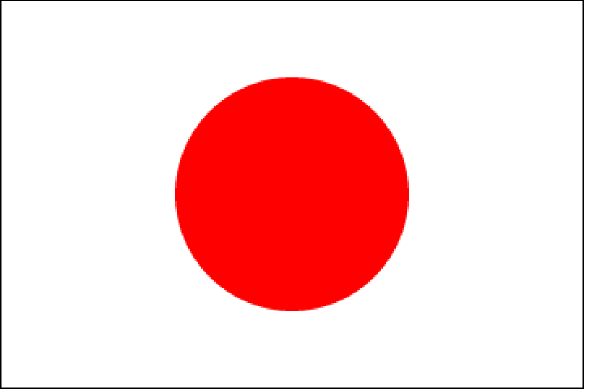
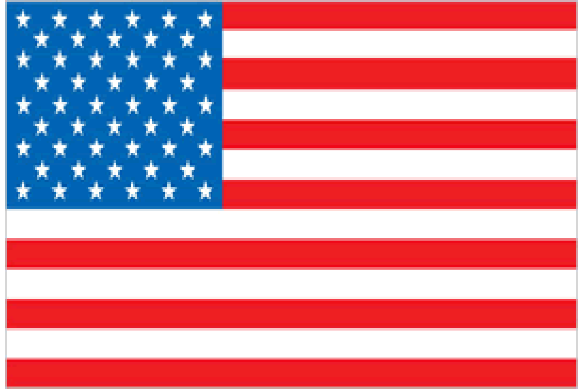


Japan-US Leadership in the Asia-Pacific --- Uncertainties and Responses ---



Asia-Pacific Economic Integration Seminar

JETRO/CSIS

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Uncertainties and Possible Risks (1): Global Trade Issues

- Failure of the DDA ("Doha Round") resulting in a weakening of the trade multilateralism embodied in the WTO
- Proliferation of Bilateral and Regional Trade Agreements
- Lack of Multilateral Trade Rules on New Issues such as Investment, Competition, Government Procurement, State-owned Enterprises (SOEs), Labour, and Environment
- Missing TPA (Trade Promotion Authority, US "Fast-track")

Uncertainties and Possible Risks (2): Regional Trade Issues in Asia-Pacific

- East Asia discriminates against East Asia: Protectionism
- China emerges as a Regional Hegemonic Power
- China emerges as a Game-changer: e.g. the Solar Panel Dispute with the EU, AIIB
- New “Regionalism”: the Shanghai Cooperation Organization (SCO, June 2001) and the Russia-centred Customs Union Russia: Russia, Belarus, Kazkhstan, Jan. 2010）

East Asia discriminates against East Asia:

East Asia imports from East Asia with high tariffs for agricultural products and light industry.

Tariff Rates in East Asia in 2002

Exporter / Importer	East Asia / East Asia	EU-25 / EU-25	NAFTA / NAFTA
Agricultural products	41.0	6.8	3.9
Light industry	26.8	0.0	0.1
Food & Beverages	21.8	5.3	9.4
Textile & Garment	7.3	0.0	0.1
Electrical appliances	1.4	0.0	0.1
Total	7.4	1.9	0.7

Exporter / Importer	East Asia / East Asia	EU-25 / East Asia	NAFTA / East Asia
Agricultural products	41.0	30.9	29.7
Light industry	26.8	12.8	8.3
Food & Beverages	21.8	25.8	26.4
Textile & Garment	7.3	7.8	7.6
Electrical appliances	1.4	2.2	1.5
Total	7.4	7.2	5.5

Market Access of the WTO Members in 2007

	All goods		Agricultural goods		Non-agricultural goods	
	Final bound	MFN applied tariffs	Final bound	MFN applied tariffs	Final bound	MFN applied tariffs
Brunei Darussalam	25.3	3.6	30.7	7.9	24.5	3.0
Cambodia	19.0	14.2	28.1	18.1	17.7	13.6
China	10.0	9.9	15.8	15.8	9.1	9.0
Hong Kong, China	0.0	0.0	0.0	0.0	0.0	0.0
India	50.2	14.5	114.2	34.4	36.2	11.5
Indonesia	37.1	6.9	47.0	8.6	35.6	6.7
Japan	5.1	5.1	22.7	21.8	2.4	2.6
Korea, Republic of	17.0	12.2	59.3	49.0	10.2	6.6
Lao PDR	-	9.7	-	19.5	-	8.2
Malaysia	24.5	8.4	76.0	11.7	14.9	7.9
Myanmar	83.0	5.6	102.2	8.7	21.1	5.1
Philippines	25.6	6.3	34.6	9.6	23.4	5.8
Singapore	12.1	0.0	36.5	0.1	6.3	0.0
Taipei, Chinese	6.6	6.3	18.4	17.5	4.8	4.6
Thailand	28.1	10.0	40.2	22.0	25.5	8.2
Viet Nam	11.4	16.8	18.5	24.2	10.4	15.7

Source: International Trade Centre.

Note: East Asia includes ASEAN, China, Hong Kong, Japan, Korea and Taiwan.

Source: WTO Country Profile.

SCO（上海協力機構）の構成国
Members of the SCO

構　成　国 Members	人　口（百万人） Population(million)	首　　　都 Capital	国土面積　（million ㎢）
中　　国 China	13億5千万 1,350.0	北　　　京 Beijing	9.60
カザフスタン Kazakhstan	15.07	アスタナ Astana	2.72
キルギスタン Kyrgystan	5.2	ビシュテック Bishkek	0.2
ウズベキスタン Uzbekistan	26.5	タシケント Tashkent	0.45
タジキスタン Tajikistan	7.0	ドゥシャンベ Dushanbe	0.14
ロシア Russia	142.0	モスクワ Moscow	17.08

Responses and Challenges in Asia-Pacific

- De-facto Business-driven Integration through Supply-chain and Production Networks
- FTA/EPAs to consolidate the merits of the De-facto Integration
- From Bilateral FTA/EPAs to Wider Regional FTA/EPAs: (ASEAN+1)x5, ASEAN+3, ASEAN+6=RCEP, Japan-China-Korea EPA
- Beyond Regional FTA/EPAs ⇒⇒⇒ the TPP as an inter-regional FTA

Japan's FTA/EPA Achievement so far

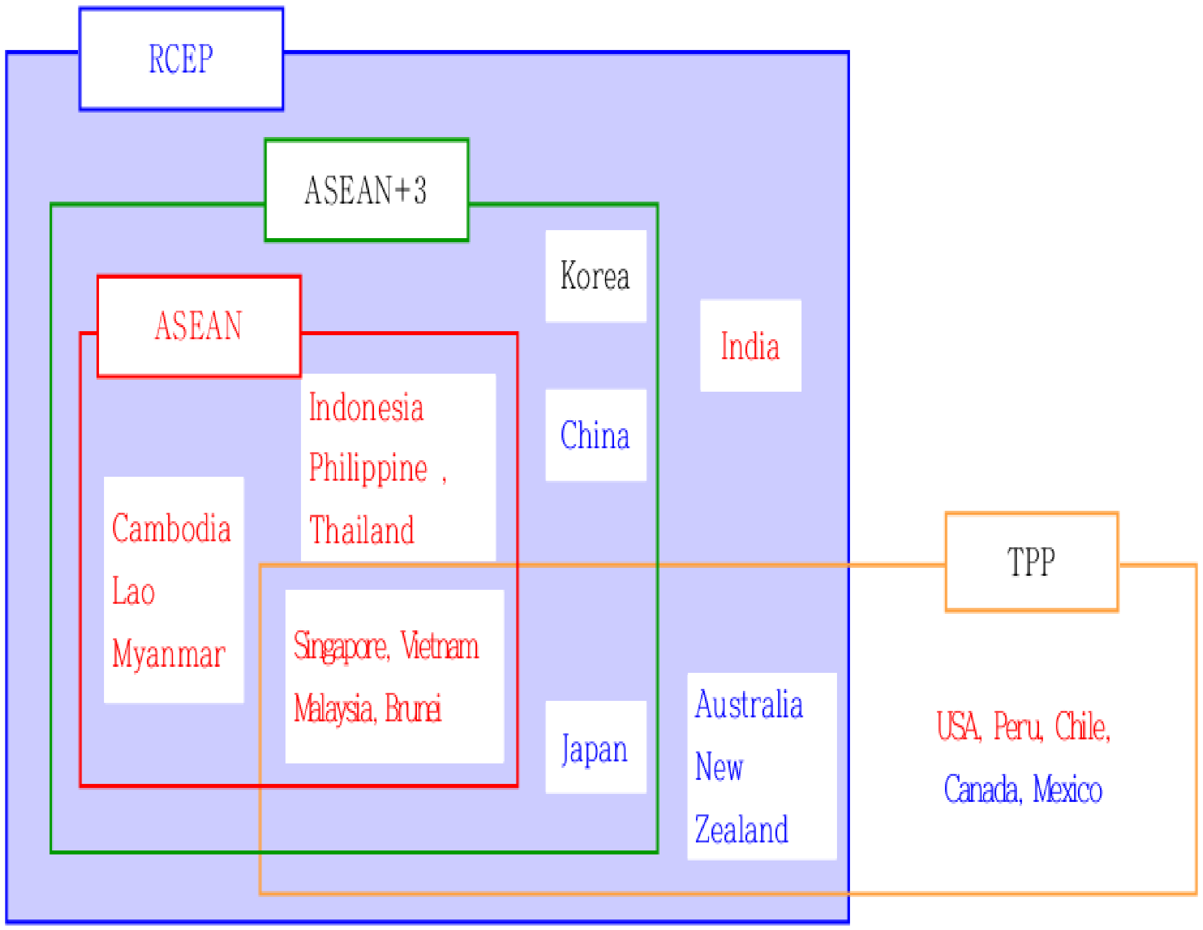
- Japan-Singapore EPA (in force since 2002.11)
- Japan-Mexico EPA (negotiations started in 2002.11, in force since 2005.4)
- Japan-Malaysia EPA (in force since 2006.7)
- Japan-Chile EPA (negotiations started in 2006.2, in force since 2007.9)
- Japan-Thailand EPA (agreement in substance 2005.9, in force 2007.11)
- Japan-Indonesia EPA (negotiations started in2005.7, in force 2008.7)
- Japan-Brunei EPA (negotiations started in 2006.6, in force 2008.7)
- Japan-ASEAN EPA (negotiations started in 2005.4, in force 2008.12)
- Japan-Philippines EPA (agreement in substance 2004.11, in force 2008.12)
- Japan-Switzerland EPA (negotiations started in 2007.5, in force 2009.2)
- Japan-Vietnam EPA (negotiations started in 2007.1, in force 2009.10)
- Japan-India EPA (negotiations started in 2007.1, in force 2011.8)
- Japan-Peru EPA (negotiations started in 2009.5, in force 2012.3)
- Japan-Australia EPA (negotiations started in 2007.4, agreement in substance in 2014.04, in force 2015.01)
- Japan-Mongolia EPA (negotiation started in 2012.6, signed in 2015.02)

- Japan-Korea EPA (negotiations started in 2003.12, suspended in 2004.11)
- Japan-GCC EPA (negotiations started in 2006.9)
- Japan-Canada EPA (negotiation started in 2012. 10)
- Japan-Colombia EPA (negotiation started in 2012. 12)
- Japan-EU EPA (negotiation started in 2013.03)

Substance of Japan's EPA

		Trade in goods			Trade in service				Investment								
		Market Access	SPS/TBT	Mutual Recognition	Market Access	National Treatment	MFN Treatment	Movement of Natural Person	National Treatment	MFN Treatment	Prohibition of performance requirements	Dispute Settlement between state and investor	Government Procurement	Intellectual Property	Competition	Improvement Of Business Environment	Cooperation	Energy and Mineral Resources
ASEAN	Vietnam	○	○		○	○		○			○				○	○	○	
ASEAN	Philippine	○		○	○	○	○	○	○	○	○			○	○	○	○	
ASEAN	ASEAN	○	○														○	
ASEAN	Brunei	○			○	○	○	○	○	○	○	○				○	○	○
ASEAN	Indonesia	○			○	○	○	○	○	○	○	○		○	○	○	○	○
ASEAN	Thailand	○		○	○	○	○	○	○	○	○	○		○	○	○	○	
ASEAN	Malaysia	○	○		○	○	○	○	○	○	○	○		○	○	○	○	
ASEAN	Singapore	○		○	○	○		○	○		○	○	○	○	○			
Latin America	Chile	○	○			○	○	○	○	○	○	○	○	○	○	○		
Latin America	Mexico	○	○			○	○	○	○	○	○	○	○		○	○	○	
Europe	Switzerland	○	○		○	○	○	○	○	○	○	○	○	○	○	○		

Membership and Economic Importance of Regional Integration Frameworks



	Trade (2012)	Trade (2012)	GDP (2011)	GDP (2011)
	Billion US $	Share (%)	Billion US $	Share (%)
JCK FTA	6,619	17.9	14,280.9	20.4
RCEP	10,470	28.4	19,929.9	28.5
TPP	9,545	25.9	26,593.4	38.0
TTIP	15,602	42.3	32,686.5	46.8
World	36,890	100.0	69,899.2	100.0

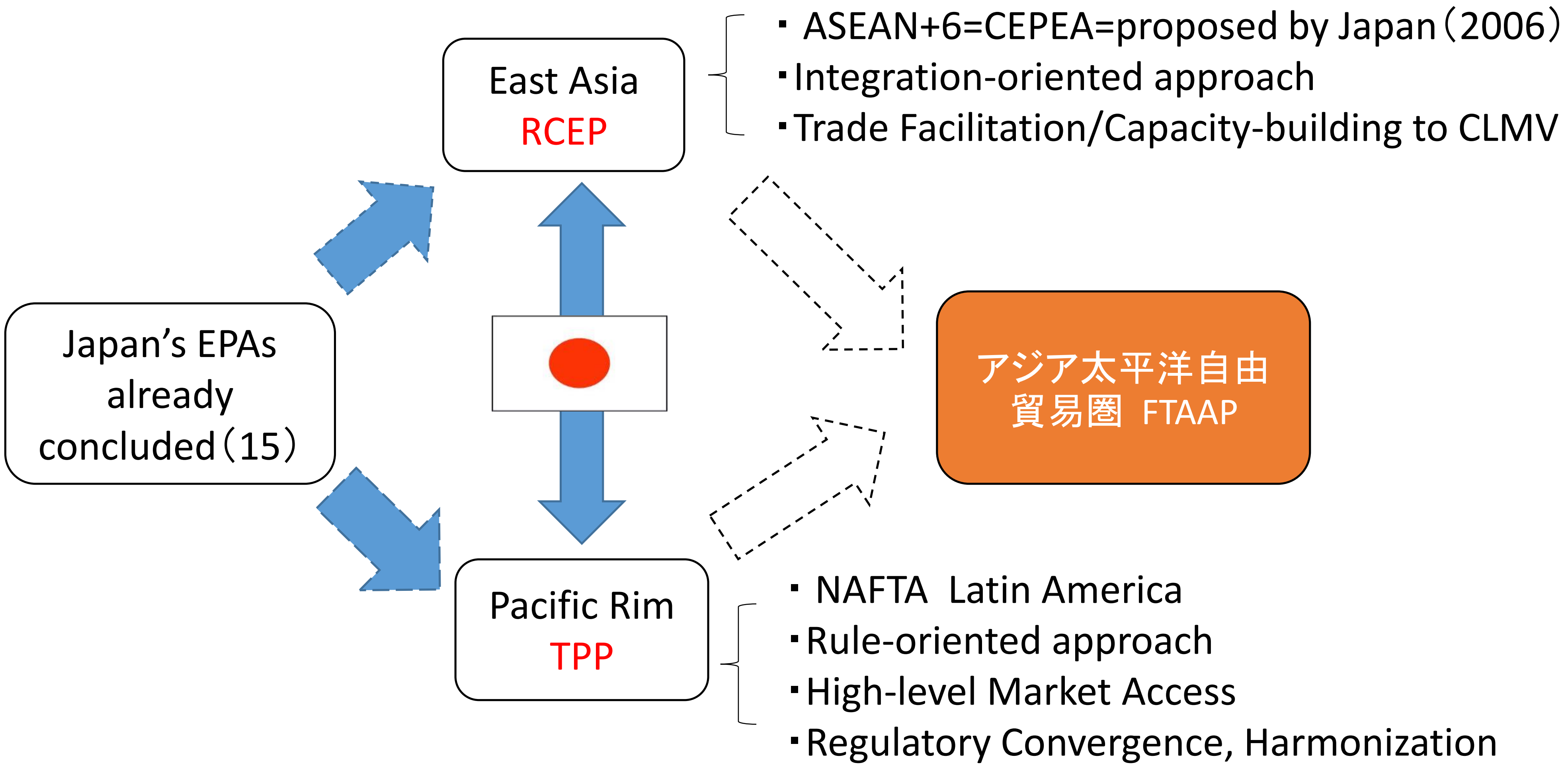
Japan-China-Korea: a missing piece of jigsaw

Share of Trade (2010)

EXPORT (%)	Japan	China	Korea
Japan	------	19.4% (No.1)	8.1% (No.3)
China	7.7% (No.3)	-------	4.4% (No.4)
Korea	6.0% (No.3)	25.1% (No.1)	-------

IMPORT (%)	Japan	China	Korea
Japan	-------	22.1% (No.1)	4.1% (No.6)
China	12.7% (No.1)	--------	9.9% (No.2)
Korea	15.1% (No.3)	16.8% (No.1)	--------

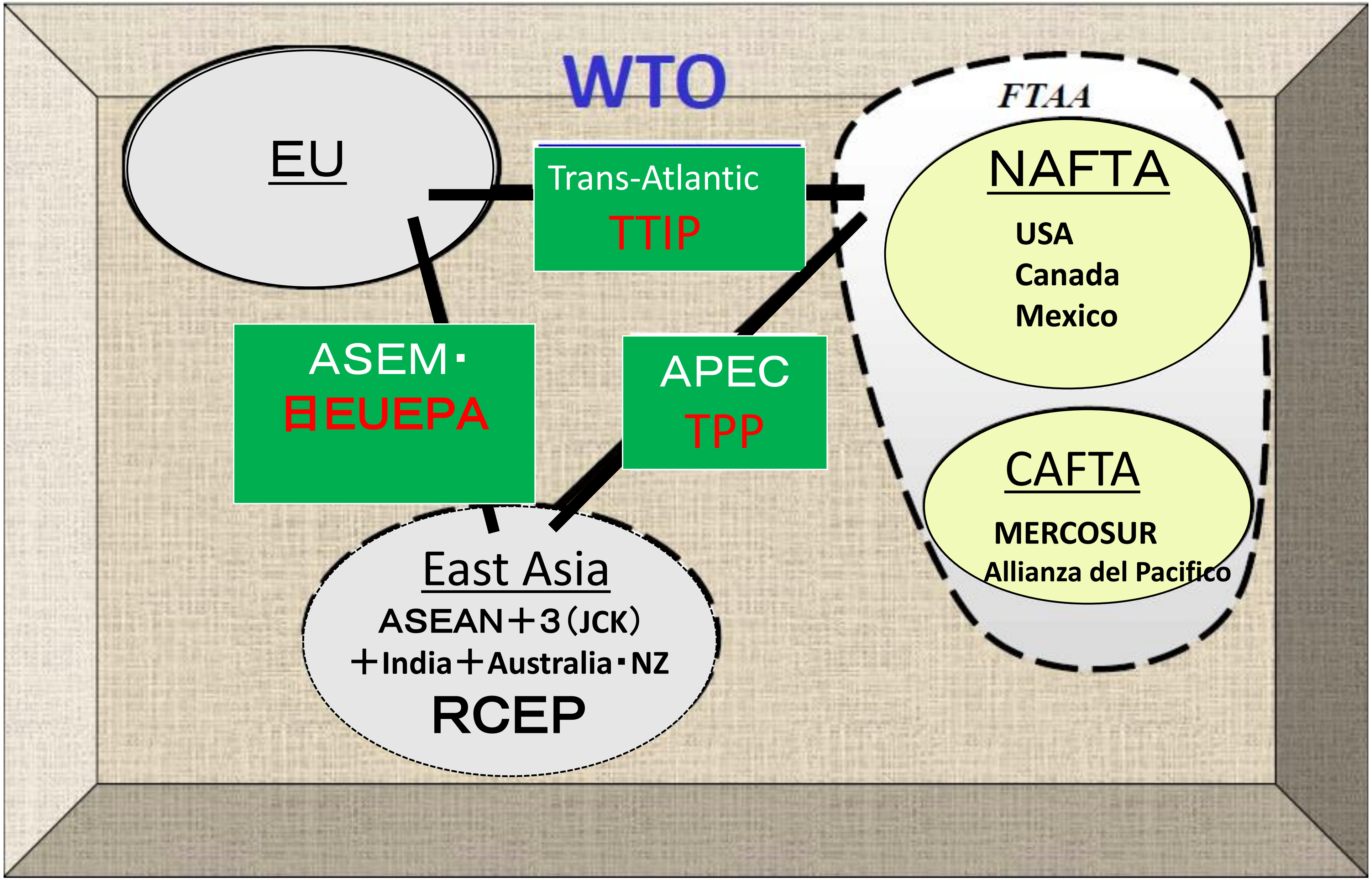
Japan's EPA Strategy
-- Japan as a Pivotal Centre between TPP &RCEP --



Concluding Remarks: Increasing Coherence

Japan's FTA Policy to Multilateralise Regionalism

- TPP(Asia-Pacific): an ultimate FTA with the ultimate partner; i.e. USA
- RCEP(East Asia): Providing a Legal Framework to Secure "de-facto Business-driven Integration"
- Japan-China-Korea FTA: missing parts of the jigsaw puzzle
- Japan-EU FTA: towards an Asia-Europe partnership
- Joint Efforts to Multilateralize the Preferential Deals with a view to Strengthening the WTO


WTO
EU
Trans-Atlantic
TTIP
FTAA
NAFTA
USA
Canada
Mexico
ASEM・
日EUEPA
APEC
TPP
CAFTA
MERCOSUR
Allianza del Pacifico
East Asia
ASEAN＋3（JCK）
＋India＋Australia・NZ
RCEP

Multilateralizing Mega-FTAs : Three Reasons

- Systemic Reasons: from non-binding cooperation to fully-binding high level FTAs
- Functional Reasons: from regional production network to global value chains by making new rules on investment, competition, government procurement etc.
- Institutional Reasons: gather like-minded countries to shape a "critical mass"

Multilateralizing Regionalism

- Convergence of Liberalization Efforts in 3 Mega FTAs, i.e. TPP, TTIP, and the Japan-EU EPA
- A New Momentum to reinforce the Trade Multilateralism embodied in the WTO
- Japan and the US should demonstrate leadership in TPP and beyond

Thank you for Your Attention
--- Free Trade for a Better Future ---