

Foreword

The Institute of Developing Economies has published the Yearbook of Asian Affairs annually in Japanese, and this year for the first time, the institute has produced an English edition as a trial version. The content of the English edition is drawn from the main sections of the Japanese edition of the Yearbook of Asian Affairs 2006. These yearbooks present accurate information on the rapidly evolving trends in Asia as well as deep analyses conducted by research experts on each country and region using local primary materials. The same content is also available on the institute's website.

This *Yearbook of Asian Affairs 2006* encompasses 13 major Asian countries/region and presents analyses of trends during 2005 in politics, economics, and foreign relations, based on field studies and local materials such as newspapers, journals, and other sources. Moreover, in addition to the section on individual countries, the "Main Topics" section provides a comprehensive understanding of the state of affairs in Asia, taking up such themes as free trade agreements (FTAs), the first East Asia Summit, the United States and Asia, and the effects of soaring oil prices.

In Asia, new developments in economic relations among the countries were witnessed in 2005. First of all, the movement toward regional integration acquired momentum. The first East Asian Summit held in Kuala Lumpur in December 2005 may be called the first step toward formation of the East Asian Community in the future. At the bilateral level as well, there was an increasing trend of signing of FTAs and economic partnership agreements (EPAs) by countries in Asia. In this context, China and India have increased their presences in Asia. China, with its continued

high growth, sought to secure sources of energy and markets for its products and so strengthened diplomatic and economic relations with other Asian countries. India also actively developed its foreign relations so as to expand trade with Southern Asian, Southeast Asian, and Middle Eastern countries. Moreover, China and India themselves developed a closer relationship as well. There was concern over the effects of soaring international oil prices in the Asian economy, but in the short term, the high prices did not generate serious results.

In the political arena, there was instability in the Philippines and Thailand, but overall 2005 was a stable year. National elections were held in a number of countries without any major disorder. Looking at terrorism and ethnic and border disputes, most of them remained unresolved, but some changes did emerge, such as the developments in the relation between India and Pakistan concerning the Kashmir region.

It is our hope that the *Yearbook of Asian Affairs 2006* will prove useful for understanding the current situation in Asia, which is playing a major role in the global economy and international politics, as well as for understanding its future.

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