

Economic Impacts of TPP/EPAs

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Overview

Economic impacts of TPP/EPAs

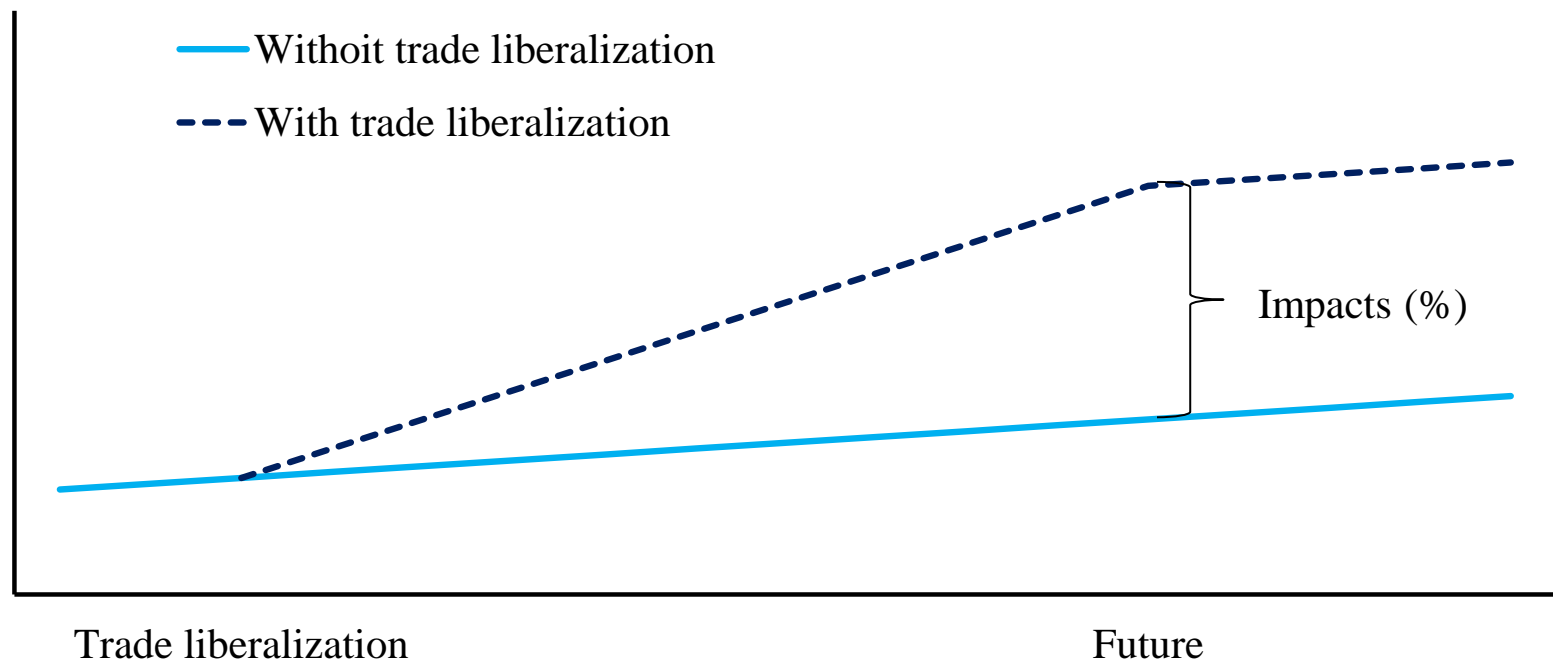
- The impacts of structural reforms measures including EPAs will be achieved over medium-term and contributing to sustainable growth.
- TPP and RCEP are shown to complement each other rather than be competitors toward the establishment of FTAAP.
- Larger economic benefits are expected from NTMs reductions in addition to tariff removals.

Estimated impacts of EPAs

Estimated economic impacts of trade liberalization are compared with business as usual without liberalization at some time in the future. Those will be achieved over medium-term, after around 10 years.

Economic impacts of trade liberalization

GDP



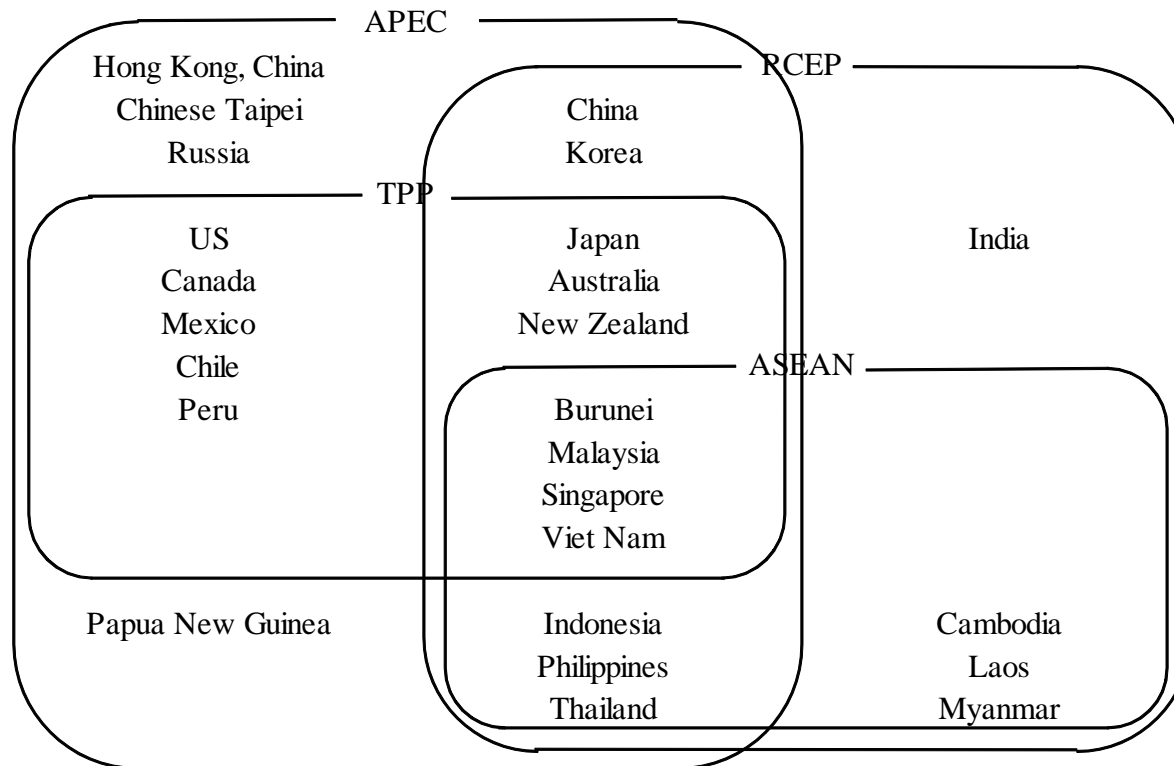
Source: Author's compilation

Regional integration in Asia-Pacific

Negotiations on the Regional Comprehensive Economic Partnership (RCEP) began in 2013.

Trans-Pacific Partnership (TPP) negotiations concluded in 2015.

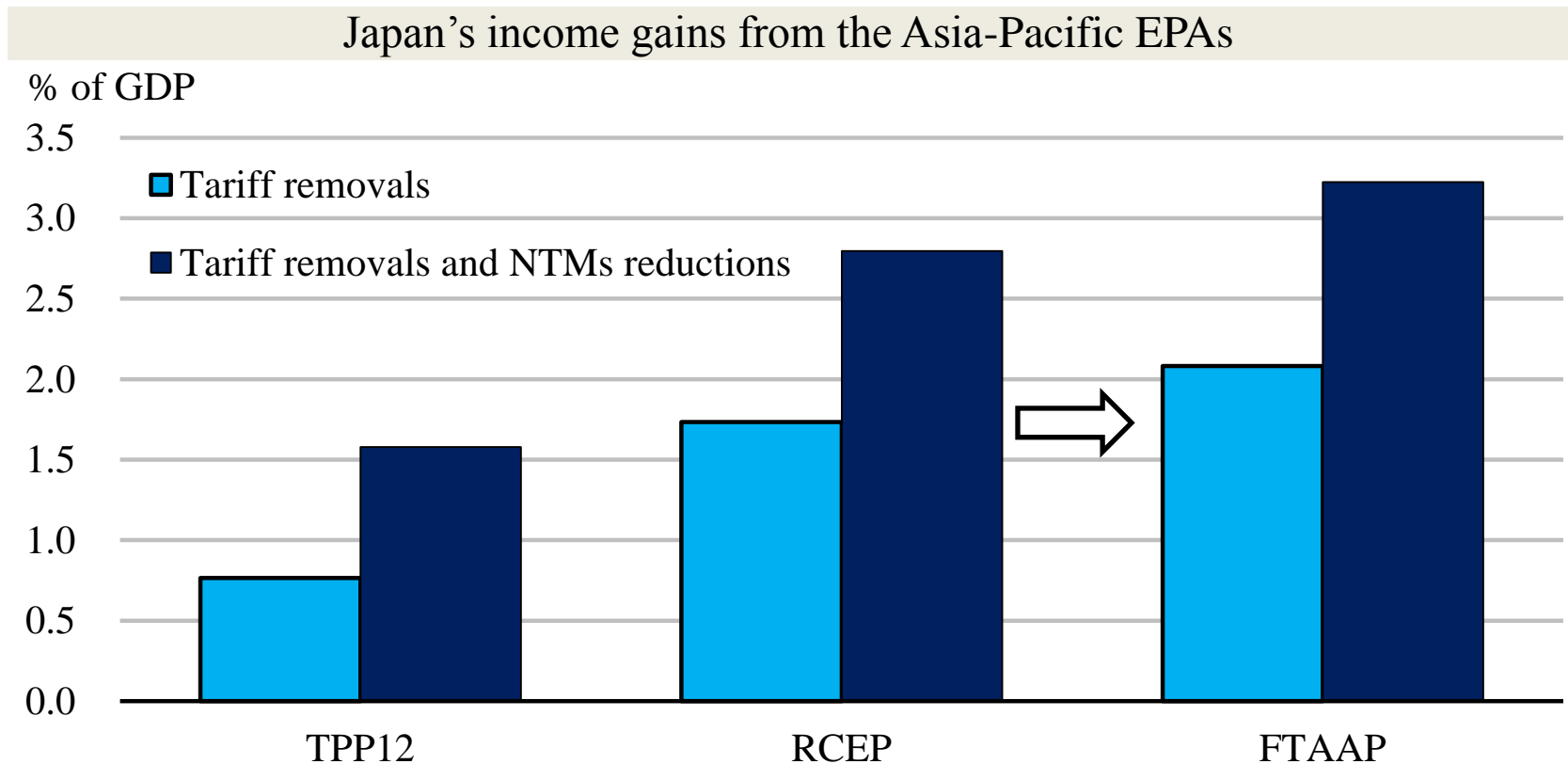
Framework of EPAs in Asia-Pacific



Source: Author's compilation

Impacts of Asia-Pacific EPAs: Japan

Higher levels of achievement in TPP including NTMs reductions.
Larger gains from RCEP by growing and large Asian markets.
Complementary benefits from FTAAP participating in TPP and RCEP.



Sources: Kawasaki (2015), "The Relative Significance of EPAs in Asia-Pacific", *Journal of Asian Economics* 39

Issues for further economic impacts

- Higher levels of trade and investment liberalization and facilitation
Tariff still matters in East Asia EPAs
- Higher utilization of EPAs by business
Streamlining of ROR application procedures
- Contribution of economic analysis for policy making
Detailed studies based on EPAs provisions