

TPP and Japan—EU FTA

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TPP Improves Market Access

- Tariffs on both agricultural and industrial goods will be reduced or eliminated.
- Service trade will be more liberalized because commitments were made on not positive list but negative list basis.
- More shops and bank branches can be operated in other TPP countries.
- More access to government procurement

New trade and investment rules

- Export taxes will be banned.
- Race to the bottom by manipulating labor and environmental regulations will be disciplined.
- ISDS protects overseas investment from discriminatory measures.
- Level playing field between SOEs and private companies. New disciplines on China.

TPP will expand or accelerate other FTAs

- The essence of FTA is discrimination: it is disadvantageous not to join it.
- Mega-FTA has domino effects: Korea, Taiwan, Philippine, Thailand and Indonesia show their interest to join TPP.
- China is also interested in TPP. RCEP is accelerated by TPP to say the least.
- EU becomes more eager to have FTA with Japan.

The TPP and Japan's agriculture

- The Diet Committees on Agriculture, Forestry and Fisheries resolved that **rice, wheat, beef and pork, dairy products, and sugar** must be excluded from having tariffs eliminated in the TPP negotiations
- Tariffs on rice, wheat, sugar, butter and smp are maintained; tariff-quotas of rice, wheat, butter and smp expand; surcharge on wheat within tariff-quota decreases; tariffs on beef and pork decrease, tariffs on whey and cheese are eliminated

Trade Distortions by TPP

- Substantial reduction on Japan's tariff on pork favors US and Canada. Japanese pork producers are protected by increased amount of subsidies. Danish pork industry might be disadvantaged.
- Similar effects might take place in cheese or wheat products.
- The delay of the US ratification of TPP may avoid this situation for a while but treat US beef farmers badly against Australia.