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## The Tianjin Statement

*Tianjin, China, 28 October 1999*

The Meeting recognizes the momentum created by the Northeast Asia Economic Forum's efforts, which began in Niigata in 1988, and which have been strengthened by annual meetings in Changchun, Tianjin, Pyongyang, Vladivostok, Yongpyeong, Niigata, Honolulu, Ulaanbaatar, Yonago, and now Tianjin. These efforts started in China, and it is to China that we have now returned to reinvigorate our efforts. The meeting felt that it was critical that the Forum's momentum be maintained and in this regard strongly encouraged the strengthening of the organizational structure of the Forum to take it to a new level of productivity. In this connection, the Meeting warmly welcomed the decision of the Tianjin Municipal Government to create a Tianjin Committee for the Northeast Asia Economic Forum.

The Meeting recognized the critical importance of technology transfer, trade and investment liberalization, and strengthening of national financial infrastructure, as well as the complementarities of industrial structures in the region, respecting the national sovereignty, economic structure, and culture of each country. To maximize the benefits of these complementarities, the Meeting recommended that the Forum pay particular attention to human resource development and harmonization of "soft" infrastructure such as laws and regulations.

The Meeting also recognized and encouraged the developing marine, land, and air transportation networks in the region. In this context, the Meeting suggested that the goal of this effort should be incremental increases in efficiency rather than integration and that efforts should be redoubled to overcome existing constraints to increased efficiency of cross-border linkages. Further incentives to the public and private sectors are necessary to involve it in the development of these infrastructure networks.

The Meeting strongly endorsed the UNDP-supported Tumen River Area Development Programme, with representatives from all five member countries (China, DPRK, Mongolia, ROK and the Russian Federation) stating that regional economic cooperation with their neighbors is vital to development and peaceful relations. The Meeting agreed that the Tumen Programme is a model and fore-runner for regional cooperation in Northeast Asia more generally. The Meeting acknowledged that the Tumen Region has made considerable progress toward mutual development, but resource mobilization—in partnership with the private sector—is urgently needed to help finance infrastructure investments that will complete the Tumen transport gateway and in other ways link the diverse strengths of the Region. International participation is also urgently needed in

support of social concerns, including skills development and protection of the environment. The Meeting called upon the international community, and all Northeast Asian countries in particular, to build upon the new spirit of trust and good will prevailing in the region. In this context, the Meeting encouraged Japan to become an active participant in the Tumen Programme. The Meeting also urged all interested parties to pursue regional cooperation in a non-obtrusive manner, respecting the national sovereignty, economic structure and culture of each country.

The Forum's Consultative Working Group on Cooperation in Telecommunications recommended an issue-driven multilateral approach to facilitate cooperation, render advice on telecommunications policy and technical issues, and promote relevant business activity in the region.

The Meeting also was a venue for the Forum's Consultative Working Group on Cooperation in the Electric Power Sector. The Meeting recommended the convening of meetings of electric power industries in the region, including a meeting of leaders of the industries, to exchange viewpoints and information regarding restructuring and to further cooperation among the industries.

The Meeting recognized the supply and use of energy resources in Northeast Asia as an excellent opportunity for furthering regional economic cooperation, including mitigation of their environmental impacts. In particular, the Meeting recognized the potential for mutual benefit in cooperation in the energy sector. Given the complexity of issues at the national and international levels, the Meeting suggested the establishment of a mechanism to advance mutual understanding and guide the policy dialogue. Recognizing that the benefits of a gas pipeline would include lowered pollution, the Meeting suggested that a study be undertaken to quantify these benefits, as well as those produced by transnational electric transmission lines.

The final session focused on the financial issues and mobilization of capital for infrastructure development. In this context, the creation of the Northeast Asian Development Bank (NEADB) was strongly supported. The Bank will principally be for infrastructure development, without imposing preconditions regarding political, social, and economic structure. Accordingly, the Meeting called for the creation of an *NEADB Ad Hoc Committee* to take steps toward establishing the new Bank. The Bank would certainly be located in the Northeast Asian region, and the Forum is pleased to note that the City of Tianjin has already been proposed for the Bank headquarters.

The Meeting warmly thanked the Tianjin Municipal Government for its hospitality and efficient organization of the meeting.

Regarding the venue for the Forum's Tenth Annual Meeting, it was suggested that the Secretariat explore the possibility of holding the meeting on the West Coast of the United States.