

Impacts of Mega-Regionals on Economic Growth

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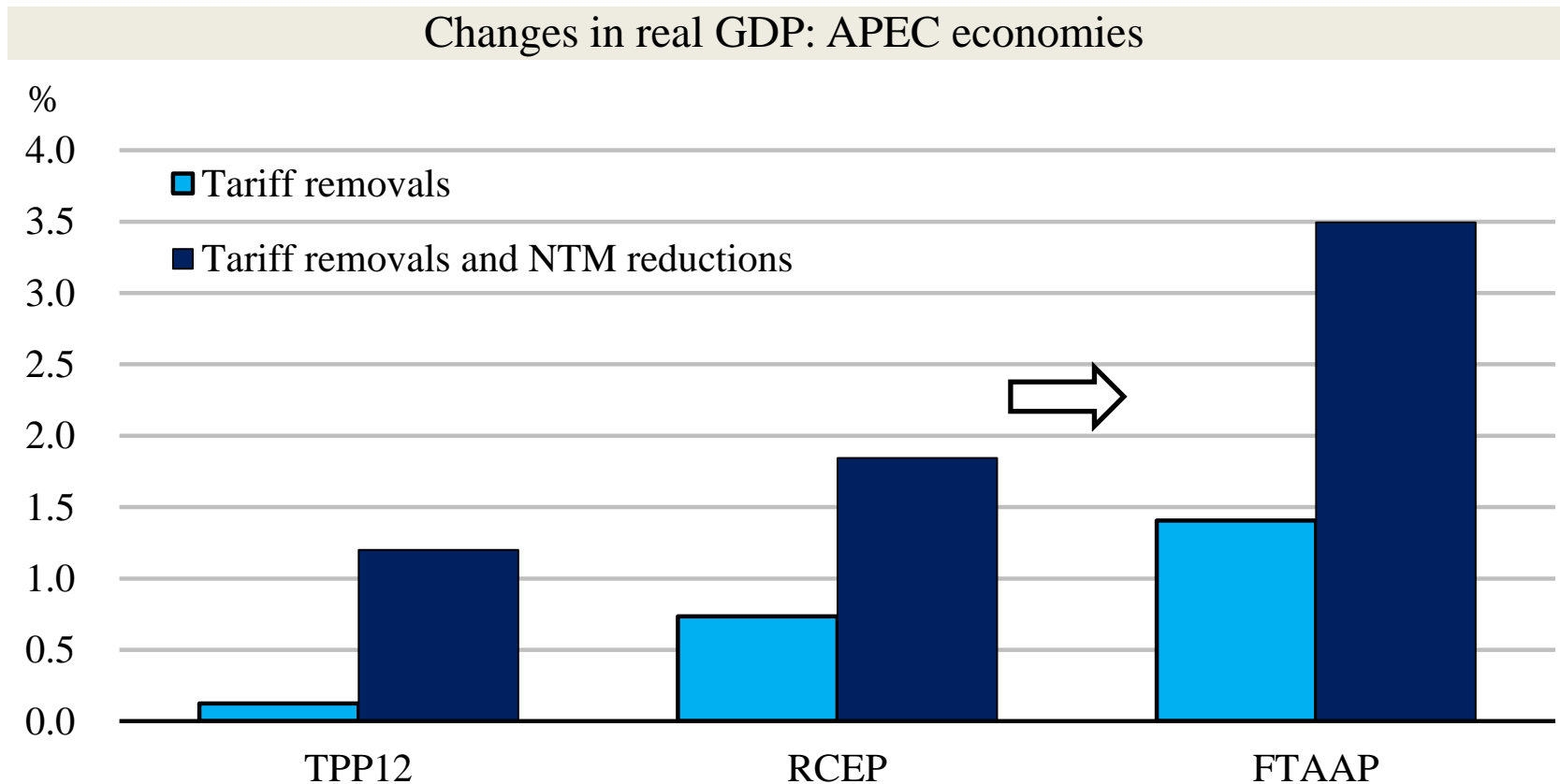
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Overview

- TPP and RCEP are shown to complement each other rather than be competitors toward the establishment of FTAAP.
- TPP should be implemented earlier. The benefits could be large enough even the US withdraws from TPP.
- RCEP should achieve higher trade liberalization. Tariff concessions in East Asian EPAs have not substantially been high enough in effect.
- Larger economic benefits are expected from NTM reductions in addition to tariff removals.
- ASEAN countries and others will primarily benefit from their own EPA policy measures.

Impacts of Asia-Pacific EPAs

TPP and RCEP are shown to complement each other rather than be competitors towards the establishment of FTAAP.



Source: Kawasaki (2017), "Emergent Uncertainty in Regional Integration", GRIPS Discussion Paper 16-28

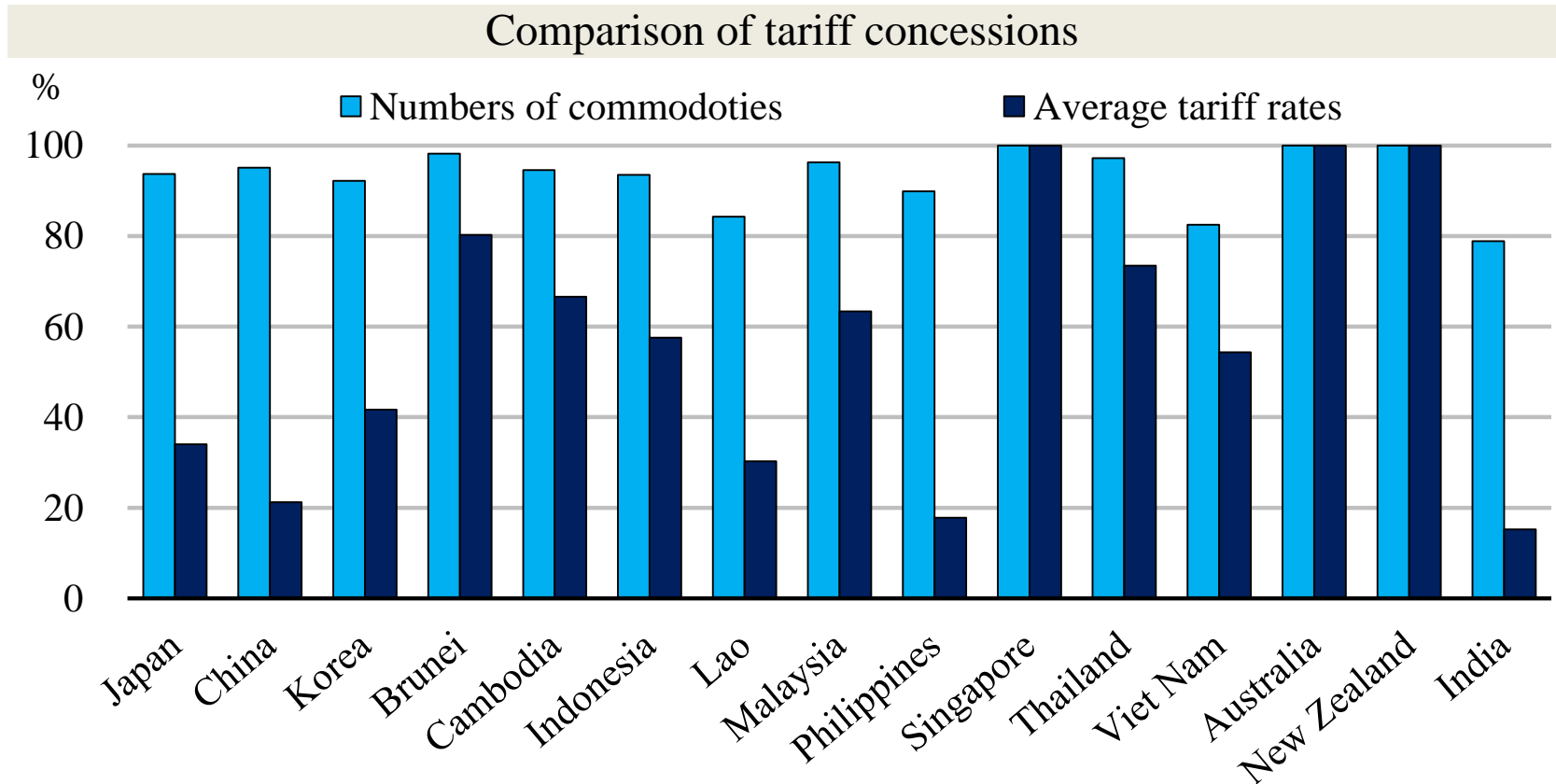
Real GDP gains by alternative TPP (%)

	Tariff reductions		NTM reductions		Total	
	TPP	TPP11	TPP	TPP11	TPP	TPP11
Australia	-0.03	0.07	1.11	1.11	1.08	1.18
Brunei	-0.23	0.06	7.97	7.97	7.74	8.03
Canada	0.50	0.25	1.48	0.80	1.97	1.06
Chile	-0.12	0.06	0.89	0.86	0.77	0.92
Japan	0.24	0.07	1.13	1.04	1.37	1.11
Malaysia	0.91	0.24	22.57	20.41	23.47	20.65
Mexico	-0.19	0.16	9.19	5.47	9.00	5.63
New Zealand	0.71	0.89	3.56	3.41	4.27	4.29
Peru	-0.05	0.01	0.85	0.72	0.80	0.73
Singapore	0.04	0.13	15.93	14.58	15.96	14.72
US	0.05	-0.01	0.03	0.72	0.77	0.14
Viet Nam	6.79	1.10	10.90	9.29	17.70	10.39

Source: Kawasaki (2017), "Emergent Uncertainty in Regional Integration", GRIPS Discussion Paper 16-28

Tariff concessions in East Asia

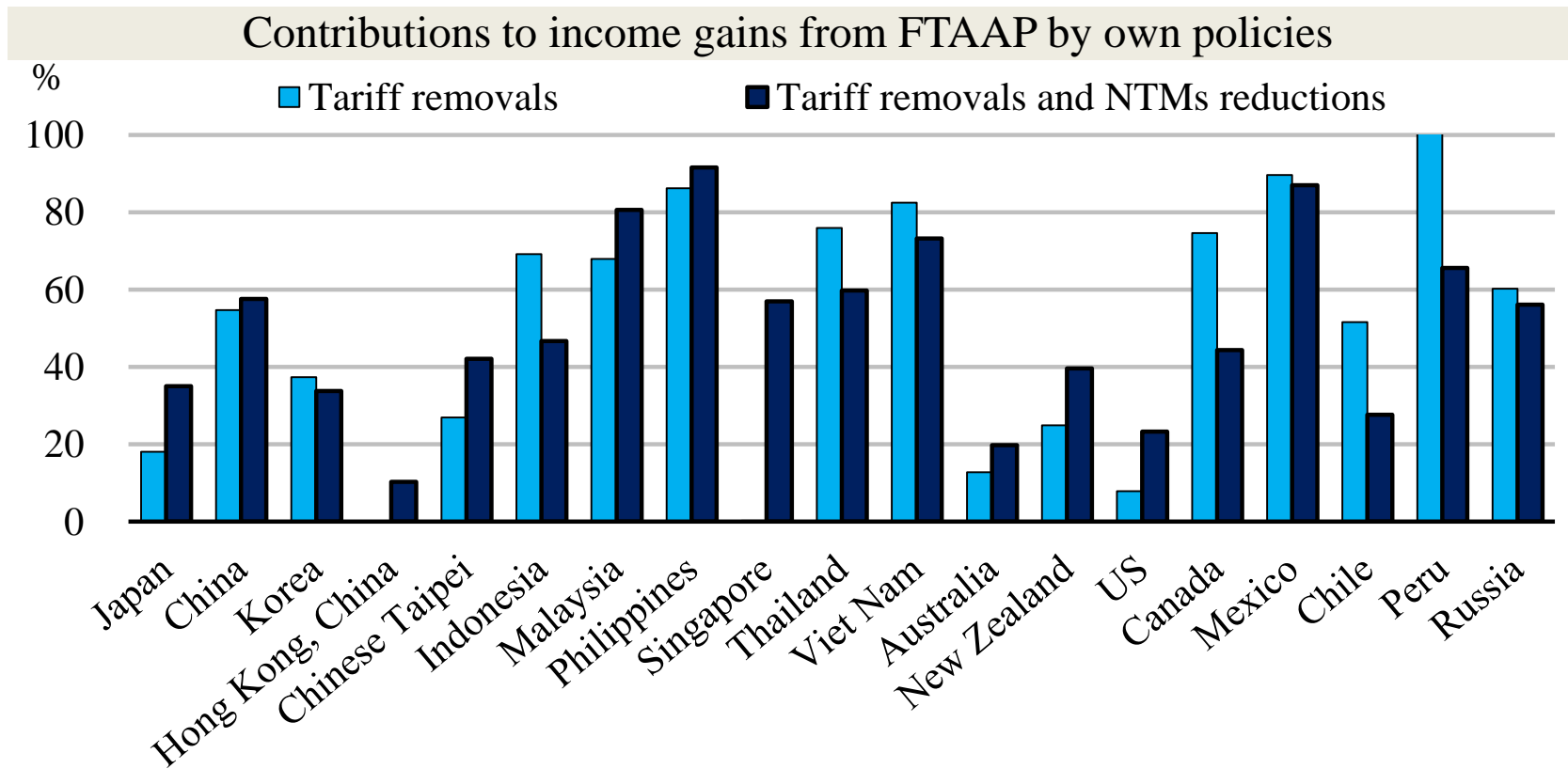
Tariff concessions in East Asian EPAs have not substantially been high enough in effect.



Source: Kawasaki et al. (2016), "Analysis of the Role of Tariff Concessions in East Asia", GRIPS Discussion Paper 16-21

Significance of domestic reforms in FTAAP

In ASEAN countries and others, contributions from their own initiatives will be much larger than those by partners in FTAAP.



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