

▶ Chapter 11

Creating a New Regional Economic Zone in Northeast Asia

—An Examination of a Proposal for Cooperation with the North after the Resolution of Outstanding Issues

Lee Chanwoo

Specially Appointed Fellow, Japan Center for Economic Research

Deputy Associate Professor, Teikyo University

[Key Points]

- A number of multilateral regional economic cooperation schemes have surfaced since the 1990s, including the Tumen River Area Development Project, but cooperation has stagnated due to political and economic factors, among others. However, momentum for the creation of a new economic zone could build up once more as a result of future changes in North Korea.
- In light of such structural changes as the rise of China on the global stage, space will need to be made for North Korea in economic partnerships between Japan and South Korea, and between Japan, China, and South Korea, to facilitate economic integration in Northeast Asia. The experience of the economic cooperation that followed the normalization of diplomatic relations between Japan and South Korea could be utilized in developing such cooperation between Japan and North Korea.
- International cooperation will be required to improve and modernize North Korea's technical capabilities to facilitate the development of its economy; the normalization of relations between the USA and North Korea, and Japan and North Korea will be a prerequisite for this. The biggest hurdle will be dispelling the concerns of neighboring countries through the resolution of outstanding issues of concern, but once these issues are resolved, the creation of a new economic zone in Northeast Asia will begin.



Key Data

Examples of Regional Economic Cooperation in Northeast Asia

Category		Details	Japan's Major Cooperation Partners (Note) (including North Korea and international organizations)
Border crossing and logistics networks	Ports, airports	Development of trade ports and airports (Rason, Chongjin, etc.)	Russia, South Korea, China
	Transport routes	Opening of air routes and shipping routes across the Sea of Japan	
Cooperation in the shared use of energy	Electric power	Repair of power plants and power transmission lines Shared use of electrical power from the Russian Far East	Russia, South Korea
	Crude oil	Shared use of Seungri Oil Refinery (Sonbong)	Russia, South Korea
	Natural gas	Eastern Siberia natural gas pipeline Construction	Russia, South Korea
Prevention of air and water pollution		Provision of environmental equipment, joint international management of the Yalu and Tumen rivers	Russia, South Korea, China

Note: The USA and the EU, among others, may also participate in multilateral cooperation.