



TRANS-PACIFIC PARTNERSHIP (TPP) AND JAPANESE AGRICULTURE

**DR. TAKUMI SAKUYAMA
MEIJI UNIVERSITY**

**Agriculture and Food Supply–
Challenges and perspectives
Japanese-German Symposium
8-9 May 2015, Potsdam, Germany**

PROFESSIONAL EXPERIENCES



1988: Joined the Ministry of Agriculture (MAFF)



1993-: Post graduate study at London & Sussex



1995-: MAFF



1999-: Japanese Delegation to OECD



2002-: MAFF-Global trade negotiations at WTO



2004-: UN Food & Agriculture Organization



2007-: MAFF-Trade negotiations including TPP



2013-: Meiji University

RECENT TRADE NEGOTIATIONS



Bern, 2008



Brussels, 2009



Kazan, Russia, 2012

OUTLINE

- Why has TPP expanded?
- Why is TPP so controversial?
- What will be the impacts of TPP on Japanese Agriculture?
- When will TPP be concluded?

WHY HAS TPP EXPANDED?

A decorative graphic on the left side of the slide. It features several vertical lines of varying thicknesses in shades of light red and pink. Overlaid on these lines are several solid red circles of different sizes, arranged in a cluster that tapers towards the bottom. One of the circles contains the number '5'.

5

TRANS PACIFIC PARTNERSHIP: A 21ST CENTURY TRADE AGREEMENT

Deeper liberalization

goods

service

investment

govt. procurement

Rule-making in 21 areas

food safety

intellectual property

e-commerce

dispute settlements

...

12 PARTICIPANTS IN TPP NEGOTIATIONS

Original members: 2006

- NZ
- Singapore
- Chile
- Brunei



1st expansion: 2008-2010

- **USA**
- Australia
- Peru
- Viet Nam
- Malaysia

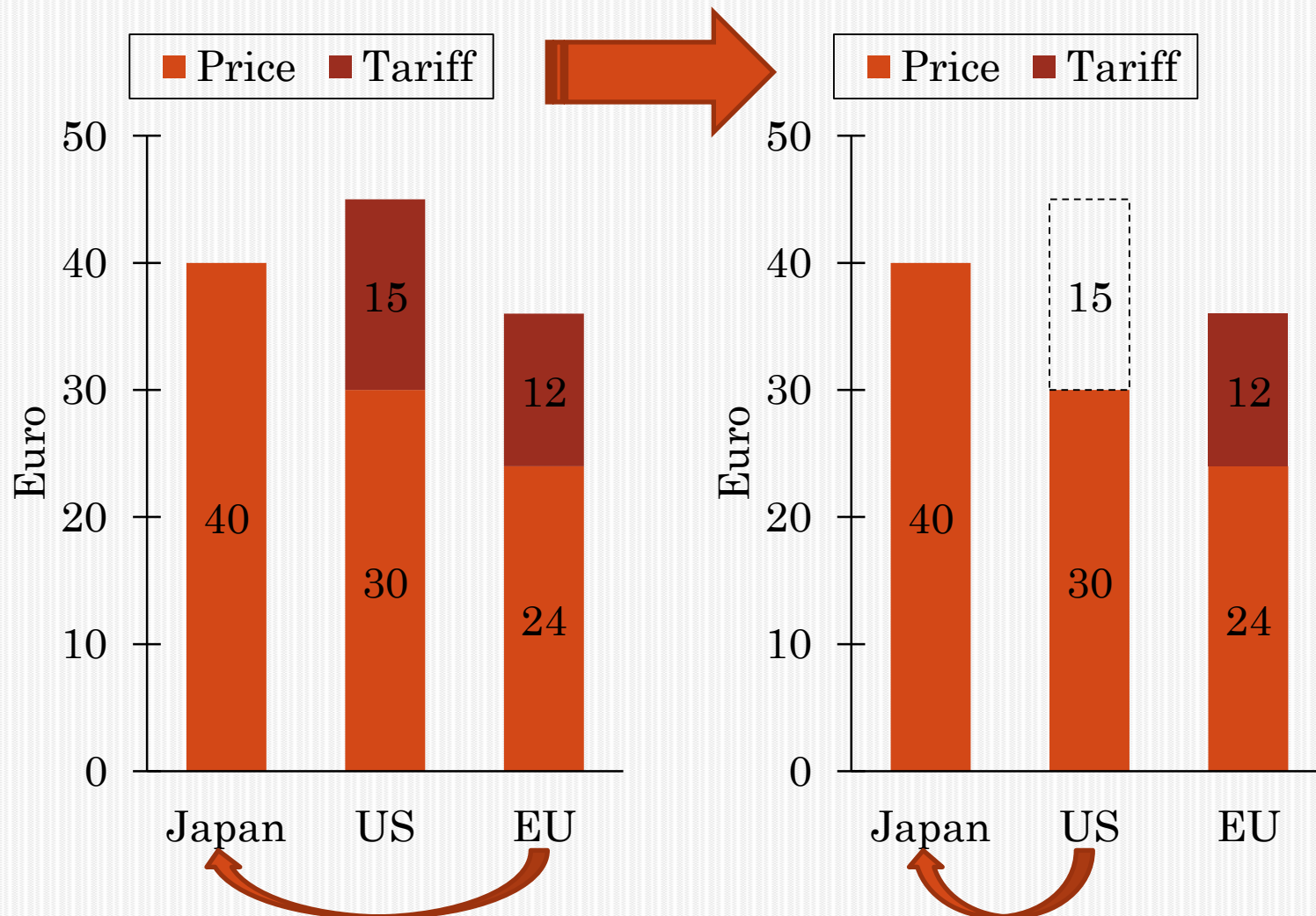


2nd expansion: 2012-2013

- **Japan**
- Canada
- Mexico

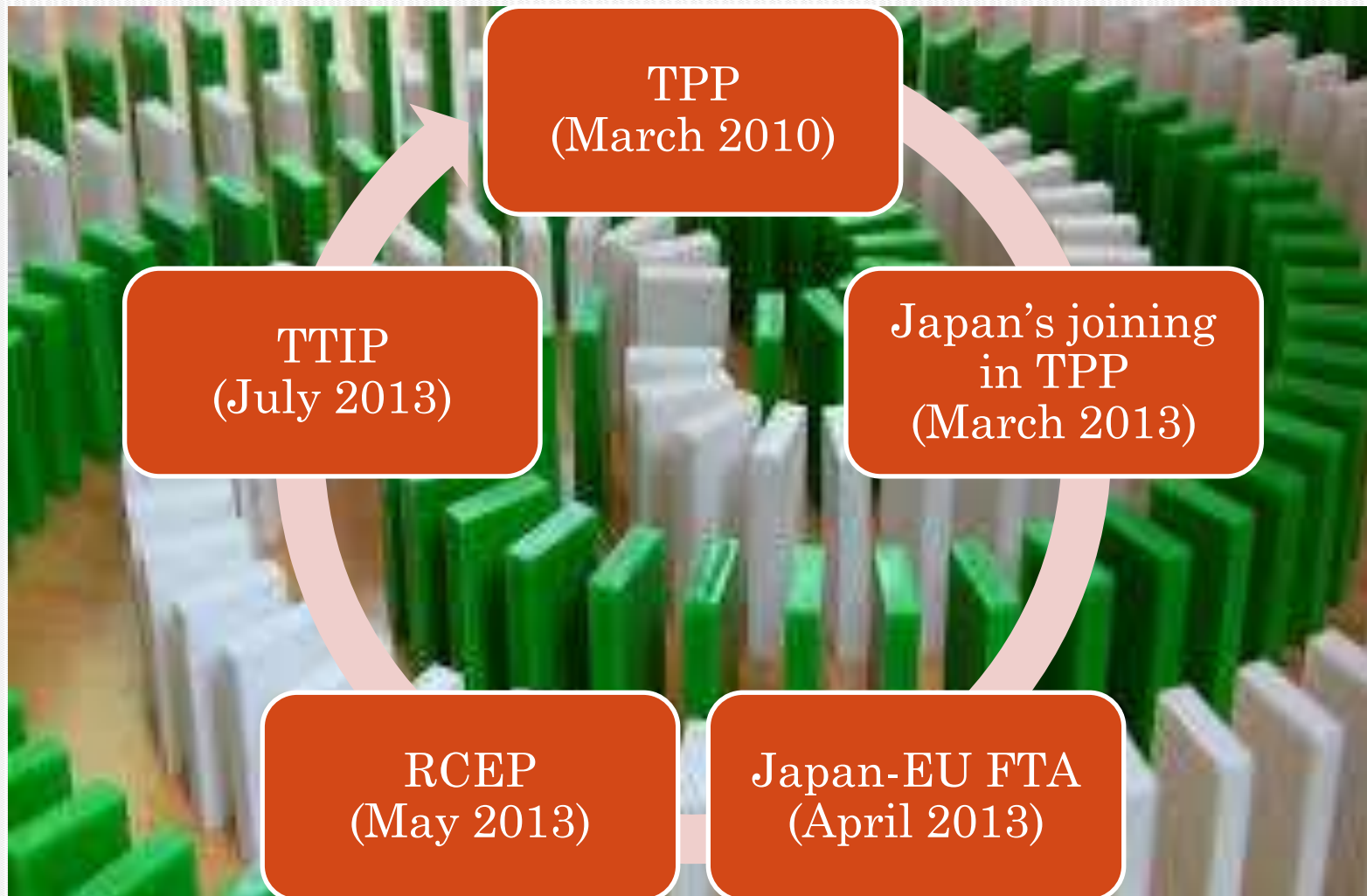


SOURCE OF EXPANSION: TRADE DIVERSION



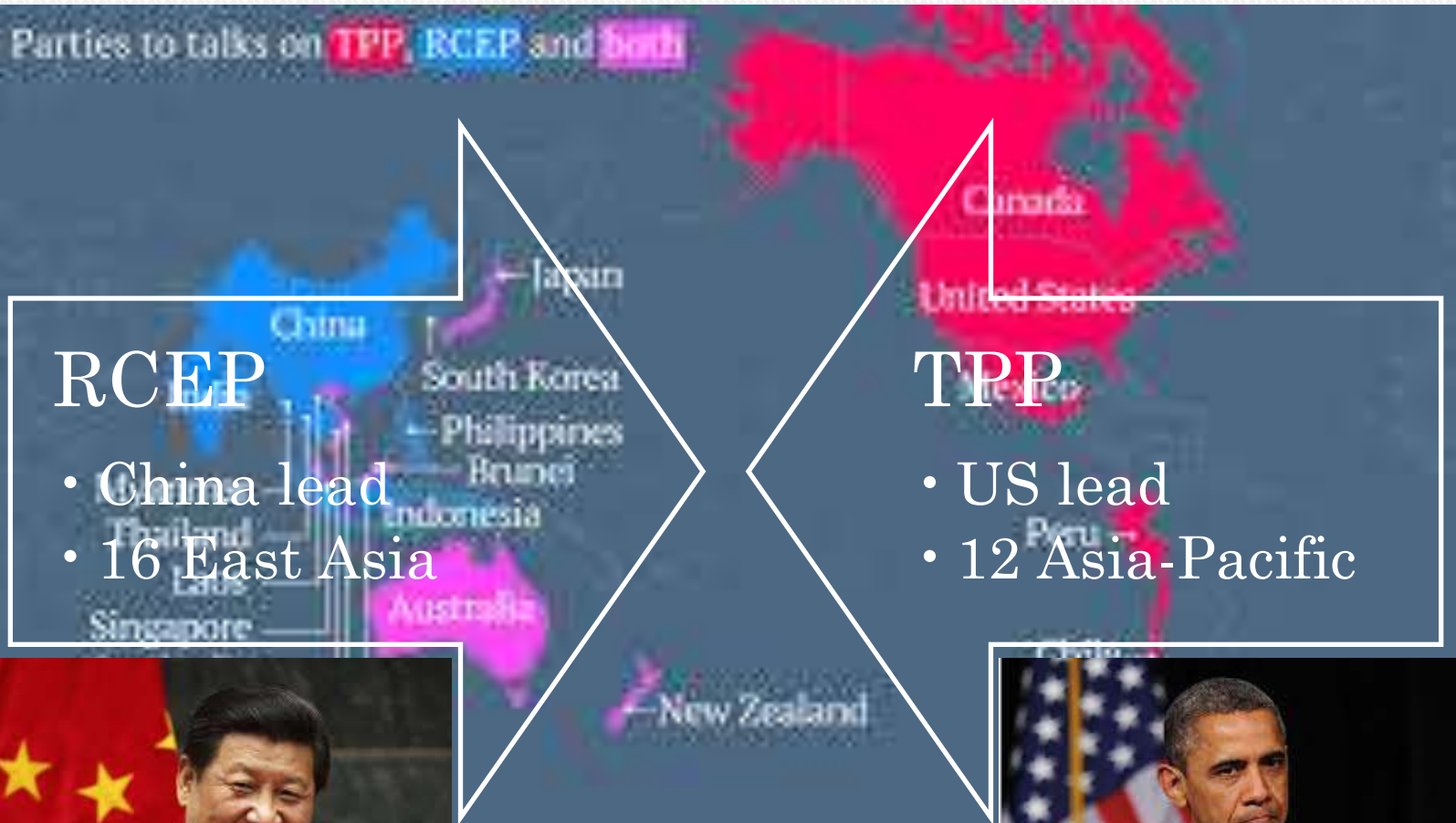
Note: Japan's import tariff is 50% in ad valorem.

DOMINO EXPANSION OF MEGA-FTAs



RCEP: Regional Comprehensive Economic Partnership by ASEAN+6

GEO-POLITICS OF TPP: USA VS. CHINA



WHY IS TPP SO CONTROVERSIAL?



11

PATH TO JAPAN'S PARTICIPATION IN TPP

2010

- PM Kan (DPJ) proposed joining



2011-12

- Heated debate all over Japan

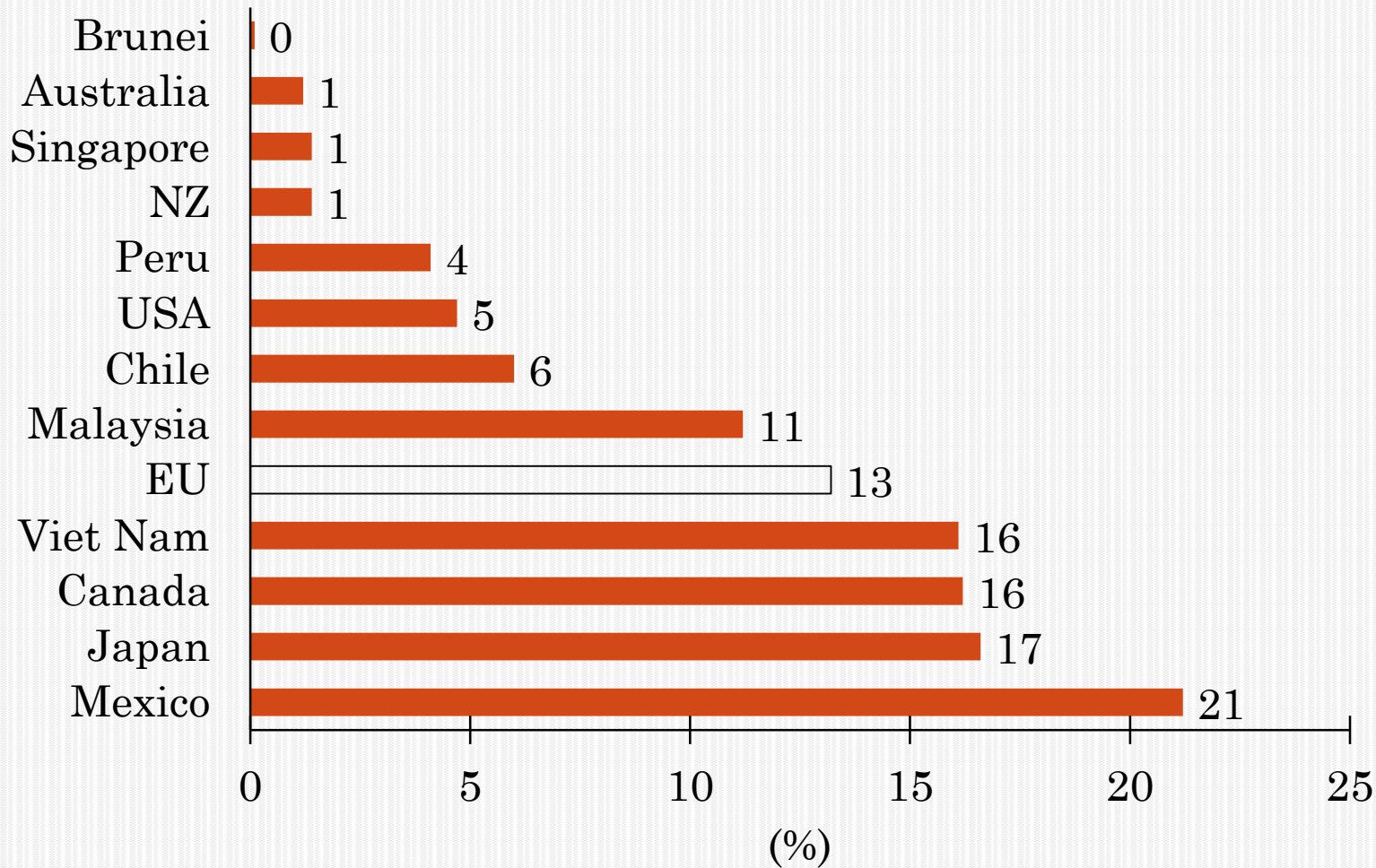


2013

- PM Abe (LDP) decided to join

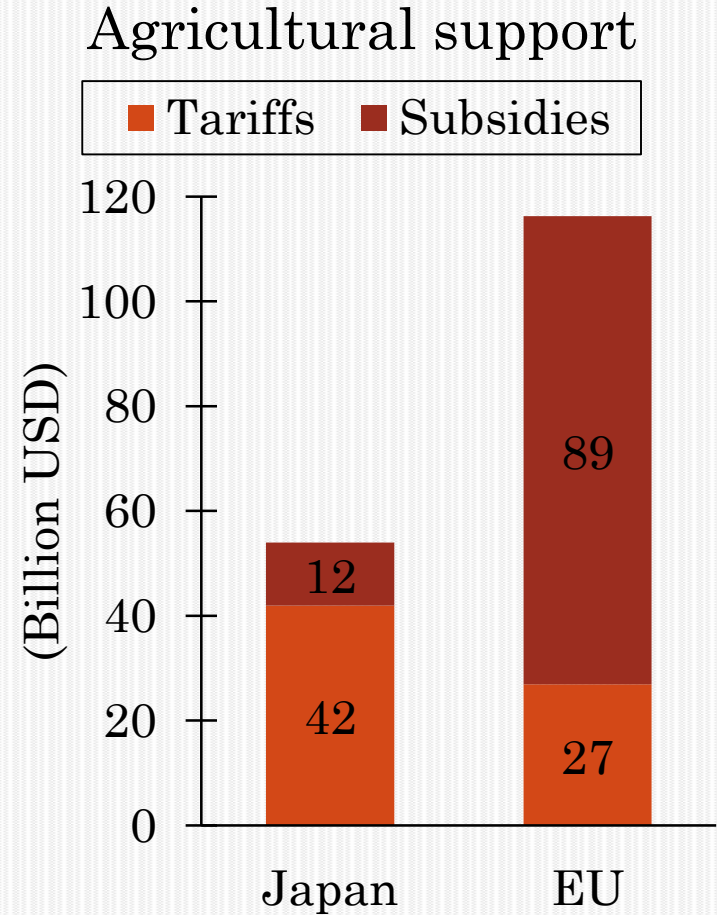
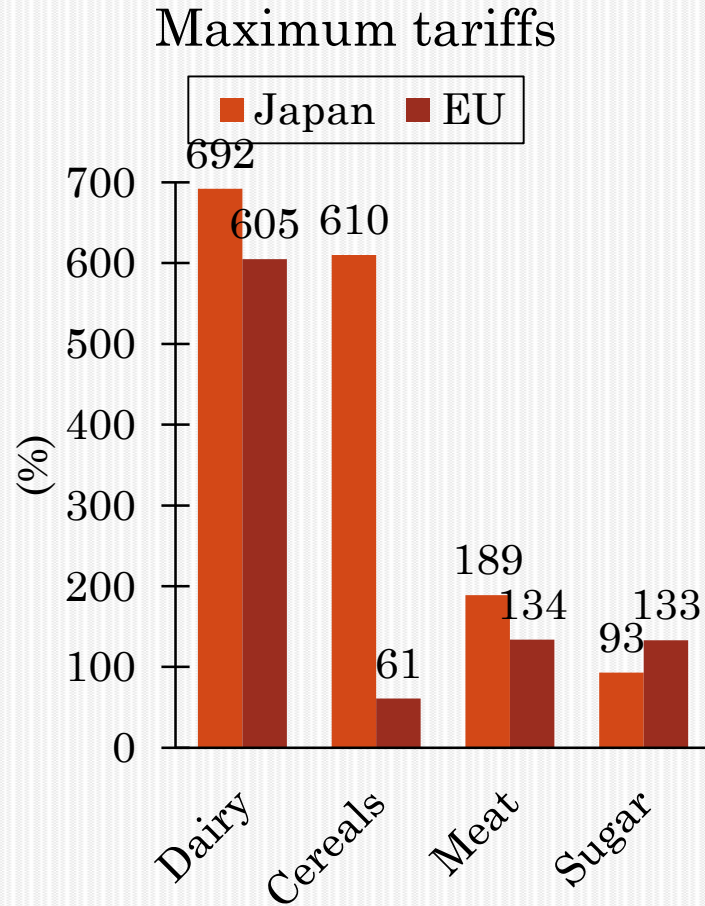


DEEPER LIBERALIZATION OF TRADE: AVERAGE AGRICULTURAL TARIFFS



Source: WTO *World Tariff Profile 2013*.

JAPAN DEPENDS MORE ON TARIFFS



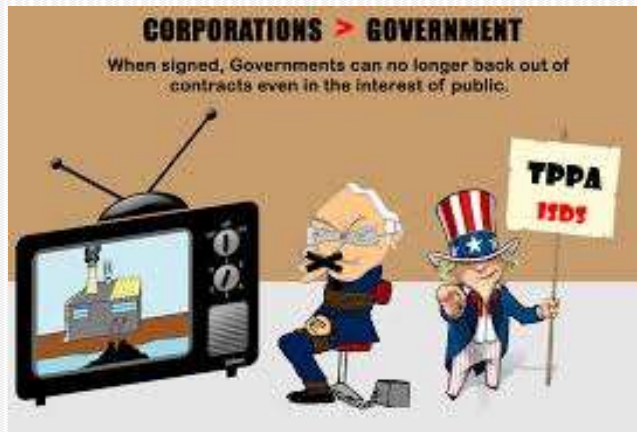
Source: WTO *World Tariff Profile 2013*.

Source: OECD *PSE/CSE database*.

DEEPER HARMONIZATION IN RULES: OTHER CONCERNS OVER TPP

Public health

- Food safety & GMO labelling
- National health service
- Intellectual property on medicine



Investor-State Dispute Settlement (ISDS)

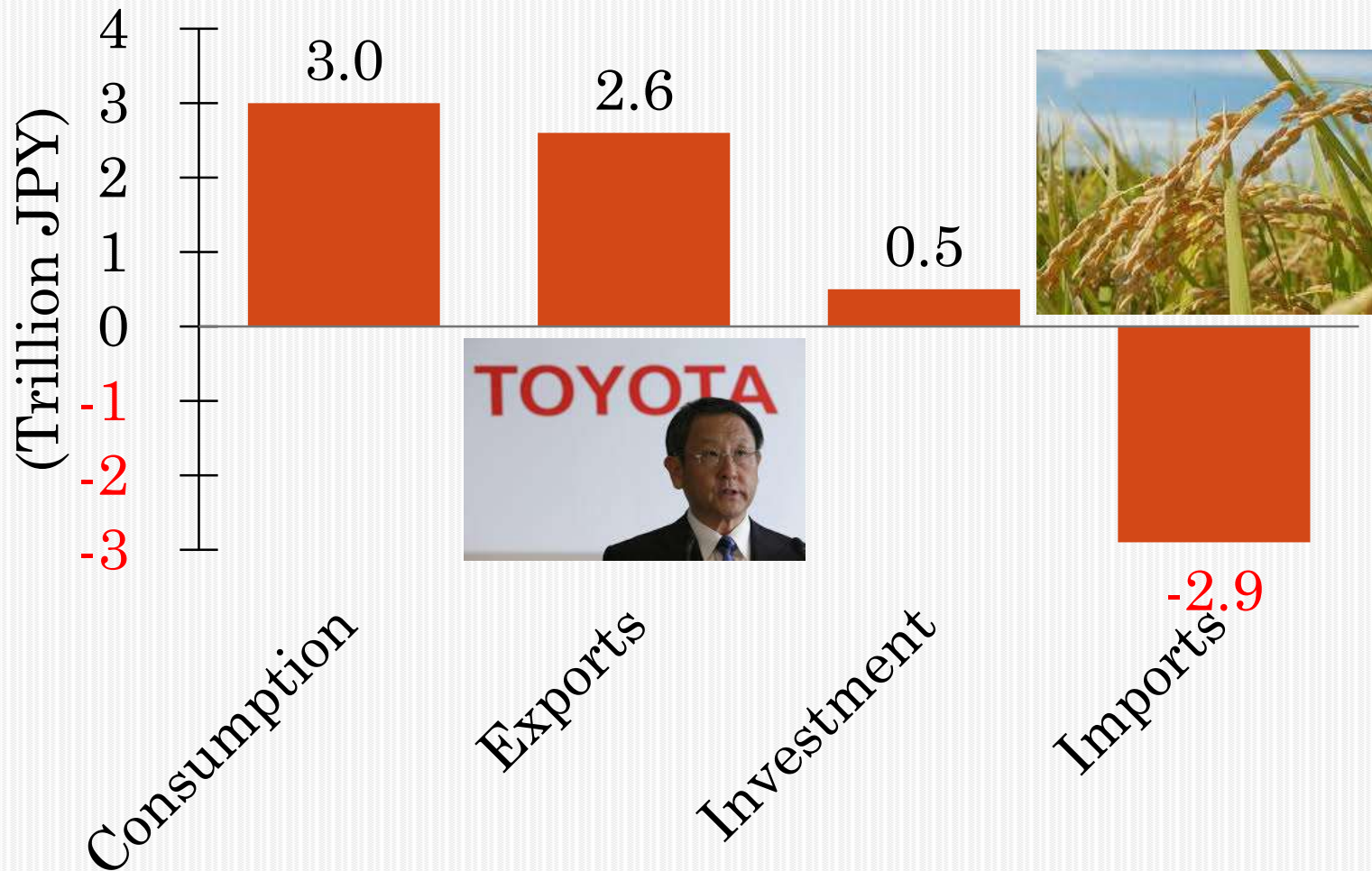
- Private firms can sue states for compensation
- ISDS is common in FTAs between developed and developing countries
- US firms abuse ISDS if included in TPP?



WHAT WILL BE THE IMPACTS OF TPP ON JAPANESE AGRICULTURE?

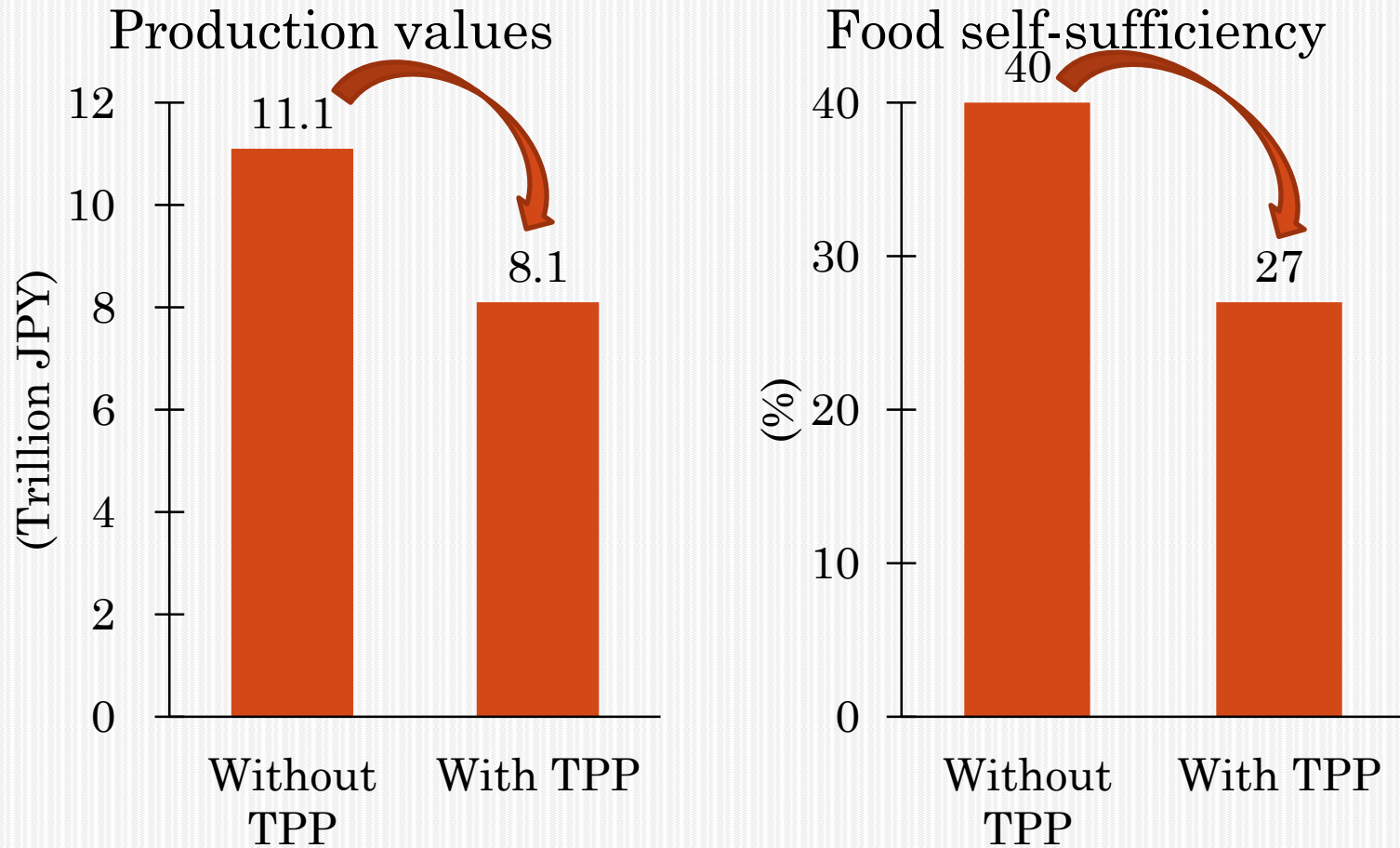
16

IMPACTS ON JAPANESE ECONOMY

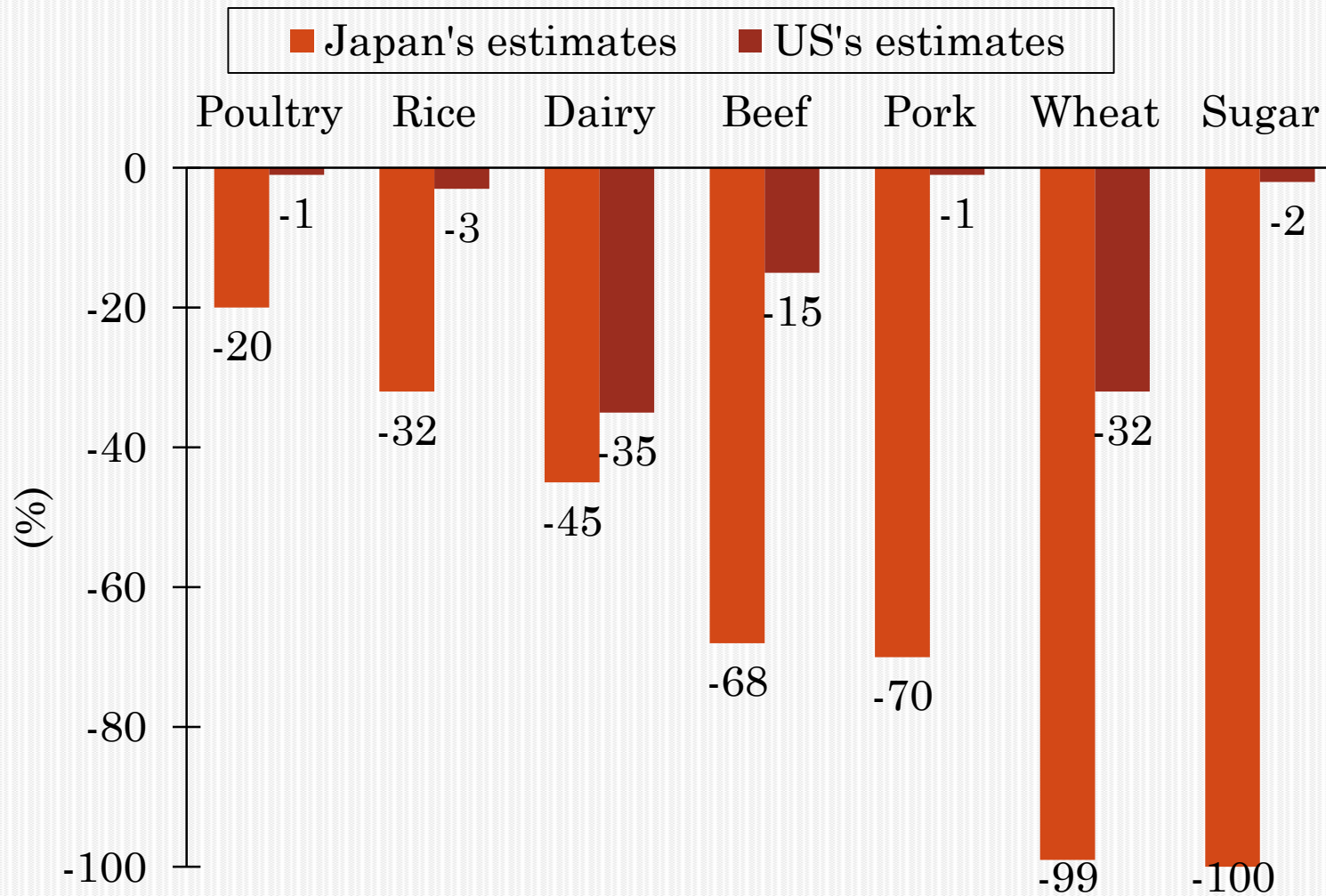


Source: Japanese Cabinet Secretariat (2013)

IMPACTS ON JAPANESE AGRICULTURE

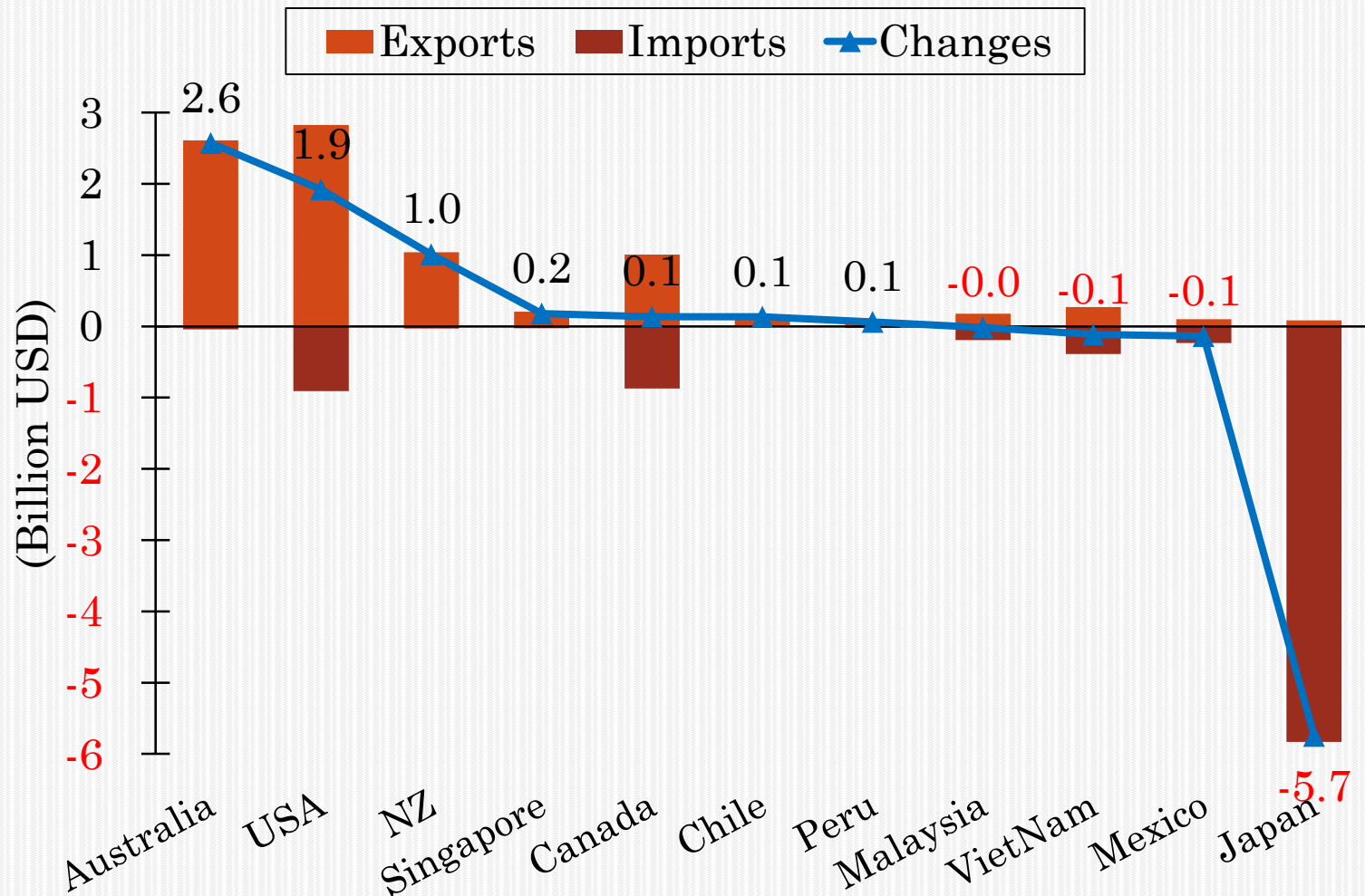


IMPACTS ON PRODUCTION QUANTITY: JAPAN VS. US ESTIMATES



Source: United States Department of Agriculture (2014)

IMPACTS ON TRADE VALUES



Source: United States Department of Agriculture (2014)

WHEN WILL TPP BE CONCLUDED?

SCHEDULE OF TPP NEGOTIATIONS



28 April 2015

- Japan-US Summit: Big progress in bilateral negotiations in meat and car



Mid May 2015

- US Congress passes Trade Promotion Authority (TPA) bill?



26-28 May 2015

- TPP Ministerial Meeting: Broad agreement?

CONCLUSIONS AND PROSPECTS

- ‘Mega-FTAs’ including TPP are spreading for fear of economic and political isolation.
- TPP sparks a big controversy in participating countries because of its ‘deeper liberalization and harmonization’.
- Likely tariff cuts mainly in meat under TPP may harm Japanese agriculture, but geo-politics vis-à-vis China is prevailing.
- TPP negotiations are very close to end, which will put strong pressure on TTIP and Japan-EU FTA.



**THANK YOU FOR YOUR
ATTENTION!**