

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

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Yoshihiro Watanabe
Member, APEC Business Advisory Council
Advisor, the Bank of Tokyo-Mitsubishi UFJ, Ltd.



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 :

- ① A new vision for APEC is needed, building on the Bogor Goals to reflect the modern Asia-Pacific regional supply chains and value chains.
- ② TPP, 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	Sum	(Primary sector of industry)
Entire APEC	1.9%	0.4%	2.3%	NA
Japan	0.9%	0.2%	1.1%	-4.8%
USA	0.3%	0.2%	0.5%	3.6%
Vietnam	37.3 %	2.8%	40.1%	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

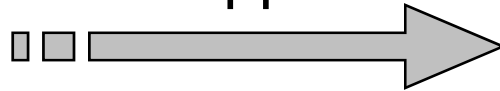
“The Macro and Sectoral Significance of an FTAAP” Aug. 2010

4 Towards Sustainable Growth in the Asia-Pacific

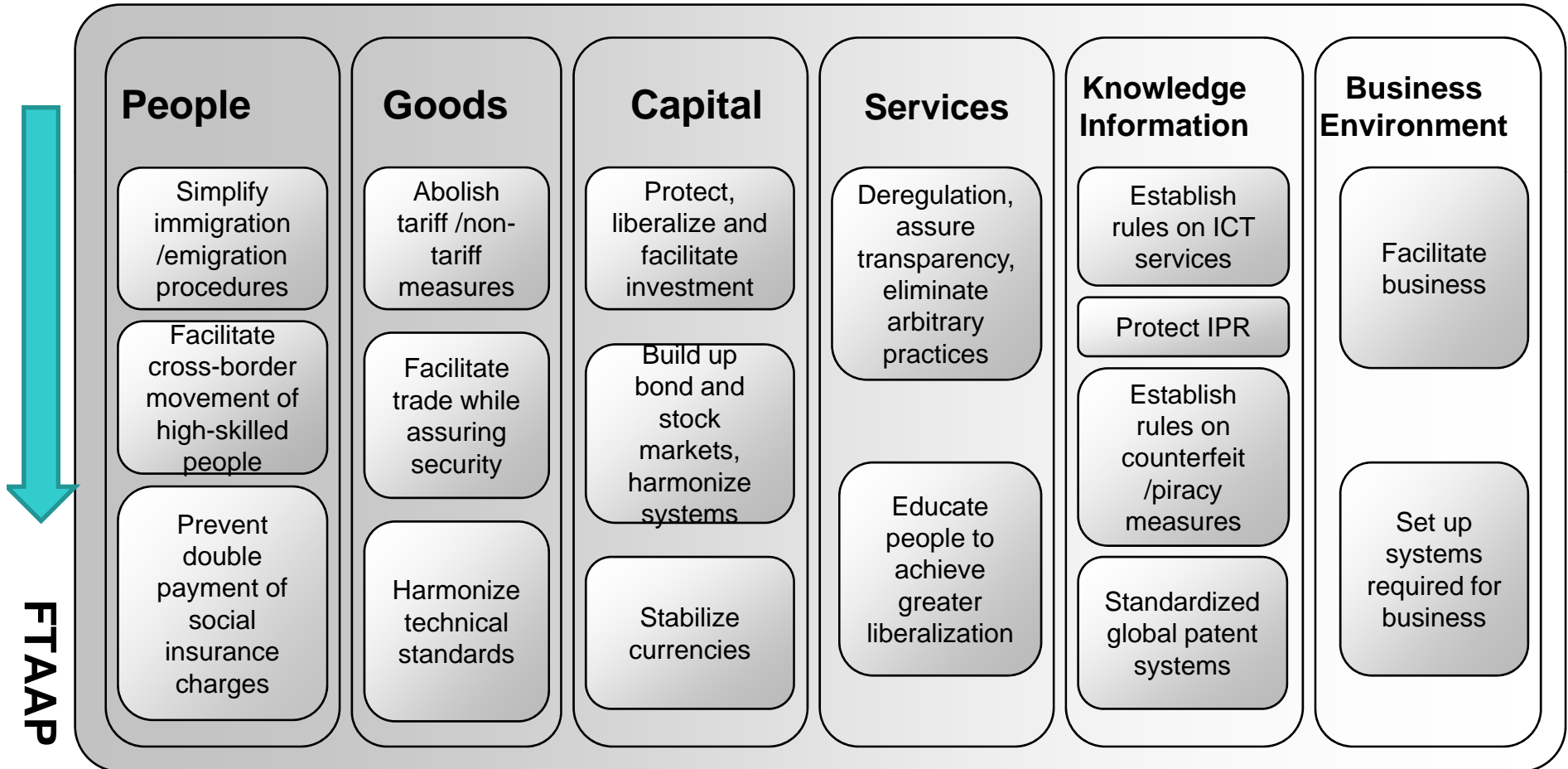
June 15, 2010

Nippon Keidanren's standpoint

Bogor
Goal



FTAAP



FTAAP



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