it's actually now happening. So the top the brightest and, the top talents from the top university in Japan used to be going to the government or large enterprises, but now they are going to start up.

It's a huge change. It's happening. Number of start-up is coming up, and then we do have a good stock exchange. So you guys should remember that. So, in Asia, there is a Tokyo stock exchange where the old companies in ASEAN can go public as well.

And the token stock exchanges are trying to make those ASEAN companies go public in total stock exchange.

Gwen Robinson

You mean adding incentives, like trying to attract them?

Naoaki Mashita

Yep. Yeah. Well, yes. And then you can have a big multiples there, more than other stock exchange in ASEAN regions. So and it would be a great gateway to the European countries and also United States.

So those kind of cooperation between ASEAN and Japan, including those startup things, is great opportunity what we have.

Amb. Ong Keng Yong

I think I must say something about green economy. You know?

Gwen Robinson

Better be ten seconds.

Amb. Ong Keng Yong

Yes. All the young people must use the green economy.

Gwen Robinson

We will give them a chance to ask questions.

Amb. Ong Keng Yong

Yeah. Okay. Okay. You can ask.

Gwen Robinson

No. Did you want to say, you just wanted to say something

Amb. Ong Keng Yong

Just give them a clue to ask about green economy.

Gwen Robinson

Okay. Alright. So, we've got, time for two questions. So if, someone would like to hit these, I can see okay. The one in my line of sight was way down there. Yes. The lady in the blue hijab and maybe oh. You and then and then you at the back after this man.

Participant 1

Okay. So this is addressed to no one in particular, but this is a question of personal and professional interest. So we talked at large about AI, but what I am still not getting at personally is, what kind of co-creation we are looking at because, and I mean, at least to the extent of my knowledge, in terms of both hardware and software, both are still being dominated by the west, by Silicon Valley especially.

So, I mean, my question is that, if we do wanna cocreate, then what kind of areas that, that we can look at? Basically that. Thank you.

Gwen Robinson:

Okay.

Amb. Ong Keng Yong

Okay. I just mentioned green economy. Yeah. A young man like you should go and ask yourself what the strength of the Indonesian green situation is, and how can we invite Japanese investor or participants in creating joint effort with regard to green. Yeah. And there are many things that you can find, because Japan being one of the country further up north and ASEAN, in the case Indonesia, you are the southern crucible of Asia Pacific.

You have many things you can do to help stabilize or equalize the disruption to the environment. So this is something to think about, and many Indonesian initiative, among young people on climate change and green sustainability have already taken place. So now try to interest the Japanese to invest in your initiative.

Gwen Robinson

Good advice. Yes, Ishikawa-san

Hiroshi Ishikawa

Let me answer to the question very quickly.

Yeah, let me answer the question you just mentioned because, that is something the ERIA is working on right now. One area we should definitely need to have for the co-creation in AI is the rules about the data utilization. Because as you mentioned, that in the AI era, it is important to have the access to the infrastructure and also the access to the data. But, what is happening in this region right now is that each country has its own rules, especially the privacy rules. So, like, many companies are required to store the privacy data in each own country.

So it is the potential for youth to have in the privacy data that are quite limited unless we have the common rule. So that is something we need to have among the ASEAN member states and with Japan.

Gwen Robinson

Right. Thank you. Good point. Mashita-san, do you wanna say something very brief about any of this?

Amb. Ong Keng Yong:

He want no privacy rules. He wants to have everything.

Gwen Robinson

We could do a whole panel on privacy rules, but anyway and data centers. But anyway, I think we'll turn to yes, you.

Participant 2

Thank you for the opportunity. Please allow me to introduce myself. My name is Khoriah. I'm a third-year undergraduate student from Islamic State University of Sunan Ampel, Surabaya.

So in my understanding, one of the objectives of this partnership is focusing more in technology innovation and advancement. But as we know that Indonesia as a key role of ASEAN also still faces, challenges like poverty, a low level of education, as well as, less skilled labour.

So, my question is, could these challenges be seen as a hindrance to achieve objectives of East Asia and ASEAN partnership? Thank you.

Gwen Robinson

That's an excellent question. Pak Arto, I think that one is for you.

Sidharto R. Suryodipuro

IT and technology, including AI, should be leveraged to exactly address these issues like poverty, because they, there is added value to it. But in fact, the challenge is, because, when it comes to workforce, there's a danger that AI will actually kill jobs. And to be able for us to, for our younger generation to prosper in such an environment, environment of AI and robotics, is, again on the issue of creativity. Creativity, education for, the future of work. And I think ASEAN and Japan, we both have that creativity, have this, especially Japan, the strength in technology, in IT, but also in creativity based on culture, civilization, roots.

So this is what we can bring. This is in a very broad concept.

Gwen Robinson

A very good point. And last word to you, Ambassador.

Amb. Ong Keng Yong

No, I just wanted to respond to the lady who asked the question. Don't be misled into thinking that since we talk so much about business innovation, Japan-ASEAN cooperation is confined to that area. Japan is the most important dialogue partner and operating partner of ASEAN in terms of disaster management. Yeah. Indonesia, as you know, you have volcano, you have tsunami, you have earthquakes.

Yeah. And the Japanese contribution over the years have created a good infrastructure. You have the AHA center in Jakarta. AHA stands for ASEAN Humanitarian Assistance Center. Many of the activities there are funded by Japanese government to build up our capacity and capability to respond to all these natural disasters that come attack our countries, especially here in Indonesia because you are such a big archipelagic state.

So if you look at, what we are doing in this sector, you will find that there are many things that the Japanese special programs have helped ASEAN member states beyond the technology, beyond the economy. Yeah. And we now have on standby warehouses of equipment in ASEAN region funded by Japan. And we have even Japanese team that come out quickly to help our ASEAN team to manage the disaster. So it's not just with regard to economy or business, socially.

Gwen Robinson

Good point. Yeah. Thank you. And the very final word. Mashita-san, come on very quickly.

Naoaki Mashita

If we talk about the poverty things, so the education is always the key. So the infrastructure about the Internet connection is everywhere now. And then AI is going to change the language barrier, in very soon. So the old contents about the education coming from Japan could be used in every country in ASEAN as well. So that would be, one of the key to get out from the poverties in some rural areas.

Gwen Robinson

Right. Look, thank you. And I would just like to say one thing. I was struck by the new Indonesian foreign minister's speech this morning. I think most of you might have heard it, but you don't often see a foreign minister laying through a lot of, the foreign policy challenges, but then bring it back to stressing poverty, food security, and that these have to be resolved to be able to, you know, really enact and, have a full active foreign policy.

So I thought that was a good indication of some priorities. Maybe you might see more action on poverty alleviation, which would help boost, Indonesia towards what we're talking about now.

Anyway, I'd like to just briefly sum up the panel in, I think, the most instructive and illuminating things that came out of this is we really, which we probably all know, but, you know, the future is really with the youth in the region and also this growing trend for an equalizing of relations between the ASEAN countries and, what we call the original donor done/ recipient relationship. And that is being driven by, both youth and these other considerable number of factors. So, I hope you had some takeaways from that session.

I think we all certainly did, and I'd like to thank our excellent speakers. Sorry for being bullied and kept the time, although we ran way over time. So, thank you.