

# **TPP vs RCEP**

## **- Competitor or Complements ? -**

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# Overview

## TPP vs RCEP

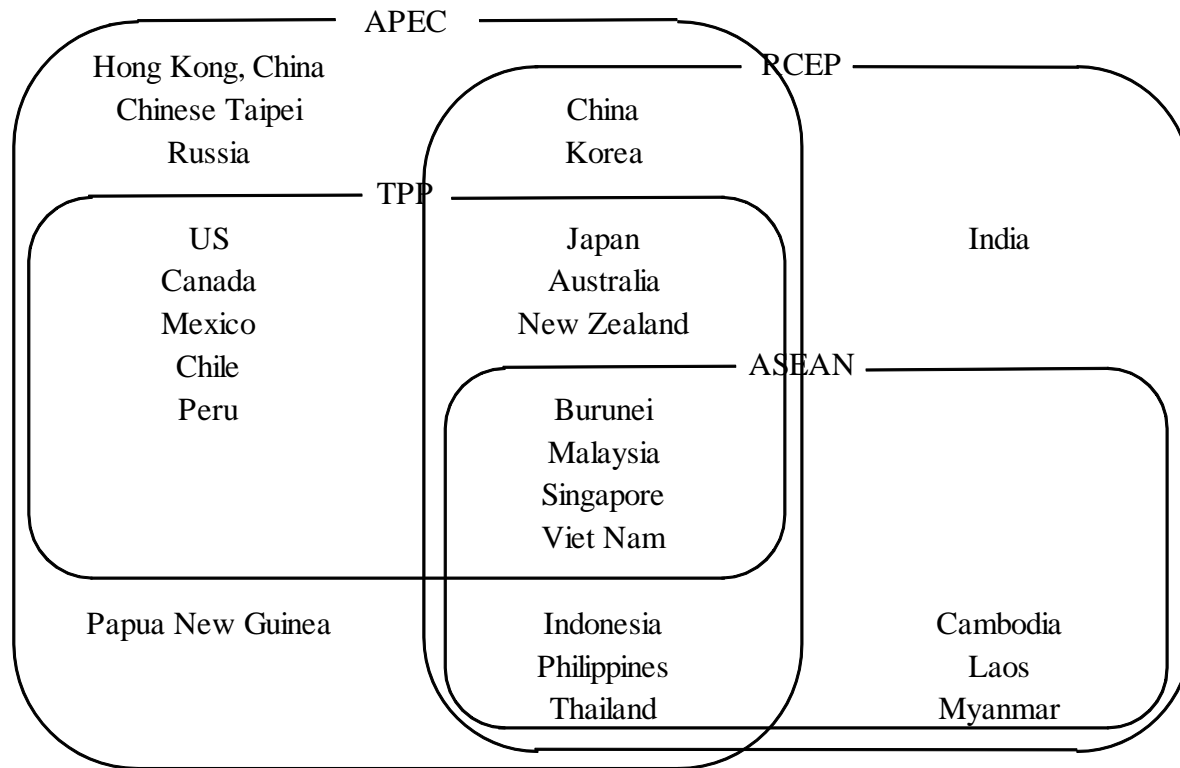
- TPP and RCEP will be complements each other rather than the competitor of the other toward the establishment of FTAAP.
- Trade diversion effects will deteriorate the economic welfare of the non-member economies of regional EPAs.
- The impacts of NTMs reductions will be significant in comparison with those of tariff removals.
- China will generate the largest income gains of the APEC economies as a whole from FTAAP followed by Russia and the US.
- The ASEAN countries and others will primarily be benefitted from their own EPA policy measures.

# Regional integration in Asia-Pacific

Negotiations for the Regional Comprehensive Economic Partnership (RCEP) have been launched in 2013.

The members of Trans-Pacific Partnership (TPP) have increased.

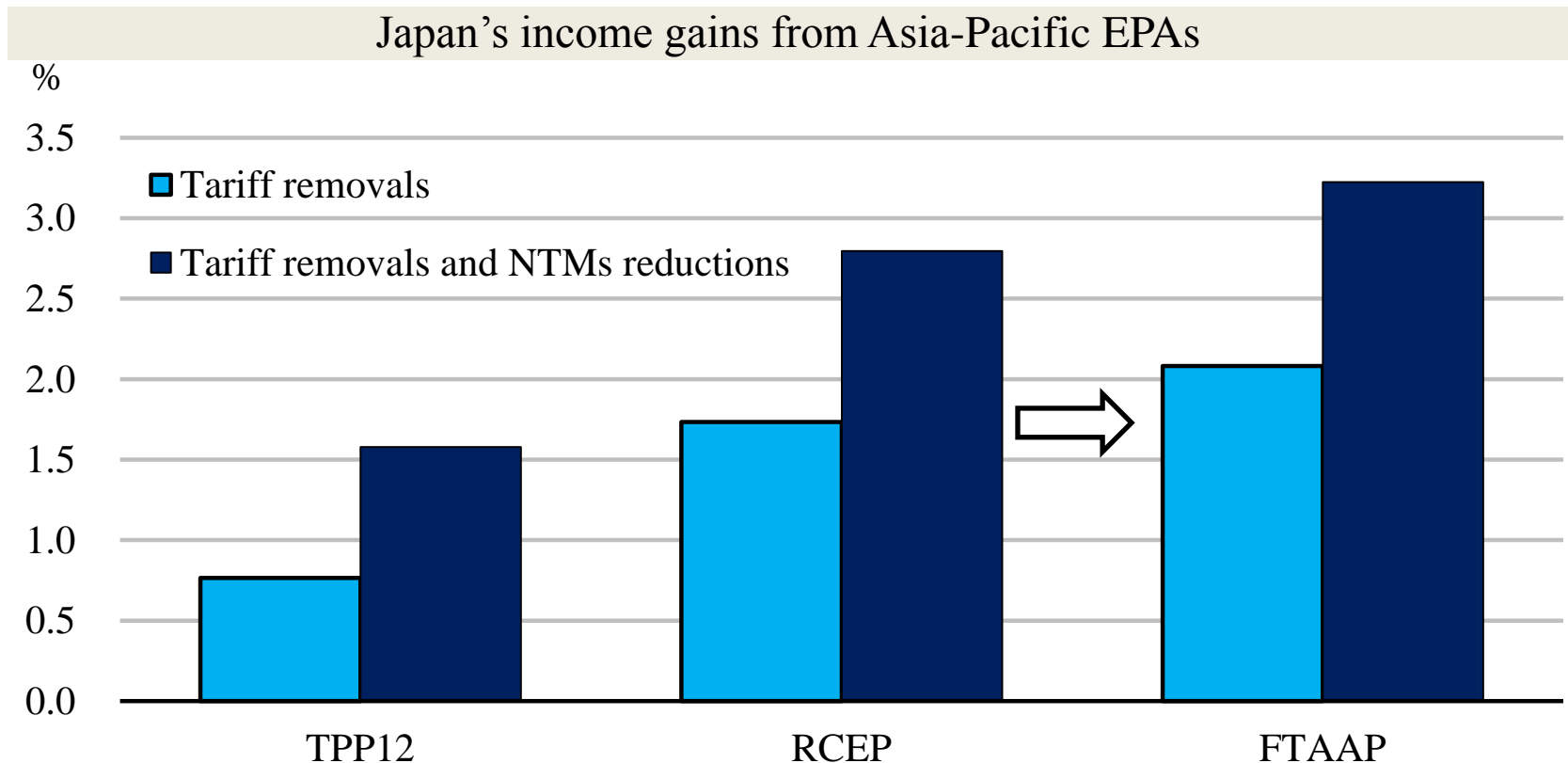
## Framework of EPAs in Asia-Pacific



Source: Author

# Impacts of TPP and RCEP: Japan

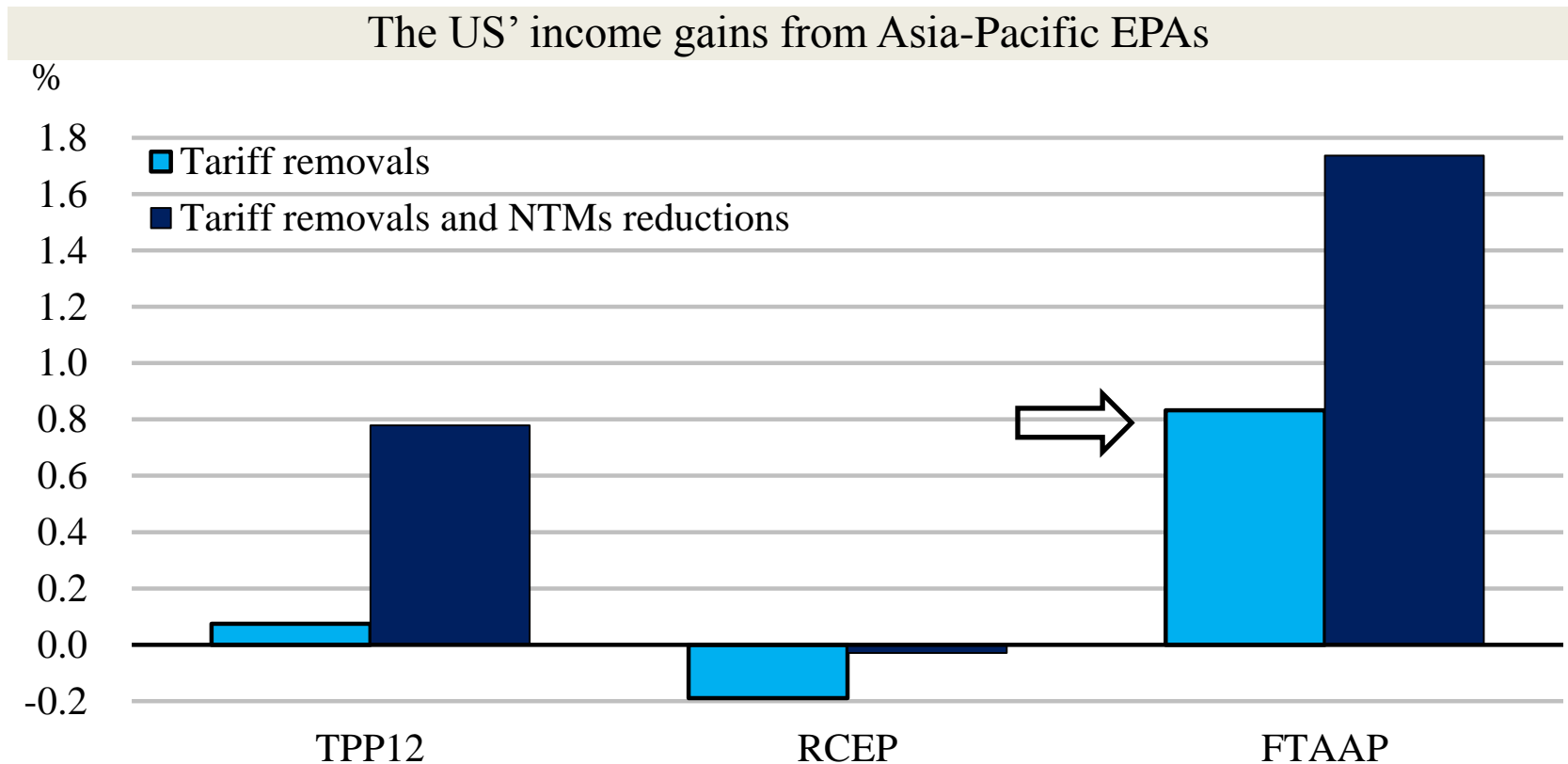
Higher levels of achievement in TPP including NTMs reductions.  
Larger gains in RCEP from growing and wider Asian markets.  
Complementary benefits in FTAAP from TPP and RCEP.



Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Impacts of TPP and RCEP: US

Dominant income gains by NTMs reductions from TPP.  
Income loss from RCEP due to trade diversion effects  
Much larger economic benefits from FTAAP than TPP.



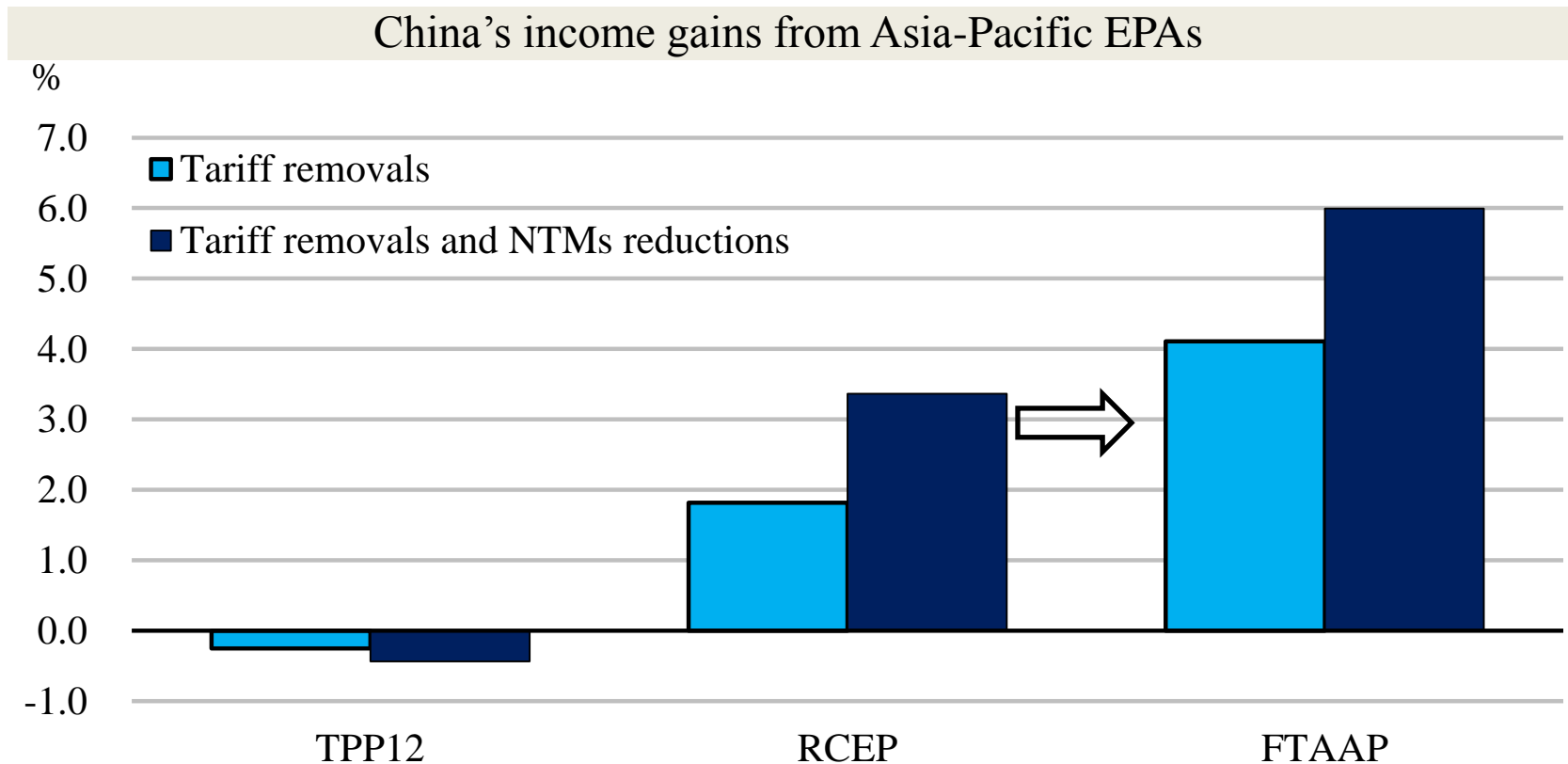
Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Impacts of TPP and RCEP: China

Income loss from TPP due to trade diversion effects.

Large income gains from RCEP.

Further income gains from FTAAP.



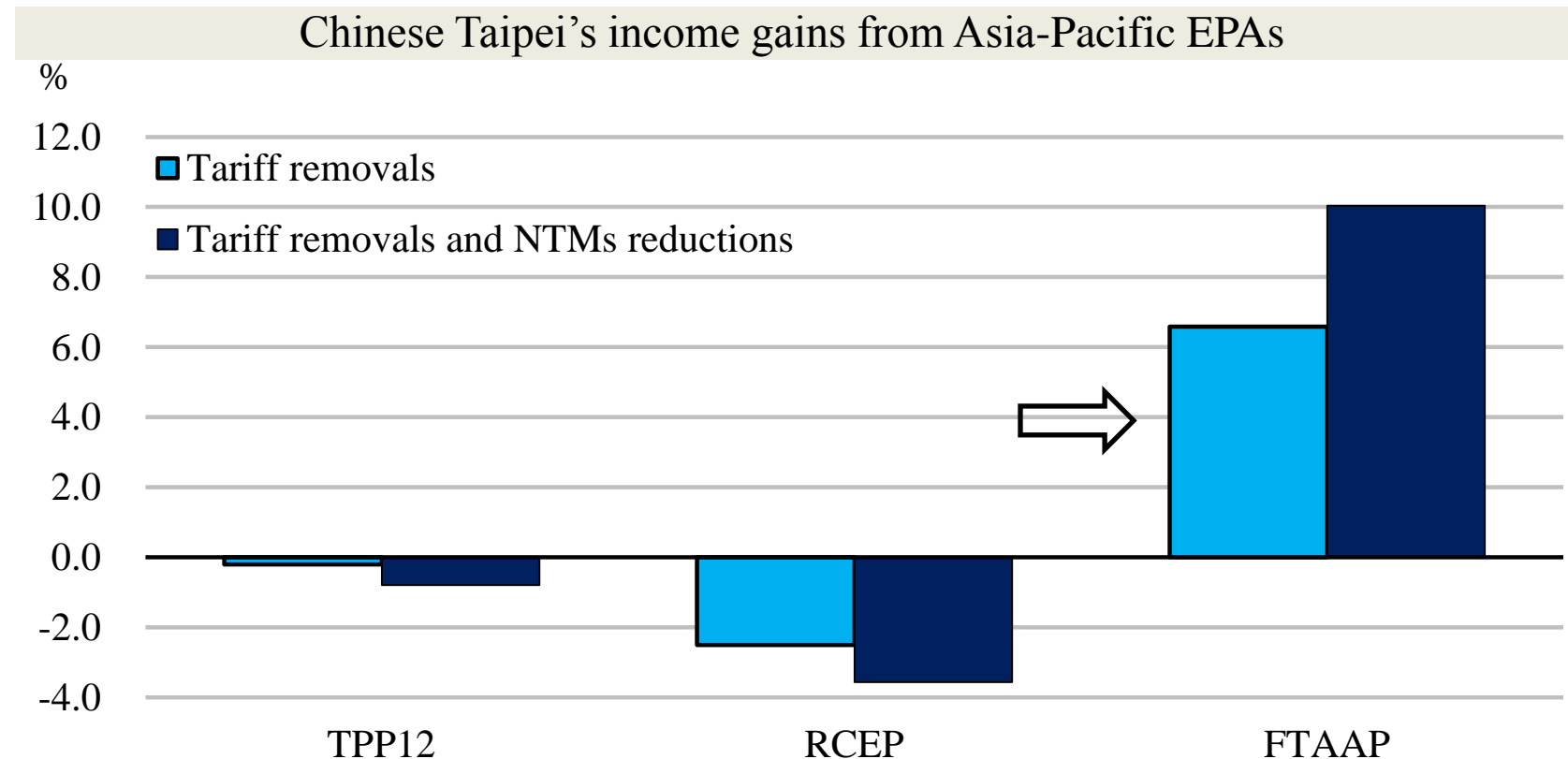
Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Impacts of TPP and RCEP: Chinese Taipei

Income loss from TPP due to trade diversion effects.

Much larger income loss from RCEP.

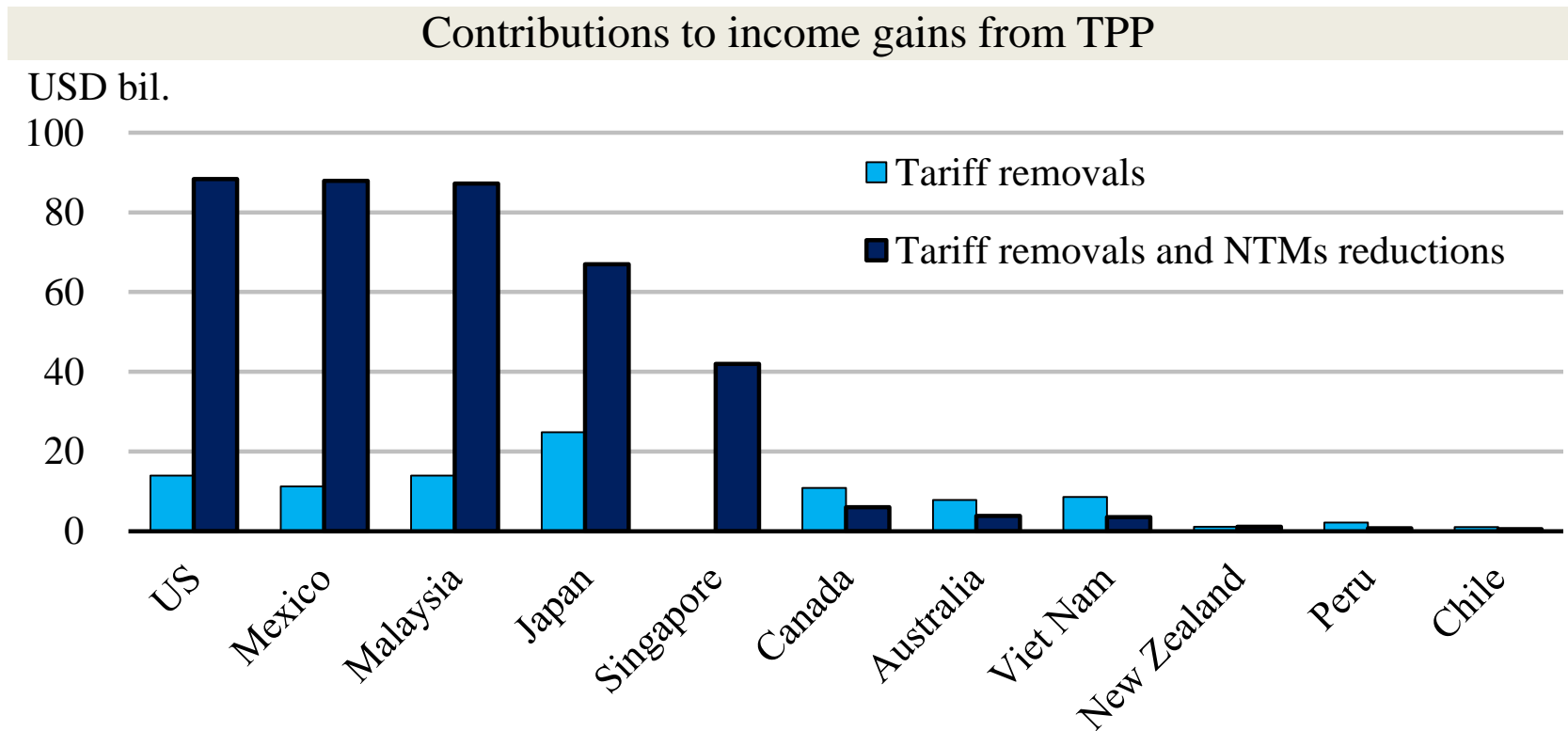
Significant economic benefits from FTAAP.



Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Key economies of TPP

The US, Mexico and Malaysia will drive Income gains from TPP.  
Japan's contribution by tariff removals will relatively be large.  
Singapore will still contribute by NTMs reductions.

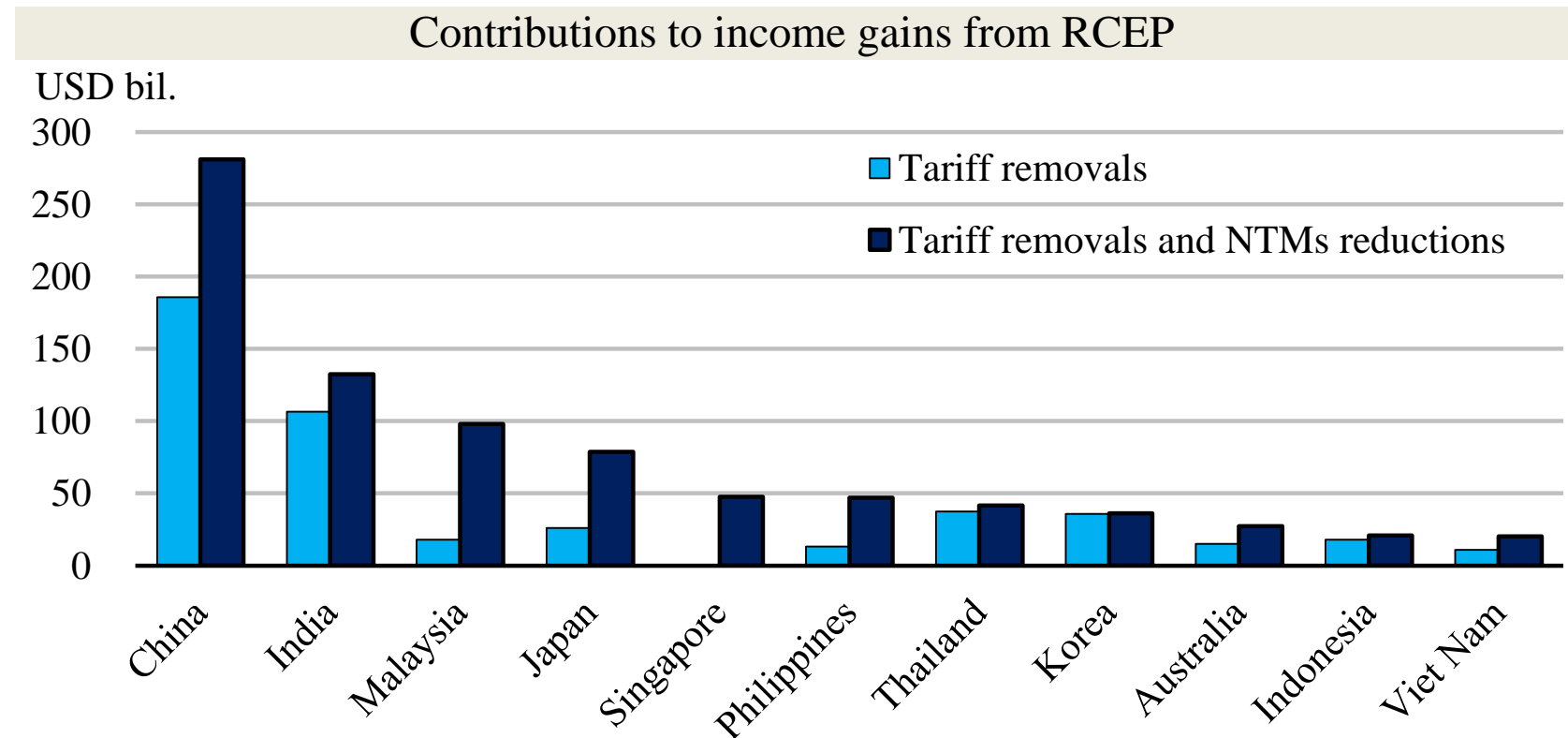


Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming



# Key economies of RCEP

China and then India will drive income gains from RCEP. Contribution of NTMs reductions by Malaysia, Singapore and Philippines will be sizable.

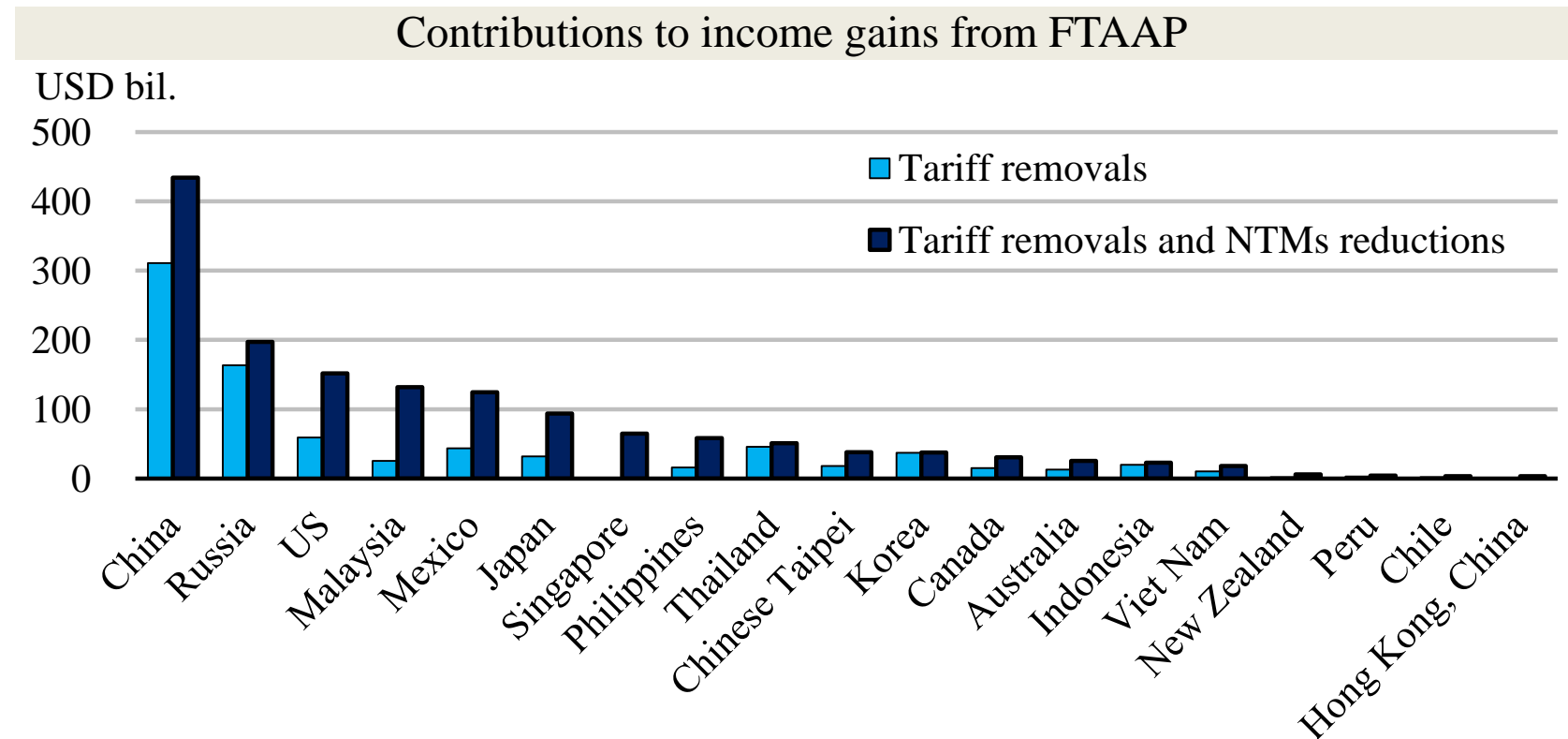


Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Key economies of FTAAP

China will drive income gains from FTAAP.

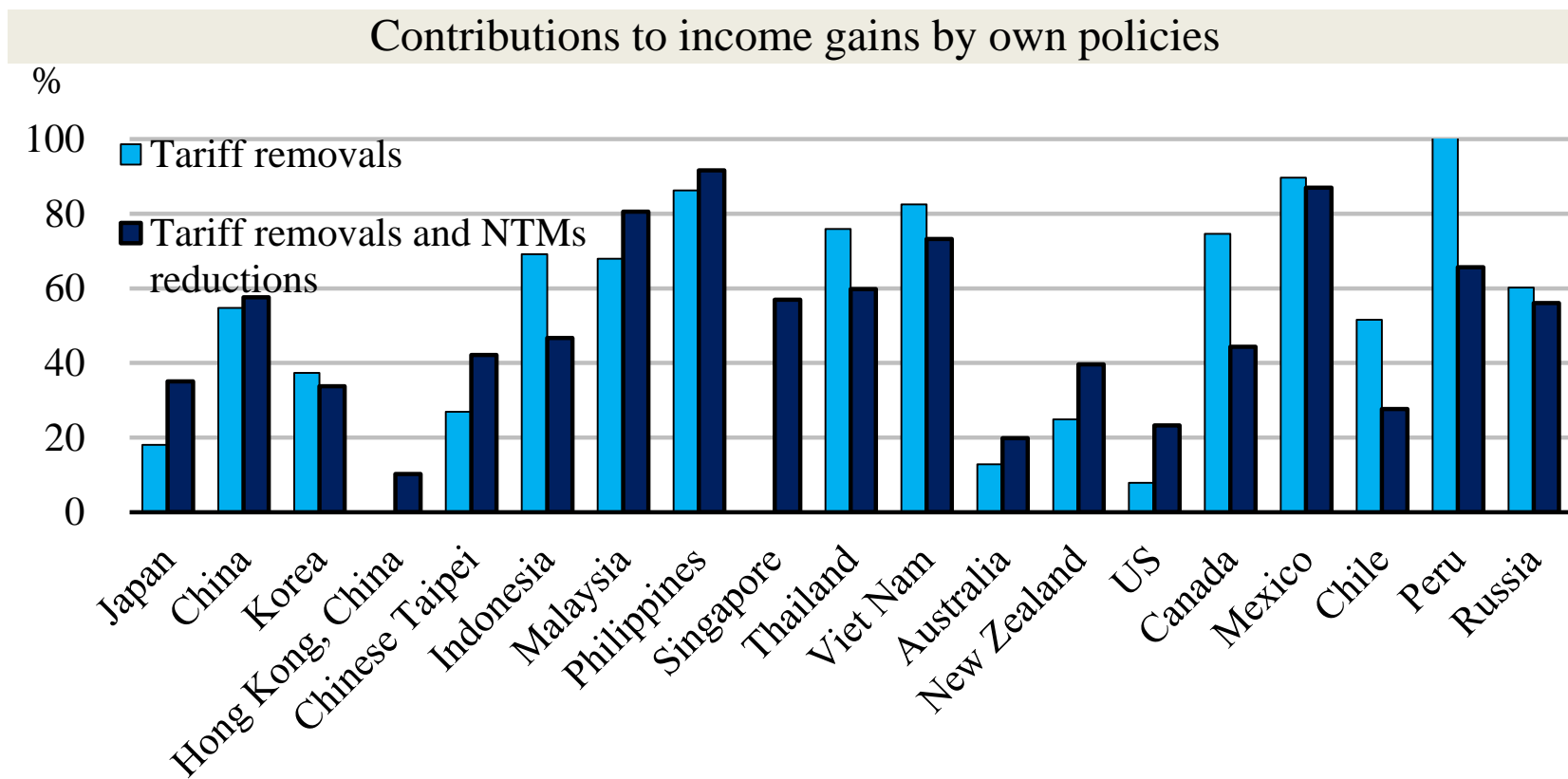
This position will be followed by Russia and the US.



Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Significance of domestic reforms

The ASEAN countries and others will primarily be benefitted from their own EPA policy measures rather than those by trade partners in Asia-Pacific.

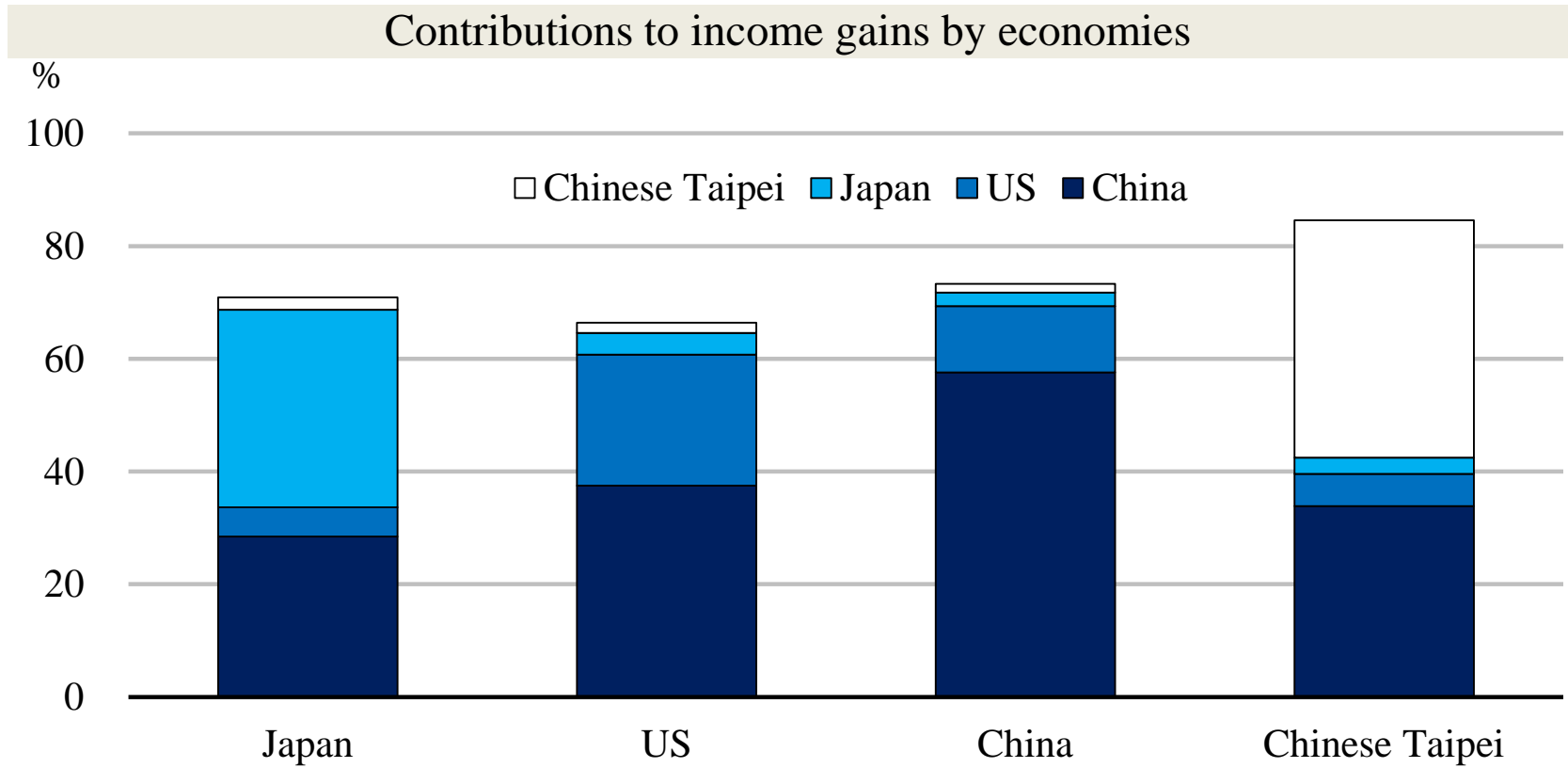


Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming

# Source structures of economic benefits

In addition to own EPAs measures, Japan, the US and Chinese Taipei will largely gain from Chinese measures.

On the other hand, China will dominantly gain from own measures.



Sources: Kawasaki (2013), "The Relative Significance of EPAs in Asia-Pacific", RIETI Discussion Paper, forthcoming