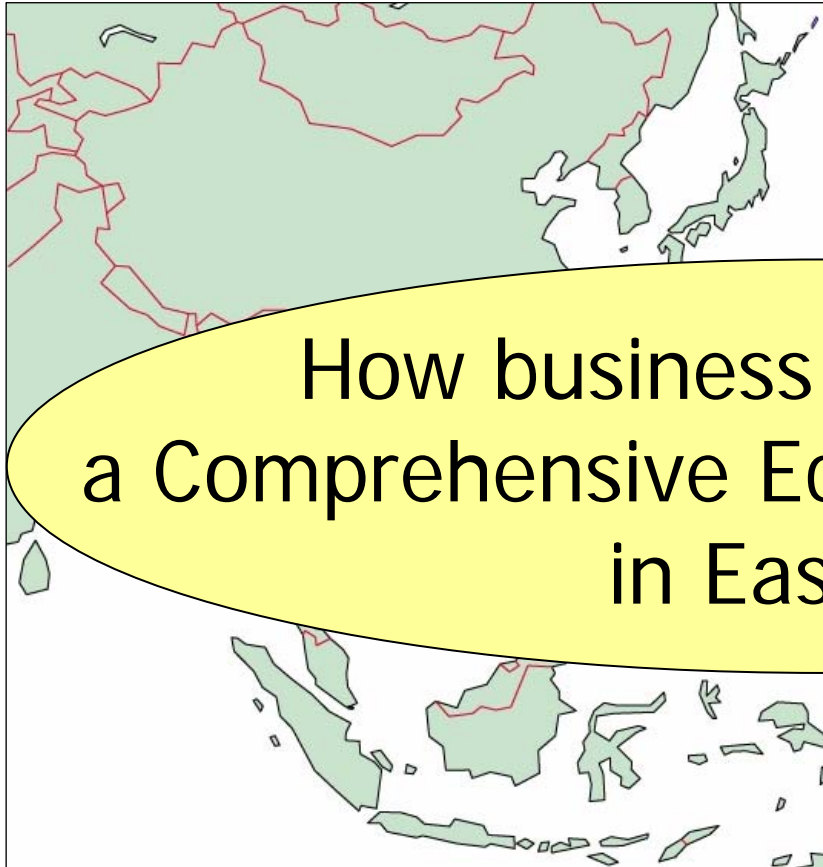


March, 2008
An ERIA Seminar

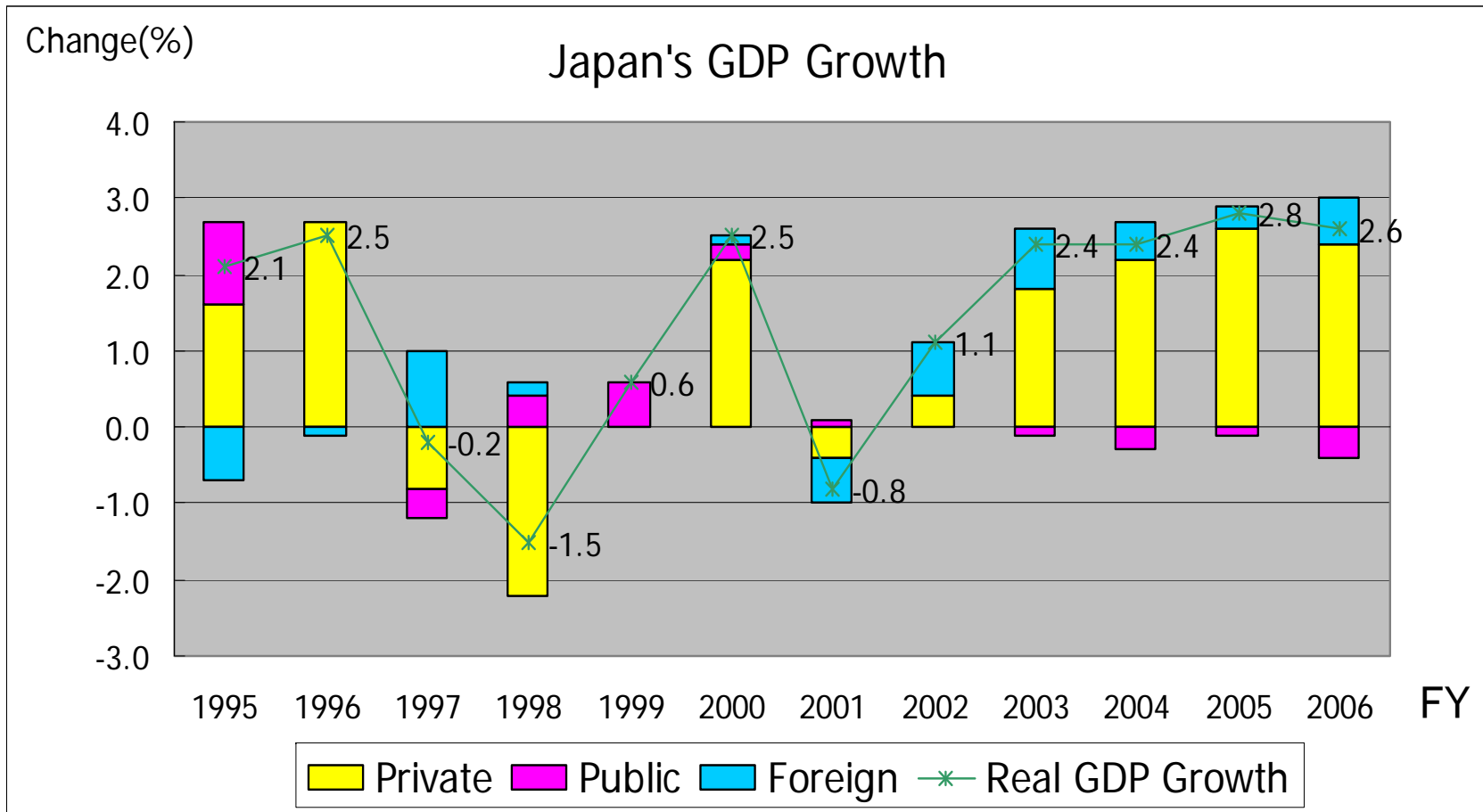
How business will gain from
a Comprehensive Economic Partnership
in East Asia



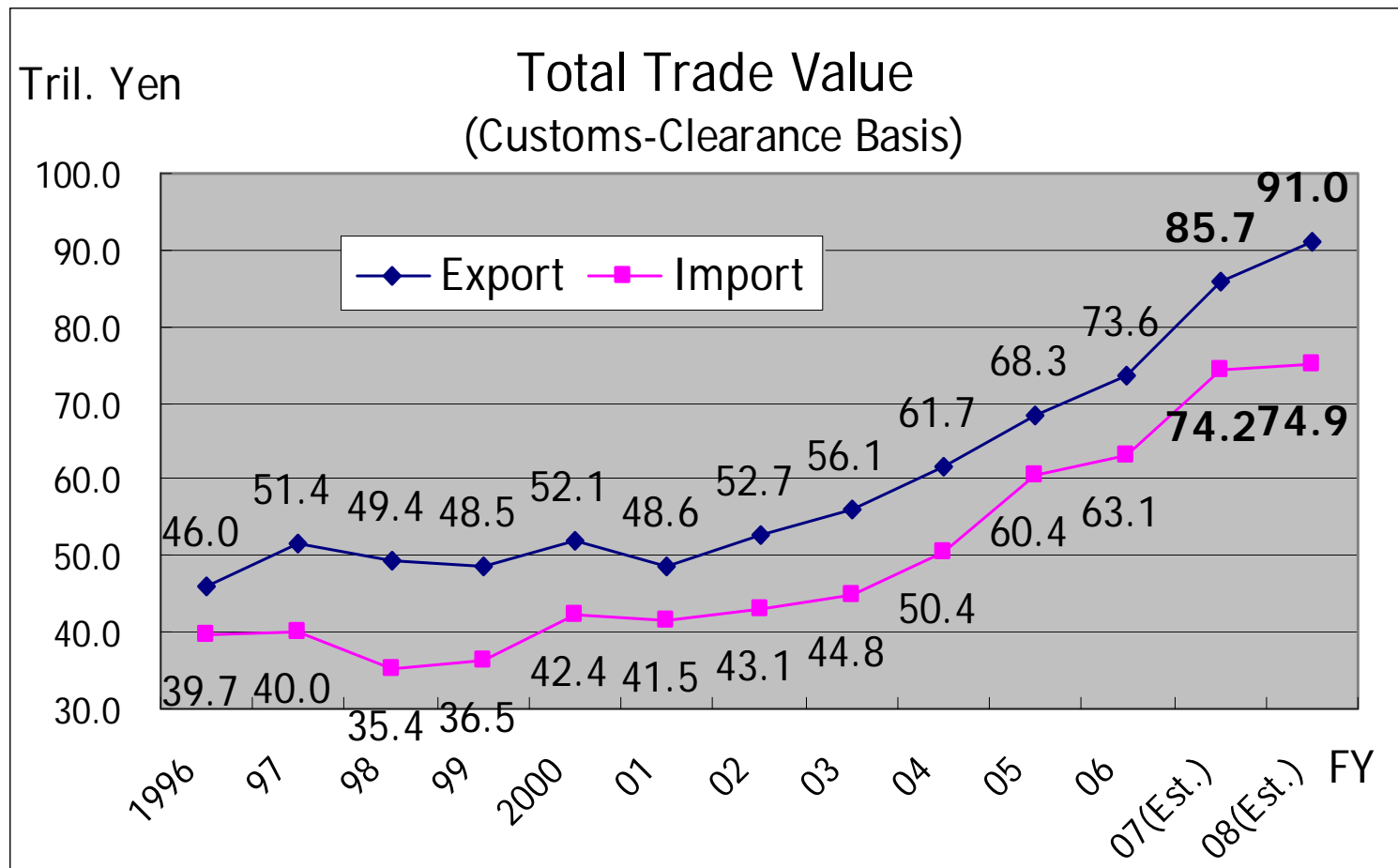
Sojitz Research Institute
Tatsuhiko Yoshizaki

Sojitz Research
Institute

Japan's economy : Export-led Recovery



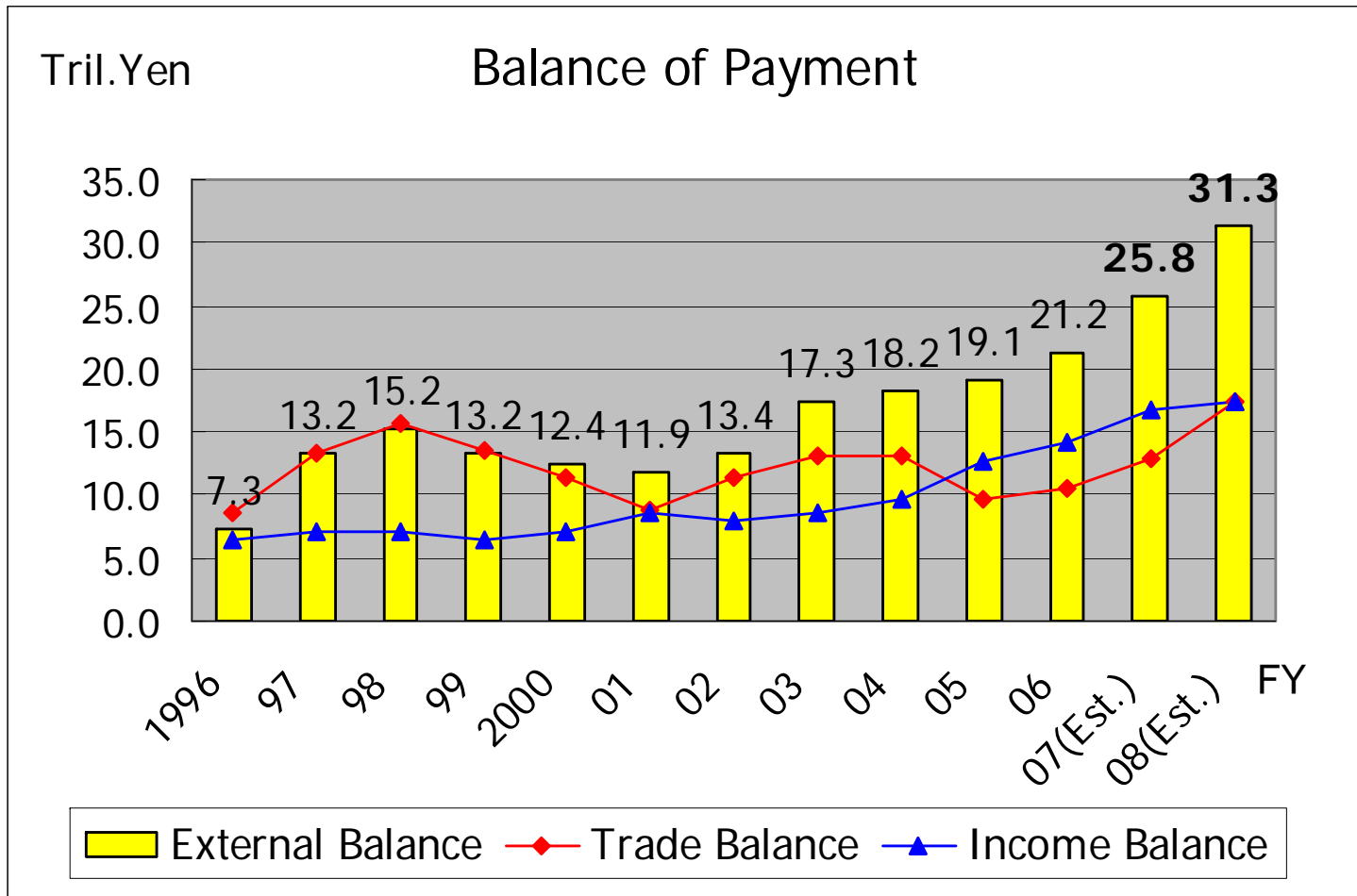
Trade Statistics : All-time High



* Forecast is based on JFTC's research, Dec.5th 2007

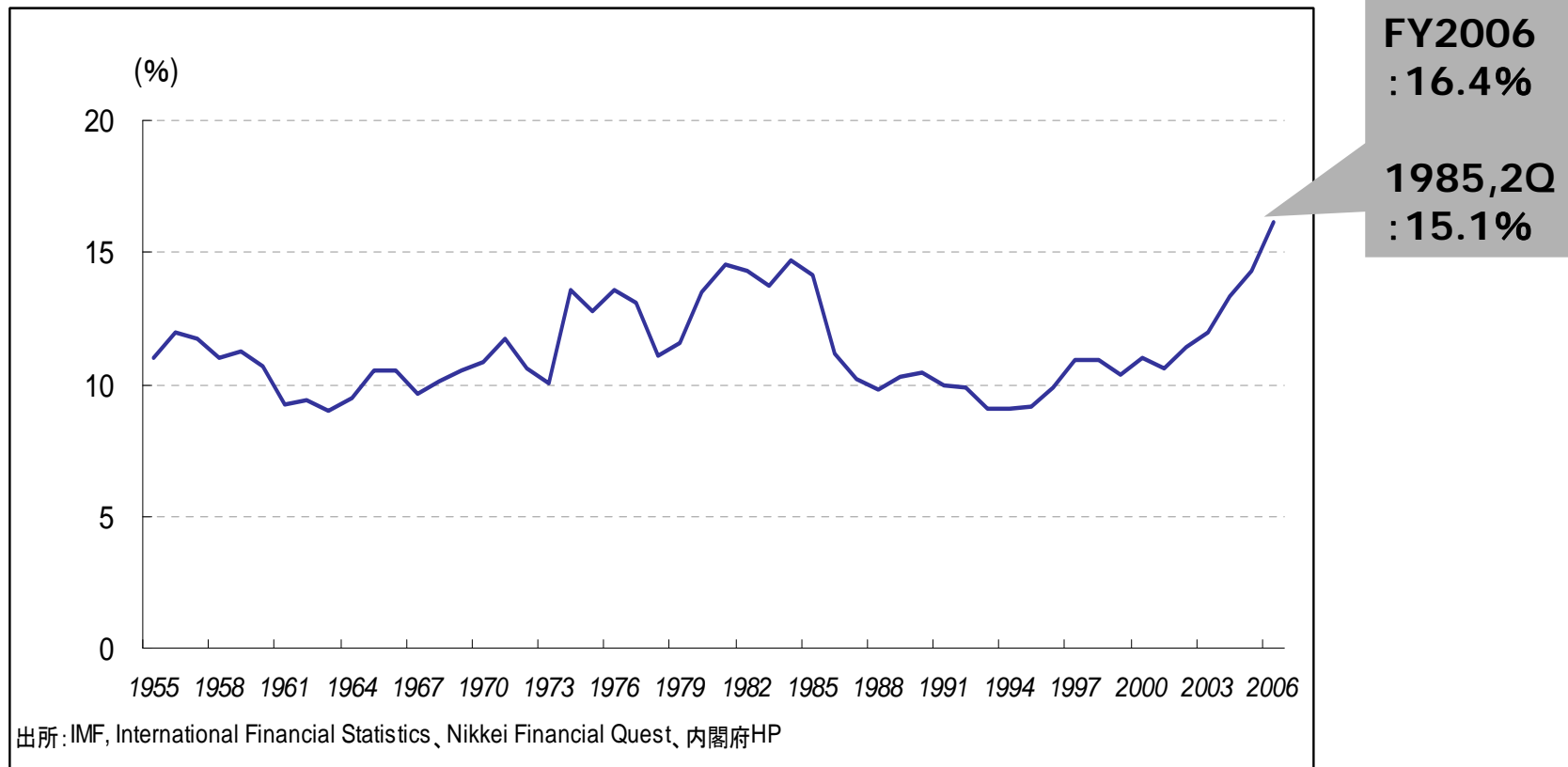
<http://www.jftc.or.jp/research/index2.html>

External Balance : Growing Surplus



* Forecast is based on JFTC's research, Dec.5th 2007

Trade dependency: Record High Level (Export to Nominal GDP Ratio)



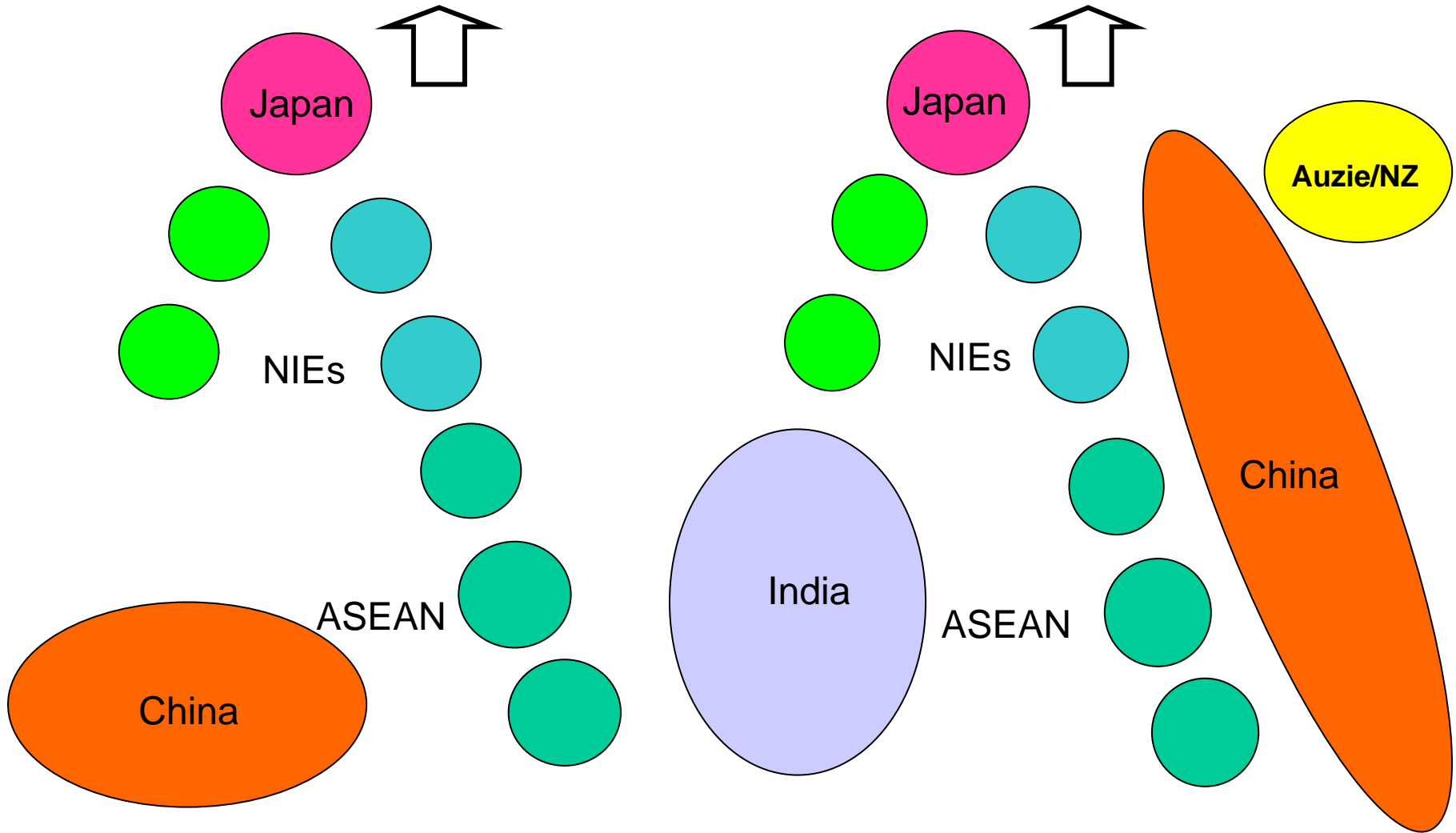
Trade by Regions: "ASEAN+6" shares the Half

Export	1990	1995	2000	2005	2006
Asia	31.1	43.5	41.1	48.4	47.6
(China)	2.1	5.0	6.3	13.5	14.3
Oceania	4.0	3.1	2.4	2.1	2.6
(ASEAN+6)	35.1	46.6	43.5	50.5	50.2
USA	31.5	27.3	29.7	22.5	22.5
Western Europe	22.2	16.9	17.4	14.8	14.7
Middle East	3.0	2.0	2.0	2.8	3.0
Latin America	3.6	4.4	4.4	4.2	4.7
World	100.0	100.0	100.0	100.0	100.0
Import	1990	1995	2000	2005	2006
Asia	28.7	36.7	41.7	44.4	43.7
(China)	5.1	10.7	14.5	21.0	20.5
Oceania	6.3	5.5	4.7	5.4	5.4
(ASEAN+6)	35.0	42.2	46.4	49.8	49.1
USA	22.4	22.4	19.0	12.4	11.8
Western Europe	18.2	16.2	13.6	12.4	11.3
Middle East	13.1	9.4	13.0	17.0	18.9
Latin America	4.2	3.5	2.9	3.1	3.4
World	100.0	100.0	100.0	100.0	100.0

Source: MOF, Japan

Old Image of East Asian Economy
(Flying Geese Pattern)

Current Image of East Asian Economy
(Flying Geese + New Birds)



Distinctions of East Asian Economy

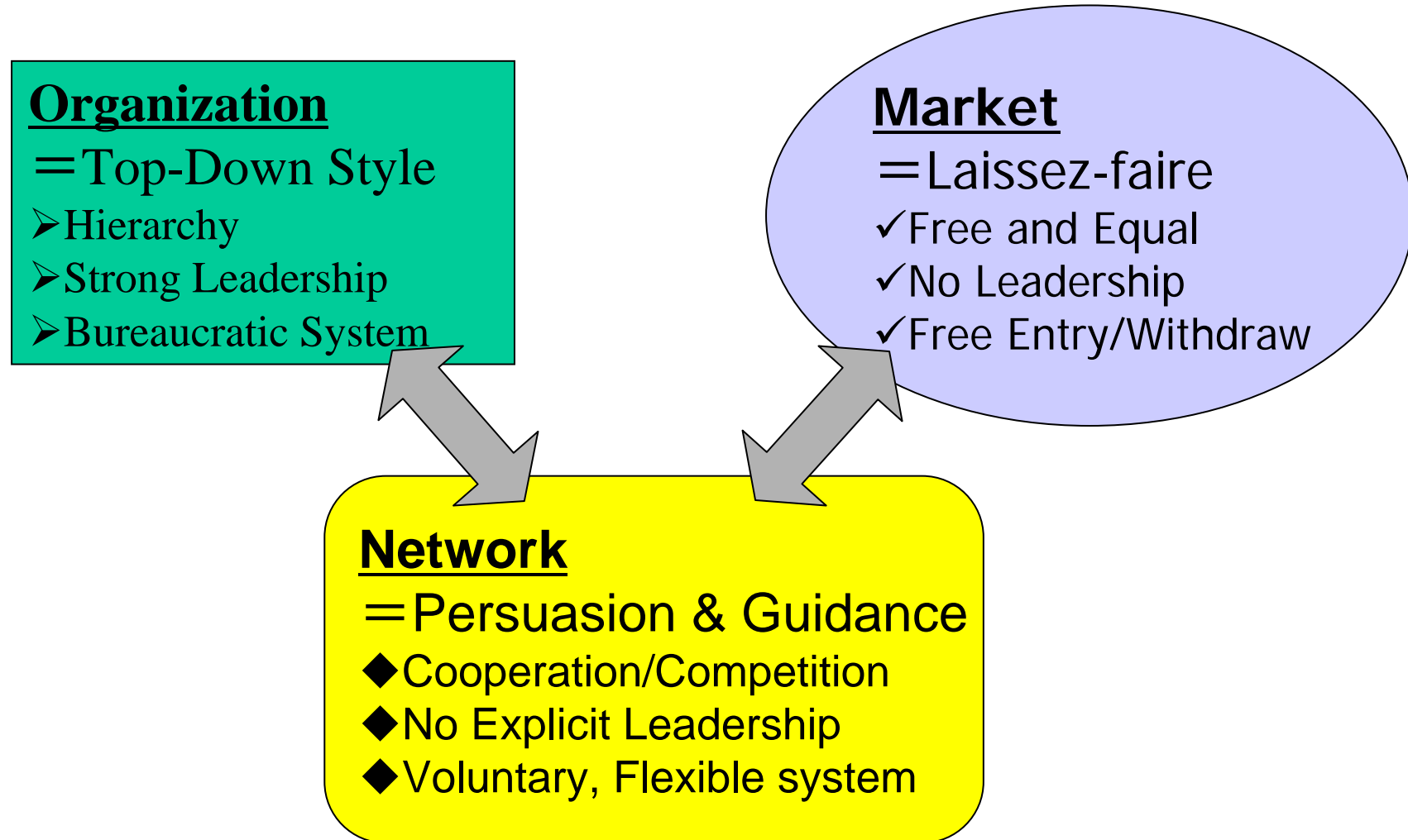
- Spontaneous development
- “De facto” integration (EU: “de jure”)
- Driven by market mechanism. (EU: Political will)

--- *“The ideal follows the real.”*

- “Enlargement and Deepening of East Asian Business Network” —White Paper on International Economy and Trade 2007

What is "Network" style ?

Type of Social Systems



Toward CEPEA: A View from the Private Sector

- We are on the right track.
 - The most important thing is “to keep and advance the current momentum.”
- Eliminate potential obstacles: Trade dispute, Energy concerns, Agriculture, Environmental issues, Currency instability, Political confrontation...
- Modest but practical approach
 - Don't hesitate “Trial and Error” style.