Japan’s EPA/FTA Policy

August, 2007
1. Overall Picture
1-1. Basic Principles of Promoting EPAs

Mutual Prosperity with Asia

- Aiming to take in the growth and dynamism of Asia etc.
- Development of production network of Asian companies
- Quality, as well as speed, is important for EPAs

Stable Supply of Natural Resources & Energy

- Strengthening relationship with countries rich in natural resources & energy
- Maintaining stable supply through stronger protection of rights & interests on investment
- Respecting the long term contracts, in times of policy change

New Phase of EPA, with large markets

- New type of FTAs, FTAs with large market, are developing in the world
- In order to avoid the disadvantage, strengthening relationship with larger markets, including the U.S. and EU, is necessary for Japan
- Forming the model framework, in order to cope with the global corporate movements
1-2. Current Status of Japan’s EPA/FTA Negotiations

OEPA/FTA is the important key for Japan to activate her economy, and strengthen her international competitiveness.

Mainly with East Asia, Japan has currently concluded EPA/FTA with 7 countries, agreed in principle with 1 country and 2 regions, and under consideration for EPAs etc. with 1 country and 2 regions.

- **South Korea** (population: 46 million, GDP per capita: $14,000)
  - Negotiation stopped in Nov. ’04
- **Indonesia** (population: 217 million, GDP per capita: $1,200)
  - Agreed in principle in Nov. ’06
- **ASEAN** (population: 550 million, GDP per capita: $1,200)
  - Negotiating from Apr. ’05. In May ’07, agreed in principle on modality for trade in goods.
  - Aiming to build seamless business area, consistent with developing industrial network between ASEAN and Japan.
- **Malaysia** (population: 26 million, GDP per capita: $39,000)
  - Took effect in Jul. ’06 (eliminated tariffs on essentially all industrial products)
- **Philippines** (population: 83 million, GDP per capita: $1,200)
  - Signed in Sep. ’06. Including the agreement on the movement of natural persons
- **Thailand** (population: 62 million, GDP per capita: $2,700)
  - Signed in Apr. ’07.
- **GCC** (population: 35 million)
  - Started negotiations in Sep. ’06
- **Viet Nam** (population: 82 million, GDP per capita: $600)
  - Negotiating from Jan. ’07.
  - Investment from Japan is rapidly increasing.
- **Brunei** (population: 350,000, GDP per capita: $17,000)
  - Signed on 18 June, ’07. Important as the supplier of oil and natural gas.
- **Indonesia** (population: 217 million, GDP per capita: $1,200)
  - Agreed in principle in Nov. ’06
- **Australia** (population: 21 million, GDP per capita: $30,682)
  - Negotiation started in Apr. ’07
  - Important in terms of securing natural resources supply, economic integration in East Asia, etc.
- **Singapore** (population: 4 million, GDP per capita: $52,000)
  - Took effect in Nov. ’02
  - Review treaty signed in Mar. ’07
- **Mexico** (population: 105 million, GDP per capita: $5,839)
  - Took effect in Apr. ’05
- **Chile** (population: 16 million, GDP per capita: $15,593)
  - Signed in Mar. ’07.
  - Important in terms of securing natural resource supply
- **Switzerland** (population: 7 million, GDP per capita: $33,678)
  - Negotiating from May, ’07
- **Japan-China-Korea Investment Treaty**
  - Negotiating from Mar. ’07 (c.f.) experts’ study on trilateral FTA is also under progress

- **Japan-Brunei** (population: 260 million, GDP per capita: $5,500)
  - Negotiation started in Apr. ’07
  - Economic integration in East Asia, etc.

- **South Africa**
  - Considering for ways to strengthen economic relationship

- **East Asia as a whole**
  - Agreed to start Track-Two study at the East Asia Summit in Jan. ’07

- **Japan-China-Korea**
  - Negotiating for trilateral investment treaty

- **India** (population: 1,029 million, GDP per capita: $700)
  - Negotiating from Jan. ’07
  - Market with huge potential, one of the BRICs nations

- **GCC** (Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar, Oman)

- **Overall**
  - Reduce customs cost
  - Optimize producing locations
  - Expand market and investment etc.

- **Japan-China-Korea**
  - Negotiating for trilateral investment treaty

- **Through EPA/FTA etc.**
  - Reduce customs cost
  - Optimize producing locations
  - Expand market and investment etc.
## 1-3. Current schedule of Japan’s EPA/FTA negotiations

### [As of 23 July, 2007]

<table>
<thead>
<tr>
<th>Country</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Went into effect in Nov. 2002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>(Negotiations began in Nov. 2002)</td>
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<tr>
<td>Malaysia</td>
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<tr>
<td></td>
<td>agreed to begin negotiations in Dec. 2003</td>
<td></td>
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<tr>
<td>Philippines</td>
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<tr>
<td></td>
<td>Feb.</td>
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<tr>
<td>Chile</td>
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<tr>
<td></td>
<td>Feb.</td>
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<tr>
<td>Thailand</td>
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<tr>
<td>Brunei</td>
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<td></td>
<td></td>
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<tr>
<td>Indonesia</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASEAN</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Korea</td>
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<td></td>
</tr>
<tr>
<td>GCC</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Vietnam</td>
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</tr>
<tr>
<td>India</td>
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<td></td>
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</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Asia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Asia (EFTA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Comprehensive Economic Partnership in East Asia (CEPEA)]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### [East Asia Free Trade Area (EFTA)]
- **[Track Two Study]**
  - May: Phase II Study
  - Jul.: Track Two Study

### [Comprehensive Economic Partnership in East Asia (CEPEA)]
- **[Joint Study Group]**
  - Apr.: negotiations
  - May: negotiations

### [Japan-China-Korea investment treaty]
- **[Consultations]**
  - May: negotiations
  - Apr.: negotiations
  - Mar.: negotiations

### [Partnership for Investment]
- **[Amending protocol]**
  - Signed in Mar.

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Notes:
- **Agreed in principle** on modality for trade in goods
- **Negotiations**
- **Preparatory meetings**
- **Joint Study**
- **Joint Study Group**
- **Joint Expert Group**
the deepening shift from bilateral economic partnerships to region-wide economic integration is taking place in East Asia

multi-layered style of integration; ASEAN, ASEAN+1, ASEAN+3, ASEAN+6, APEC

ASEAN

ASEAN+6

ASEAN+3

ASEAN+1

APEC

ASEAN 10
- AFTA took effect in 1992
- Original member countries will complete trade liberalization by 2010 (Thailand, Philippines, Malaysia, Indonesia, Singapore, Brunei)
- New member countries will complete trade liberalization by 2015 (Cambodia, Laos, Myanmar, Vietnam)

ASEAN 10 (ASEAN, Japan, China, Korea)

ASEAN+6 (ASEAN, Japan, China, Korea, India, Australia, NZ)

ASEAN+3 (ASEAN, Japan, China, Korea)

- summer ‘06: feasibility study on EAFTA finished. Commencement of governmental study was recommended.
- Jan. ‘07: continuation of expert study was decided at the summit meeting (the phase II study has started in May ‘07)

ASEAN+1

China-ASEAN trade in goods took effect in 2005

India-ASEAN aiming to reach Agreement in 2007

Korea-ASEAN trade in goods takes effect in 2007

Japan-ASEAN aiming to reach agreement in Nov. 2007

Australia, NZ-ASEAN aiming to reach agreement in 2007

APEC

U.S.
Canada
Mexico
Peru
Chile
H.K.
Taiwan
Russia
Papua
New Guinea

Among the 10 countries of ASEAN, following countries are not APEC member: Myanmar, Cambodia, Laos

- Nov. ‘06: studying for FTAAP as a long term goal was agreed at the summit meeting

- Jun. ‘07: the Track Two study on CEPEA was commenced

- Jan. ‘07: commencement of Track Two study on CEPEA was agreed at the summit meeting
1-5. Significance of AJCEP (ASEAN-Japan Comprehensive Economic Partnership)

**Examples of trade in goods without AJCEP & under AJCEP**

**Without AJCEP**

1. Export a component ($70) from Japan
2. The component from Japan gains added value of $30, and final product worth $100 is exported to Malaysia.

The product doesn’t satisfy AFTA’s standard* (*40% of the value added within the ASEAN region)

MFN tariff rate is applied to the product exported to Malaysia

**Under AJCEP**

1. Export a component ($70) from Japan
2. The component from Japan gains added value of $30, and final product worth $100 is exported to Malaysia.

The product doesn’t satisfy AFTA’s standard*

The product satisfies AJCEP’s standard* (*40% added value in the ASEAN-Japan region)

The product is exported untaxed to Malaysia

HOWEVER
2. Strengthening Approaches on EPA Negotiations

Following the EPA timetable (attached), work on EPA negotiations with positive attitudes. Consequentially, by the beginning of 2009, the number of countries Japan has concluded EPAs with is expected to increase at least by three times (12 countries). EPA negotiations are accelerating in worldwide scale, including the EPAs with large economic communities. Under this worldwide circumstance, **EPAs with countries constituting major markets and investment destinations, including U.S. and EU, are to be considered as future issues** for Japan, while paying attention to the factors such as the movements of other countries, status of economic relationship between the potential EPA partner and Japan, and size of the economy. **Start preparation for EPAs from possible countries/regions.** Additionally, **propel study for region-wide economic partnership, including the proposal of economic partnership covering ASEAN+6 countries.**

### 3. Realization of High Quality EPAs

Aim to conclude **EPAs with high quality, covering trade liberalization and various other fields**, such as trade in service, investment, IPR etc.

### 4. Border Measures

Under WTO and EPA negotiations, take initiatives for narrowing down the number of goods protected under border measures, and lowering tariff. Take considerations on **the ideal form of differential tariff system**. Paying attention to the progress of strengthening the nation’s agriculture, forestry, and fisheries etc.. Take systematic measures, restricted on the measures useful for structural reform, for the effects caused by EPA.
### EPA timetable (attachment to “Basic Policies 2007”)

<table>
<thead>
<tr>
<th>country/region</th>
<th>current status</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>Took effect on Jul 13th, 2006.</td>
<td>Taken effect.</td>
</tr>
<tr>
<td>Philippines</td>
<td>Approved by the National Diet on Dec. 6th, 2006.</td>
<td>Gain approval from the Upper House of the Philippines, and bring the treaty in effect.</td>
</tr>
<tr>
<td>Thailand</td>
<td>Signed on Apr. 3rd, 2007.</td>
<td>Aim to bring the treaty into effect as early as possible in 2007.</td>
</tr>
<tr>
<td>Chile</td>
<td>Signed on Mar. 27th, 2007.</td>
<td>Aim to bring the treaty into effect as early as possible in 2007.</td>
</tr>
<tr>
<td>Brunei</td>
<td>Signed on Jun. 18th, 2007.</td>
<td>Aim to bring the treaty into effect as early as possible in 2007.</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Agreed in principle on Nov., 2006.</td>
<td>Aim to sign the treaty as early as possible in 2007.</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Negotiation started in Apr. 2005.</td>
<td>With the cooperation from ASEAN, aim to conclude the negotiation substantially as early as possible in 2007.</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>Negotiation stopped since Nov. 2004.</td>
<td>Continue to persevere in taking approaches to the Republic of Korea for the resumption of negotiations.</td>
</tr>
<tr>
<td>Gulf Coast Countries (GCC)</td>
<td>Negotiation started in Sep. 2006.</td>
<td>Aim to reach agreement in principle on major points of the negotiations as early as possible.</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Negotiation started in Jan. 2007.</td>
<td>Aim to reach agreement in principle on major points of the negotiations as early as possible.</td>
</tr>
<tr>
<td>India</td>
<td>Negotiation started in Jan. 2007.</td>
<td>Aim to reach substantial agreement as early as possible, within approximately two years from the commencement of negotiation.</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Negotiation started in May 2007.</td>
<td>Aim to strengthen economic relationship, and formulate high quality rules, covering not only trade in goods but also other wide range of fields such as investment, trade in services, IPR etc.</td>
</tr>
<tr>
<td>Australia</td>
<td>Negotiation started in Apr. 2007.</td>
<td>Aim to gain the largest merit for Japan, under the policy of &quot;protect what has to be protected&quot;, with thorough recognition of the importance of agriculture, forestry, and fishery.</td>
</tr>
</tbody>
</table>
1-7. (reference) Ratio of Trading Value with EPA Partners

Trading status is as of July 24th, 2007
Trading values are based on Trade Statistics 2005 (MOF, Japan)

With concluded & agreed countries: 14.0%

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>2.3</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.9</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.4</td>
</tr>
<tr>
<td>Philippines</td>
<td>1.5</td>
</tr>
<tr>
<td>Chile</td>
<td>0.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.7</td>
</tr>
<tr>
<td>Brunei</td>
<td>0.22</td>
</tr>
<tr>
<td>Cambodia</td>
<td>0.02</td>
</tr>
</tbody>
</table>

With concluded, agreed & negotiating countries/region: 32.4%

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>6.4</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.7</td>
</tr>
<tr>
<td>GCC</td>
<td>8.0</td>
</tr>
<tr>
<td>Laos</td>
<td>0.002</td>
</tr>
<tr>
<td>Myanmar</td>
<td>0.03</td>
</tr>
<tr>
<td>India</td>
<td>0.6</td>
</tr>
<tr>
<td>Australia</td>
<td>3.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.6</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Trading Ratio Between U.S.A. and her FTA Partners

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>17.8</td>
</tr>
<tr>
<td>EU</td>
<td>13.1</td>
</tr>
<tr>
<td>Others</td>
<td>14.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3.4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>5.5</td>
</tr>
<tr>
<td>Japan</td>
<td>17.0</td>
</tr>
</tbody>
</table>

Trading Ratio Between South Korea and her FTA Partners

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A.</td>
<td>38.9</td>
</tr>
<tr>
<td>China</td>
<td>17.0</td>
</tr>
<tr>
<td>EU</td>
<td>13.1</td>
</tr>
<tr>
<td>Others</td>
<td>14.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3.4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>5.5</td>
</tr>
<tr>
<td>Japan</td>
<td>17.0</td>
</tr>
</tbody>
</table>

With concluded countries: 38.9%
With concluded & negotiating countries: 42.7%

With concluded countries: 25.4%
With concluded & negotiating countries: 59.1%

With concluded, agreed & negotiating countries/region: 26.6%
### 1-8. (reference 2) EPA/FTA Negotiations of Major Countries/Regions

As of 24th July, '07

<table>
<thead>
<tr>
<th>Countries/Regions</th>
<th>Situation</th>
<th>Countries/Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S.</strong></td>
<td>in effect / concluded</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>under negotiations</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>under consideration</td>
<td>2</td>
</tr>
<tr>
<td><strong>EU</strong></td>
<td>in effect / concluded</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>under negotiations</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>under consideration</td>
<td>5</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>in effect / concluded</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>under negotiations</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>under consideration</td>
<td>9</td>
</tr>
<tr>
<td><strong>Mercosur</strong></td>
<td>in effect / concluded</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>under negotiations</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>under consideration</td>
<td>4</td>
</tr>
</tbody>
</table>

Information based on various reports and governments’ press releases. There could be information omitted in some fields.
2. “East Asia Initiative”
2-1. “East Asia Initiative”

Promote the economic integration of East Asia through;
(1) trade/investment liberalization and system facilitation by CEPEA,
(2) narrowing economic gap in the region by ERIA

<table>
<thead>
<tr>
<th>CEPEA</th>
<th>ERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Comprehensive Economic Partnership in East Asia)</td>
<td>(Economic Research Institute for ASEAN and East Asia)</td>
</tr>
<tr>
<td>trade/investment liberalization, system facilitation</td>
<td>cooperation, narrowing economic gap</td>
</tr>
<tr>
<td>forming economic partnership by ASEAN-plus-six* countries</td>
<td>making intellectual contribution, such as policy recommendation, for the sustainable development of East Asia</td>
</tr>
<tr>
<td>(*) Japan, China, Korea, India, Australia, NZ</td>
<td></td>
</tr>
</tbody>
</table>

- strengthen industrial competitiveness of the region, by promoting the formation of efficient production network
- the Japanese style approach, which promote both (1) liberalization and system facilitation, and (2) narrowing the economic gap through cooperation
- keeping the complementary relationship with APEC, by placing this initiative under the multi-layered cooperation mechanisms in Asia

The prosperity brought by economic integration of East Asia will connect Japan’s economy with Asia’s growth.
Ratio of intra-regional trade in East Asia has been increasing: The ratio of East Asia is deeper than the ratio of North America (NAFTA), and almost equal to that of EU (15 countries).

(c.f.) ASEAN+6: Hong Kong and Taiwan included
(reference) DOT (IMF)
Trade Statistics (Board of Foreign Trade, Taiwan, Chinese Taipei) (http://eweb.trade.gov.tw/default.asp/)
2-2-2. East Asia’s Importance as Trade Partners for Japan

Japan’s trade structure, by region (2005)

50.0% is covered by the trade with East Asia, including Australia, New Zealand and India.

East Asia: ASEAN, Korea, China, Hong Kong, Taiwan, Australia, India, New Zealand

ASEAN: Thailand, Philippines, Singapore, Malaysia, Indonesia, Brunei, Vietnam, Myanmar, Laos, Cambodia
GCC: Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain
EFTA: Switzerland, Iceland, Norway, Liechtenstein
Mercosur: Brazil, Argentina, Uruguay, Paraguay
SACU: South Africa, Lesotho, Botswana, Namibia

Reference: Trade Statistics of Japan (Ministry of Finance)
2-2-3. Deepening Relationships between East Asia and Other Regions

In addition to rapidly increasing Japan-East Asia trade, East Asia-U.S. trade and East Asia-EU trade are also increasing sharply. The fact of Japanese companies making production in East Asia contribute a lot to this tendency.


(*) in this page, "East Asia" stands for: ASEAN5 (Singapore, Indonesia, Philippines, Thailand, Malaysia), China, H.K., Taiwan, Korea
- Aiming to form an EPA among ASEAN plus six (ASEAN and its FTA/EPA partners; China, Japan, Korea, India, Australia, and New Zealand). CEPEA will contribute to achievement of further developing regional production network unique to this region.

- By covering **wide range of issues** (trade in goods, trade in service, investment, intellectual property, etc.), CEPEA will contribute to build free, fair and rule-based market economy.

### FTA/EPAs with ASEAN

- China took effect
- Korea signed
- India under negotiation
- Japan under negotiation
- Australia, NZ under negotiation

### Example of regional production network

**Case of electronics manufacturers**

- Components of final product
- Australia, NZ
- India
- China
- Japan
- Korea
- ASEAN components
- Vietnam etc.
- Thailand etc.
- East Asia Summit

### Schedule

- **Jan. 2007**
  - East Asia Summit
  - agreed to commence track-two study
  - (by Japan’s proposal)

- **Jun. 2007**
  - commencement of track-two study

- **Nov. 2007**
  - East Asia Summit
  - report from track-two study group
  - consider further plans
### 2-4. Plans for Regional Economic Integration in East Asia

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
<th>NOW</th>
<th>2007~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASEAN+3</strong></td>
<td>Economic Partnership Covering</td>
<td>ASEAN, Japan, China, Korea</td>
<td>feasibility study by expert group (‘05 – summer ’06)</td>
</tr>
</tbody>
</table>
| | ASEAN’s proposal | | Phase I | Agreed at the East Asia Summit (‘07-)
| | Korea’s proposal | | China’s proposal | (c.f.) OECD-like organization in East Asia |
| | | | | ASEAN disagreed of moving to governmental study |
| **ASEAN+6** | Economic Partnership Covering | ASEAN, Japan, China, Korea, India, Australia, New Zealand | study by expert group (‘07-)
| | ASEAN’s proposal | | | establishment of ERIA (‘07) |
2-5. Economic Research Institutes for ASEAN and East Asia (ERIA)

- For the sustainable economic growth in East Asia, we have to address not only Trade/Investment liberalization through FTA/EPAs but also wide range of policy issues such as Human Resources, Infrastructure Development, Economic Development Gaps, Energy Security/Environment Degradation, etc.
- ERIA will make intellectual contribution to the regional efforts driven by ASEAN through policy studies and recommendations. ERIA will be developed step by step in cooperation with the countries in the region.

**Economic Integration in East Asia**

**Roadmap Plan**
- January 2007 (ASEAN Summit / EAS)
  Welcome the Proposal
- August 2007 (AEM with Dialogue Partners)
  Agree on Outline Structure, etc
- November 2007 (ASEAN Summit / EAS)
  Welcome the Establishment

**Example of research themes**
Not only Trade/Investment But also
- Human Resources
- Supporting Industry
- Small and Medium Enterprises
- Distribution, Infrastructure
- Energy/Environment
- Intellectual property
- Standards and Conformity Assessment
- Capacity Building, etc.

**Economic Research Institute for ASEAN and East Asia (ERIA)**

- Will be established in the ASEAN region
- Contribution, etc.
- (Contribution, etc)
- Strong partnership with existing institutions
  - Conducting joint research
  - Dispatching researchers, etc.

**Countries mainly in East Asia**

- Japan
- Business
- Research
- Institute

- (Contribution, etc)
Recent and Upcoming Events on ERIA

Jan., 2007 : Second East Asia Summit  
(Cebu, Philippines)
- PM Abe made proposal of establishing ERIA
- The proposal was welcomed by all the summit members of East Asia region

Discussions with countries in the region, further concrete the plan

Aug., 2007 : East Asia Economic Ministers Meeting

Nov., 2007 : Third East Asia Summit  
(Singapore)
- official establishment of ERIA, and the headquarter location will be decided (through ASEAN’s affirmation)
- mid-term report of the Track Two study on CEPEA
  (Agreement on AJCEP is necessary for this)
2-6. The Architecture of the Asia-Pacific Region

- “ASEAN+1” FTAs/EPAs, with ASEAN as their hub, are being formulated in East Asia. Generally, the main focus of “ASEAN+1” FTAs/EPAs is on trade in goods. Works for FTAs/EPAs between ASEAN’s neighboring countries are also beginning gradually. Under such circumstance, Japan is working on comprehensive and high quality EPAs, and also proposing “CEPEA”, an EPA covering ASEAN+6 nations.

-U.S. also aspires to comprehensive and high quality FTAs. America’s FTA network is being gradually formulated in the region, and U.S. is also proposing “FTAAP”, an free trade area of Asia-Pacific.