

Japan should demonstrate leadership at East Asia Summit

Protectionism key issue as economies recover from crisis

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Meetings of the East Asia Summit and the ASEAN+3 will be held in Thailand starting April 10. The EAS is the larger group that includes the 10 ASEAN members, Japan, China, South Korea (“+3”) as well as Australia, India and New Zealand.

Japanese Prime Minister Taro Aso told a news conference on March 31 that Japan is willing to take the lead to help expand demand in Asia by building broad-area infrastructure and other projects.

Attention is focusing on the reaction of Asian countries.

Financial measures

Measures to address the global financial crisis are expected to dominate discussions at the summits, and preventing protectionism should



Then Prime Minister Yasuo Fukuda, fifth from left, attends the last EAS in Singapore in November 2007. The latest summit was to be held in December 2008, but was postponed due to political unrest in Thailand, the host nation.

be given top priority. The EAS should affirm that they will avoid protectionism, following the Group of 20 leaders meeting in London.

Growing protectionism is the greatest threat to the world economy, and strong political will is needed right now.

By last year, some people supported the decoupling theory, arguing that emerging countries would lead world eco-

nommic growth despite the U.S. economic slowdown.

But it turned out that the financial meltdown, bringing with it a global recession and shrinking trade, has dealt a serious blow to emerging economies. Although ASEAN is seeing its exports decline, demand within the region remains relatively solid.

In the Philippines, the SM City North EDSA shopping mall in the Metro Manila area draws 300,000 customers on weekdays. Domes-

tic demand accounts for roughly 70% of Indonesia's gross domestic product. There are many people in emerging economies who want affluence.

Europe and the U.S. will continue to be economically sluggish for some time, due to the collapse of the economic bubble. For Japan, both stimulating domestic demand and developing the growing markets of emerging countries are key factors for getting Japan out of the recession.