

# GAEF Report 2022

Yokohama National University and Phenikaa University

November 24<sup>th</sup> – 25<sup>th</sup>

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## Table of Contents

1. Introduction and Timetable
2. Members
3. Preparation Process
4. Presentation by YNU and Phenikaa
5. Comments by Professors

# Introduction

The 2022 Global Applied Economics Forum (GAEF) in the Faculty of Economics at YNU saw students worked with the students and professors at Phenikaa University. We greatly appreciate we could successfully finish the program with them.

The topics YNU discussed were “Russia-Ukraine War’s Impact on the Economy” and “Trade between Japan and Vietnam”. Phenikaa talked about two, “Japanese ODA in Vietnam” and “Trade and Investment”, each of them focused on relation between Japan and Vietnam. We had taken half a year to prepare the presentation and finally joined the Dialogue on November 24 and 25 in 2022. It held on ZOOM due to COVID-19.

## Timetable

### Thursday, November 24<sup>th</sup>

Japan 15:30 Vietnam 13:30	Opening Ceremony 1. Opening speech by Dean Tsunao Okumura of YNU-College of Economics 2. Phenikaa University opening speech by Dean Tran Thi Minh Hoa of Faculty of Business and Economics, Phenikaa University
Japan 15:40 Vietnam 13:40	Introduction 1. Student Introductions 2. Introduction to Yokohama and YNU by Professor McAulay 3. Introduction to Hanoi and Phenikaa by Phenikaa students
Japan 16:10 Vietnam 14:10	Guest Lecture by Dr. Dao Le Trang Anh, RMIT Vietnam University “The impact of the COVID-19 lockdown on stock market performance: evidence from Vietnam”
Japan 17:00 Vietnam 15:00	Forum Session 1. “Japanese ODA in Vietnam” by phenikaa 2. “Russia-Ukraine War’s impact on the Economy” by YNU

### Friday, November 25<sup>th</sup>

Japan 15:30 Vietnam 13:30	Guest Lecture by Dr. Craig Parsons, YNU “Vietnam’s Ascendancy in the Electronics Trade and the Role of Inward FDI”
Japan 16:20 Vietnam 14:20	Forum Session 1. “Trade” by YNU 2. “Trade and Investment” by Phenikaa
Japan 18:00 Vietnam 16:00	Closing Ceremony 1. YNU closing speech by Professor Alec McAulay 2. Phenikaa closing speech by Dr. Nguyen Xuan Dong, Phenikaa university

# Members

## Reflecting on my program

Junichi Saito



I could learn many through this program. The most important for me is the less you use English, the more afraid you become of. I had no confidence in my English skills, especially speaking, and couldn't be positive toward communicating with others in English. However, this my fear checked my growth. We use much English thorough showing our research on War or Trade, talked with the professors and discussing with the Phenikaa students. Those experiences gave me self-confidence in English. After this program, I came to able to speak in English positively in my class and got more motivated for learning.

However, there were difficulties in this program. First, I had to search a paper in English. Most good papers are written by

English. English papers included difficult words I don't know, so I must read them with looking up in the dictionary. This work took so long times, and I almost gave up repeatedly. Second, it was needed to ask or answer in English right then. The Dialogue had Q&A time after lecture by the Professors and presentation by the students. I could prepare a question while the professors and the Phenikaa students talked, so asking was relatively easy. On the other hand, we didn't know what the Phenikaa students asked before and there were few times to prepare answer. It was very hard for me to answer questions immediately.

Through this program, I could have great experiences. A chance to decide my joining was only influence by Professor McAulay, but I think it has very important meaning on my life. I could learn many and grow much through experiences to tackle difficulties with my colleagues. My growth is decided by my action, so I'll try various things for my development by myself. Also, I think you should do something hesitating to do because it will be a good opportunity.

## Reflection

Wakaba Mori



This session was precious time for me. Both preparing presentation and giving presentations were interesting. Through the process of preparing presentation, I can get to know about the past and present relationship between Vietnam and Japan. In accordance with the trend of the times, the relation is changing. While, in the past, Japan had paid a lot of money to Vietnam for infrastructure development, now Japan invests to Vietnam for further economic development. The difference is very interesting and that reflects the situation at that time directly. Moreover, unexpected things like coronavirus and Ukraine problem are caused suddenly. These difficulties also affect economy and our relationship. I was able to think about the impact of these things from a variety of perspectives in this session. I got various perspectives and broadened my horizon.

Also, it was a great opportunity to have discussions with Vietnamese students. Of course, it was little difficult to hear voice and

communicate because of using Internet, but it was great time to get some opinions of other countries students. It was a rarely opportunity to interact with students in other countries. I was able to ask the real situation and trend in Vietnam to Vietnamese students. These are more real and actual than I research on the Internet. Thus, I felt I gain valuable experience through this course.

In the future, I want to follow the situation about the two countries relationship and economy. I learned thinking something from various perspective and know about the real situation in Vietnam, so I will consider the information that is sent out in the news, based on what I learned in this course.

# Reflecting on my experience of the Dialogue

Ryoji Araki



I participated in this Dialogue because I wanted to improve my English-speaking ability. At first, I was not very good at speaking English and had a little trouble communicating. But I was also excited because this was my first chance to interaction with an overseas university as a university student. Unfortunately, it was an online event, but after presentation we had a time to interact with Phenikaa students.

For this presentation, I focused on communication. I discussed in detail with my team members how to proceed and where to divide up the work. Preparation for the presentation was very difficult. Because Vietnam is a country that is attracting a lot of attention, there were a lot of papers from recent and slightly previous years. Because of this, there was a lot of information, and it was difficult to select the right information. Also, we were told by Professor McAulay and

Professor Parsons that “a 2-second silence in response to a question in the Q & A session would make the other person uncomfortable”, so I took the initiative and tried to answer as possible as I can.

The English used in Vietnam had a slight accent and was more difficult to understand than American English, but I followed the words and ate up the presentation.

In the end, it was a very good experience. If I had a similar opportunity I want to participate again.

## Self-Reflections through the program

Yuri Kim



thought I have to practice “understanding” the meanings of entire conversation, not just “listening” others’ words.

The program was very informative and helped a lot to have various perspectives. I sincerely appreciate with my team members, professor McAulay and professor Parsons for supporting us through the whole preparing period.

It was the first time to cooperate with other students as a team. I was very introverted person, so I had always avoided a group work. However, through this program, I could cultivate cooperativeness. I felt once again that my opinion is not always right and my way of doing something is not always efficient. So, I learned a lot from my team members, and they made up for my shortcomings.

Also, it was a great experience to communicate with foreign students in English. Because the lack of such opportunity, it was a little difficult for me to understand various accents of English. I

# Preparation Process

## The preparation process for Russia-Ukraine War

Junichi Saito

In this year, the Dialogue was held online. We decided two themes and started to prepare from June for the presentation on November 24 and 25. The members were only four students, so we made each presentation by everyone.

First, we searched papers about war impact on economy, especially Russia-Ukraine War, and showed our research on weekly meeting in person. Some of them told general influence on economy by war based on former wars, and others described real effects by Russia-Ukraine War. We kept gathering materials for weeks and decided the whole structure of presentation. We divided the presentation into four parts, previous research, the war impact on Russia and Ukraine, the influence on the global economy, and future expectations.

Second, we searched more deeply and made each part during summer holidays. Our research from June to July was not enough to complete our presentation, so we needed to get more data. Fortunately, we had long summer holidays before the performance, and

we could take enough time to collect materials and make our first presentation. In this time, we took care of their sources, whether they were reliable or not. This program was academic and accurate data was demanded.

Third, we practiced presentation. After summer holidays, we gathered in person or on ZOOM and rehearsed with the professors. First practice was long. Because of lack of a previous arrangement, our presentation didn't finish in time. Also, our presentation was difficult to understand, because we couldn't speak English smoothly. In addition, our slides were perplexed. Some slides had excess information, and others didn't have enough. Second rehearsal was better comparing with former one, but our English was not smooth yet. Therefore, we kept improving our presentation skills until the program.

We prepared presentation until that day, with cooperating with members and receiving advice from the professors. If we all hadn't cooperated each other, we couldn't have accomplished our presentation.

# The trade group preparation process

Ryoji Araki

The Dialogue was a big event that started around May and ended in November. We chose "trade" as the topic of our presentation, and around June we started reading various types of papers and newspaper articles to deepen our understanding. The spread of COVID-19 is slowing down and trade is expected to recover soon in the future.

Japan's economy growth is slowing down. In contrast, Vietnam's economy is growing tremendously, and I felt that the relationship with Vietnam will become very important in the future. I enjoyed studying and analyzing the characteristics of trade between Japan and Vietnam. Data was scattered everywhere, so it was very difficult to read and organize these kinds of data well. We divide the work among the team and focused on minimizing duplication and obtaining as much information on each section as possible to have more efficient research.

We were criticized for our poor presentation skills, such as the design and organization of our slides, as well as our speaking speed and tempo, but after making corrections one by one and practicing the draft repeatedly, we finally got it right. When we discussed our

search for a stronger conclusion during our midterm presentation in early November, Professor McAulay and Professor Parsons suggested various conclusions. Also, how to create "team" during presentation and how to connect the switching of sections was new to me. It would not have been possible without the support of the two Professors.

After the presentation was completed, we practiced communication between the speaker and the slides. On the day of the presentation, we gathered a little early to do a final check and prepare for the Q&A session.

Finally, this presentation could never have been done by one person. Without team member and Professors support, I could not make this presentation.



# Presentation by YNU and Phenikaa

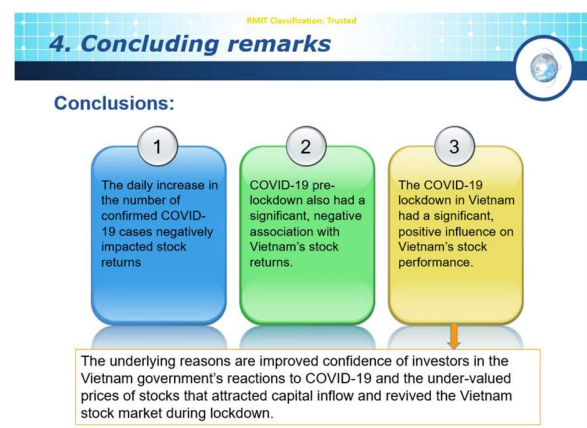
Guest lecture by Dr. Dao Le  
Trang Anh, RMIT Vietnam  
University

Wakaba Mori

Her study is that how much COVID-19 outbreaks and lockdown affect Vietnam economy. She compared the Vietnam stock market before and during the lockdown. Before the lockdown, COVID-19 had negative impact on Vietnamese stock market. From January to March 2020, Vietnam market index fell sharply. This crisis is like a the 2008 financial crisis, and all other countries had negative effect like as Vietnam. On the other hand, during and after lockdown, the entire market and stock market has been affected positively. To stop the outbreak, Vietnam imposed a nationwide lockdown for about two weeks in early April. It was successful and no one was dead during the lockdown. Vietnam government declared that they succeed the virus outbreak. Thank to the succession, Vietnam stock market performed best from April to May 2020 in the Asian countries. This data is very interesting. This data shows that early action and proactive reactions by government and

nation are very crucial to protect stock markets from severe deterioration. This also shows that inventors' confidence and trust to government reaction is important. Vietnam got inventors' confidence and trust for the successful lockdown, so the Vietnam stock market was recovered. Therefore, if unexpected things happen like COVID-19 outbreak, how promptly and properly government and nation decide to take an action will affect stock market directly.

COVID-19 has not been eliminated yet. The period that COVID-19 has power is longer than we expected at first. In case that unexpected things' effect is not short term but long term, we should think about relationship between government action and stock market. If COVID-19 is eliminated completely in the future, we can study that from the data.



# Presentation on Japanese ODA by Phenikaa

Yuri Kim

Phenikaa University's economic presentation was focused on Japanese ODA in Vietnam. ODA stands for "Official Development Assistance". As it means, it is a government's investment project to support a developing country. Then, why Japan is providing ODA to Vietnam? The Phenikaa team delivered the reason and the economic impact of Japanese ODA.

Vietnam now plays an important economic role and has shown a rapid economic growth since Doi Moi, 1986. Vietnam's a lot of competent labor forces, abundant natural and energy resources, the political stability, and security of the country were the key that Japan picked Vietnam as a recipient of ODA.

Japan was the largest donor in 20<sup>th</sup> century and assisted Vietnam to develop infrastructure such as ports, railroads, power plants and hospitals. One result discovered by the Phenikaa team is that Japanese ODA pushed up the Vietnamese GDP by 1.5 percent, capital stocks by 4.65 percent, imports by 5.94 percent and exports by 3.84 percent in the year 2000. Considering the

result of the analysis and quantitative estimations, the Phenikaa team concluded that Japanese ODA has generated concrete enough impact to satisfy the intention of the investment.

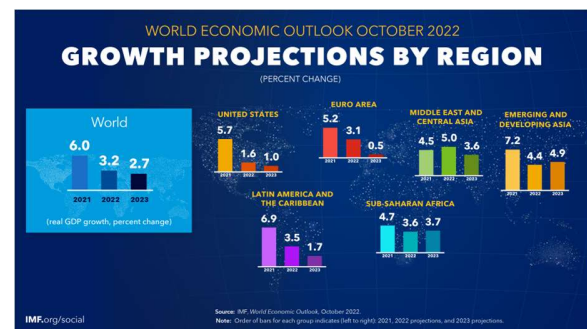
However, the impact of the ODA provided by Japan has not been fully realized yet. Japan plans the continuous assistance, based on Vietnam's socioeconomic development strategy and plan. Japan will provide comprehensive support for Vietnam's sustainable growth through strengthening its international competitiveness, overcoming its vulnerable aspects, and building a fair society and country. Japan highly appreciate Vietnam's potential economic power and possibility of further development in the near future, so Japan is always willing to support Vietnam's economy as a "partner".

# Presentation on Russia-Ukraine War by YNU

Junichi Saito

YNU team researched the Russia-Ukraine War impact on economy. At first, we showed previous research about relation between war and economy and examined what war bring on economy. After that, we talked about real effects caused by Russia-Ukraine War and described what is possible to happen.

First, I'll outline about previous research. We took up three papers. Two insisted wars might have a positive effect on economy. Foreign war generates demand for military supplies. It leads to increase of real output growth. Also, destruction by domestic war might advantageously work for economic growth. It causes high investment after war and introduction of better new technology. However, on the other hand, there is research showing economical loss by war. It cleared the world would be 12% wealthier if no wars have happened since 1970. There are countries which benefited from war, surely, but from the viewpoint of the whole world economy, war will have a negative impact on economy.



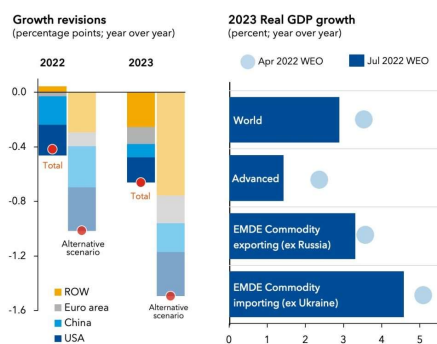
Second, we explained the real economic impact by Russia-Ukraine War. The war caused some serious problem in Ukraine. Ukraine people had to become refugee and many children lost their educational chance. It will bring long term loss by decreasing children's abilities. Also, Ukraine economy was destroyed. Destruction by the war disturbed Ukraine economic activities, especially trade. It was predicted Ukraine's GDP will decline by 36.5%. On the other hand, Russia's economy was also damaged. Russia lost its global trust. It drastically decreased the value of ruble. In addition, sanctions against Russia triggered a collapse in domestic demand. Due to depreciation of ruble and lack of supplies, inflation rapidly soared. Russia's GDP was expected to decrease by 8.5%.

Also, the war had negative influence around the world. Both Russia and Ukraine are major exporters of several commodities, such as wheat. Decrease in export of commodities, especially food, brought food insecurity around the world. Besides, Russia is a large energy export country. Because of war, energy prices also became higher.

Third, we told future expectation of economy. Commodity price already started to decline, but it will keep high standard. It is because there are some risks, for example, geopolitical risk, rising production costs and climate change. In addition, the world economy was expected to slow down by about 3% comparing with last year. Inflation will also keep high standard. These expectations implied the increase in social instability in developing countries and the risk of worldwide stagflation. They might cause depression around the world and expand economic gap between the developed and the developing.

#### Slowing growth

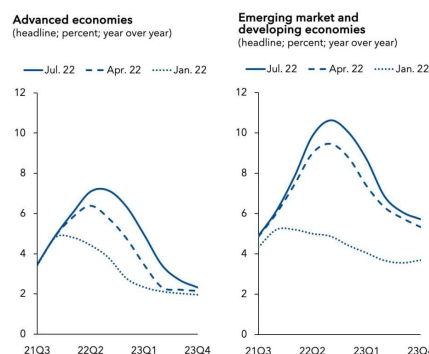
Growth is forecast to slow to 3.2 percent this year and 2.9 percent next year, downgrades of 0.4 and 0.7 percentage points



Sources: IMF, World Economic Outlook (WEO); and IMF staff calculations.  
Note: ROW = Rest of the World; EMDE = Emerging Market and Developing Economies. IMF

#### Inflation up

Global inflation has been revised up and is projected to remain elevated for longer.



Sources: IMF, World Economic Outlook; and IMF staff calculations. IMF

## Guest lecture by Dr. Craig Parsons, YNU

Wakaba Mori

His lecture has two main points. “How does Vietnam current position in global electronics compare with the rest of the world? ”, and “How much inward FDI did it take for Vietnam to make this transformation in such a short about of time?” In Vietnam, the amount of Electronics export has been rising sharply. Of those electronics, a lot of things are new products because of Korean firms in Vietnam. Think about the two points from the Vietnamese trend. Measuring Vietnam’s Revealed Comparative Advantage in electronics, RCA of Vietnam is higher than Indonesia, Thailand, and so on. Vietnam position is higher than other Asian countries that has been developing recently. FDI is one of that reason. From 2013 to 2107, new FDI has come into Vietnam, and much of them were used for Manufacturing Activity, especially for ICT. In the ICT industry, \$27 billion were invested and the half of them are from Korea. Thus, from that data, much money has invested and Korea, particularly, invested to Vietnam. This large investment affect Vietnam electronics industry. Vietnam economy still has developing potential. Various investments can be done in the future, but other countries also have like this power and developing potential market. How

other developed countries do and how economic cooperation among countries is established and changed is crucial in the future.

Table 5. Exports by three main commodity groups in HS85 products

1. Computers, electrical products, spare-parts and components thereof				
	2014		2015	
	Total exports	FDI enterprises	Total exports	FDI enterprises
Value (Bil.USD)	11.43	11.3	15.61	15.32
Annual change (%)	7.9	8.4	36.3	35.49
Share in total exports (%)	100	98.9	100	98.13
2. Telephones, mobile phones and part thereof				
	2014		2015	
	Total exports	FDI enterprises	Total exports	FDI enterprises
Value (Bil.USD)	23.6	23.5	30.166	30.09
Annual change (%)	11.1	11.4	27.8	28.03
Share in total exports (%)	100	99.6	100	99.75
3. Still image, video cameras and parts thereof				
	2014		2015	
	Total exports	FDI enterprises	Total exports	FDI enterprises
Value (Bil.USD)	2.22	2.178	3.025	3
Annual change (%)	36.8	36	36.3	38
Share in total exports (%)	100	98.1	100	99.36

Note: Total exports means the number of exports by all kinds of ownership including state, non-state and FDI enterprises.

Source: General Department of Vietnam Customs

250% in the last 10 years. Needless to say, this is an excellent economic growth. Behind this growth was a large labor force due to population growth. EPAs, elimination of tariffs, and tax reductions also had an impact on economic development.



## The content of presentation – Trade team

Ryoji Araki

In the trade team we analyzed the economic cooperation between Japan and Vietnam. We divided it into three sections: the economic growth of Vietnam and Japan, Industrial Differences in Different Regions of Vietnam, and How Japanese investment has affected the Vietnamese economy.

The first section was on Vietnam and Japanese economic growth. The discussion focused on Vietnam's GDP transition, the current trade value of imports and exports between the two countries, and the labor force. Vietnam's GDP had increased about

The next section compares the three regions of Vietnam: North, Central, and South. Surprisingly, there was no significant difference in population between the three regions, but the North and South were far ahead of the terms of the number of Japanese companies. There were also significant differences of Japanese companies operating between North and South. In the North, vehicle manufacturers such as Toyota was the most prevalent, while in the South, food-related companies such as Ajinomoto were the most prevalent.

	Northern part (Hanoi)	Center part (Danang)	Southern part (Ho Chi Minh)
Population by Area	36%	27%	37%
Industrial Production by Region	33%	19%	58%
Number of Japanese companies in Vietnam (2000→2018)	115→728	0→127	212→998

The third section examined the impact of Japanese companies on the Vietnamese economy. In the 1980s, Japan experienced a period of rapid economic growth and industrialization. After 20 years later, in 2000, Vietnam industrialized. Industrialization triggered the Vietnamese economy to grow rapidly. GDP continues to grow 3% to 7% annually. And IT in Japan started to progress in 2000, and in the last five years, Vietnam has also made progress in IT cause of investment. In 2017, half of the IT investment in Vietnam came from Japan.

Thus, the relationship between Japan and Vietnam in the economy was very important, and I have no doubt that trade will further accelerate when Vietnam joins the RCEP in 2022. I felt that Japan and Vietnam are destined to continue growing together.

## Presentation on trade and investment by Phenikaa

Yuri Kim

After signing on the Economic Partnership Agreement (EPA) in 2008, the amount of trade between Japan and Vietnam was greatly increased. The elimination or reduction of tariffs promoted the liberalization of trade. Japan imports large quantities of machinery and electronic devices, cotton products, wooden and even marine products which Vietnam has relative advantages on. On the other hand, Vietnam mainly imports computers, machinery, electronics, and steel from Japan. Japan and Vietnam are good trade partners to each other.

However, not only trade but many Japanese firms expanded their business to Vietnam, and they invested in promising industries- the IT industries. This is called “Foreign Direct Investment (FDI)”, as explained in Professor Parson’s lecture. Abundant labor force, political stability, well organized infrastructure (partly due to Japanese ODA), and the location are the reason why Japanese firms feel Vietnam is an attractive venue for operating a business and prospect that there will be more economic growth.

According to Phenikaa team's research, Vietnam has so far attracted more than 22,000 FDI projects worth about 300 billion USD from 116 countries and territories. Japanese investors account for 3,300 of the total projects with a total registered capital of nearly 42 billion USD, more than 14 percent of total FDI in Vietnam. Japan is currently the biggest official development assistance supplier of Vietnam. To maintain both countries' bilateral relationship and to strengthen the economic tie, Japan will boost investment in the Southeast Asian country in infrastructure, agriculture, industry and manufacturing spare parts.

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