ASEAN-Japan Economic Resilience Action Plan

- On 22 April 2020, the ASEAN Economic Ministers (AEM) and Minister of Economy, Trade and Industries of Japan adopted "The ASEAN -Japan Economic Ministers' Joint Statement on Initiatives on Economic Resilience in Response to the Corona Virus Disease (COVID-19) Outbreak".
- The Ministers tasked officials to explore, in a timely manner, concrete actions to accomplish three objectives: (i) sustaining the close economic ties developed by ASEAN and Japan; (ii) mitigating the adverse impact of COVID-19 on the economy; and (iii) strengthening economic resilience through an "ASEAN-Japan Economic Resilience Action Plan" in response to the economic challenges brought by the COVID-19 outbreak pandemic.
- The outline of the action plan is as follows:

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♦ Objective 1: Sustaining the close economic ties developed by ASEAN and Japan

- *i.* Strengthen economic integration and cooperation, including through the full implementation and utilization of the AJCEP and its Protocol, to keep markets open for trade and investment;
- *ii.* Refrain from imposing non-tariff measures that are unnecessary and could potentially restrict export and import of goods, especially those classified as essential goods, including medical, food and other essential supplies, or disrupt regional supply chains and are inconsistent with WTO rules;
- *iii.* Provide capacity-building assistance to promote manufacturing including auxiliary industries and services competitiveness, export competitiveness, and economic diversification; and

iv. Enhance on-going projects to improve supply chain connectivity and promote trade facilitation and e-commerce.

♦ Objective 2: Mitigating the adverse impact on the economy

- *i.* Promote information exchange and sharing of best practices on economic policies to manage the COVID-19 pandemic and publicprivate collaboration effort to respond to economic and business challenges;
- *ii.* Facilitate the smooth flow of essential products such as medicines, medical and health supplies, and equipment as well as agricultural and food products to support the viability and integrity of supply chains;
- iii. Enhance support, including financial support, for businesses, particularly MSMEs and vulnerable groups, affected by the COVID-19 outbreak and shall be in accordance with the World Trade Organization (WTO) rules; and
- iv. Promote pioneer businesses, new business models including start-ups, with digital technologies providing solution to challenges brought by the COVID-19 outbreak;

♦ Objective 3: Strengthening economic resilience

- *i.* Initiate programs to strengthen supply chain resilience centered on ASEAN, including through enhancing business and academic experts' participation;
- *ii.* Formulate a cooperative framework aimed at building capacity on emergency preparedness and response for supply chains;
- iii. Strengthen the network to facilitate interactions of relevant stakeholders in the region; and
- iv. Explore public-private collaboration initiatives in strategic sectors including agri-food industries, health related industries, and energy.

Objective 1: Sustaining the close economic ties developed by ASEAN and Japan

i. Strengthen economic integration and cooperation, including through the full implementation and utilization of the AJCEP and its Protocol, to keep markets open for trade and investment;	
Strategic Measures	Description of Activities
 Signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement in 2020 	 ASEAN and Japan remain committed to the signing of the RCEP Agreement in 2020, while keeping RCEP open for India, as reaffirmed by the Ministers at the 10th Inter-sessional RCEP Meeting held in June 2020.
 Entry-Into-Force of the First Protocol to Amend the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement. 	 The First Protocol to Amend the AJCEP Agreement will enter-into-force on 1 August 2020, for Japan, Lao PDR, Myanmar, Singapore, Thailand, and Viet Nam. This incorporates the Chapters on Trade in Services, Movement of Natural Persons and Investment into the AJCEP Agreement. The remaining signatories to the Protocol are urged to expedite their domestic legal procedures so that the Protocol enter into force for all Parties to the AJCEP before the 23rd ASEAN-Japan Summit in November 2020.
Enhancing industrial cooperation on the automotive sector	 Continue to engage in industrial cooperation initiatives such as through convening Automobile Industry Working Groups (WG) Meetings by AMEICC in which both public and private sectors from each AMS and Japan participate. The Automobile Industry WG discusses how to improve competitiveness of ASEAN's automotive industry, and exchange information and view of each country's policy including xEVs and biofuels.

•	Enhancing industrial cooperation in the chemical sector	-	Continue to engage in industrial cooperation initiatives such as through AMEICC Chemical Industry Working Group (WG) and the Association for Overseas Technical Cooperation Sustainable Partnerships (AOTS). Convenes Chemical Industry WG Meetings through AMEICC in which both public and private sectors participate from each AMS and Japan. They discuss how to promote competitiveness of ASEAN chemical industry and intra-ASEAN and Japanese investment in ASEAN, and how to enhance the transfer of technology from Japan and among ASEAN. WG also develops ASEAN Japan Chemical Safety Database (AJCSD) for enhancing transparency and reducing compliance risk on chemical safety among the countries. Conducts workshop programs on ASEAN-Japan Chemical Industry's Safety and Operational Safety Improvement Initiative participated by both public and private sectors from AMS and Japan. It is initiated for the capacity building of personnel in the pursuit of harmonization regarding common regulations on chemical
			management.
-	Enhancing cooperation on Intellectual Property Rights		ASEAN and Japan will enhance their cooperation through the Japan-ASEAN Heads of IP Offices Meeting to develop an appropriate IP system that contributes to the promotion of innovation. In particular, in order to promote the development of the intellectual property system in ASEAN countries regarding emerging technologies, ASEAN and Japan will plan to hold the 1st Patent Experts Meeting in this fiscal year.

 Capacity building program on ASEAN Trade in Services Agreement (ATISA) and other trade in services agreements. 	ERIA provides technical support for AMS's government officials to improve understanding of the negative list approach under the ATISA, including workshops on reading and writing negative lists and transposing from positive lists to negative lists, in order to pursue liberalization of trade in service in ASEAN.
 Realizing Mekong Industrial Development Vision 2.0 (MIDV2.0) 	 Each Mekong country and Japan endorsed new vision, MIDV2.0, whose main pillars are 1) Connectivity 2) Digital Innovations 3) SDGs, in 2019. AMEICC facilitates to create programs under MIDV2.0 and evaluate their progress annually in order to realize this vision.
	e unnecessary and could potentially restrict export and import of goods, especially dical, food and other essential supplies or disrupt regional supply chains and are
inconsistent with WTO rules;	
 Simplification and streamlining of non-tariff measures (NTMs) 	 ERIA continues activities to: (i) update NTMs in ASEAN+6 Database; (ii) conduct capacity building programs for ASEAN government officials to promote their understanding of the importance of NTMs and appropriate approaches to manage NTMs in cooperation with the United Nations Conference on Trade and Development (UNCTAD) and governments of ASEAN +6 countries; and (iii) develop a toolkit for NTMs to address the trade-distorting effects of NTMs, particularly those affecting the free flow of essential goods and implement the toolkit.
 Facilitating the operation of existing ASEAN Mutual Recognition Arrangements (MRAs) 	 Continue to hold workshops, through JETRO, to disseminate information of existing ASEAN Mutual Recognition Arrangements (MRAs) operationalization mechanisms, as well as to provide business insights to develop effective enforcement

		•	Officials to explore establishing MRAs between ASEAN and Japan.
iii.	Provide capacity-building assistance to promote export competitiveness, and economic diversification of the second		nufacturing, including auxiliary industries, and services competitiveness, n; and
•	Industrial human resource development, including, reskilling workforce for the 4 th Industrial Revolution		METI continues to promote human resource development through dispatching Japanese experts to ASEAN, inviting trainees to Japan, and holding online training. ASEAN and Japan to explore initiatives to further enhance workforce competency and productivity through existing platforms such as the Technical and Vocational Education and Training (TVET) Council.
	Capacity building and holding joint seminar for ASEAN ECAs.	•	NEXI hold joint seminars for companies in ASEAN and bilateral meetings with Asian ECAs and government officials of AMSs to share NEXI experiences of trade insurance business.
	Knowledge sharing and capacity building on Global Value Chain (GVC)	•	Continue to produce technical papers on GVC (Global Value Chain) and organize seminars and knowledge-sharing sessions for businesses including MSMEs to promote trade and investment.
•	Human resources training in the field of trade policy	•	Japan assists AMS to organize workshops/training programs on how to utilize the benefit of the AJCEP Agreement in the most efficient manner.
iv.	Enhance on-going projects to improve supply ch	ain	connectivity and promote trade facilitation and e-commerce.
	Supporting the Regional Digital Trade Transformation in ASEAN in contribution to the promotion of existing trade platforms and other		Conduct of the survey research by AMEICC to contribute to the Regional Digital Trade Transformation project proposed by ASEAN-BAC, especially regarding merits for public sector and private sector, technical issues, country specific barrier etc.

regional mechanisms such as ASEAN Single Window, the Electronic Certificate of Origin system, ASEAN Digital Integration Framework (DIF) and ASEAN Framework on Digital Data Governance AMEICC to provide recommendation towards the formulation of a roadmap how to realize digitalization of trade procedure by ASEAN Leaders Summit in this November.

- Promote effective and proper implementation of the ASEAN Digital Integration Framework and other relevant frameworks such as the ASEAN Framework on Digital Data Governance in creating an enabling environment for the digital economy in ASEAN, utilizing tools such as the ASEAN Digital Integration index to reveal strengths and weaknesses, identify priorities and guide efforts to optimize resource allocation in focusing on key areas such as infrastructure, regulatory framework, capacity building, etc.
- Promote and improve existing trade platforms and other regional mechanism such as the ASEAN Single Window, the Electronic Certificate of Origin system and the Region-wide Self-Certification Scheme through the conduct of business outreach activities and development of promotion materials to improve business and implementing agencies' understanding of these platforms and mechanisms.
- Promote mutual acceptance of Certificates of Origin in electronic PDF format, subject to each country's laws and regulations, in light of sustaining trade and promoting supply chain connectivity and utilizing existing EPAs amid the COVID-19 pandemic.

· Digital strategy to protect businesses as they	• Explore a digital strategy that will help protect businesses in ASEAN as they explore
explore opportunities in digital trade and	opportunities in digital trade and e-commerce, including combating cyberattacks,
e-commerce	data breaches and use of ICT for illegal conducts in digital trade and
	economy/e-commerce. This will ensure that the proper system and strategy are in place and will be implemented for the benefit of businesses in the region.

Objective 2: Mitigating the adverse impact on the economy

i .Promote information exchange and sharing of best practices on economic policies to manage the COVID-19 pandemic and publicprivate collaboration effort to respond to economic and business challenges;

	Strategic Measures		Description of Activities
• We	ebinar and Online Matching service		JETRO to provide facilitate sharing of information and best practices through webinars and holds online matching events to support the creation of business opportunities amid the COVID-19 pandemic.
_	stablishment of consultation counters for usinesses affected by COVID-19	•	JETRO and NEXI to establish consultation counters (call center, online consultation) provide a consultation platform for businesses affected by COVID-19 to recommend possible solutions in legal, labor, tax, and financial issues as well as concerns on insurance (NEXI). The said platform also introduces available support tools and schemes in cooperation with the government and related organizations of ASEAN and Japan.
	ssemination of questionnaire and conduct of irveys to support policy recommendations		JETRO to conduct survey among Japanese companies in each AMS focusing on the status of business resumption, major bottlenecks for recovery, and necessary policy measures. JETRO also provides the survey results with key

	recommendations to the government of AMSs and considers further support programs in cooperation with each government.
 Dialogues and technical assistance on cross-cutting issues in ASEAN to help facilitate trade and investment 	 Facilitate dialogues and technical assistance that focus on addressing cross-cutting issues in ASEAN to help facilitate trade and investment, such as promoting the use of financial technology (FinTech), improving the payment system infrastructure, and furthering capital market development in ASEAN.
 Establishment of an innovation network for start-ups, innovators, and investors 	 Facilitate dialogues between and among start-ups, innovators and investors by holding regular forum where new business ideas, new products, and innovation are presented for possible funding or commercialization.
ii .Facilitate the smooth flow of essential products agricultural and food products to support the viab	s such as medicines, medical and health supplies, and equipment as well as ility and integrity of supply chains;
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 agricultural and food products to support the viab Develop policy recommendation based on analysis of effect of economic measures and industrial 	 ERIA may develop policy recommendations based on investigation and analysis of the impact of COVID-19 pandemic on economy to local business activities and

•	Growth Investment Facility		JBIC provides financial support for overseas business activities of Japanese companies that are affected by COVID-19 and/or take measures to contain the infection. ("COVID-19 Emergency Window")
		•	JBIC also provides financial support for overseas business expansion of Japanese companies including the restructuring of global value chains and development of quality infrastructure ("QI-ESG Window" and "Overseas Business Expansion Window").
•	Enhancing trade promotion	•	Japan assist AMS to organize online workshops on trade promotion in the context of Covid-19.
•	Providing various insurance programs	•	NEXI sets loan insurance program up to 1.5 trillion Japanese yen in order to support financing of working capital of Japanese subsidiaries operating overseas business. NEXI covers payment defaults of overseas buyers and the losses incurred due to political risks, such as import restriction, foreign exchange restriction, etc.
			NEXI covers the losses incurred by force majeure, including COVID-19. The investment insurance supports Japanese investment in ASEAN region, which makes global supply chain more resilient.
•	Reinsurance network between NEXI and ASEAN ECAs.		NEXI provides ASEAN ECAs with additional risk capacity under the existing reinsurance arrangement with them to support business in the region.
iv.	Promote pioneer businesses, new business mod brought by the COVID-19 outbreak.	dels	including start-ups, with digital technologies providing solution to challenges

 Financial support program for strengthening digital transformation (ADX) 	 AMEICC to continue providing financial support for demonstration projects which apply digital innovation in society to solve various socio-economic challenges including brought by COVID-19.
Digital Transformation Platform (DXPF)	 JETRO, in partnership with related organizations, operates on DXPF to facilitate the promotion of open innovation collaboration between Japanese corporations and ASEAN based start-ups and tech companies. The corporates and start-ups or tech companies work together on solutions or create new business ideas that solve a specific problem or tackle a specific opportunity area. These collaborations ideally lead to long term and significant collaborations.
 ASEAN-Japan Fourth Industrial Revolution Dialogue 	4IR) ASEAN and Japan to continue engagement on 4IR through the ASEAN-Japan 4IR dialogue, which is aimed at sharing examples of pioneer businesses which apply digital innovation in real society and discussing policies to create business-friendly environment for such innovation and business to be widely applied in society.
 Identify MSME's specific digital technology nee 	 JETRO, JCCI and ASEAN-BAC-Chair to work with ASEC and the relevant committee to identify specific digital technologies and business areas as well as major bottlenecks and necessary policy measures in order to provide well-focused and quick business matching opportunities to facilitate digital transformation of ASEAN MSMEs, especially in responding to COVID-19.

Objective 3: Strengthening economic resilience

i .Initiate programs to strengthen supply chain resilience centered on ASEAN, including through enhancing business and academic experts participation;			
Strategic Measures	Description of Activities		
 Financial support program for strengthening overseas supply chains 	 AMEICC to continue providing financial support program to promote diversification of the supply sources. This program covers expenses for the introduction of equipment mainly in ASEAN, demonstration projects, and feasibility studies related to the supply of goods and materials with a high degree of concentration of the international production bases. 		
 Capacity building for a lean and efficient factory management with IoT technologies 	 Japan, through AMEICC to provide training programs for engineers to realize not only a lean and efficient factory management with IoT technologies, which enables trainees to identify several kinds of losses in factories and improve manufacturing process more efficiently. 		
 Human resource development cooperation for vehicle-related software 	 In response to transformation called "CASE" in automobile industry, Japan initiates new cooperative projects on human resources development (HRD) for vehicle-related software with ASEAN Member States, which include providing endowed training course on software technologies for automotive sector such as AI, simulation for safer system and software valuation method, and holding opinion exchange meeting in collaborating with Tech universities and engineering companies in ASEAN. 		

Technical cooperation program for industrial promotion and management innovation with new technologies (e.g. IoT, AI)	 JICA offers Knowledge Co-Creation Program for Business Innovation (IoT, AI) in the Fourth Industrial Revolution (4IR). This Program targets Ministries in charge of industrial promotion and international cooperation, local governments and chambers of commerce. The program invites their officials for a short stay in Japan for lectures on Japanese policies about industrial promotion for IoT and AI, and site visits related to digital technology innovations related to IoT, big data, AI to companies in Japan. This training program aims at: (1) learning about Japanese digital technology and policy to be utilized and disseminated in business; (2) promoting 4IR through comparative study with their countries and dialogue with the Japanese government and private companies; and (3) contributing to industrial promotion of the participating countries and management innovation in their own industries. Promote the study and development of models of Integrated Management System (IMS) for industrial small and medium-sized enterprises (SMEs) in the context of
ii .Formulate a cooperative framework aimed at build	Covid-19's impact. ing capacity on emergency preparedness and response for supply chains;
Facilitating collaboration between public, private and academic sectors	 Japan, through ERIA, continue to support activities to provide policy recommendations for strengthening supply chain and establishing a new concept of "Connectivity", which include the necessity of formulating a cooperative framework aimed at building capacity on emergency preparedness and response, based on research studies and discussions among public, private and academic sectors.

-	Improving and enhancing public-private sector engagement through dialogue mechanisms including the Dialogue between the Secretary General of ASEAN and the Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA) and ASEAN-Japan Business Council	•	Public-private sectors among ASEAN and Japan share the post-COVID-19 economic recovery plan on how to boost the economies, in particular for MSMEs, and to help businesses move towards more resilient and high-value-added goods production and sustainable growth.
iii.	Strengthen the network to facilitate interactions o	f re	evant stakeholders in the region; and
•	ASIA Regional Transformation projects (ARX)		AMEICC to strengthen the network to facilitate business community interaction among ASEAN's and Japan's private sectors and relevant stakeholders especially in provincial and local area, AMEICC provide such opportunities for them by holding seminars, hackathon events etc. in ASEAN or Japan to promote economic and industrial exchanges.
•	Organizing Workshops for identifying necessary ASEAN rule set in "new normal", for contributing AEC Blueprint mid-term review		Outbreak of COVID-19 unavoidably requires new sets of rules and regulations in major sectors including digital trade, trade in services and ESGs. JETRO consider holding consecutive workshops in collaboration with academia and ASEAN business associations including ASEAN-BAC, especially as tangible inputs to AEC Blueprint mid-term review process.
•	Promoting capacity building in science, technology, and innovation, and encouraging research cooperation		Japan Society for the Promotion of Science (JSPS) continues its collaboration and linkage efforts with AMS by providing long-term and short-term programs such as joint research projects and seminars, research fellowships, workshops, and scientific meetings.

iv.Explore public-private collaboration initiatives in strategic sectors including agri-food industries, health related industries, and energy.				
 ASEAN-Japan cooperation in promoting smart cities 		Japan supports the ASEAN Smart Cities Network (ASCN) through the Japan Association for Smart Cities in ASEAN (JASCA) which consists of over 260 Japanese public and private entities for developing and promoting smart cities in ASEAN.		
 Cooperation for establishing healthcare innovation network 	•	Until 2022, by utilizing the research ERIA is currently conducting, Japan will cooperate the construction of healthcare hub in several ASEAN countries, which will enable the domestic country and Japan to exchange information and network.		
 Exploring industrial cooperation on medical supplies and equipment 	•	ASEAN and Japan, perhaps through AMEICC, to explore the possibility of pursuing and promoting industrial cooperation on essential goods, particularly on medical supplies and equipment.		
 IPP (Independent Power Producer) Support Projects 	•	NEXI continuously supports IPP projects to ensure access to affordable, reliable, sustainable and modern energy in the ASEAN region.		
 Human resource development cooperation for high efficiency low emission (HELE) thermal power generation and carbon recycling technology 		NEDO provides programs to implement technical exchange on thermal power generation and carbon recycling technology through inviting government officials and dispatching Japanese experts from/to those countries as well as holding international conference/seminar including International Conference on Carbon Recycling, towards improving energy access in developing countries and climate change measures.		

	Capacity Building programs to develop LNG Market	•	The programs are designed for governmental officers and employees of gas companies to learn basic concept of LNG business and related technologies. Especially for LNG consumer countries in Asia, they provide capacity building programs about economic evaluation method of LNG project and sales and purchase agreement (SPA) of LNG, etc.
•	Human Resources Development in the field of oil mid- and down-stream in ASEAN region		Japan conducts human resources development programs in the field of oil mid- and down-stream including oil stockpiling and refinery technologies for ASEAN member states.
•	Development of CCUS/Carbon Recycling technologies		Japan and ASEAN countries cooperate to develop CCUS/Carbon Recycling both through conducting demonstration projects and organizing conferences to share current status and potential of CCUS in ASEAN.
	The cooperative alliance for conducting energy efficiency, green growth in industry sector, utilizing cleaner and innovative energy technologies and mobilizing public and private investments	•	Japan and ASEAN promote cooperation through CEFIA (Cleaner Energy Future Initiative for ASEAN) under NRE and EE&C Forum of AMEM+3 in developing and deploying cleaner and innovative energy technologies (e.g. hydrogen CCUS, IoT/AI, ZEB, etc.) and driving green finance and public and private investments to strengthen economic resilience in ASEAN region.
•	Capacity Building programs to deploy energy efficiency and renewable energy technologies		Japan conducts human resources development programs for government and related organization officials of ASEAN countries through dispatching Japanese experts to ASEAN, inviting trainees to Japan, in order to develop institutional arrangements and deploy energy efficiency and renewable energy technologies in ASEAN countries.
•	Demonstration projects of energy efficiency and renewable energy technologies in ASEAN countries	•	NEDO conducts demonstration projects for promoting energy efficiency and renewable energy technologies, based on proposals from industrial collaboration between Japanese and ASEAN's enterprises.

	Human resource development cooperation for		JOGMEC invites coal mine engineers from coal producing countries, including
	stable coal supply		Vietnam and Indonesia to Japan and conducts training such, as directly instructing Japan's excellent coal mining and security technology at coal mine sites.
		•	JOGMEC also dispatches Japanese engineers to coal-producing countries including Vietnam and Indonesia and gives technical guidance based on local requirements.
•	Japan's financial support program to accelerate Ed-Tech companies' overseas expansion	•	Japan accelerate Ed-tech companies' overseas expansion. The program covers expenses for feasibility studies and demonstration projects in collaboration with related local educational institutes in ASEAN.