Possible Impacts of TPP on Global Value Chain

- Some possible cases in trade in goods and services -

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Trade Matrix and Existing FTAs among TPP Member Countries

Trade matrix among TPP members（2014年）

（Unit：%）

		TPP members (Importing countries)												
		U.S.	Canada	Mexico	Peru	Chile	Australia	NZ	Singapore	Malaysia	Vietnam	Brunei	Japan	Total
TPP members (Exporting Countries)	U.S.	－	15.0	11.5	0.5	0.8	1.3	0.2	1.5	0.6	0.3	0.0	3.2	34.9
	Canada	17.5	－	0.2	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.5	18.5
	Mexico	15.3	0.5	－	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	16.2
	Peru	0.3	0.1	0.0	－	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6
	Chile	0.4	0.1	0.1	0.1	－	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.1
	Australia	0.5	0.1	0.0	0.0	0.0	－	0.3	0.4	0.3	0.1	0.0	2.1	3.8
	NZ	0.2	0.0	0.0	0.0	0.0	0.4	－	0.0	0.0	0.0	0.0	0.1	0.8
	Singapore	1.2	0.0	0.0	0.0	0.0	0.7	0.1	－	2.4	0.6	0.1	0.8	6.0
	Malaysia	0.9	0.0	0.1	0.0	0.0	0.5	0.1	1.6	－	0.2	0.0	1.2	4.7
	Vietnam	1.4	0.1	0.0	0.0	0.0	0.2	0.0	0.1	0.2	－	0.0	0.7	2.8
	Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	－	0.2	0.3
	Japan	6.3	0.4	0.5	0.0	0.1	0.7	0.1	1.0	0.7	0.6	0.0	－	10.3
Total		44.0	16.3	12.6	0.8	1.2	4.0	0.9	4.7	4.2	1.9	0.2	9.3	100.0

Note:The cell in green indicates trade between countries which already have effective FTAs. The cell in orange indicates trade between countries which TPP would be the first FTA.

Source:"Direction of Trade August 2015"(IMF)

How Big are Automobile-Import Markets in North America?

Import value of automobile/automotive parts in USA, Canada and New Zealand（2014）

	USA	Canada	New Zealand
Passenger cars	154.4	27.1	3.4
Commercial cars	22.6	12.8	1.2
Automotive parts/components	72.9	24.4	0.3

Note: HS code for passenger cast is 8703, commercial car is HS8704. automotive parts/components is HS8707～HS8708, HS840731～HS840734.
Source: trade statistis of U.S., Canada, Mexico

Possible Case: How the Accumulation works in Automobile Sectors

What is "accumulation"?

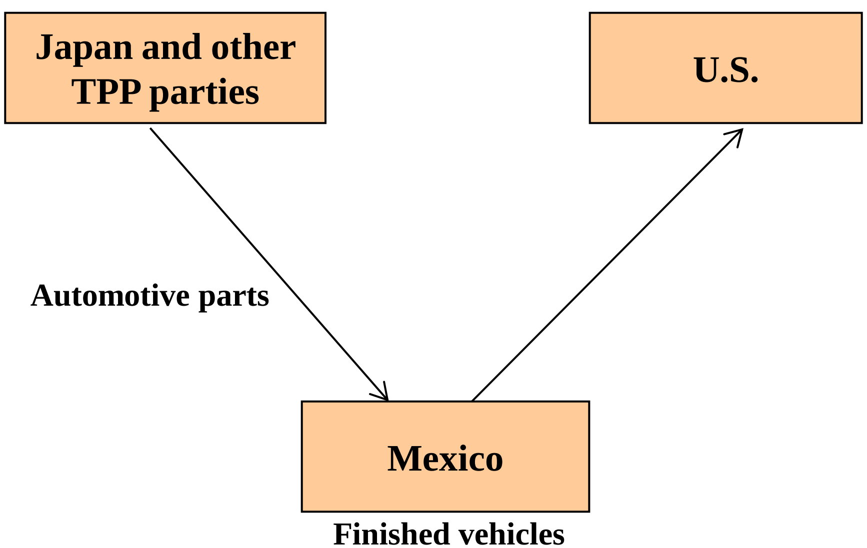
The accumulation provision stipulates that materials/parts defined as an originating good in one FTA-member country shall be considered originating when it is used in another FTA-member country.

Case

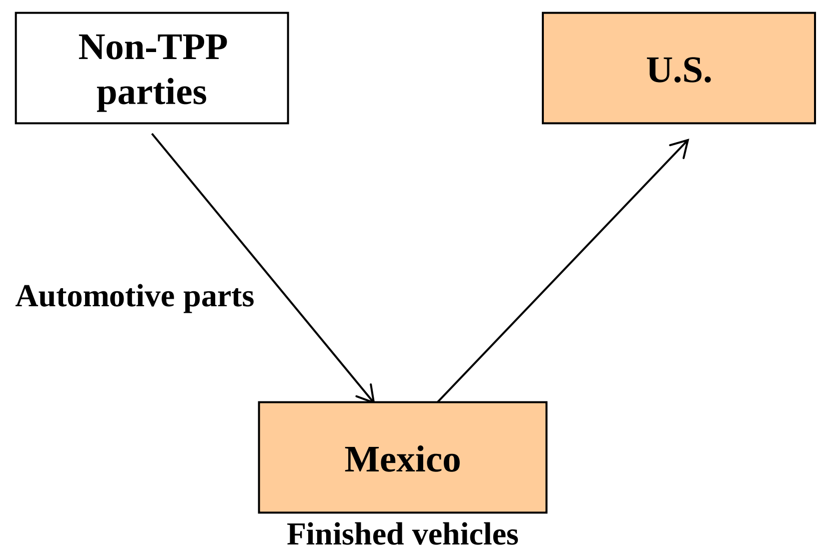
A case is assumed for 1) exporting automotive parts from TPP member countries to Mexico, 2)manufacturing automobiles in Mexico, and 3) exploiting the TPP for exporting automobiles to the United States.

NAFTA and TPP

As NAFTA has been in effect between Mexico and the United States, either NAFTA or the TPP may be selected.



The accumulation provision is applied to automotive parts produced in Japan and other TPP parties.



The accumulation provision is not applied to automotive parts produced in non-TPP parties.

TPP may substantially create trade in textiles/apparels

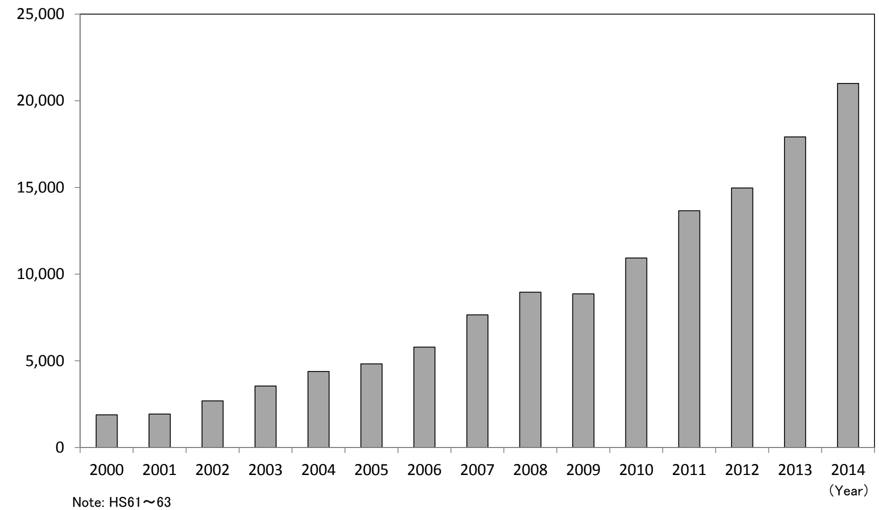
Exports of Clothings (Apparels) in TPP member countries

（Unit：Million USD）

	2000	2005	2010	2013	2014
Vietnam	1,881	4,827	10,933	17,918	21,001
U.S.	9,230	5,625	5,640	7,232	7,530
Mexico	9,344	7,970	4,998	5,315	5,462
Malaysia	1,378	1,296	1,165	1,337	1,626
Canada	2,093	1,972	1,347	1,490	1,585
Singapaore	1,883	1,744	1,140	1,377	1,413
Peru	506	1,062	1,197	1,413	1,215
Japan	531	519	633	601	616
New Zealand	112	191	203	251	291
Australia	231	240	261	290	266
Chile	44	62	34	36	37

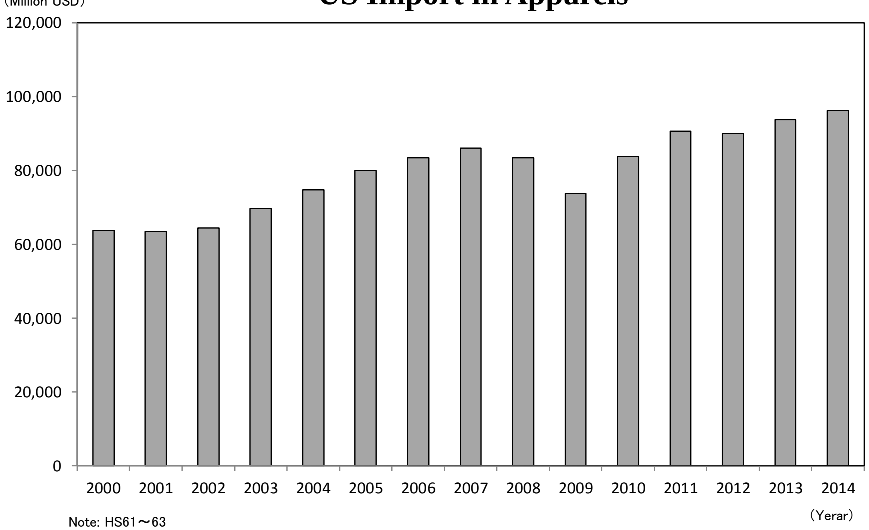
Note: HS code for clothings is HS61～63. Brunei is not covered due to statistical constraint.
Source: Relevant trade statistics

Vietnam's Exports of Apparels



Note: HS61～63
Source: Vietnam Trade statistics

US Import in Apparels



Note: HS61～63
Source : US Trade statistics

Average Tariffs on Textiles and Apparels

（Unit：%）

	Textiles	Apparels
U.S.	7.9	12.0
Canada	2.6	16.5
Mexico	9.8	21.1
Peru	8.4	11.0

Note:Average rates for 2014.
Source:World Tariff Profiles 2015 (WTO、UNCTAD、ITC)

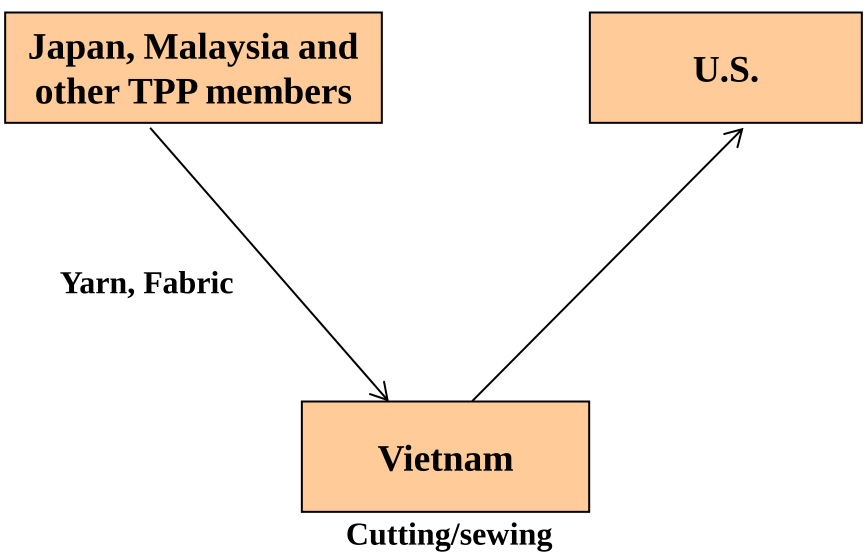
Possible Case: How the Accumulation Works in Textiles & Apparels

What is "accumulation"?

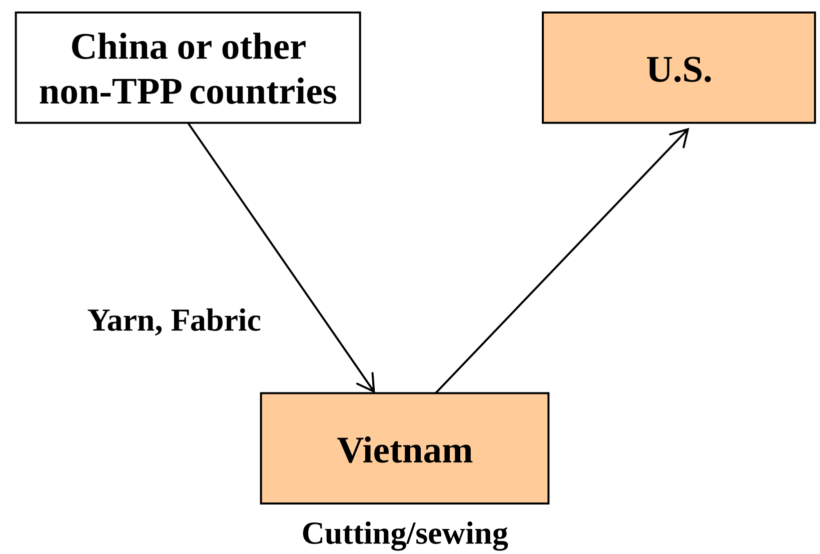
The accumulation provision stipulates that materials/parts defined as an originating good in one FTA-member country shall be considered originating when it is used in another FTA-member country.

Case

A case is assumed for 1) importing yarns and fabrics into Vietnam from other TPP member countries like Malaysia, as well as from Japan, 2) processing them into apparel in Vietnam, and 3) taking advantage of the TPP for exporting apparel to the United States. It is assumed that the specific process step rule(three process step rule) is applied to the rules of origin for apparel, requiring three steps – yarn production, fabric production, and cutting/sewing.



In cases such as this where yarn and fabrics are originating from any TPP member countries, such as Japan and Malaysia, the accumulation provision is applied for the apparel exports to meet the rules of origin.



In cases such as this where yarn and fabric production is carried out in China and other non-TPP countries, the TPP accumulation provision is not applied.

The Accumulation Provision is applied for Textile Products originating from any TPP Members

Imports of Textiles by country in Vietnam

(Unit: Million USD, %)

	Value						Share					
	2000	2005	2010	2012	2013	2014	2000	2005	2010	2012	2013	2014
China	72	831	2,701	3,779	4,771	5,794	4.6	21.6	33.1	35.9	38.6	41.4
South Korea	405	780	1,454	1,862	2,190	2,340	25.8	20.3	17.8	17.7	17.7	16.7
Other Asia, N.E.S.	550	959	1,445	1,658	1,794	1,933	35.0	25.0	17.7	15.8	14.5	13.8
Japan	202	311	512	783	749	771	12.8	8.1	6.3	7.4	6.1	5.5
U.S.	18	75	295	309	532	578	1.2	2.0	3.6	2.9	4.3	4.1
India	7	23	220	218	341	416	0.4	0.6	2.7	2.1	2.8	3.0
Thailand	45	115	316	390	431	403	2.8	3.0	3.9	3.7	3.5	2.9
Hong Kong	89	331	423	450	453	358	5.7	8.6	5.2	4.3	3.7	2.6
Indonesia	35	63	121	131	130	170	2.2	1.7	1.5	1.2	1.1	1.2
Australia	5	6	19	63	94	159	0.3	0.2	0.2	0.6	0.8	1.1
Brazil	0	3	37	168	87	137	0.0	0.1	0.5	1.6	0.7	1.0
Malaysia	26	62	95	103	116	113	1.6	1.6	1.2	1.0	0.9	0.8
Total	1,570	3,839	8,154	10,520	12,356	13,986	100.0	100.0	100.0	100.0	100.0	100.0

Note:HS50～60.

Source: Vietnam Trade statistics

Restrictions on foreign investment in services（distribution and logistics）in emerging economies

	Wholesale	Retail	Logistics		
			Domestic transportation	Warehousing	Customs services/Others
China	○100% foreign equity and franchise operations are allowed in principle.		○100% foreign equity is allowed for freight transport by road. ○JV is required in for railway, air and water transportation.	○ Air freight transport warehousing and storage is limited to equity joint venture, but 100% foreign equity is allowed in international shipping and road freight transport warehousing and storage.	○ 100% foreign capital investment is allowed in international freight transportation agency. Foreign companies must apply for a license from the China Air Transport Association. However, as the foreign company cannot obtain the qualification for the license, in fact joint venture is required.
Thailand	○Wholesale services with a "minimum capital of less than 100 million baht per store" are subject to foreign ownership restrictions under the Foreign Business Act. However, the Foreign Business Act defines companies with less than 50% foreign ownership as Thai companies and therefore less than 50% foreign ownership is allowed. As an exception, foreign ownership is allowed based on the Foreign Business Committee's approval with the chief's permission. ○In some business operations, 100% foreign ownership is allowed if a company obtains permission from the Thailand Board of Investment (BOI) .	○"Retail services with minimum capitals of less than 100 million baht and minimum capitals of less than 20 million baht per store" and "food sales" are subject to foreign ownership restrictions under the Foreign Business Act. However, the Foreign Business Act defines companies with less than 50% foreign ownership as Thai companies and therefore less than 50% foreign ownership is allowed. As an exception, foreign ownership is allowed based on the Foreign Business Committee's approval with the chief's permission.	○"Domestics land, water and air transportation" is subject to regulation, in which foreign ownership is limited to less than 50%. As an exception, foreign ownership is allowed based on the Foreign Business Committee's approval with the chief's permission. ○For some businesses, 100% foreign ownership is also allowed on the condition that approval is obtained from the BOI. ○The Land Transport Act specifies the conditions that foreign ownership be 49% or less and a half of board members be Thais.	○ "Warehousing" is subject to regulation, in which foreign ownership is limited to less than 50%. As an exception, foreign ownership is allowed based on the Foreign Business Committee's approval with the chief's permission. ○ 100% foreign capital in "Logistics Center" which has fulfilled the conditions such as capital of 10 million Baht or more, introduction of the latest computer systems etc., is allowed, when approval is obtained from the BOI.	○ "Customs services" and "Consigned forwarding" is subject to regulation, in which foreign ownership is limited to less than 50%. As an exception, foreign ownership is allowed based on the Foreign Business Committee's approval with the chief's permission.
Malaysia	○100% foreign ownership is allowed. ○Companies are required to obtain open approved permits (APs) in order to import and sell new completely assembled vehicles. However, new APs are not issued today.	○Foreign investment in stores with floor spaces that are less than 3000㎡, grocery shops, and pharmacies is not permitted. ○There are requirements for a minimum of 30% Bumiputera stake in hypermarkets and supermarkets. ○A minimum capital of 20 million ringgit for department stores and a million ringgit for specialised stores is required for 100% foreign ownership to be allowed.	○Foreign ownership is limited to 49% for cargo and container transportation, with the minimum capital of 250,000 and 500,000 ringgit respectively. 100% ownership is allowed for transportation of goods possessed by a company with a capital of 250,000 ringgit or more. ○Licenses for Malaysian domestic ships are granted only for those whose foreign ownership is 49% or less. For long-term permission, 30% Bumiputra stake is required.	○ 100% foreign equity is allowed in private bonded warehouses. The minimum capital necessary for storage of important goods is 150,000 Ringgit, and 100,000 Ringgit in other cases. ○ There is a requirement for a minimum of 30% of Bumiputera stake in general bonded warehouses. The minimum capital of 1 million Ringgit and 250,000 Ringgit is mandatory for important goods and for other goods, respectively. ○ 100% foreign equity is allowed in non-bonded warehouses.	○ 100% foreign capital investment is allowed in shipping agencies. ○ Foreign capital in customs is limited to 49% or less. The amount of minimum capital differs depending on the category. ○ 100% foreign capital investment is allowed in comprehensive international distribution. ○ Foreign capital in comprehensive transportation is limited to 40% or less.
Indonesia	○Up to 67% foreign ownership is allowed for distributor businesses and warehouse businesses. 100% foreign ownership was allowed until April 2014, and then up to 33% foreign ownership was allowed until May 2016.	○100% foreign ownership is allowed for minimarkets, supermarkets and department stores with floor spaces of larger than or equal to 400㎡,1200㎡,2000㎡respectively (foreign entry is prohibited for those of smaller scale). ○Foreign investment is prohibited in the retail for toy, cosmetics, footwear, electric appliance, mail-order & internet, and food & beverage.	○In the fields of general cargo transportation, domestic marine transportation, freight forwarding, foreign ownership is limited to 49%.	○ Foreign equity is limited to 33% or less. However, foreign equity up to 67% is allowed in refrigerated storage and warehousing of particular regions.	○ Entry of foreign capital is prohibited in survey services (for example on surveys on freight, land/water/air transport facility and equipment, lease property or inventory/warehouse, damage/non-damage, volume, quality, etc.).
Philippines	○100% foreign ownership is allowed for import-export businesses. Foreign ownership is restricted to up to 40% for domestic wholesale services in principle, but 100% foreign ownership is allowed if paid-in-capital is over $200,000.	○(1) 100% foreign ownership is allowed if $2.5 million or more of the minimum capital is invested and investment per store is $830,000 or more and (2) the minimum capital requirement is relaxed to $250,000 or more for businesses that handle luxury goods.	○100% foreign ownership is allowed for cases in which capital is 200,000 dollars or more. This condition for the ownership ratio is interpreted as being limited to 40% or less among legal experts recently.	○ 100% foreign equity is allowed in companies approved by the Philippines Economic Zone Authority (PEZA). Regarding companies not approved by PEZA, there are no clear foreign capital restrictions, but for those companies involved in management and operations of public enterprises, its equity is limited to 40% or less.	○ Entry of foreign capital is prohibited in customs brokers. ○In stevedoring regarded as public managing and operations, foreign capital is limited to 40% or less.
	However,if the parent company's net assets apply to (1) above, it must be capitalized at $200 million or more and if the parent company's net assets apply to (2) above, it must be capitalized at $50 million or more and must have five or more stores or franchises worldwide and the capital of one of these stores must be $25 million or more.				
Vietnam	○100% foreign equity is allowed in principle. However, certain items such as cigarettes, books, newspapers, magazines, video recording devices, precious metals, medicines, and sugar are not allowed to be handled by foreign companies.	○100% foreign equity is allowed. ○Official approval is necessary for carrying out additional stores. Approval for the second or more stores is measured based on the Economic Needs Test (ENT). However, the second or more stores with floor spaces less than $500m^2$ would be exempted from ENT.	○Foreign equity restrictions are set for each individual area in detail such as freight transport by land (51% or less foreign equity), and freight transport by sea (49% or less foreign equity).	○ 100% foreign capital investment allowed.	○ A joint venture with foreign capital of 99% or less can be established for custom services. ○ A joint venture with foreign capital of 50% or less can be established for container handling services.
India	○ 100% foreign capital investment allowed.	○Single brand: 100% foreign ownership is allowed with individual permission from the government and under certain conditions. However, for foreign ownership exceeding 51%, procurement regulations are applied.	○100% ownership is allowed for marine and road transportation. ○Among air transportation, foreign ownership is limited to up to 49% for regular services and up to 74% for irregular services or charter flights.	○ 100% foreign capital investment allowed.	
	○Multiple brand: Up to 51% foreign ownership is allowed under certain conditions. Such conditions include the minimum investment amount of 100 million dollars, investing in back-end infrastructure, 30% of procurement amount coming from small-scale companies, and business operations in cities with 1 million people or more.		○Foreign ownership is prohibited for railway transportation, except in some cases such as high-speed railway, cargo lines and public-private projects, for which 100% ownership is allowed.		

Restrictions on foreign investment in distribution and logistics services in emerging economies

<table>
<tr><th rowspan="2"></th><th rowspan="2">Wholesale</th><th rowspan="2">Retail</th><th colspan="3">Logistics</th></tr>
<tr><th>Domestic transportation</th><th>Warehousing</th><th>Customs services/Others</th></tr>
<tr><td>Bangladesh</td><td colspan="2">○ There are no clear provisions prohibiting entry of foreign capital, but prior consultation is necessary with the Board of Investment of Bangladesh, which screens on a case-by-case basis. Some companies which do not have a manufacturing function tend to have difficulty in registering with the Board of Investment.</td><td colspan="3">○ Foreign capital up to 49% was allowed, but in April 2012, the Ministry of Commerce sent an official notice for suspending foreign capital in eight service industries (freight forwarders, import agency, courier, shipping company, marketing agency for airlines,railways, etc.) and all registrations of joint ventures. Thus, new licenses have been suspended in transport services.</td></tr>
<tr><td>Sri Lanka</td><td>○ 100% foreign capital investment allowed. However, restrictions may be applied or licenses may have to be acquired, depending on the product. Further, in the case of a branch office, a minimum capital of US$200,000 is mandatory.</td><td>○ 100% foreign capital investment allowed. However, a minimum capital of US$1 million is required (in the case of branch offices US$2 million). There are some cases in which companies which have a domestic manufacturing function are exceptionally allowed to engage in certain retail business.</td><td colspan="3">○ Foreign capital in freight forwarding and shipping agencies is limited to 40% or less. Licenses must be obtained from the Board of Investment (BOI) for investments exceeding 40%.
○ Licenses must be obtained from BOI and competent authorities for air transport and coastal shipping.
○ Foreign capital in freight forwarding and shipping agency through branch offices is prohibited.</td></tr>
<tr><td>Pakistan</td><td colspan="5">○ 100% foreign capital investment allowed.</td></tr>
<tr><td rowspan="2">Brazil</td><td colspan="2" rowspan="2">○ 100% foreign capital investment allowed. However, certain minimum investment amount has to be satisfied for issuing permanent visas for resident employees.</td><td>○ In air and land freight transport, voting right of foreign investor should be less than 20%. Also, all board members must be Brazilians.</td><td colspan="2">○ 100% foreign capital investment allowed. However, certain minimum investment amount has to be satisfied for issuing permanent visas for resident employees.</td></tr>
<tr><td colspan="3">○Foreign capital in coastal shipping is limited to less than 50%. More than half of the board members should be Brazilians. Moreover, the ships must be registered in Brazil and operated by a domestic company which has obtained a license from the National Agency for Waterway Transportation.</td></tr>
<tr><td rowspan="2">Peru</td><td colspan="2" rowspan="2">○ 100% foreign capital investment allowed.</td><td>○ Less than 49% foreign equity is allowed for domestic commercial air transport. However, up to 70% foreign equity is allowed after six months following permission.</td><td colspan="2">○ 100% foreign capital investment allowed.</td></tr>
<tr><td colspan="3">In addition, the majority of management must have Peruvian nationality or permanent residents.
○ In domestic marine transport, the proportion of foreign equity must be less than 49% and the company must own at least one ship of Peruvian nationality. In addition, the majority of management must have Peruvian nationality and must be residents. 80% or more of the ship's captain and crew must have Peruvian nationality.</td></tr>
<tr><td rowspan="2">Mexico</td><td colspan="2" rowspan="2">○100% foreign equity is allowed. However, if a foreign company takes more than 49% of a stake in an existing company in a non-restricted industry and the investment exceeds a certain amount, the Foreign Investment National Commission's approval is required. 100% foreign equity is allowed.</td><td>○Domestic freight transport by land (excluding home delivery services) is a restricted industry and is reserved for Mexican nationals only or for Mexican corporations with an Exclusion of Foreigners Clause .
○Domestic air transport, air-taxi transport, and special air transport are restricted industries for foreign equity participation, only up to 25% foreign equity is allowed.</td><td>○ 100% foreign capital investment allowed. However, even in non-restricted industries, approval must be obtained from the National Foreign Investment Commission, if the foreign capital is over 49% and exceeds the specified amount.</td><td rowspan="2">○ Entry of foreign capital in customs services industry is prohibited, except for handling the company's own freight. Also, registered customs specialist must be Mexican.
○ Excluding integrated harbor management, harbor services for piloting routes in home waters based on maritime laws and tourism services, foreign capital in domestic shipping and fuel/lubricant supply to ships/aero planes/railway equipment, is limited to 25% or less.</td></tr>
<tr><td colspan="2">○For port transport services such as towing, mooring, and chartering, shipping companies engaged in marine operations of ocean transportation, and provision of public railway services, companies with foreign equity participation that exceeds 49% need approval from the Foreign Investment Commission pursuant to Section 8 of the Foreign Investment Act.</td></tr>
<tr><td rowspan="2">Chile</td><td colspan="2" rowspan="2">○ 100% foreign capital investment allowed.</td><td>○ 100% foreign equity is allowed if a certain minimum investment amount is satisfied.</td><td colspan="2">○ 100% foreign equity is allowed if a certain minimum investment amount is satisfied.</td></tr>
<tr><td colspan="3">However, in transportation by Chilean-registered vessels, the foreign equity should be less than 50%, and more than half of board members should be Chileans.</td></tr>
<tr><td rowspan="2">Russia</td><td colspan="2" rowspan="2">○ 100% foreign capital investment allowed.</td><td>○ 100% foreign capital investment allowed.</td><td colspan="2">○ 100% foreign capital investment allowed.</td></tr>
<tr><td colspan="3">○ However, in principle, only Russian-registered vessels can be used in domestic sea transportation.</td></tr>
<tr><td>Saudi Arabia</td><td colspan="2">○ Foreign capital is limited to 75% or less.
○ A minimum capital of 20 million Riyals is mandatory.</td><td>○Foreign entry in land transportation (excluding local passenger railway services) is not allowed.</td><td colspan="2">○ 100% foreign capital investment allowed.</td></tr>
<tr><td>Turkey</td><td colspan="2">○ 100% foreign capital investment allowed.</td><td>○ Foreign capital in domestic sea transport and port services is limited to 49% or less. Entry of foreign capital in domestic vessel services is not allowed.
○ In rail transportation, only Turkish Republic State Railways, can operate the basic rail services.</td><td>○ 100% foreign capital investment allowed.
○ Regardless of whether domestic or foreign, distributors and custom brokers must be separate.</td><td>○ 100% foreign capital investment allowed.</td></tr>
<tr><td>Egypt</td><td colspan="2">○ 100% foreign capital investment allowed. However, foreign capital is not allowed in import agencies.</td><td colspan="3">○ 100% foreign capital investment allowed.</td></tr>
<tr><td>South Africa</td><td colspan="5">○ 100% foreign capital investment allowed.</td></tr>
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Source: Reports from JETRO overseas offices.、"2015 JETRO Global Trade and Investment Report"

Service plays important role in exports in goods

■ **Growing service industries**

There is strong correlation between income and service's share of GDP among many countries, meaning that the services are growing industries in many countries.

■ **Manufacturing related services play important role**

Service industries play an important role in exports in goods. The share of services in exports in goods (value-added basis) accounts for about 30-35%. indicating that the productivity difference of the services will have impact on about 30% of the whole added value.

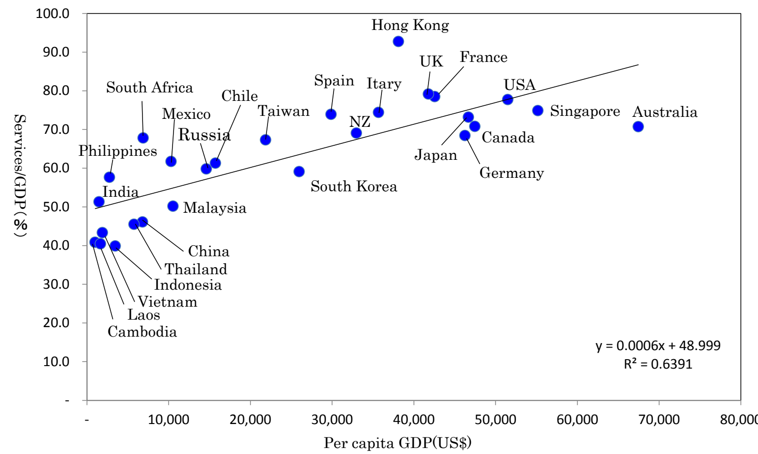
Breakdown of value added in exports in goods（2011）

（Unit：%）

	OECD	Japan	China	ASEAN
Agriculture, hunting, forestry and fishing	1.3	0.7	4.8	7.1
Mining and quarrying	8.2	5.9	10.5	10.8
Total Manufactures	53.3	57.9	51.3	48.2
Chemicals and non-metallic mineral products	11.5	11.1	10.7	12.0
Basic metals and fabricated metal products	9.6	11.4	7.9	5.6
Machinery and equipment, nec	7.3	7.5	5.0	3.1
Electrical and optical equipment	10.8	13.9	13.5	13.2
Transport equipment	7.4	9.6	3.1	2.5
Electricity, gas and water supply	2.0	2.3	2.2	2.0
Services	35.2	33.2	31.1	31.9
Construction	0.7	0.7	0.3	0.4
Wholesale and retail trade; Hotels and restaurants	12.4	15.6	12.2	14.3
Wholesale and retail trade; repairs	11.8	14.5	11.4	13.8
Transport and storage, post and telecommunication	4.9	4.8	5.6	5.3
Transport and storage	3.9	3.8	4.6	4.2
Financial intermediation	3.0	2.2	5.0	4.2
Real estate, renting and business activities	12.0	8.7	6.6	6.3
R&D	8.0	5.7	4.0	3.6
Community, social and personal services	2.2	1.1	1.5	1.4
Total	100.0	100.0	100.0	100.0

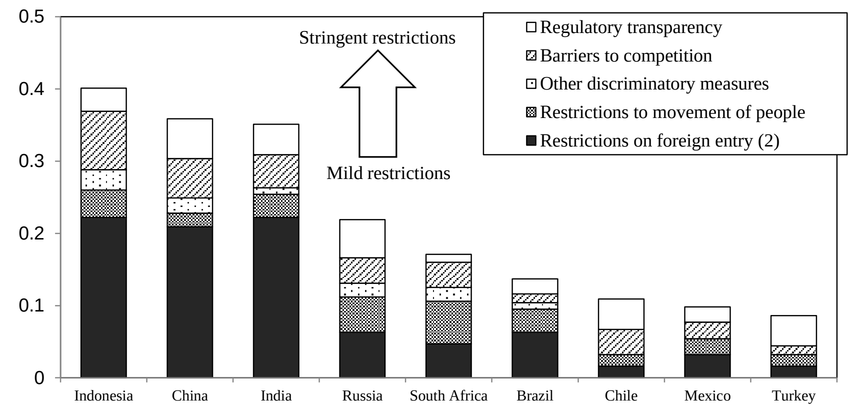
Source:"OECD – WTO Trade in Value-Added (TiVA) initiative"

Correlation between income and service's share of GDP



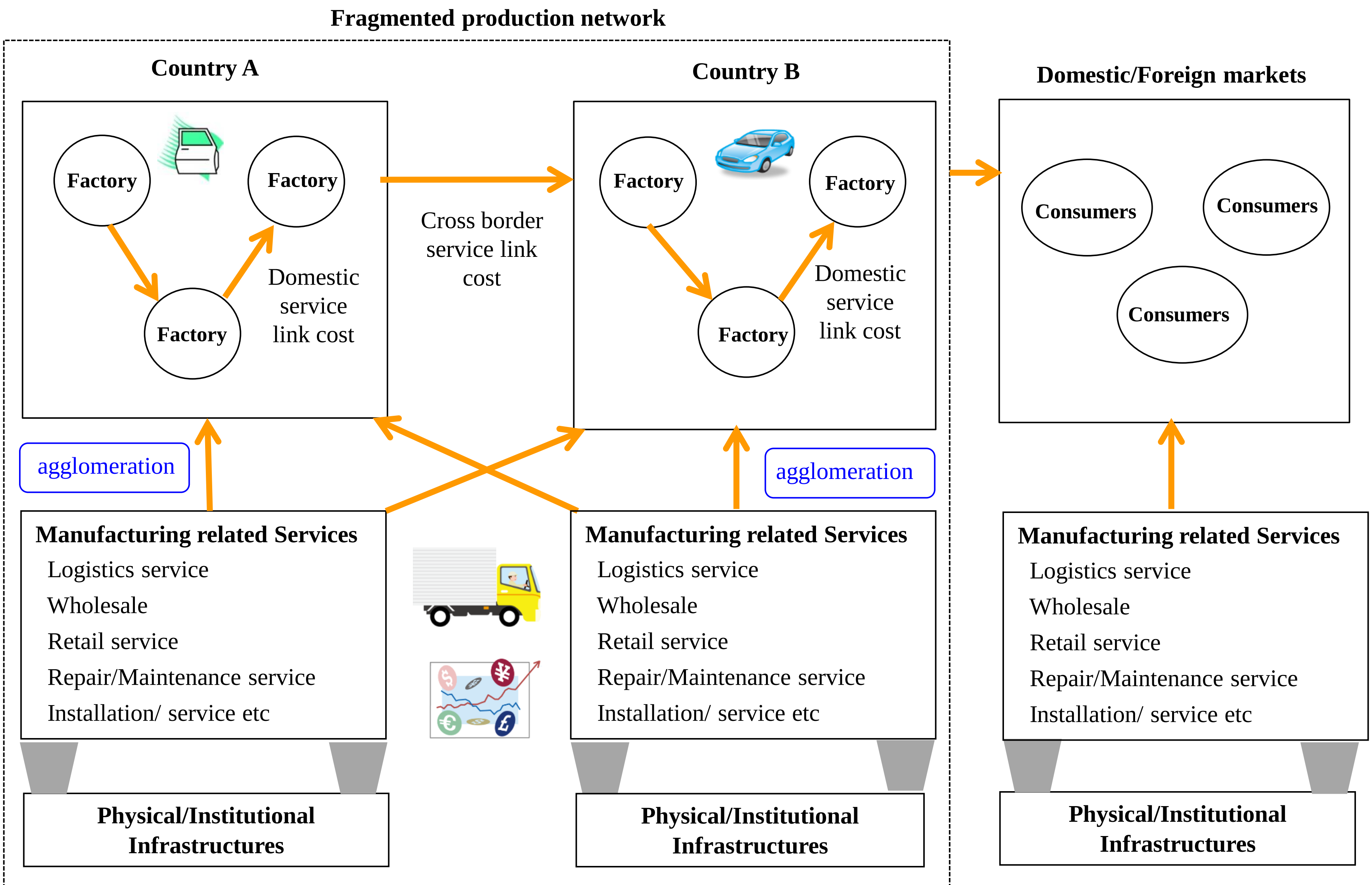
Note: Based on 2013 except for USA(2012), Japan(2012),Canada(2010),NZ(2010).
Source: WDI(WB), CEIC, Tawian, NA, Japan.

Breakdown of service trade restrictions on distribution services in major emerging countries



Note: 1) The definitions of the distribution industry follow those of warehouses, wholesale, retail and franchises in WTO classification.
2) A 100% foreign entry can be counted as a regulation even if authorized, because "restrictions on foreign entry" includes requirements of M&A screening, nationality requirements of executives, land possession restrictions and so on, in addition to foreign capital ratio control.
Source: "2015 JETRO Global Trade and Investment Report" (Original source is Service Trade Restrictiveness Index" (OECD)).

Conceptual framework: Global Value Chain



Thank you for your kind attention

※ I would be grateful if you understood that this presentation can provide only a limited analysis of the TPP, as the written TPP Agreement has only just been published and any comprehensive analysis is expected to take much time. Opinions given in this presentation are my own, and do not necessarily reflect the official views of the Japan External Trade Organization (JETRO).