

The Post-2010 APEC Trade Agenda

October 22, 2010

Shujiro URATA

Waseda University

Talking Points

1. Trade liberalization: Changes in tariff protection
2. Bogor goals: Tariff profiles in 2008
3. Further trade liberalization and Free Trade Agreements (FTAs): Non-binding vs Binding Commitments
4. Free trade agreements in Asia-Pacific
5. Level of trade liberalization in FTAs
6. Utilization of FTAs by Japanese Firms
7. The Post-2010 Trade Vision: FTAAP
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9. The Post-2010 Trade Agenda: Trade adjustment assistance in order to implement FTAs
10. Trade facilitation including the behind the border measures

Trade Liberalization in APEC Economies

	Year A	2008	Year A		Year A	2008	Year A
Australia	13.1	3.5	1991	New Zealand	10.5	2.2	1992
Brunei		2.5		Papua New Guinea	21.2	4.9	1997
Canada	8.6	4.7	1989	Peru	17.4	6.1	1993
Chile	11.0	6.0	1992	Philippines	28.0	6.3	1988
China	41.2	9.6	1992	Russia	7.8	10.8	1993
Hong Kong	0	0	1988	Singapore	0.5	0	1989
Indonesia*	22	6.9*	1989	Chinese Taipei		6.1	
Japan	6	5.4	1988	Thailand*	38.5	10.5*	1989
Korea	18.8	12.2	1988	USA	5.6	3.5	1989
Malaysia	17.0	8.8	1988	Viet Nam*	12.7	16.8*	1994
Mexico	13.4	12.6	1991				
Notes: MFN Applied Tariff, Simple Average							
Sources: World Bank, World Development Indicators 2003, StatsAPEC							

Tariff Profiles in APEC Economies: 2008

	MFN Applied Tariff, Simple Average			MFN Applied Tariff, Duty-free (%)		
	All products	Agricultural	Non-ag	All products	Agricultural	Non-ag
	products	products	products	products	products	products
Australia	3.5	1.3	3.9	48.8	74.9	44.9
Brunei	2.5	0.1	2.9	81		78.4
Canada	4.7	11.5	3.7	56.8	56.7	56.8
Chile	6.0	6.1	6.0	0.3	0	0.3
China	9.6	15.6	8.7	7.4	5.9	7.6
Hong Kong	0	0	0	100	100	100
Indonesia*	6.9	8.6	6.7	22.3	13.5	23.7
Japan	5.4	23.6	2.6	53.7	35.1	56.5
Korea	12.2	49.0	6.6	15.5	5.1	17.0
Malaysia	8.8	14.7	8.0	57.1	67.5	55.5
Mexico	12.6	22.9	11.1	15.9	10.1	16.8
New Zealand	2.2	1.4	2.3	63.1	71.0	61.9
Papua New Guinea	4.9	13.9	3.6	78.7	47.7	83.5
Peru	6.1	10.0	5.5	47.1	20.3	51.2
Philippines	6.3	9.7	5.7	2.3	0.1	2.7
Russia	10.8	14.2	10.2	10.8	5.8	11.5
Singapore	0	0.2	0	100	99.8	100
Chinese Taipei	6.1	16.9	4.5	31.6	26.5	32.3
Thailand*	10.5	25.2	8.2	20.8	4.5	23.3
USA	3.5	5.3	3.3	45.3	30.5	47.5
Viet Nam*	16.8	24.2	15.7	32.6	13.0	35.6
Note: * indicates 20007						
Duty free % HS-6 digit headings						
Source: StatsAPEC						

FTAs in East Asia

	China	Japan	Korea	Australia	New Zealand	India	ASEAN	Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
China	\	△	△	□	⊙	△	⊙								⊙		
Japan	△	\	□	□		□	⊙	⊙		⊙		⊙		⊙	⊙	⊙	⊙
Korea	△	□	\			⊙	⊙								⊙		
Australia	□	□		\			⊙			△		□			⊙	⊙	
New Zealand	⊙				\		⊙								⊙	⊙	
India	△	□	⊙			\	⊙								⊙	⊙	
ASEAN	⊙	⊙	⊙	⊙	⊙	⊙	⊙										
Brunei		⊙						\							⊙		
Cambodia									\								
Indonesia		⊙		△						\							
Lao PDR											\						
Malaysia		⊙		□								\					
Myanmar													\				
Philippines		⊙												\			
Singapore	⊙	⊙	⊙	⊙	⊙	⊙		⊙							\		
Thailand		⊙		⊙	⊙	⊙										\	
Vietnam		⊙															\

CJK

AFTA

ASEAN+1

In action

In negotiation

Under study



Trade Liberalization in Japan's FTAs (in terms of import value)

	Japan	FTA partner
Singapore	94.7	100
Mexico	86.8	98.4
Malaysia	94.1	99.3
Chile	90.5	99.8
Thailand	91.6	97.4
Philippines	91.6	96.6
Brunei	99.99	99.9
Indonesia	93.2	89.7
ASEAN	93.2	91
Switzerland	99.3	99.7
Vietnam	94.9	87.7

Above 95%

**Source: METI, 2010 Report on Compliance
by Major Trading Partners with Trade Agreements:
WTO, FTA/EPA and BIT**

Trade Liberalization in APEC Members' FTAs (in terms of import value)

US-Morocco		Singapore-Korea	
US	100	Singapore	100
Morocco	94.2	Korea	90.8
US-Australia		P4	
US	99.9	Singapore	100
Australia	99.9	Brunei	99.3
EFTA-Chile		Chile	100
EFTA	80.3	New Zealand	100
Chile	89.5		
EFTA-Korea		Malaysia-Pakistan	
EFTA	99.7	Malaysia	79.5
Korea	96.9	Pakistan	19.7
Thailand-Australia		Korea-Chile	
Thailand	100	Korea	99.9
Australia	100	Chile	96.2
Thailand-New Zealand		China-Chile	
Thailand	100	China	99.1
New Zealand	100	Chile	96.9
Singapore-India		China-Pakistan	
Singapore	100	China	30.3
India	75.1	Pakistan	44.4

Above 95%

Source: METI

Utilization Rate of FTAs by Firms (%)

	Mexico	Malaysia	Chile
Steel	47.4	18.0	33.3
Industrial Machinery	26.4	10.0	20.9
Transportation Machinery	51.2	26.1	33.3
Electronics	22.5	10.5	14.3
Textile	38.5	13.0	10.0
Chemical Products	25.0	6.8	20.0
Convenience Goods	23.5	9.8	17.6
Foods	36.4	15.4	23.1
Others	37.1	7.1	29.0
Total	32.9	12.2	23.7

Source: Computed from RIETI-JCCI survey

Table 5 The Determinants of the Use of FTAs

Mexico	Mexico		Malaysia		Chile	
Const.	-2.49	***	-2.39	***	-2.61	***
EMP	0.28	***	0.23	***	0.28	***
FDI	0.95	***	0.2		0.49	**
TRADE	1.84	***	1	***	1.58	***
Steel	0.34	*	0.22		0.21	
Machinery	-0.02		-0.11		-0.14	
Transportation Machine	0.66	***	0.7	***	0.67	***
Electronics	-0.22		-0.12		-0.32	
Textile	-0.23		-0.13		-0.75	*
Chemical	0.03		-0.32		-0.03	
Convenience Goods	-0.18		-0.08		-0.09	
Food	-0.21		-0.02		-0.24	
Others	-0.16		-0.43	**	-0.09	
MacFaden R-squaed	0.21		0.17		0.18	

Notes: '***', '**', '*' indicate statistical significance at 1, 5, 10 percent, respect
Source: Takahashi and Urata (2010)