A Business View on TPP ABAC Japan at PIIE & JEF Joint Conference

October 25, 2010
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1 Key Issues for ABAC 2010

"Working Towards Sustainable Growth for All"

1. Bogor Goals Assessment

2. Advancing Regional Economic Integration Toward FTAAP

3. Growth Strategy

Balanced Growth

Growth in Harmony with Environment



2 Beyond the Bogor Goals

"ABAC calls on Leaders to adopt a new vision for APEC to enhance regional economic integration, and to establish clear pathways to attain FTAAP"

(Press Statement)

- Recommendations from ABAC :
- ①A new vision for APEC is needed, building on the Bogor Goals to reflect the modern Asia-Pacific regional supply chains and value chains.
- ②TPP, ASEAN+1, ASEAN+3, and ASEAN+6 Potential pathways to deliver an FTAAP
- ③'Regional Integration Templates' to monitor each economy's progress towards wide and deep economic integration.



3 Impact Study of FTAAP

FTAAP's effects on liberalization and facilitation of trade

Impact of FTAAP on Real GDP Growth (*) Liberalization **Facilitation** (Primary sector of industry) Sum Entire APEC 1.9% 0.4% 2.3% NA 0.2% 1.1% Japan 0.9% -4.8% USA 0.3% 0.2% 0.5% 3.6% 37.3 % 40.1% Vietnam 2.8% 3.3% Thailand 25.1% 1.9% 27.0% 8.4%

⇒ GDP will be pushed up by 2.3 % for the entire APEC region. Magnitude differs depending on each economy.

^(*) Reference : ESRI Discussion Paper Series No. 244

[&]quot;The Macro and Sectoral Significance of an FTAAP" Aug. 2010



4 Towards Sustainable Growth in the Asia-Pacific

June 15, 2010

Nippon Keidanren's standpoint

Bogor Goal

People

Simplify immigration /emigration procedures

Facilitate cross-border movement of high-skilled people

Prevent double payment of social insurance charges

Goods

Abolish tariff /non-tariff measures

Facilitate trade while assuring security

Harmonize technical standards

Capital

Protect, liberalize and facilitate investment

Build up bond and stock markets, harmonize systems

Stabilize currencies

Services

Deregulation, assure transparency, eliminate arbitrary practices

Educate people to achieve greater liberalization

Knowledge Information

Establish rules on ICT services

Protect IPR

Establish rules on counterfeit /piracy measures

Standardized global patent systems

Business Environment

Facilitate business

Set up systems required for business



5 Pathways to FTAAP

APEC's Role as an Incubator
Voluntary and non-binding approach to FTAAP
Regional Building Blocks

AFTA: ASEAN Free Trade Area

■EAFTA: East Asia Free Trade Area (ASEAN + 3)

■CEPEA: Comprehensive Economic Partnership in

East Asia (ASEAN + 6)

■TPP: Trans-Pacific Partnership

Keidanren recommends: **ASEAN +3 & 6, TPP**For Japan to conclude negotiations no later than **2015**



6 Hurdles along the Pathways (personal views)

Prerequisites for:

TPP

Negotiations on agriculture starting with food safety and security issues

Asean+3 / 6
Preceded by Japan-China-Korea FTA
WTO+? Golden rule