

**Concept Paper of the NEAT Working Group on  
“The Road towards the East Asia Economic Community  
(EAEC) 2020”**

Sponsored by NEAT China, 2016

**Background**

1. ASEAN Plus Three (APT) cooperation has made substantial progress over the past 17 years in promoting trade and investment relations between ASEAN and the Plus Three countries, strengthening regional financial safety net such as the Chiang Mai Initiative Multilateralization (CMIM) to maintain financial stability in ASEAN and East Asia, developing efficient and liquid regional bond markets, mitigating the threat of climate change to the agriculture, fisheries and forestry sectors in East Asia, and many other areas of cooperation, including environmental protection, disaster management, disease prevention and control, and cross-cutting issues such as connectivity (encompassing the physical, institutional and people-to-people linkages) and narrowing the development divide.

2. The idea of the EAEC has originated in the rather long history of APT cooperation. The East Asia Vision Group (EAVG) I, which was launched against the backdrop of the 1997 Asian financial crisis and tasked to draw up a vision for mid-to-long term cooperation in East Asia, presented to the APT Summit in 2001 its final report titled “East Asia Community of Peace, Prosperity and Progress”, which laid a solid groundwork for the future direction of East Asian regional cooperation.

3. Taking into account that 2011 marks the 10<sup>th</sup> anniversary of the EAVG I report and that 2012 marks the 15<sup>th</sup> anniversary of APT cooperation, the Republic of Korea (ROK) proposed to set up the EAVG II at the 13<sup>th</sup> Ha Noi APT Summit in 2010 to review and assess all cooperation activities implemented/being implemented within the framework of APT, and carefully reflect on the future direction of the APT process and regional cooperation in East Asia. The APT leaders welcomed the proposal of the ROK and agreed to “task relevant officials to implement this initiative.” Then the EAVGII was established and the EAVGII Report, which recommended the realization of an East Asia Economic Community (EAEC) by 2020 as the main pillar of APT vision, was submitted to and adopted at the ATP Commemorative Summit in 2012 in Cambodia.

4. In order to realize the long-term goal of community-building in East Asia, the EAVGII proposed to establish the East Asia Economic Community which is composed of four key elements: (1) single market and production base; (2) financial stability, food and energy security; (3) equitable and sustainable development; and (4)

constructive contribution to the global economy.

5. Though the target has been set for the realization of the EAEC and strong political willingness has also been expressed at several APT Summit meetings, and even much groundwork such as the establishment of the ASEAN Economic Community (AEC), the launching of the CMIM and the transition of the APT Macroeconomic Research Office (AMRO) to an international organization, the start of the ASEAN-centered Comprehensive Economic and Partnership (RCEP) negotiation, and so on and so forth, has already been under way, the realization of the EAEC by 2020 still faces a lot of challenges and uncertainties, and calls for closer collaboration among the APT countries.

6. The EAEC building process mainly faces the following three aspects of challenges. **Firstly**, it is still a test whether all the APT countries would take it seriously to focus on carrying out the EAEC goal since each individual member has its own economic, political as well as cultural considerations, especially in the context of existing miscellaneous economic integration alternatives in this region. **Secondly**, the recent problems incurred by EU, who acted as the pioneer of regional economic integration in the past few decades, will inevitably shed much shadow on the future of East Asia economic integration. **Thirdly** and most importantly, unlike the AEC, whose establishment has been firmly supported by the AEC Blueprint (which was adopted by ASEAN leaders in November 2007) and its monitoring process, and will be continually bolstered by the ASEAN Community Vision 2025 for the next 10 years, both serving as comprehensive master plans to chart the AEC's journey, the EAEC so far has not yet developed a single and coherent plan progressing step by step towards its final goal, let alone the monitoring process which tracks the implementation progress. This will actually leads the EAEC nowhere.

7. Notwithstanding these challenges, the APT leaders reaffirmed at the 18th APT Summit in 2015 that APT cooperation is a driving force for enhanced peace, security and prosperity in the East Asian region, with the long term goal of building an East Asia community, and adopted the Final Report on the Follow-up to the EAVG II Recommendations which would pave the way towards greater APT integration. However, Leaders' Statement will only remain just talk if there is no concrete plan to follow up. Therefore, East Asia still needs to exert greater efforts to ensure the progress of EAEC building and turn vision into reality at last.

8. Counting from today, there is only five years at best for the EAEC to forge ahead if the 2020 target is taken to be serious. But many questions still remain: What kind of economic community do we really want (namely, what are the unique characteristics of this community that may really accommodate varied needs of different countries)? Is it possible for the EAEC to plot a blueprint with timeline like AEC Blueprint and be implemented with monitoring process? Is it feasible for the path to the EAEC to be aligned with the road towards the AEC? If so, to which degree and how then?

## Objective

This Working Group aims to objectively assess the EAEC building process and identify the major momentums and problems, and finally pool the wisdom of all the APT members in the efforts to turn the EAEC vision into reality.

## Role of participants

The APT countries and the ASEAN Secretariat are each invited to nominate one expert specializing in regional economic cooperation to attend the Working Group. Each participant is expected to provide a write-up using the following one or more questions as a guide:

1. The importance of the EAEC and its characteristics compared to other communities such as EU
2. Relationship between the EAEC and the AEC: Can they be merged? If yes, How?
3. Progress of EAEC building: achievements and impediments
4. Recommendations on making the EAEC 2020 target and path more accountable and feasible in an East Asian Way

The participants shall also discuss a draft of the WG report with relevant recommendations to be submitted to the NEAT Annual Conference.

## Hospitality

China Foreign Affairs University will sponsor the Working Group Meeting in Beijing, and bear the cost of international travel (economy-class airfare) and relevant accommodation for each participant from each APT country and the ASEAN Secretariat.

## Schedule

March: Concept Paper

April ~ June: Participants Nomination and Research

**Early July:** WG Meeting in Beijing (Paper is to be submitted **before 30 June, 2016**)

Late July: Draft Report of the WG

Mid-August: Final Report of the WG

## Leading experts from NEAT China

1. Prof. JIANG Ruiping, Vice President of China Foreign Affairs University (CFAU)
2. Prof. ZHU Caihua, Dean of School of International Economics, CFAU
3. Professor WEI Ling, Director of Institute of Asian Studies, CFAU