

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.

Research Issues

APEC Trade and Investment Liberalization and Facilitation (TILF)

The study “The Impact of APEC Investment Liberalization and Facilitation,” which was published in the Korea and Japan joint study on TILF in 2002 (chapter three), was adopted by the APEC Economic Committee (EC) last August and published by the APEC Secretariat last October. It was initiated by the Government of Japan research team in RIETI.

A key element of this study was to quantify the investment barriers in APEC member economies. This was the first attempt to quantify investment barriers based on a description of investment-area activities in the Individual Action Plan (IAP) of APEC member economies, which is crucial to show the state of progress made in APEC toward the goals announced at Bogor.

The 2002 study recommended that IAPs be continually updated and improved. It was requested at the APEC Investment Expert Group (IEG) meeting in February 2003 that this study be followed up and updated. The work plan for following up on this study is under consideration by the APEC EC.

Japan’s FTA/RTA in Asia and others

In January 2002, the Ministry of Economy, Trade and Industry (METI) established a research committee on regional economic integration. RIETI plays the role of coordinator for the modeling studies. GTAP model simulations of the impact of FTAs between Japan and other countries were presented at several occasions.

Those include: the final report of the Japan – Mexico Joint Study Group on the strengthening of bilateral economic relations in July 2002; and the first Japan – Korea Joint Study Group in July 2002. In addition, the impact of an FTA between Japan and certain ASEAN countries are being analyzed internally within METI.

Publications

APEC (2002), *The Benefits of Trade and Investment Liberalization and Facilitation in APEC*, APEC Economic Committee, APEC Secretariat, Singapore, October 2002

Kenichi Kawasaki (2003), “WTO and Free Trade Area in Asia”, Chapter 7 in *Japan’s Trade Policy and WTO*, Kazumasa Iwata ed., NIHONKEIZAISHINBUNSYA, Tokyo, April 2003 (in Japanese)

