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A Grand Design for Northeast Asia

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Introduction -- Summary of the research project “A Grand Design for Northeast Asia”

In March 2006, National Institute for Research Advancement (NIRA) concluded Phase III of the research project “A Grand Design for Northeast Asia” and published its report in July. It was a kind of termination of first and basement stage of the project conducted since 2001.

NIRA commenced the research project “A Grand Design for Northeast Asia” in 2001 in order to sketch a future vision for Northeast Asia on the “fresh canvas” of the 21st century. Northeast Asia is a **region of great importance** for Japan, in terms not only of energy, but also of trade and investment. **As such, the region should receive more attention from Japan** than it does at present. However, the reality is that interest in Northeast Asia appears to be limited to areas situated on the coast of the Japan Sea and to individuals specifically involved with the region. Neither this level of interest nor the resources that Japan is investing in Northeast Asia correspond to the region’s importance to the nation.

In order to establish multilateral cooperative relations and promote economic and political integration in Northeast Asia, which can accurately be called a region with political difficulties, NIRA considered that it is necessary to alleviate and/or remove various existing constraints, to maximize the region’s unique mutual complementarity in the fields of energy and natural resources, capital, technology and labor, and to explore deepening economic cooperation. To this end, in parallel with the ongoing work of establishing official frameworks for economic cooperation, including FTAs and EPAs, it is important to introduce functional approaches towards the maximization of individual

nations' common interests in various fields, that is to say, to create a mechanism to promote the construction of international infrastructure that will contribute to individual nations' economic and social development by facilitating the cross-border flow of people, goods and information. As a guidepost for such infrastructure building, it is requisite to develop a Grand Design for Northeast Asia as a wide-area comprehensive development vision that brings the whole of Northeast Asia into view, and thereby will promote the construction of development foundations for the whole region, and benefit the nations in the region, such as promoting national land policies from a wide-area perspective and realizing effective public investment.

Phases I and II of the project "A Grand Design for Northeast Asia" were conducted to attempt to change this situation by proposing a vision of the future that could be shared by the nations of the region.

Basic research was conducted in Phase I of the project, which commenced in FY 2001. The research team defined the scope of "Northeast Asia," assessed the current status of the region from the macro perspective in a variety of fields, and presented an outline of an appropriate scheme for building cross-border regional infrastructure. Phase II concentrated on fields in which it was considered possible to stimulate regional cooperation and symbiosis, such as energy/environment and transportation/distribution. Specific projects from the infrastructure development plans for these fields were focused on, and their feasibility was considered.

The results obtained in Phase I and II reaffirmed NIRA in its thinking that collaboration between the nations of the region in formulating a future vision would be more beneficial than a situation in which each nation focused in its planning on itself and its immediate neighbors. In an effort to develop a shared vision for the region, Phase III of the project was therefore conducted as a joint international research project, in cooperation with the Institute of Spatial Planning & Regional Economy (ISPRES) of the National Development and Reform Commission, People's Republic of China, and the Korea Research Institute for Human Settlements (KRIHS). The joint study focused on six fields: Energy, traffic and physical distribution, communications, strategic development clusters, ecotourism and development finance.

Phase III of this project was implemented as the national land development plans of China, South Korea and Japan were being revised. The revised development plans share

a similar orientation to the Grand Design in terms of the promotion of cooperation in the Northeast Asian region as a whole. Phase III of the project may be considered an important first step in linking the Grand Design for Northeast Asia, which has to date been positioned as a vision of the future, with the actual national development and national land development plans of nations in the region. The fact that China, Japan and South Korea are now giving serious consideration to the Northeast Asian perspective in reviewing short-, medium- and long-term development plans speaks of the foresight of this project.

The results obtained from this collaboration are released at various occasions, and information is provided to their own government officials. It is expected that this will provide a clue to introducing the perspective of Northeast Asia into the individual nations' national land policies. To this end, it is required to shift from the traditional stage of considering general and comprehensive plans to the stage of considering more specific and regional plans and projects.

For example, the 14th Northeast Asia Economic Forum that was held in Shenyang, China, in September 2005 adopted the Shenyang Declaration. The declaration states that joint activities to formulate and implement a Grand Design for Northeast Asia should be supported, recognizing its significance as a guide-post to promote the sustainable development of Northeast Asia as a whole, and also agreed that the interface and synchronization between the Grand Design and national land planning of each country should be promoted.

The Necessity of a Comprehensive Development Vision as a Functional Approach Method

As targets of multilateral physical planning that utilizes such mutual complementarity, NIRA agrees with the idea that the energy/environment field and the transportation field seems the most realistic.

Regarding the issue of traffic/transportation in Northeast Asia, which encompasses the transport of both people and goods, compared with NAFTA and the EU that mainly depend on land and air transportation networks regionally, in Northeast Asia, the coastal areas of Russia and China occupy extremely strategic positions for various economic activities. Therefore, the development and construction of sea transport routes as well

as land and air transportation is very important. In particular, for Japan, which is separated from the continent by only a narrow strait, it is important issue to establish a multilayered network of land, sea, and air transportation adopting recent developments in information technologies. Along with the construction of individual nations' high-speed transportation systems, it is important to promote transportation infrastructure with links to areas outside the region (land bridge, Asia Highway, harbors at the costal area of the continent), the construction of transportation routes that connect the Sea of Japan and Yellow Sea (related to North Korea), and the construction of strategic bases including transportation infrastructure related to the Tumen River. And to this end, it is necessary for the concerned research institutes of Japan, China and South Korea to earnestly consider plans to establish a group of pilot projects.

In order to increase the circulation of resources and capital within the region and expand trade and investment, it goes without saying that it will be necessary to construct international infrastructure related to information and telecommunications, such as fiber-optic networks that will increase the common benefits of the entire region and to establish various institutions (development of domestic legal systems) that will facilitate exchanges and communications.

NIRA occasionally proposed platform vision to develop and promote international physical integration in Northeast Asia, especially in the field of transpiration.

One of the visions related to transportation and traffic that was proposed by the Second Phase of the Research on a Grand Design for Northeast Asia is referred to as the "Big Loop" vision. The plan calls for the construction of a circular high-speed railway system that connects major cities in the basic areas of Northeast Asia as well as an eventual high-speed railway system plan that connects the "Big Loop" to the Shinkansen bullet train networks. These proposals suggest that by interconnecting the Shinkansen and high-speed railway axis already established in Japan and South Korea with the new Shinkansen and high-speed railway axis that is rapidly being constructed in China, synergy in transportation/traffic can be expected.

Another transportation and traffic vision proposed by NIRA was referred to as the "New Cross," which consisted with existing main transportation artery (North-South Axis) and newly provided Inner-Mongolia – Northeast China traffic route (East-West Axis).

NIRA, however, found necessity to make one more step further in launching an international physical integration vision. The “Big Loop” proposal or “New Cross” vision could contribute to strength a sense of regional unity among China, Mongolia, Russia and maybe Korea. But the vision would only limitedly impact Japan. Japan’s current transportation linkage in Northeast Asia is absolutely depending on maritime transportation and partially on air transportation, and separated from land transport network in China, Russia and Korean Peninsula. An idea or a vision is necessary to be launched strengthening transportation connection among China, Korea and Japan, three core nations in the region. The vision should also provide a base of inter-modal transportation network in the region, to jointly utilize transport facilities and technologies available among China, Korea and Japan, making the proposed transportation channel sustainable.

We noted the idea of BESETO Corridor, a plan for inter-capital cooperation among Beijing, Seoul, and Tokyo), which was proposed for some time primarily by South Korea. Based on this idea, we could establish international discussions and sophisticate the plan as a major channel of trade and other economic exchange in Northeast Asia, including Japan.

Construction of the BESETO Corridor

Taking the “BESETO Corridor” as specific themes to be considered and realized in the future, it is necessary to incorporate individual traffic and transportation construction plans into the areas around the BESETO Corridor and conduct certain logical checks and feasibility studies. The individual traffic and transportation construction plans include a single-day round-trip air shuttle service system that connects Beijing, Seoul and Tokyo and other major cities, the Asian Highway A1 route in which Japan officially participated in 2005, and the Shinkansen and high-speed railway networks that were proposed previously.

In fiscal 2006, NIRA focuses on the BESETO Corridor that occupies the center of the three nations (Japan, China and South Korea) and continuously engaged in the international joint research project among ISPRI, KRIHS and NIRA for preparing physical planning that will increase its mobility, that is to say, a feasibility study related to transportation and traffic means.

In June, the three institutes implemented the first meeting in Seoul to exchange views on BESETO Corridor. Specialists on transportation and traffic from three countries frankly brought up current bottlenecks and disturbances to create BESETO Corridor and share common and different views among respective countries. Every country could, for example, share a near future suggestion of software approach to exempt a tourist visa for free aviation market, in order to realize a single-day round-trip air shuttle service system among three capitals. But ideas were slightly differed among specialists and countries how Tokyo could be connected to Beijing-Seoul land bridge. If, for example, establishment of rail ferry service between Busan and Shimonoseki should be more prioritized over strengthen of existing feeder maritime line making Busan port as the transshipment center, we must continue to discuss and exchange views.

Conclusion

NIRA hopes that by accumulating these works, we will be able to create a situation in which discussions will be made in a way close to intergovernmental platform as a study related to the triateral economic summit meeting in the future. Moreover, in the near future, with the improvement of the current joint research system between the three nations' think tanks, we are going to aim at developing a grand design as individual nations' common public goods in collaboration with Northeast Asian nations, obtaining the participation from Russian, Mongolian and North Korean think tanks and universities.