

Established in April 2001, the mission of the Research Institute of Economy, Trade and Industry (RIETI) is to produce theoretical, analytical and empirical policy research and analysis. The Institute has seen a synergistic effect achieved by its proximity to and interaction with actual policymakers. The GTAP model simulation studies the impact of trade and investment liberalization and facilitation, which have been key considerations for trade policymakers in Japan and other Asian economies.

1. Research Issues

a) Japan's FTA/RTA in Asia and others

Japan, that had not joined any regional agreement until recently, started the negotiations for a bilateral and/or regional Free Trade Agreement (FTA). In January 2002, the "Japan-Singapore Economic Partnership Agreement (JSEPA)" was signed. Other efforts have been made with Mexico, Korea, and other Asian countries.

RIETI has provided the GTAP model studies on the impact of the FTAs between Japan and those countries and contributed to the discussions at the joint study group composed of enterprises, academia and officials in Japan and the partner country. Those were included and/or cited in the following reports, which were published prior to launching the bilateral negotiations.

Japan-Korea Free Trade Agreement: Joint Study Group Report, October 2, 2003

Japan-Thailand Economic Partnership Agreement Task Force Report, December 2003

Japan-Philippines Economic Partnership Agreement - Joint Coordinating Team Report, December 2003

Japan-Malaysia Economic Partnership Agreement - Joint Study Group Report, December 2003

b) APEC Trade and Investment Liberalization and Facilitation (TILF)

The Government of Japan research team in RIETI initiated the study on "The Impact of APEC Investment Liberalization and Facilitation," carried out under the APEC Economic Committee in 2002. A key element of this study was to quantify the investment barriers in APEC member economies based on a description of investment-area activities in the Individual Action Plan (IAP) of APEC.

The 2002 study recommended that IAPs be continually updated and improved. It was requested by the member economies that the periodic follow-up assessments of the anticipated impacts of APEC actions would be undertaken evaluating the state of investment liberalization and facilitation in the region. The work plan for following up the 2002 study was adopted by the APEC Economic Committee in August 2003. This review will be based on the undated IAPs 2003. The follow-up and updated study would be completed in 2005.

2. Publications

Kenichi Kawasaki (2003), "The Impact of Free Trade Agreements in Asia", RIETI Discussion Paper Series 03-E-18, Research Institute of Economy, Trade and Industry, September 2003

Kenichi Kawasaki (2004a), “The Impact of Kyoto Protocol on the Japanese Economy”, Chapter 5 in Economic Policy Review 10: Reexamination of the Global Warming Issues, Akihiro Sawa and Soichiro Seki Eds., TOYOKEIZAISHINPOSYA, February 2004 (in Japanese)

Kenichi Kawasaki (2004b), “The Impact of Japanese Economic Cooperation on Asian Economic Development”, Review of Urban & Regional Development Studies Vol. 16, No. 1, pp. 14-32, Blackwell Publishing, March 2004