PECC 20th General Meeting 2011

Concurrent Sessions

2. The Trans-Pacific Partnership: Views from the Inside and the Outside

Views from Japan

March 4, 2011

Takashi Imamura
1. Our Inevitable Future: Shrinking Population

Japan’s Population Prospects (Median variant, Millions)

2. Our Agricultural Sector: Shrinking but sensitive and powerful

**Net Agricultural Production (Trillion Yen)**

- 1990: 6.08
- 1995: 5.00
- 2000: 4.04
- 2005: 3.04

*Note: Net Agricultural Production = Gross Agricultural Production - capital expenditure - indirect tax.*

**Age Distribution of Population engaged farming**

- 1995: 19.52
- 2000: 17.02
- 2005: 14.04
- 2006: 12.06
- 2007: 10.08
- 2008: 8.10
- 2010: 4.14
- 2011: 2.16

*Source: Ministry of Agriculture, Forestry and Fisheries*
3. Japan’s tariff: Big Gap between industrial and agricultural

Tariff Rates (Trade weighted average)

Non-Agricultural

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1.2</td>
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<tr>
<td>US</td>
<td>1.9</td>
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<tr>
<td>EU</td>
<td>2.4</td>
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<tr>
<td>Australia</td>
<td>5.6</td>
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<tr>
<td>China</td>
<td>4.0</td>
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<tr>
<td>Korea, Republic of</td>
<td>3.3</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.9</td>
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Agricultural

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Japan</td>
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<td>119.8</td>
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<tr>
<td>Thailand</td>
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</table>

Source: WTO, World Tariff Profiles 2010
4. Japan is getting behind in developing new trade agreements

Participation in Regional Trade Agreements

http://www.wto.org/english/tratop_e/region_e/rtagmap_e.htm?country_selected=JPN&sense=b
5. Japan is getting behind in developing new trade agreements

Ratio of trade with RTA partners to total trade volume (2009) (%)

<table>
<thead>
<tr>
<th></th>
<th>RTAs in force</th>
<th>RTAs signed</th>
<th>RTAs under negotiation</th>
<th>No RTAs notified to WTO</th>
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<th>US</th>
<th>EU</th>
<th>JAPAN</th>
<th>Others</th>
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<td>Negotiation</td>
<td>Negotiation</td>
<td>18.3</td>
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Source: Ministry of Finance, JAPAN; Ministry of economy, trade and industry, Japan.
6. Japan’s concern: Wide gap between TPP and the FTAPP

JAPAN’s Trade and FDI to APEC and TPP countries (Composition) (%)

<table>
<thead>
<tr>
<th></th>
<th>Exports</th>
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<tbody>
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<td>NON APEC</td>
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Source: METI, JAPAN