

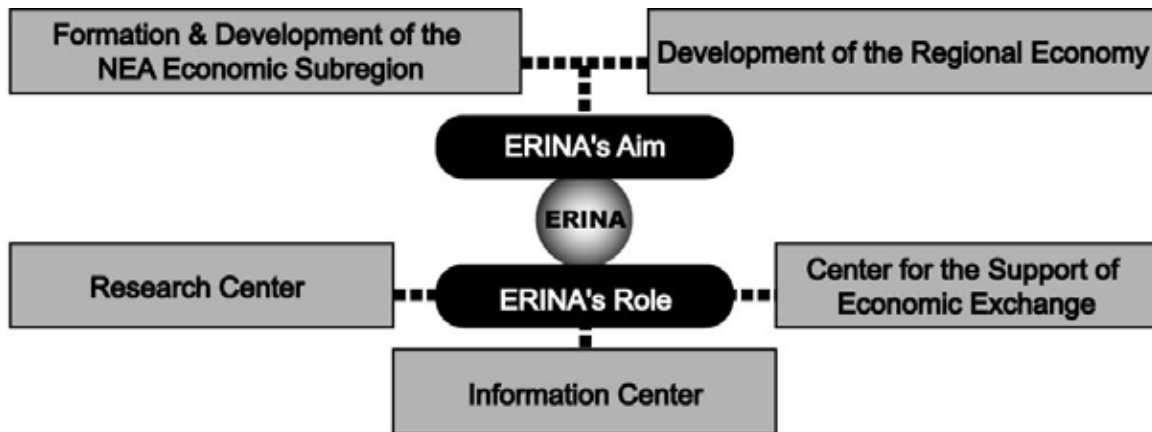
ERINA  
Medium-Term Plan  
<2004-2008>



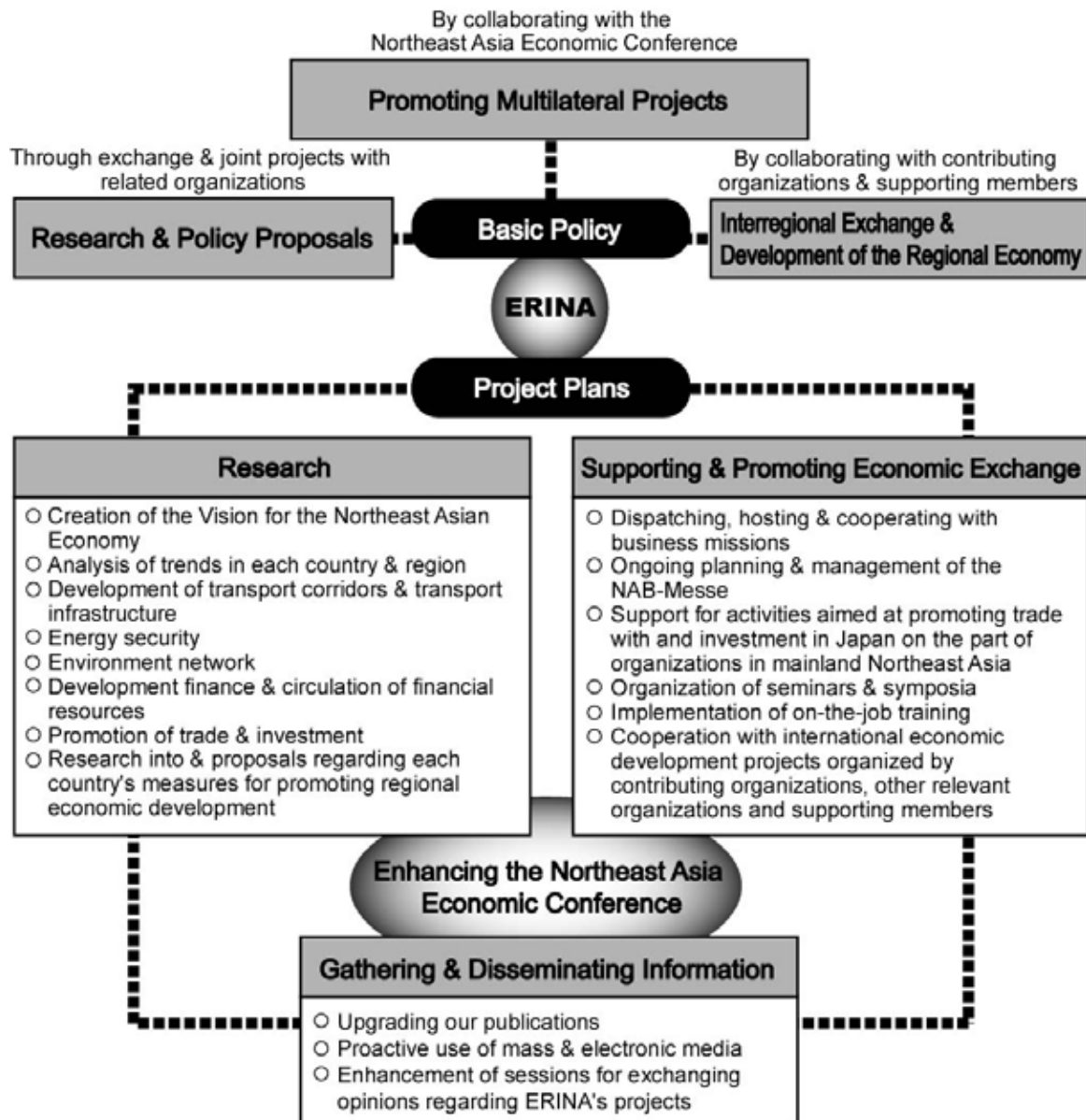
March 2004

**ERINA**  
Economic Research Institute for Northeast Asia

Contents	Overview of the Medium-Term Plan 2004 – 2008	3
	Introduction	4
	(1) ERINA: The First Ten Years	
	(2) The Aims of ERINA	
	(3) The Role of ERINA	
	The Medium-Term Plan 2004 – 2008	7
	1 Duration of the Plan	7
	2 Basic Policy	7
	3 Project Plans	7
	(1) Research	
	(2) Supporting & Promoting Economic Exchange	
	(3) Gathering & Disseminating Information	
	(4) Enhancing the Northeast Asia Economic Conference	
	4 Organization & Management	13
	(1) General Affairs Division	
	(2) Research Division	
	(3) External Relations Division	
	(4) Communications Division	
	5 Financial Issues	16
	(1) Prospects for Funding	
	(2) Securing Independent Sources of Revenue	
	(3) Sound & Efficient Management of Our Basic Fund	
	(4) Efficient Use of Our Budget	



## Overview of the Medium-Term Plan 2004 - 2008



## Introduction

### (1) ERINA: The First Ten Years

ERINA was established in October 1993 and has celebrated its 10<sup>th</sup> anniversary this year. During this time, we have been actively involved in conducting research and gathering and disseminating information concerning the economy of Northeast Asia, as well as promoting regional economic exchange. Functioning as a think and do tank, ERINA has fulfilled the following roles:

- i) With the aim of promoting the formation of the Northeast Asia Economic Subregion, we have methodically conducted research into regional trade and investment, transport, the environment and energy issues and has endeavored to gather and disseminate information about the economy of the region.
- ii) We have striven to develop economic exchanges between Japan and the other countries of Northeast Asia by organizing and running the Northeast Asia Economic Conference, publicizing the outcomes of the conference within Japan and overseas and providing companies with business opportunities.
- iii) By organizing joint research, academic exchange and joint projects in collaboration with individuals and institutions within Japan and overseas, we have built up a highly valuable broad-ranging international network of human and intellectual exchanges.
- iv) In a world that experienced cataclysmic changes in values following the end of the Cold War, Northeast Asia is still faced with a Cold War paradigm and there remain obstacles to economic exchange. We have urged national governments, NGOs and international institutions in the region to open their eyes to the potential held by Northeast Asia and the possibilities for multilateral cooperation, and have contributed to creating the concept of the Northeast Asia Economic Subregion.

Japan's economy and the global situation has altered drastically during this period and, with Northeast Asia becoming the focus of attention, we need to create a policy and framework that deals with this new situation using ERINA's limited personnel and financial resources. This Medium-Term Plan has been drawn up in response to this imperative.

## (2) The Aims of ERINA

With the world experiencing significant changes, the role played by Northeast Asia is becoming increasingly important.

The economic vitality of the countries of Northeast Asia is constantly conveyed to us from such countries as China, which continues to experience high levels of economic growth; the ROK, which has overcome its previous financial crisis and is well on the road to recovery; Russia and Mongolia, which have emerged from their decade-long stagnation and where the market economy is becoming firmly established; and the DPRK, which seems to be making slight moves towards the introduction of a market economy under trying circumstances.

In addition, with regard to politics and security, a framework for six-party talks about the DPRK's nuclear development program has been established and talks are continuing. The solution of this problem will bring stability to Northeast Asia and open up new prospects for economic cooperation. In addition, the ASEAN+3 framework has become the motive force in East Asia and the countries of Northeast Asia, such as Japan, the ROK and China, are playing a significant role.

ERINA's goals include gaining an accurate grasp of such changes, while conducting research and analysis and making policy proposals regarding the economies of the region and trade and economic cooperation between relevant countries. In addition, we aim to contribute to the advancement of the regional economy and the formation and development of the Northeast Asia Economic Subregion by promoting economic exchange between the countries and regions of Northeast Asia.

## (3) The Role of ERINA

ERINA performs the following functions in order to achieve its aims:

- i) Functioning as a center for research into the economy of Northeast Asia
  - a) Systematically gathering and analysing basic economic statistics for Northeast Asia

- b) Policy proposals regarding the economic development of Northeast Asia
  - c) Strategic research and proposals aimed at the formation of the Northeast Asia Economic Subregion
  - d) Joint research with relevant research institutes
- 
- ii) Functioning as a center for the support of economic exchange between the countries and regions of Northeast Asia
    - a) Supporting economic exchange between Japan and the countries and regions of continental Northeast Asia
    - b) Promoting projects implemented by means of cooperative inter-regional and multilateral frameworks
    - c) Cooperation with relevant organizations within Japan and overseas
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- iii) Functioning as a center for information regarding the economy of Northeast Asia
    - a) Gathering and amassing various information regarding the Northeast Asian economy
    - b) Disseminating this information in its raw state and the outcomes of analyses of it

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## The Medium-Term Plan 2004 – 2008

In order to achieve these aims, we have formulated a Medium-Term Plan concerning the basic policy for ERINA's current activities, its project plans and its organization, management and financial affairs, as follows:

### 1. Duration of the Plan

The plan covers a period of five years, from fiscal 2004 to 2008.

Each fiscal year, ERINA's project plans will be formulated and implemented based on the Medium-Term Plan.

### 2. Basic Policy

- i) In collaboration with the Northeast Asia Economic Conference, we will build up a framework for international cooperation relating to each theme and seek to promote multilateral projects involving a range of countries and regions.
- ii) We will promote human and academic exchange with relevant research institutions within Japan and overseas, jointly carrying out research and formulating policy proposals.
- iii) We will closely collaborate with its supporting members and the organizations that make financial contributions to it, and will contribute to interregional exchange and the development of the regional economy.

### 3. Project Plans

#### (1) Research

- i) Creation of the *Vision for the Northeast Asian Economy*

We will construct the *Vision for the Northeast Asian Economy* as a local economic bloc by means of work carried out jointly with central and regional governments, research institutions, private sector organizations and NGOs in each country. This *Vision* will enable us to make proposals regarding the formulation of economic development projects for the region and the execution of these.

We will place the utmost priority on creating this *Vision*.

ii) Research and analysis

- a) Analysis of trends in the countries and regions of Northeast Asia
- b) Market research concerning trade and distribution in specific regions
- c) Studies and analysis of the macroeconomy
- d) Gathering economic statistics and establishing methods of analysis

We will enrich various databases by continuously and systematically gathering and accumulating basic statistical material, research data and information from the mass media concerning the regional and national economies of Northeast Asia. In addition, we will establish methods of analyzing this information and seek to use this information to conduct research, make recommendations and promote economic exchange in the region.

iii) Thematic research into and proposals regarding multilateral cooperation

- a) Development of transport corridors & transport infrastructure

The Transportation Subcommittee of the Northeast Asia Economic Conference Organizing Committee has identified nine transportation corridors in Northeast Asia; in order to ensure that these corridors function as trade corridors and economic corridors, we will promote the development and improvement of the Trans-Siberian Railway route and the Tumen River route, assigning an order of priority to projects aimed at upgrading these routes, such as improvements to discontinuous points, and making specific recommendations.

We will move into the second stage (consideration of an implementation plan) of work in this field, as a way of linking our research to the development of the Tumen River area.

- b) Energy security

Securing a stable supply of energy, while achieving development and prosperity and protecting the environment is a major task for the countries of Northeast Asia. With regard to energy use in the region, particularly the effect that the development and export of Russia's oil and gas resources will have on Northeast

Asia, we will continue to conduct research into and make recommendations regarding a vision aimed at building a framework for intra-regional cooperation and policy coordination, such as an energy community, by means of our Energy Security in Northeast Asia project, in which we have undertaken deliberations on this issue in collaboration with experts from the US and the countries of Northeast Asia.

We will also move into the second stage (consideration of an implementation plan) of work in this field.

c) The Northeast Asia environment network

In order to combine economic development with environmental conservation in the countries of Northeast Asia, we will clarify the current status of and issues relating to environmental problems, establishing a permanent round-table framework for exchanging information and creating a Northeast Asia Environment Network, which will consist of relevant institutions in each country.

This will be a priority project for 2004.

d) Development finance and the circulation of financial resources in Northeast Asia

In order to meet the vast demand for money to finance projects such as infrastructure development, we will conduct research into a framework for a international macroeconomic financial system. In addition, in implementing our priority projects in such fields as the transportation corridors and the development of the Tumen River area, we will carry out research into and make recommendations regarding specific project finance options, such as organic links to several international cooperative funding institutions.

e) Promotion of trade & investment

We will conduct studies regarding the trade and investment environment in the countries and regions of Northeast Asia, particularly in major development zones; in addition, we will make progress in our research into the potential for investment in Japan by other countries in the region. In particular, we will focus on considering ways of creating a win-win situation by promoting trade and investment with regional industries and small and medium-sized enterprises in Japan.

Moreover, we will place great emphasis on the conclusion of free trade agreements between the countries of Northeast Asia and conduct research into the prospects for and effects of these.

f) Development of tourism and the tourism industry

Based on an awareness that flows of people and goods promote trade, we will collaborate with relevant regional governments and groups in conducting research into the development of natural, historical and cultural tourism routes in the countries and regions of Northeast Asia and barriers that must be overcome in order to promote these. In addition, we will make recommendations regarding the cultivation of human resources and the provision of relevant knowledge in the tourism industry.

g) Development of the Tumen River area

With regard to the development of the Tumen River area, where the focus is mainly on infrastructure development conducted within the relevant regions of the countries concerned or by means of bilateral cooperation, we will undertake research into and make recommendations regarding the formation of new projects and the construction of a framework for this, the development of a cross-border transport network and the development of common institutions and environments for promoting trade, investment and tourism.

iv) Research into and proposals regarding each country's measures for promoting regional economic development

a) Issues relating to the regional economy and industries of each country

We will promote research into issues concerning the economy and industries of each country, such as energy development in the Russian Far East and Eastern Siberia, China's development policy for its northeastern region, the external economic policies of the ROK and Mongolia, and the external economic liberalization policy of the DPRK. In addition, we will clarify the links that these have to the regional economy and industries of Japan.

b) Research into and proposals regarding the development of Japan's regional economy

Based on the industrial structure of the Japan Sea coast region of Japan, we will conduct research into and make proposals regarding attracting investment, promoting trade, establishing cross-Japan Sea container shipping, ferry and air routes and encouraging inbound tourism, and the economic effects of these. We will place particular emphasis on the development of northeastern Japan.

v) Academic exchange with relevant research institutes in Japan and overseas

- a) Increasing the number of research projects commissioned by or undertaken in collaboration with relevant institutions within Japan and overseas

By means of research agreements, joint and commissioned research, seminars, workshops and research projects that unite the worlds of industry and academia, we will strengthen our network of contacts with research institutes, universities, NPOs and other relevant institutions within Japan and overseas, while seeking to enhance our research projects.

- b) Training projects and the exchange of researchers

We will seek to enhance training projects and the exchange of researchers between ERINA and research institutes within Japan and overseas, as well as establishing systems for intellectual exchange, such as internships and visiting researcher programs.

## (2) Supporting and Promoting Economic Exchange

- i) Dispatching, hosting and cooperating with business missions

In order to promote economic exchange between businesses in Northeast Asia, we will cooperate with contributing organizations in dispatching and providing assistance for business missions, as well as hosting and assisting with the hosting of business missions from countries in continental Northeast Asia.

- ii) Ongoing planning and management of the NAB-Messe

We will plan and manage the Northeast Asia Business Messe (NAB-Messe), which features a trade fair and business talks involving companies from across Northeast Asia, with the aim of holding the event on a regular basis. In doing so, we will promote the creation of business opportunities and enhance interaction between companies in Northeast Asia.

- iii) Support for activities aimed at promoting trade with and investment in Japan on the part of organizations in continental Northeast Asia

We will cooperate with business missions from continental Northeast Asia and activities aimed at promoting trade with and investment in Japan on the part of companies and organizations based in the country. In addition, we will build up a small and medium-sized enterprise network involving the Russian Far East, Eastern Siberia and Northeastern China, and promote international matchmaking between businesses in those regions and regional industry in Japan, by providing access to

information about these companies via the internet.

iv) Organization of seminars and symposia

a) Implementation of on-the-job training

We will respond to the need for local industry to internationalize, while also implementing and assisting with the hosting of trainees from continental Northeast Asia, as well as implementing and assisting with the dispatch of trainees to that region, thereby helping to nurture human resources across the region and promote technological exchange.

b) Organization of seminars and symposia in areas other than those controlled by local authorities that have made a financial contribution to ERINA

We will disseminate information about Northeast Asia to central and local governments, instructing them about the region and making relevant policy proposals. In addition to this, we will hold seminars and symposia in areas other than those controlled by local authorities that have made a financial contribution to ERINA, in order to broaden understanding of and awaken a deeper interest in the Northeast Asia Economic Subregion.

c) Organization of regional seminars and seminars for supporting members

We will circulate the outcomes of our research and provide other information to local authorities that have made a financial contribution to ERINA, as well as holding regional seminars that increase general interest and understanding, and seminars that provide our supporting members with information about the economic and regional situation in Northeast Asia.

v) Cooperation with international economic development projects organized by contributing organizations, other relevant organizations and supporting members

(3) Gathering and Disseminating Information

i) Upgrading our publications

We will exploit the unique characteristics of our publications, which include the ERINA Report, which carries economic information and details of specialist research; the ERINA Business News, which contains information for businesses about trade and investment trends; the ERINA Booklet, which has an intensive focus on the outcomes of specific research projects; and our discussion paper series. In addition,

we will strive to enhance the information that we provide.

Furthermore, we intend to discuss the possibilities for publishing the Northeast Asia Economic White Paper on an annual basis, publishing an English version of the White Paper and issuing an annual report on ERINA's activities, and we will aim to translate these new projects into reality during the first fiscal year covered by this plan.

ii) Proactive use of mass and electronic media

We will actively exchange information with the mass media, by means of press releases and the provision of other information, and be proactive in presenting the outcomes of our projects to a wider audience, by such means as enhancing the information provided on our homepage.

iii) Enhancement of sessions for exchanging opinions regarding ERINA's projects

We will enhance the content of sessions organized with the aim of exchanging opinions with members of our Administrative Council and our supporting members, and will reflect these results in the planning and implementation of ERINA's annual projects and revisions to the Medium-Term Plan.

(4) Enhancing the Northeast Asia Economic Conference

By upgrading ERINA's functions as a research center and linking it with the activities of the Northeast Asia Economic Conference, we will seek to enhance the functions of the Economic Conference and ensure that the conference, which deals with such fields as trade and investment, transport, the environment, energy, development finance and multilateral cooperation, focuses on more tangible and practical issues.

Moreover, ERINA will provide backup to the Northeast Asia Economic Conference Organizing Committee by functioning as its Secretariat, thereby ensuring that it can carry out its coordinating functions with regard to such initiatives as feasibility studies and implementation plans concerning projects in relevant fields.

4. Organization and Management
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In running ERINA, we will ensure that it does not have merely a "top-down" management structure, striving to achieve cross-sectional links at all levels of the

organization. We will manage ERINA in such a way as to enable each and every researcher to fulfill multiple functions within the Institute and revise the organization's structure in line with current realities, in order to strengthen its capacity to produce research relevant to the real world. Specific organizational revisions will be conducted in the future by means of revisions to the office regulations, which will be carried out as required.

The following is an outline of the basic functions of each division and institutional issues that they face at present.

(1) General Affairs Division

i) Clarifying the organization of the department and the division of duties

In accordance with the implementation of the Medium-Term Plan, we will review the office regulations, employment regulations, and approval and decision-making processes, seeking to clarify the division of duties, as well as aiming to create a well-balanced organizational structure.

Furthermore, we will take a systematic approach to hosting, dispatching and exchanging visiting researchers and trainees (interns), and hosting employees on secondment from contributing organizations. In addition, we will continue to consider the ideal functional employee structure for ERINA, by such means as taking a more systematic approach to the hosting of visiting researchers from overseas.

ii) Upgrading the PC environment

We will cooperate with the Communications Division in upgrading ERINA's PC environment and managing the security of its computer network.

iii) Improving the living environment for visiting researchers from overseas

We will upgrade the working and living environments of the visiting researchers from overseas that ERINA frequently hosts, and provide them with improved guidance regarding everyday life in Japan.

iv) Introducing a project evaluation system

We will continue to discuss the issues involved in creating project and personnel evaluation systems, including the setting of evaluation criteria.

(2) Research Division

i) Upgrading our research system

Based on the Medium-Term Plan and the project plans for each fiscal year, we will seek to clarify the goals and themes of our research and ensure an appropriate budget allocation, by providing feedback in the form of internal evaluations. Furthermore, by enhancing our internal framework for discussing the content of research, we will aim to achieve a qualitative improvement in the outcomes of our research and nurture the abilities of our researchers.

ii) Improving our capacity to disseminate information about our research outcomes within Japan and overseas

We will be proactive in undertaking funded, commissioned and joint research and encourage our researchers to make speeches and presentations at academic conferences, and contribute articles to relevant publications. In addition to revitalizing our external activities, such as conducting research and making policy proposals, we will reinforce our capacity to disclose and disseminate information concerning the outcomes of our research activities.

(3) External Relations Division

i) Point of contact for the support of general economic exchange

We will ensure greater dynamism in our exchanges of information with contributing organizations, supporting members and local authorities and relevant institutions in continental Northeast Asia, building a multi-tiered economic cooperation network and functioning as a point of contact for the support of economic exchange activities within the region. In addition, we will be proactive in our support for the pioneering model projects in the field of regional exchange that are being undertaken by various local governments, and will strive to ensure that such initiatives become popular throughout the region.

(4) Communications Division

i) Planning and developing new projects

ii) Accumulating and integrating information about ERINA's activities

We will publish a database of the outcomes of ERINA's projects and lay firmer foundations for ERINA's publicity and communications activities, integrating and

building up a library of publications and other resources providing information.

In addition, we will cooperate with the General Affairs Division in upgrading ERINA's PC environment and managing the security of its computer network.

- iii) Diversifying the media through which ERINA disseminates information and reinforcing its functions as an information hub

By taking a proactive stance in exploiting our homepage and other media, while also seeking to improve our ability to access and exchange information, we will aim to diversify the media through which ERINA disseminates information and reinforce its functions as an information hub.

- iv) Coordinating the Medium-Term Plan

## 5. Financial Issues

### (1) Prospects for Funding

The operational income from our basic fund and the subsidies we receive from the local authority are ERINA's main sources of income; in light of the harsh overall economic situation, we will seek to manage these funds in such a way as to maintain spending at the levels set in the fiscal year preceding the beginning of the plan (fiscal 2003). However, we will revise the scale of our budget during the period covered by the plan.

### (2) Securing Independent Sources of Revenue

- i) Promoting commissioned and funded projects

We will endeavor to strengthen our collaborative initiatives with relevant institutions, taking a proactive approach to expanding the number of commissioned and funded projects we conduct for these institutions.

- ii) Enhancing our basic fund

In order to expand the number of contributing organizations, we will seek effectively to promote research projects and economic exchange, as well as striving to enhance our methods of publicizing the outcomes of these activities and aiming to increase the funding under our control, such as our basic fund.

iii) Expanding the number of supporting members

We will endeavor to expand the number of supporting members and subscribers to our publications by upgrading the initiatives targeted at and services available to them.

(3) Sound and Efficient Management of Our Basic Fund

We will strive to manage our basic fund soundly, securely and effectively, in order to respond to the current era of low interest rates.

(4) Efficient Use of Our Budget

Based on the recognition that our main sources of income are suffering severe constraints, we will endeavor to use our budget effectively and devote ourselves to making savings when compiling and implementing our spending budget. Furthermore, we will strive to achieve maximum effectiveness in implementing our project plans, while paring expenses to a minimum.

### Appendix 1 ERINA Act of Endowment Article 3 (Aims)

By gathering and disseminating information about the economies of Northeast Asia (*viz.* the Japan Sea coastal area and surrounding regions) and conducting research, this foundation aims to promote economic exchange between Japan and the countries of continental Northeast Asia, contributing to the formation and development of the Northeast Asia Economic Subregion and of the international community as a whole.

### Appendix 2 ERINA Act of Endowment Article 4 (Projects)

This foundation will undertake the following projects in order to achieve the aforementioned aims:

- (1) Gathering and disseminating information about the economies of Northeast Asia;
- (2) Conducting research into and surveys of the economies of Northeast Asia;
- (3) Holding seminars and symposia regarding the economies of Northeast Asia;
- (4) Engaging in cooperation and exchange with relevant institutions within Japan and overseas relating to the economies of Northeast Asia;
- (5) Undertaking any other projects deemed necessary in order to achieve the aims of this foundation.

### Appendix 3 Organizational Structure of ERINA

