

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11 Agreement)

Background

- An agreement to realize the contents of the Trans-Pacific Partnership (TPP) Agreement except some of its provisions among original participating countries other than the U.S. ,which has declared its withdrawal from the agreement.
- Maintains the high standard of TPP agreement with limited of suspended provisions.

【Chronology】

Mar. 2010	TPP negotiations commenced (initially by 8 countries)	Economic Leaders Meeting in November.
Jul. 2013	Japan joined the negotiations	Jul.-Nov. TPP11 Senior Officials Meeting (held 4 times; Hakone, JP; Sydney, AU; Takanawa, JP; Maihama, JP)
Feb. 2016	TPP12 was signed (at Auckland, New Zealand)	Nov. 8-10 TPP11 Ministerial Meeting (Da Nang, Viet Nam)
2017		→ 11 Ministers reached an agreement in principle on the package including the new legal instrument and the suspension list
Jan. 20	Japan notified the Depository (New Zealand) of the completion of its domestic procedures	
Jan. 23	President Trump signed Presidential Memorandum regarding withdrawal of US from the TPP	2018
Mar. 14-15	TPP11 Ministerial Meeting (Chile)	Jan. 23 Senior Officials Meeting (Shinjuku, Japan) → 11 countries finalized the negotiations.
May 21	TPP11 Ministerial Meeting (Hanoi, Viet Nam)	Mar. 8 Signing Ceremony of TPP11 (Santiago, Chile)
→ Ministers agreed to launch a process to assess options to bring TPP into force expeditiously and to complete it before the APEC		Jul. 6 Japan notified the depository (New Zealand) of the completion of domestic procedures

Participating countries

- Japan
- Australia
- Brunei
- Canada
- Chile
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Viet Nam

Total population

About 500 million

Total GDP

About 10 trillion USD

Total amount of trade

About 5 trillion USD

Source: World Bank (Figures : 2015/2016)

Contents of TPP11 Agreement (7 Articles)

- Article 1: Incorporation of the TPP Agreement**
- Article 2: Suspension of the Application of Certain Provisions**
→ 22 items are suspended (11 items are related to intellectual property)
- Article 3: Entry into Force**
(at least 6 countries' completion of domestic procedures)
- Article 4: Withdrawal**
- Article 5: Accession**
- Article 6: Review of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership**
- Article 7: Authentic Texts**
(English, Spanish and French)

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Necessity of early conclusion

- **Among the 11 member countries of the TPP, realize the TPP Agreement which will promote liberalization and facilitation of trade in goods and services and investment, and establish new rules in a wide range of areas.**
- **Incorporate overseas growing markets, and contribute to the Growth Strategy 2017**
 - Real GDP increases for Japan: about 1.5% (approximately 8 trillion JPY based on GDP in FY2016)
 - Increase in labor supply: about 0.7% (approximately +460 thousand people)
- **Amid the increasing tendency of protectionism in the world, it is an important step to establish free and fair 21st-century rules and a positive message towards the U.S. as well as other Asia Pacific economies**

【“21st –century rules” (typical examples)】

<Investment>

Rules to prohibit Parties from requiring the investors of the other Parties to transfer particular technology (or other proprietary knowledge).

<Trade Facilitation>

Rules to specify rules of customs procedures related to express shipments (to be released within six hours after submission of necessary documents)

<Electronic Commerce>

Rules to secure cross-border transfer of information by electronic means.

Rules to prohibit Parties from imposing customs duties on electronic transmissions, requiring the transfer of source code of software (i.e. design drawing of software) or requesting localization of computing facilities.

<State Owned Enterprises>

Rules to prohibit Parties from causing adverse effects to the interests of another Party through the use of non-commercial assistance.

<Intellectual Property>

Rules to impose a strict discipline on imitation or counterfeit goods.

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List of Suspended Provisions

1. Express Shipments – Article 5.7.1(f) - suspend second sentence
2. Investment Agreement and Investment Authorisation (ISDS applies to these)
3. Express Delivery Services – Annex 10-B - suspend paragraph 5 and 6
4. Minimum Standard of Treatment in Article 11.2 – suspend sub-paragraph 2(b); footnote 3 and Annex 11-E
5. Resolution of Telecommunications Disputes - Article 13.21.1(d)
6. Conditions for Participation - Article 15.8.5 - Commitments relating to labour rights in conditions for participation
7. Further Negotiations - Article 15.24.2 - suspend “No later than three years after the date of entry into force of this Agreement” *
8. National Treatment - Article 18.8 footnote 4 – suspend last two sentences
9. Patentable Subject Matter - Article 18.37.2 and 18.37.4 (Second Sentence)
10. Patent Term Adjustment for Unreasonable Granting Authority Delays - Article 18.46
11. Patent Term Adjustment for Unreasonable Curtailment – Article 18.48
12. Protection of Undisclosed Test or Other Data- Article 18.50
13. Biologics - Article 18.51
14. Term of Protection for Copyright and Related Rights - Article 18.63
15. Technological Protection Measures (TPMs) - Article 18.68
16. Rights Management Information (RMI) - Article 18.69
17. Protection of Encrypted Program-Carrying Satellite and Cable Signals - Article 18.79
18. Legal Remedies and Safe Harbours - Article 18.82 and Annexes 18-E and 18-F
19. Conservation and Trade (measures ‘to combat’ trade) - Article 20.17.5 – suspend “or another applicable law” and footnote 26
20. Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices - suspend Annex 26A - Article 3 on Procedural Fairness
21. Annex II Schedule of Brunei Darussalam – 14 – paragraph 3: the phrase “after the signature of this Agreement” suspended
22. Annex IV Schedule of Malaysia – 3 and 4 – Scope of Non-Conforming Activities: all references to the phrase “after signature of this Agreement” suspended

* footnote: *The Parties agree that negotiations referred to in Article 15.24.2 shall commence no earlier than five years after entry into force of this Agreement, unless the Parties agree otherwise. Such negotiations shall commence at the request of a Party.*