

# Japan pledges \$7.4 bln in aid to Mekong region

MALCOLM FOSTER - Associated Press - Associated Press

With an eye to China's growing sway in Southeast Asia, Japan pledged about 600 billion yen (\$7.4 billion) in development aid and expertise after a summit Saturday with the leaders of the Mekong River region.

Japan is seeking to strengthen its partnerships with Thailand — by far the biggest economy in the region and already a key Japanese manufacturing hub — Vietnam, Cambodia, Laos and Myanmar. This is the fourth summit since leaders from the six nations first met in 2009.

Japanese Prime Minister Yoshihiko Noda emphasized continued cooperation with the region, saying, "The stability and development of East Asia is not possible without the stability and development of the Mekong region."

"Japan will continue to vigorously promote cooperation with the Mekong region as a key area for assistance," he said at a joint press conference.

In a bid to boost Japan's presence in the fledgling resource-rich region, Japan outlined 57 flagship projects that focus on developing infrastructure in the five countries. The projects, which include ports, highways, power plants and high-speed railways, are estimated to be worth a total of about 2.3 trillion yen (\$28 billion), Noda said.

The development aid would be disbursed over three years, and the joint declaration said it would be "accompanied with the transmission of Japanese expertise."

The Mekong region countries said in the statement that they welcomed Japan's continued strong interests in the region, and promised to utilize the development aid efficiently and effectively.

Thai Prime Minister Yingluck Shinawatra said the Thai government has pledged about \$77 million for infrastructure development projects and technical assistance in the Mekong region countries.

The summit comes amid surprising political and economic reforms unfolding in Myanmar, whose economy has languished for years under a military junta that last year handed power over to a nominally civilian government. The reforms have also started moves toward the lifting of Western sanctions against Myanmar, also known as Burma.

Myanmar President Thein Sein, who a day earlier told Japanese business leaders that his impoverished nation welcomed Japanese investment, pledged to "make every effort towards developing the economy, environment, human resources and infrastructure."

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Last week, the Tokyo Stock Exchange and Daiwa Securities Group said they had reached an agreement with the Central Bank of Myanmar to help establish a stock market by 2015. On Thursday, NTT Data Corp. said it will establish a subsidiary in Yangon, citing the country's "large potential." All Nippon Airways Co. is also preparing to add service to Myanmar this fiscal year.

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Associated Press Writer Emily Wang contributed to this report.

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