



## EU Japan Economic Relations Lecture No.10

– Cooperation in Regional Forums –

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## Review of Lecture No.9

- After the Hague Declaration was signed, ad-hoc meetings between the EU and Japan developed in the 1990s. Various frameworks also developed for comprehensive discussion, including the trade conflict issue.
- As trade volume and attention shifted to China and the rest of Asia in both Japan and the EU, and Japan became more economically open in the worst post-war recession, the EU-Japan dialogue increasingly extended beyond economic issues.
- Vodafone's global strategy was not successful in the Japanese market. Softbank merged with Vodafone Japan, aiming to get the synergy effect with its existing business.

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### Additional information on EUJRT Recommendations (1)

EU-J Round Table Joint Recommendations to the EU and Japanese Authorities included the following:

- (1) Controlled Foreign Company (CFC) Rules should be applied in Japan more generously.

**CFC Rules** determine the tax imposed on the profit of companies arising from transaction with their overseas subsidiaries.

- (2) 'The Governments of the EU, the EU Member States and Japan should, as a medium to long-term objective, consider the introduction and/or expansion of participation exemption regimes in order to promote direct investment between the EU and Japan'.

**Participation exemption** is the idea that corporate tax can be imposed only once, including tax on the profit of overseas subsidiaries.

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### Additional information on EUJRT Recommendations (2)

- (3) 'A reduction of compliance costs of **transfer pricing** ... in a coordinated manner will increase the international competitiveness of businesses in the EU and Japan'.  
Transfer pricing occurs for instance when a company A sells a product to its overseas subsidiary A-sub which sells the product to consumers. As a result, A transfers income to A-sub. The amount of this income transfer, and thus the division of profits between the different parts of this company, depend on how this transfer price is set. Tax authorities introduced transfer pricing regulation to avoid loss of tax revenues.

For an example (in Japanese) see  
<http://www.mof.go.jp/jouhou/syuzei/siryou/178.htm>

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## Agenda for Lecture No.10

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- Cooperation in Regional Forums  
(Chapter 5, pp. 121-146)
- Asia-Europe Meeting (ASEM)
- Case study: Hyundai Motors

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## Cooperation in Europe (1)

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- ... Japan's involvement in Europe centres increasingly upon the EU and its member states as a result of intensifying European economic and political integration, growing Japan-EU contacts and enhanced trade and investment opportunities in Europe. (text, p.122)
- Japanese involvement in European institutions was intensified as a result of political changes after 1989. (p.123)

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## Cooperation in Europe (2)

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- At its inaugural meeting in 1991, the then Finance Minister Hashimoto pledged an additional US\$6.3 million for a Japan-Europe Cooperation Fund to be set up within the EBRD (European Bank for Reconstruction and Development) which would support project-finding efforts and human resource development. (p.123)
- Japan's interest in Europe extends beyond economic considerations to include a growing number of discussions of security matters. (p.124)

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## Cooperation in Europe (3)

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- Important in this regard is Japan's involvement in the CSCE/OSCE, to which the EU member states and the European Commission also belong.
- The CSCE (Conference on Security and Co-operation in Europe) was set up in Helsinki in 1975 to involve all European Countries (except Albania), the US and Canada in a series of conferences to discuss cooperation in the fields of, *inter alia*, security in Europe, economic and environmental affairs, and humanitarian fields. (p.124)

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## Cooperation in Europe (4)

- At the Budapest summit in 1994, and reflecting changes in the security situation in Europe following the end of the Cold War, the CSCE became known as the OSCE. (p.124)
- Today, it has 56 participating States from Europe, Central Asia and North America, the Organization for Security and Co-operation in Europe (OSCE) forms the largest regional security organization in the world.

<http://www.osce.org/>

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## Cooperation in Asia (1)

- The EU's 'new Asia strategy', endorsed at the Essen European Council in 1994, represented an attempt to deepen both economic and political relations with the region of Asia, particularly through an emphasis on greater political dialogue.
- This strategy forms part of a new EU orientation towards Asia in fields such as development aid, environmental protection and the protection of tropical forests, AIDS prevention and drugs control and rehabilitation.

(p.126)

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## Cooperation in Asia (2)

- Two factors had pushed and pulled Asia into the EU limelight:
  - (1) The need for an integrated European economy to recognise the potential advantages and disadvantages of doing trade with the Asia region
  - (2) The recognition of the need to envelop potential Asia security threats within intra-regional and multilateral forums in the post-Cold War era.Moreover, the new strategy provided a broad framework in which to include a host of smaller EC-Asian state agreements that had developed already. (p.83)

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## Cooperation in Asia (3)

- By the late 1990s not only the economic success of Asia but its failure had come to influence European involvement in Asia.
  - On the one hand, the rise of the economic potential of the Asian region and its growing markets attracted EU member states to participate in the 1996 ASEM ... The member states saw cooperation in this forum as offering a way to liberalise Asian markets, and to ensure greater openness in the Asian economies in return for their cooperation and support.

(p.83)

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## Cooperation in Asia (4)

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- On the other hand, the economic crises in Asia from 1997 featured prominently on the ASEM II agenda in April 1998, and was seen to have possible reverberations in Europe itself, as well as upon potential business opportunities.
- In the security arena, several factors also prompted greater European action vis-a-vis Asia.
  - In the 1990s, the declining military presence of the US in Asia has been a cause for joint concern among Western and Asian officials, who feared that Washington was becoming increasingly isolationist. (p.83)

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## Cooperation in Asia (5)

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- A second important factor for the security arena centre(d) upon the role of China. (p.83)
- On the Korean Peninsula, the EU (became) actively involved in the KEDO process in which Japan also participate(d) ... and ... promoted peace talks between north and south, and the EU has promoted greater cooperation with various Asian partners. (p.84)
- At a speech to Keio University in Tokyo during the (1996) trip to Japan, President (of the Commission at that time) Santer outlined the EU's aim to participate more fully in, and to contribute more financially to, KEDO as a full executive member, so that the EU's political will could be demonstrated internationally. (p.131)

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## ASEM (1)

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What is ASEM?

- ASEM (the Asia-Europe Meeting) is an informal dialogue process initiated in 1996.
- As of December 2006, the twenty-five EU Member States, the European Commission and thirteen Asian countries (Brunei, Burma/Myanmar, China, Cambodia, Indonesia, Japan, South Korea, Malaysia, Laos, the Philippines, Singapore, Thailand, and Vietnam) participate in the process.  
[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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## ASEM (2)

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- The ASEM 6 Summit held in September 2006 decided to admit Bulgaria and Romania on the European side, and India, Mongolia, Pakistan and the ASEAN Secretariat on the Asian side to the ASEM process, upon their completion of the necessary procedures (for Bulgaria and Romania, upon their accession to the EU).
- The ASEM process aims to strengthen the relationship and increase mutual understanding between the two regions, in a spirit of mutual respect and equal partnership.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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## ASEM (3)

How did ASEM come about?

- The origins of the ASEM process lay in a mutual recognition, in both Asia and Europe, that the relationship between the two regions needed to be strengthened, reflecting the new global context of the 1990s, and the perspectives of the new century.
- In July 1994, the European Commission had already published "Towards a New Strategy for Asia", stressing the importance of modernising our relationship with Asia, and of reflecting properly its political, economic and cultural significance.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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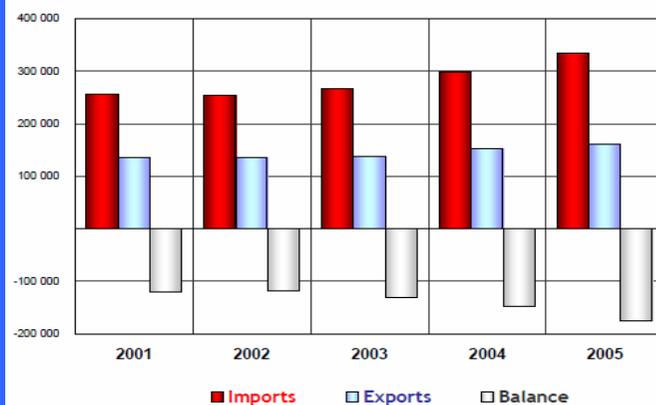
## ASEM (4)

- The Commission Communication of September 2001 ("Europe and Asia: A strategic framework for enhanced partnerships") reaffirmed this objective.
- In November 1994, Singapore and France proposed that an EU-Asia summit meeting be held, to consider how to build a new partnership between our two regions. Following this proposal, the first ASEM Summit was held in Bangkok in March 1996.
- The year 2006 marks ASEM's 10th anniversary.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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European Union, Trade with ... Asian Asem Countries

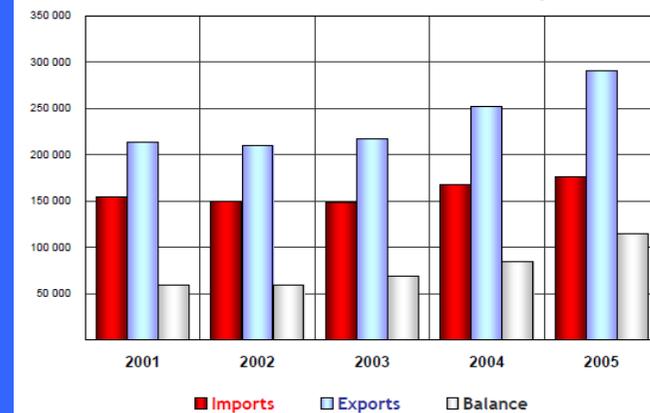


Million euros

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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ASIAN ASEM COUNTRIES, Trade with the European Union



Million euros

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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## EU25 Trade Partners in 2005

The major imports partners			The major export partners			The major trade partners		
Partners	Mio euro	%	Partners	Mio euro	%	Partners	Mio euro	%
World	1 176 055	100.0	World	1 061 836	100.0	World	2 237 891	100.0
1 USA	163 057	13.9	1 USA	251 657	23.7	1 USA	414 714	18.5
2 China	158 098	13.4	2 Switzerland	81 980	7.7	2 China	209 894	9.4
3 Russia	106 766	9.1	3 Russia	56 445	5.3	3 Russia	163 211	7.3
4 Japan	73 243	6.2	4 China	51 796	4.9	4 Switzerland	148 334	6.6
5 Norway	67 474	5.7	5 Japan	43 663	4.1	5 Japan	116 906	5.2
6 Switzerland	66 354	5.6	6 Turkey	41 849	3.9	6 Norway	101 261	4.5
7 Turkey	33 492	2.8	7 Norway	33 787	3.2	7 Turkey	75 341	3.4
8 Korea	33 326	2.8	8 United Arab Emir.	25 288	2.4	8 Korea	53 456	2.4
9 Taiwan	23 835	2.0	9 Canada	23 681	2.2	9 Canada	40 855	1.8
10 Brazil	23 300	2.0	10 Romania	21 825	2.0	10 India	40 021	1.8
11 Saudi Arabia	22 092	1.9	11 India	21 110	2.0	11 Brazil	39 287	1.8
12 Algeria	20 735	1.8	12 Australia	20 710	2.0	12 Saudi Arabia	37 535	1.7
13 Libya	19 473	1.7	13 Hong Kong	20 434	1.9	13 Romania	37 130	1.7
14 India	18 911	1.6	14 Korea	20 130	1.9	14 Taiwan	36 653	1.6
15 Singapore	18 219	1.5	15 South Africa	18 077	1.7	15 Singapore	35 447	1.6
16 Canada	17 174	1.5	16 Singapore	17 227	1.6	16 United Arab Emir.	35 087	1.6
17 South Africa	16 731	1.4	17 Mexico	16 762	1.6	17 South Africa	34 808	1.6
18 Malaysia	15 905	1.4	18 Brazil	15 987	1.5	18 Algeria	31 150	1.4
19 Romania	15 305	1.3	19 Saudi Arabia	15 443	1.5	19 Hong Kong	31 109	1.4
20 WA_AO	13 761	1.2	20 WA_AO	13 484	1.3	20 Australia	30 182	1.3
ASIAN ASEM COUNTRIES	334 518	28.4	ASIAN ASEM COUNTRIES	160 308	15.1	ASIAN ASEM COUNTRIES	494 826	22.1

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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## Asian ASEM Trade Partners in 2005

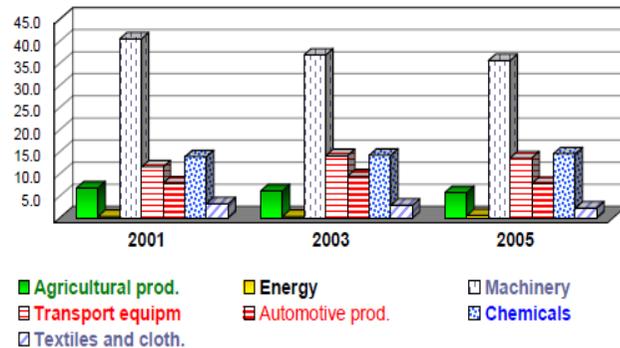
The major import partners			The major export partners			The major trade partners		
Partners	Mio euro	%	Partners	Mio euro	%	Partners	Mio euro	%
World	1 522 944	100.0	World	1 781 608	100.0	World	3 304 551	100.0
1 Japan	182 684	12.0	1 USA	352 340	19.8	1 USA	515 769	15.6
2 EU	175 825	11.5	2 EU	290 079	16.3	2 EU	465 904	14.1
3 China	166 258	10.9	3 Hong Kong	173 693	9.7	3 China	329 105	10.0
4 USA	163 429	10.7	4 China	162 847	9.1	4 Japan	327 967	9.9
5 Korea	102 936	6.8	5 Japan	145 282	8.2	5 Hong Kong	196 289	5.9
6 Singapore	69 718	4.6	6 Korea	86 357	4.8	6 Korea	189 293	5.7
7 Malaysia	66 104	4.3	7 Singapore	70 251	3.9	7 Singapore	139 969	4.2
8 Saudi Arabia	61 315	4.0	8 Malaysia	56 717	3.2	8 Malaysia	122 821	3.7
9 Australia	50 181	3.3	9 Thailand	45 654	2.6	9 Thailand	90 254	2.7
10 Indonesia	45 546	3.0	10 Indonesia	42 406	2.4	10 Australia	89 939	2.7
11 Thailand	44 600	2.9	11 Australia	39 758	2.2	11 Indonesia	87 952	2.6
12 United Arab Emir.	37 579	2.5	12 India	25 208	1.4	12 Saudi Arabia	71 544	2.2
13 Philippines	26 385	1.7	13 Canada	23 301	1.3	13 United Arab Emir.	57 117	1.7
14 Russia	23 931	1.6	14 Philippines	21 738	1.2	14 Philippines	48 123	1.5
15 Hong Kong	22 596	1.5	15 United Arab Emir.	19 538	1.1	15 India	44 567	1.3
16 India	19 358	1.3	16 Russia	18 730	1.1	16 Russia	42 661	1.3
17 Iran	18 834	1.2	17 Vietnam	17 567	1.0	17 Canada	40 865	1.2
18 Canada	17 564	1.2	18 Mexico	15 109	0.8	18 Vietnam	27 662	0.8
19 Kuwait	16 332	1.1	19 Panama	11 074	0.6	19 Brazil	25 667	0.8
20 Qatar	16 270	1.1	20 Saudi Arabia	10 230	0.6	20 Iran	25 571	0.8

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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## EU Exports

to ... ASIAN ASEM COUNTRIES



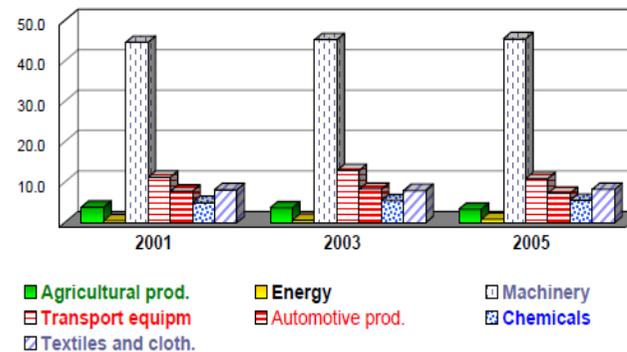
Million euros

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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## EU Imports

from ... Asian Asem Countries



Million euros

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113472.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113472.pdf)

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## ASEM (5)

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- Key characteristics of the ASEM process include:
- It is *informal*. It provides an open forum for policy makers and officials to discuss any political, economic and social issues of common interest. In this way it complements work carried out in bilateral and multilateral fora, such as the United Nations (UN) and World Trade Organisation (WTO).
- It is *multidimensional*, covering the full spectrum of relations between the two regions, and devoting equal weight to political, economic and cultural issues.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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## ASEM (6)

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- It emphasises *equal partnership*, through a process of dialogue and cooperation based on mutual respect and mutual benefit.
- It provides a platform for meetings at a *high level* (heads of state or government, ministers and senior officials), and with an increasing focus on fostering people-to-people contacts in all sectors of society.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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## ASEM (7)

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- The biennial ASEM Summits, featuring Heads of State or Government, give the overall political impetus to the ASEM process
- Foreign Ministers and their senior officials have an overall coordinating role and are assisted by (a rotating group of) Coordinators.
- There are also ministerial and working-level meetings and activities on a wide range of political, economic and cultural subjects.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

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## ASEM (8)

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Ministerial meetings that have been held :

- Environment Ministers' Meetings in 2002 and 2003
- Ministerial Conference on Science and Technology in 1999
- Ministerial Conference on Cooperation for the Management of Migratory Flows between Europe and Asia in 2002
- Ministerial Conferences on Culture and Civilisation in 2003 and 2005
- Labour and Employment Ministers' Conference in 2006

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (9)

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- Apart from the official meetings, nearly 100 initiatives have been implemented over the past decade, including numerous expert-level, thematic working meetings and symposia, often involving the business communities and civil society groups of the two regions.
- Subjects covered have extended from the initial emphasis on economy to include human rights, rule of law, global health threat, sustainable development, and intercultural and interfaith dialogues.

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (10)

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- The business community and civil society groups from Asia and Europe have organised meetings on a regular basis, through the Asia-Europe Business Forum and the Asia-Europe Peoples' Forum respectively.
- The European Parliament has also followed the ASEM process closely, and has initiated contacts with parliaments in ASEM countries through the Asia-Europe Parliamentary Partnership (ASEP) meetings.

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (11)

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- ASEP meetings have been held in April 1996 in Strasbourg, in August 2002 in Manila, in March 2004 in Hué, and in May 2006 in Helsinki.
- As an informal process, ASEM has no secretariat.
- Foreign Ministers and their senior officials (SOM) have an overall coordinating role within the ASEM process, and are assisted by a group of Coordinators (currently China and Brunei on the Asian side, and the EU Presidency and Commission on the European side).

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (12)

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- The ASEM 6 Summit decided to set up an ASEM Virtual Secretariat, which would operate as a closed intranet system to facilitate management of agenda and working programme and enhance the institutional memory.
- The only existing ASEM institution is the Asia-Europe Foundation (ASEF) in Singapore, a not-for-profit foundation charged with promoting cultural, intellectual and people-to-people contacts between the two regions

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (13)

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- ASEM partners ... established the Asia-Europe Foundation (ASEF) in 1997 to promote mutual understanding and cooperation of the peoples of Asia and Europe through cultural, intellectual and people-to-people exchange programmes.

[http://ec.europa.eu/comm/external\\_relations/asem/intro/index.htm](http://ec.europa.eu/comm/external_relations/asem/intro/index.htm)

- An Asia-Europe Cooperation Framework (AECF) was adopted at the ASEM 2 Summit in 1998 to set out the underlying principles, objectives, priorities and coordination mechanisms of the ASEM process. An updated version (the AECF 2000) was approved by Leaders at the ASEM 3 Summit in October 2000.

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (14)

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- The ASEM 6 Summit adopted the Helsinki Declaration on the Future of ASEM, identifying the key areas where ASEM should focus its work in the second decade.
- These include strengthening multilateralism and addressing global threats, globalisation and competitiveness, sustainable development and intercultural and interfaith dialogue.
- The Declaration also proposes improvements to ASEM's working methods and institutional mechanisms, while stressing its informal nature.

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

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## ASEM (15)

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Some concrete achievements (1):

- The ASEM Asian Financial Crisis Response Trust Fund was set up in response to the Asian Financial crisis in 1997-99 in order to provide technical advice and training on financial sector and social policy reforms.

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

- Subsequently, agreement was reached with the World Bank on standard provisions relating to the Fund, which became operational at the end of June 1998, with the signature of the first donor's agreement with the Bank (UK).

[http://ec.europa.eu/comm/external\\_relations/asem/other\\_activities/trust\\_fund.htm](http://ec.europa.eu/comm/external_relations/asem/other_activities/trust_fund.htm)

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## ASEM (16)

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- Contributions to the ASEM Trust Fund 1 (ASEM TF1) amounted to \$43.8 million, with the European Commission as the largest contributor.
- With the success of ASEM TF1, the European and Asian leaders decided to launch a second phase of ASEM Trust Fund.
- ASEM Trust Fund 2 (ASEM TF2) became operational in March 2001 with the initial contribution of the UK.

[http://ec.europa.eu/comm/external\\_relations/asem/other\\_activities/trust\\_fund.htm](http://ec.europa.eu/comm/external_relations/asem/other_activities/trust_fund.htm)

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## ASEM (17)

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- Other contributors include China, Denmark, European Commission, Finland, France, Italy, Korea, the Netherlands, and Sweden.
- ASEM TF2 maintains the focus of its predecessor on financial and corporate restructuring and on social welfare and safety nets. Grants have been made to five East Asian countries, i.e. China, Indonesia, the Philippines, Thailand and Vietnam.
- The World Bank East Asia and Pacific Region administers the ASEM Trust Funds.

[http://ec.europa.eu/comm/external\\_relations/asem/other\\_activities/trust\\_fund.htm](http://ec.europa.eu/comm/external_relations/asem/other_activities/trust_fund.htm)

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## ASEM (18)

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Some concrete achievements (2):

- The Second Phase of the Trans-Eurasia Information Network (TEIN2) provides a dedicated, high-capacity network linking the research and education networks of Asia and Europe

[http://ec.europa.eu/comm/external\\_relations/asem/asem\\_process/index\\_process.htm#Origins](http://ec.europa.eu/comm/external_relations/asem/asem_process/index_process.htm#Origins)

- TEIN2 will ... endeavour to follow on from the achievements of current networking initiatives in the region, including the TEIN initiative, which began in March 2000.

<http://www.tein2.net/server/show/nav.648>

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## ASEM (19)

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- Through the Trans-Eurasia Information Network (TEIN), a first Europe-Asia link for research and education was established by RENATER in France and KISDI in South Korea, with the installation of a 2Mbps connection in December 2001.
- Due to demand, the link was upgraded to 34Mbps in November 2003, and has clearly demonstrated the need for significantly greater research connectivity between Europe and Asia.

<http://www.tein2.net/server/show/nav.648>

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## ASEM (20)

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- Other initiatives which are helping to provide intra-Asian connectivity are the Asian Internet Interconnection Initiatives Project (AI3) and the Asia Pacific Information Infrastructure (APII) ...

<http://www.tein2.net/server/show/nav.648>

- TEIN2 has three main objectives:

- \* Increase direct Internet connectivity for research and education between Europe and Asia
- \* Improve intra-regional connectivity within Asia
- \* Act as a catalyst for the development of national research networking in the developing countries in the Asia-Pacific region.

<http://www.tein2.net/server/show/nav.621>

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## Case Study: Hyundai (1)

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- Founded in 1967, Hyundai Motor Company started the production of automobiles through technical cooperation with Ford and Mitsubishi Motors.
- In 1976, HMC developed their own model 'Pony'.
- In 1998, HMC merged with Kia Motors during the aftermath of the Asian financial crisis.
- HMC is now ranked as the 6th largest automobile group in the world, producing more than 3 million automobiles per year.
- <http://worldwide.hyundai-motor.com/>

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## Case Study: Hyundai (2)

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- HMC has been actively investing overseas, building manufacturing plants in North America, India, China and Turkey. HMC also have R&D centres in North America, Japan and Europe.
- In Europe, HMC's western regional headquarters are located in Germany and the eastern regional headquarters are in Poland.

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## Conclusions

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- Japan and the EU's mutual interests extend beyond economic considerations and include a growing number of issues, including security matters.
- The first ASEM Summit was held in Bangkok in March 1996. Its process has remained informal but its coverage has extended well beyond the economic aspects of the EU-ASEM relationship.
- Hyundai's strategies in Europe have been different from those of Japanese firms. South Korean firms like Hyundai are much more active in emerging markets in Europe, such as the former 'Eastern block' and Turkey.

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## ASSIGNMENT

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Please choose one of three topics.

- (1) What is the EU's policy stance on the WTO and on FTAs?
- (2) What is Japan's policy stance on the WTO and on FTAs?
- (3) Why is the ZARA's overseas strategy successful, including Japan?

<http://www.zara.com/i06/index.html>

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## Agenda for Lecture No.11

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- Addressing Global Agendas  
(pp. 147-165)
- WTO
- FTA
- Case study: ZARA