

## ***Part I: New Relationships with East Asia and Development of MLIT Policy to Accommodate Them***

### *Introduction*

With the barriers between nations being lowered in all socioeconomic fields in recent years, we are entering the period of unprecedented global interaction, where people and goods come and go freely. Economic interdependence among nations is deepening with progress in the international division of production. These developments, on the other hand, are intensifying international competition at all levels, including nations, regions, and corporations. Socioeconomic activities overseas are increasingly affecting Japan, as exemplified by global warming and other global environmental problems.

Japan has always maintained close relationships with other economies through international commerce and foreign direct investment. In the period of unprecedented global interaction, however, efforts to promote human interaction, including the “Japan Tourism” initiative, are more important than ever. Amid growing moves to promote international partnerships, Japan is working to promote Asia-Pacific Economic Cooperation (APEC) and conclude Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs) with other countries.

Bilateral relations with the United States have long been crucial for Japan’s economy. APEC and other multilateral cooperation frameworks have been established among Pacific Rim countries, including the United States. Japan has played an important role in these frameworks. As more and more economic activities go global, both Japan-U.S. relations and the Pacific Rim cooperation frameworks will remain key factors for Japan.

On the other hand, East Asian countries/regions have recently been experiencing remarkable economic growth. In addition to Western countries, these countries/regions are increasingly indispensable for the future of Japan as the country’s production bases, markets, and competitors.

With these circumstances in mind, Part I first analyzes developments in Japan’s neighboring countries, mainly East Asian countries/regions. A special focus is placed on Japan’s interdependent and competitive relationships with these countries, and on international partnerships Japan’s local governments and communities have forged with their counterparts in East Asia. Then Part I explores MLIT policies that will benefit both Japan and East Asia.

## *Notes on representations definitions, abbreviations and notation in Part I*

Definitions concerning counties/regions, abbreviations, and notation in Part I are as follows:

### 1. Countries and regions

- (1) "Countries" may include regions.
- (2) (i) ASEAN comprises ten countries: Indonesia, Singapore, Thailand, Philippines, Malaysia, Brunei, Vietnam, Myanmar, Laos, and Cambodia.
  - (ii) Indonesia, Thailand, Philippines, and Malaysia are collectively referred to as ASEAN4
  - (iii) NIEs comprise Rep.Korea, Singapore, Taiwan, and Hong Kong.
  - (iv) Rep.Korea, Taiwan, and Hong Kong are collectively referred to as NIEs3.
  - (v) "East Asian countries/regions" collectively refers to the ASEAN countries, Rep.Korea, China, Taiwan, and Hong Kong, unless otherwise noted.
  - (vi) Unless otherwise noted, "EU" collectively refers to the 15 member countries before May 2004, when the membership increased to 25.
  - (vii) NAFTA collectively refers to the United States, Canada, and Mexico.

### 2. Abbreviations

ACI : Airports Council International  
ASEAN : Association of Southeast Asian Nations  
EU : European Union  
IATA : International Air Transport Association  
ICAO : International Civil Aviation Organization  
IMD : International Institute for Management Development  
IMF : International Monetary Fund  
IRF : International Road Federation  
JNTO : Japan National Tourist Organization  
JETRO : Japan External Trade Organization  
NAFTA : North American Free Trade Agreement  
WTO : World Tourism Organization

### 3. Notation

Unless otherwise noted, "-" and "\*" represent "not applicable" and "unknown," respectively.