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Towards a Northeast Asian Community:

EU and NEA Parliamentarians Roundtable

4-5 December 2003, Brussels, Belgium

On 4-5 December 2003, the Northeast Asian Economic Forum and the European Parliament brought together a group of parliamentarians and experts in Brussels to review a proposed framework for a Northeast Asian Community and to explore the possibility of establishing a network of parliamentarians from both Europe and Northeast Asia that share an interest in promoting regional cooperation and peace and prosperity in the Northeast Asian region.

At the Brussels meeting, Japanese, Korean and other Northeast Asian and European backers of such regional collaborative initiatives outlined their vision of major energy pipeline, transcontinental railway and development banking initiatives. Other issues of mutual concern, including environmental protection and coping with the challenge of aging populations, were also discussed.

The discussion on Northeast Asia allowed the participants a closer examination of the regional energy profile. It was noted that China, despite already having the second leading electricity capacity in the world, faces rapidly rising electricity demand as its economy grows. In addition, China represents one-third of the world's oil demand increase and Northeast Asia is highly dependent on Middle East oil despite vast unexploited resources, especially in Western Siberia and the Russian Far East. It was mentioned that even the eastern region of Russia is dependent on extra-regional shipments of oil and petroleum products.

The representative from the International Energy Agency estimated that more than \$3 trillion was needed in energy investments in the Asia-Pacific region, but that to achieve such investments, reforms are needed in energy pricing and collection, corporate governance, stable investment regimes, domestic financial markets and incentives for private and foreign investors. Other experts emphasized that greater energy efficiency and diversification were imperative to reach the need for power and environmental objectives of the region.

After reviewing the energy profile of the region and several of the energy projects proposed and underway, participants stressed that the Northeast Asian region requires an energy dialogue. This regional/multilateral dialogue may see its initial steps in meetings of non-governmental organizations and in research circles, but ultimately should be taken to the government level even if such dialogue is informal in nature.

One suggestion, endorsed by all the participants, was that the proposed network of Northeast Asian and European Parliamentarians could initially focus on energy and environmental issues and that the dialogue be expanded from that.

European Parliamentarians candidly shared with their Northeast Asian partners their experiences in overcoming difficulties of integration and their support of regional cooperation in Northeast Asia. Participants from Northeast Asia were reminded that European integration was a reaction to war and that although currently a 'European identity' and 'common heritage' are stressed among proponents of European Union, this was not always the case, and that the road to integration and overcoming differences has been long and challenging and has required vision and political will.

There have always been two driving forces in the process of European integration: 1) the pragmatic and economic, and 2) the political and idealistic. After the devastation of the second world war, Europeans sought a better way to organize themselves, a way to make war unthinkable. The challenge as they saw it was to build a structure or provide institutions where Europeans could resolve their differences rather than on the battlefield. The two driving forces are still prevalent.

There are important lessons in this experience for Northeast Asia. Economic integration in Northeast Asia is in many ways already quite remarkable. The trade relationship between Japan, China and Korea, for example, amounted to 91% of the entire intra-regional trade. In addition, the ASEM+3 summit has become firmly established. But as was the case in the European Community, cooperation and integration have always been about more than free trade. In this respect the formulation of a grand design for cooperative development in Northeast Asia is an important framework that we can build on.

What was most evident from our meeting in Brussels is that there is a keen interest on the European side in the individual countries of Northeast Asia and in the region as a whole. There is an interest in the peace and prosperity of Northeast Asia and in the Korean Peninsula specifically. The European parliamentarians and experts at the meeting were eager to learn more about the framework for a Northeast Asian community--the grand design--and about the proposed mechanisms for financing infrastructure and cooperation such as the Northeast Asian Development Bank. They suggested practical ways for feeding some proposals and initiatives presented in Brussels into the task force level of Asia and Europe dialogue.

There was a clear indication that the establishment of a network of parliamentarians to examine and bring attention to efforts in Northeast Asian cooperation was not only desirable but certainly possible given the interest on both sides.