
Opening Remarks

Lee-Jay Cho

Greetings to the Honorable Jiang Zhenghua, Vice Chairman of the Standing Committee of the National People's Congress, to the Honorable Hong Hu, Governor of Jilin Province, to the leaders of the Jilin Provincial Government, to the Honorable Li Shu, Mayor of Changchun City, to the Honorable Liu Zhong Shu, President of Jilin University, and to the respected representatives of the countries and international organizations represented in this meeting,

On behalf of the Northeast Asia Economic Forum, I would first of all like to extend our sincere appreciation to Governor Hong and the leaders of the Jilin Provincial Government, Changchun City, and Jilin University for hosting the Tenth Meeting of the Northeast Asia Economic Forum here in the beautiful city of Changchun. I know a great deal of effort has been put into the preparation for this important event. I also would like to acknowledge our meeting co-sponsors for their contributions and close cooperation: the UNDP Tumen Secretariat, the national committees for the Northeast Asia Economic Forum, including China, the Republic of Korea, and the Kanamori Committee in Japan, as well as the East-West Center, the Committee for the Promotion of the Asian Energy Community, and the World Bank.

In 1989, Dr. Song Jian, Chairman of the State Science and Technology Commission, and I discussed the idea of developing the Tumen River area and involving the three riparian countries of China, the Democratic People's Republic of Korea, and Russia. In 1990, the first meeting on the subject of regional economic cooperation, with particular emphasis on Tumen River area development, hosted by Governor Wang Zhongyu and the Jilin Provincial Government, was held in Changchun, with participants from all the countries in Northeast Asia. That Changchun meeting was the beginning of the Northeast Asia Economic Forum. The UNDP subsequently conducted a feasibility study and established the Tumen River Area Development Programme. The Programme Committee, composed of representatives of the three riparian states, and the Consultative Commission, composed of the riparian states and two additional countries—South Korea and Mongolia—came into being. We acknowledge the valuable contributions of Song Jian and Wang Zhongyu to these regional economic cooperation efforts.

Subsequent meetings of the Northeast Asia Economic Forum took place in major places throughout Northeast Asia—Tianjin, Pyongyang, Vladivostok, Niigata, Ulaanbaatar, and Yonago—as well as in Honolulu. The next meeting

will be in Anchorage, Alaska. The Forum meetings have focused on issues of functional cooperation in the following sectors:

- special economic zones, such as the Tumen River Area Development Programme
- developing financial infrastructure and furthering the establishment of regional financial institutions such as the proposed Northeast Asian Development Bank
- developing a regional transportation and logistics system for Northeast Asia
- developing natural gas as a new major source of energy, with a pipeline grid to provide supplies for Northeast Asia's consumers.

Perhaps the most viable and expeditious approach to regional economic cooperation and integration in Northeast Asia is through functional cooperation, and we have made remarkable progress and achievements in this area. Promotion of functional cooperation in specific sectors, aimed at economic cooperation within a multilateral framework, will contribute to the reduction of tension and to building confidence among the nations and local institutions in the Northeast Asian region.

Jilin Province, with its capital in Changchun City, for example, is the geographic center of the Northeast Asian region and as such is expected to play a key role in regional economic cooperation in Northeast Asia in the twenty-first century. Historically, Jilin Province has been an important node of the natural economic territory (NET). When the basic infrastructure for transportation and communication in the region is upgraded, it will have the overall comparative advantage of contributing to and benefiting from economic cooperation and dynamic economic growth in Northeast Asia.

THE IDEA OF THE NORTHEAST ASIAN DEVELOPMENT BANK

In May 2000, the Northeast Asia Economic Forum and the Tianjin Municipal government coorganized a meeting on the establishment of a Northeast Asian Development Bank, mainly to mobilize capital for investment in infrastructure. Finance experts and officials from China, Japan, the Republic of Korea, and the United States attended this meeting in a personal capacity. The general consensus among these finance and development experts was that the establishment of this bank is both feasible and desirable.

DEVELOPING A REGIONAL TRANSPORTATION AND LOGISTICS SYSTEM FOR NORTHEAST ASIA

To facilitate the movement of goods and people, Northeast Asian countries must make a cooperative effort to resolve local imbalances and inefficiencies in the transportation system, by building a common network. This endeavor will require not only the design and construction of physical infrastructure, but also the removal of physical, technical, institutional, and legal barriers that constrain cross-border movements. A regional transportation network would maximize the benefits gained from cooperation already emerging in other sectors.

The Korean peninsula can provide one of the vital transportation corridors for Northeast Asia centered on the Yellow Sea, the Bo Hai Sea, and the Japan Sea (East Sea). The DPRK has been the critical missing link for effective regional economic cooperation in Northeast Asia, particularly with respect to trade, investment, transportation, telecommunications, energy, technology transfer, and human resources.

One of the most encouraging developments resulting from the North and South Korean summit is the proposal to reestablish inter-Korean rail links.

Russia anticipates holding three-way talks to discuss measures to facilitate the connection of the inter-Korean railways, the connection of these railways to the Trans-Siberian Railway, and Russia's possible investment in the project.

NATURAL GAS AS A NEW ENERGY SOURCE

Northeast Asia is potentially one of the world's greatest energy frontiers and a focal area in global energy affairs. Eastern Russia contains large undeveloped hydrocarbon resources, while Japan, China, and South Korea, with a quarter of the world's population and one-fifth of the global economy, account for half of the growth in world energy demand. The political climate has long separated natural economic partnerships between the energy suppliers and the import-dependent countries in Northeast Asia. But in recent years, the climate has been gradually changing to one that may foster the emergence of an integrated Asian energy community, which will serve to improve security of energy supply and diversification of fuel sources, and to enhance regional stability through increased interdependence.

The development of a trans-Asia pipeline system will greatly contribute to intraregional economic development as well as global environmental protection. The proposals for constructing multinational pipeline systems in Northeast Asia have been drawing increasing attention as an effective solution to the growing demand for clean and efficient energy for this region in the twenty-first century. At the same time, the project would be a means of developing a multinational,

cooperative, corporate institution that would bind the member nations in a common interest. Most importantly, it would contribute to energy security and peace.

CONCLUSION

Northeast Asia will serve as catalyst for dynamic trade between the two economic poles of North America and Europe, providing the land bridge from the Pacific basin to Europe, and it can itself eventually become a third economic pole.

The Northeast Asia Economic Forum serves as a catalyst for a burgeoning community to promote regional economic cooperation. The driving vision of the Forum is that the factor endowments for developing Northeast Asia can be cooperatively harnessed to generate economic dynamism throughout the region. In short, the Forum is in the vanguard of what is essentially a movement for peace, cooperation, better relations, and ultimately for better quality of life for everyone in Northeast Asia and the larger Asia-Pacific region.

There is an old Chinese proverb:

“The prime time of the day is the morning, and the prime season of the year is the spring.”

The spring of the Northeast Asia regional economic cooperation began in this beautiful city of Changchun and has borne many fruits of achievement. And on this lovely spring morning, we are beginning an important day of the Tenth meeting of the Northeast Asia Economic Forum. I am confident that our meeting starting on this unforgettable spring morning—in a city whose name literally means the “Long Spring”—will bring new hope and progress in our common goal of peace and prosperity through economic cooperation. I wish all of us great success in our conference.