
FTAs/EPAs in Relation to Corporate Business Activities

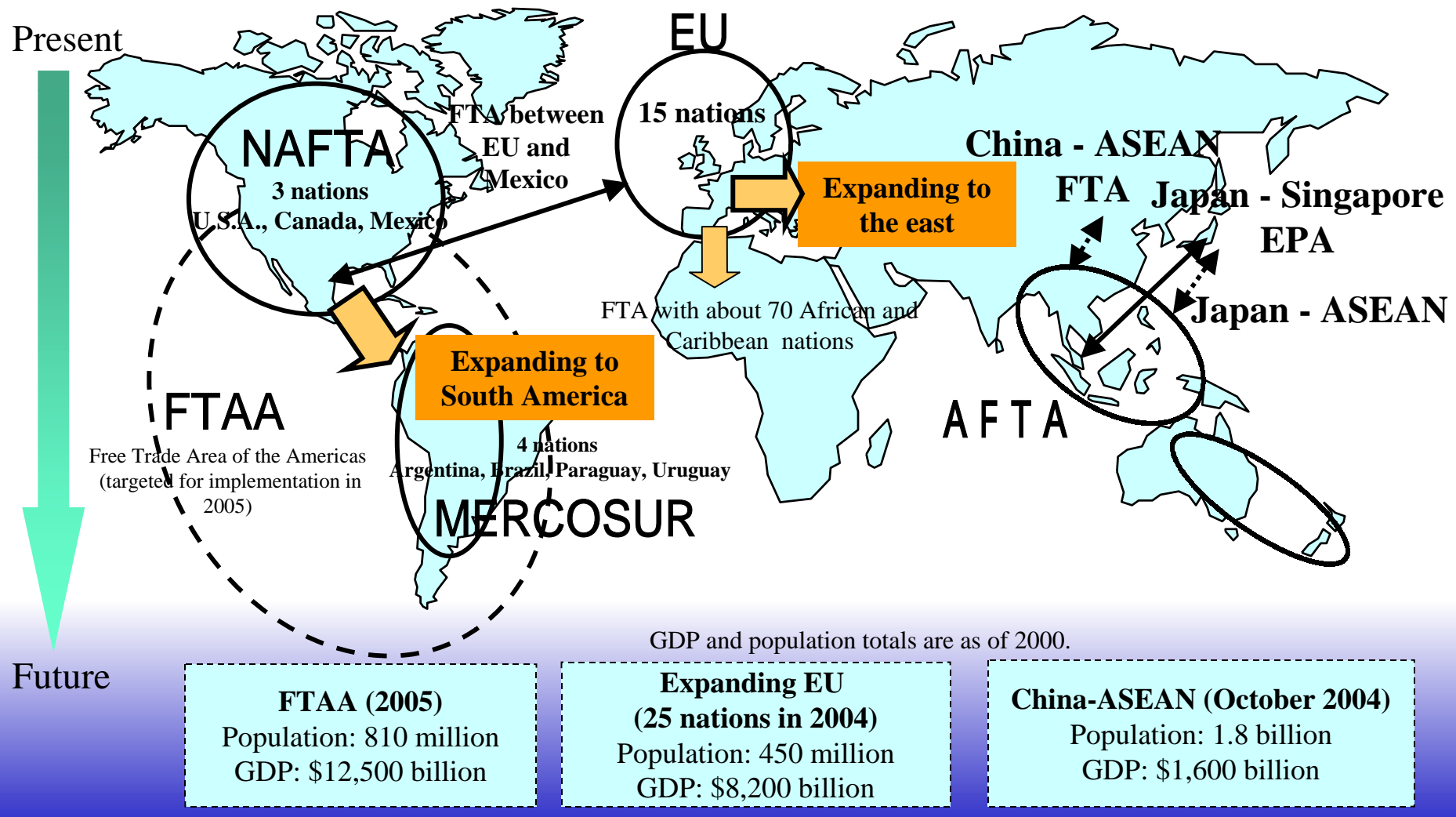
May 16, 2003

Yukio Shotoku

Managing Director, Overseas Business

Matsushita Electric Industrial Co., Ltd.

1. Present Condition of FTAs and their Future among Regional Economic Blocs

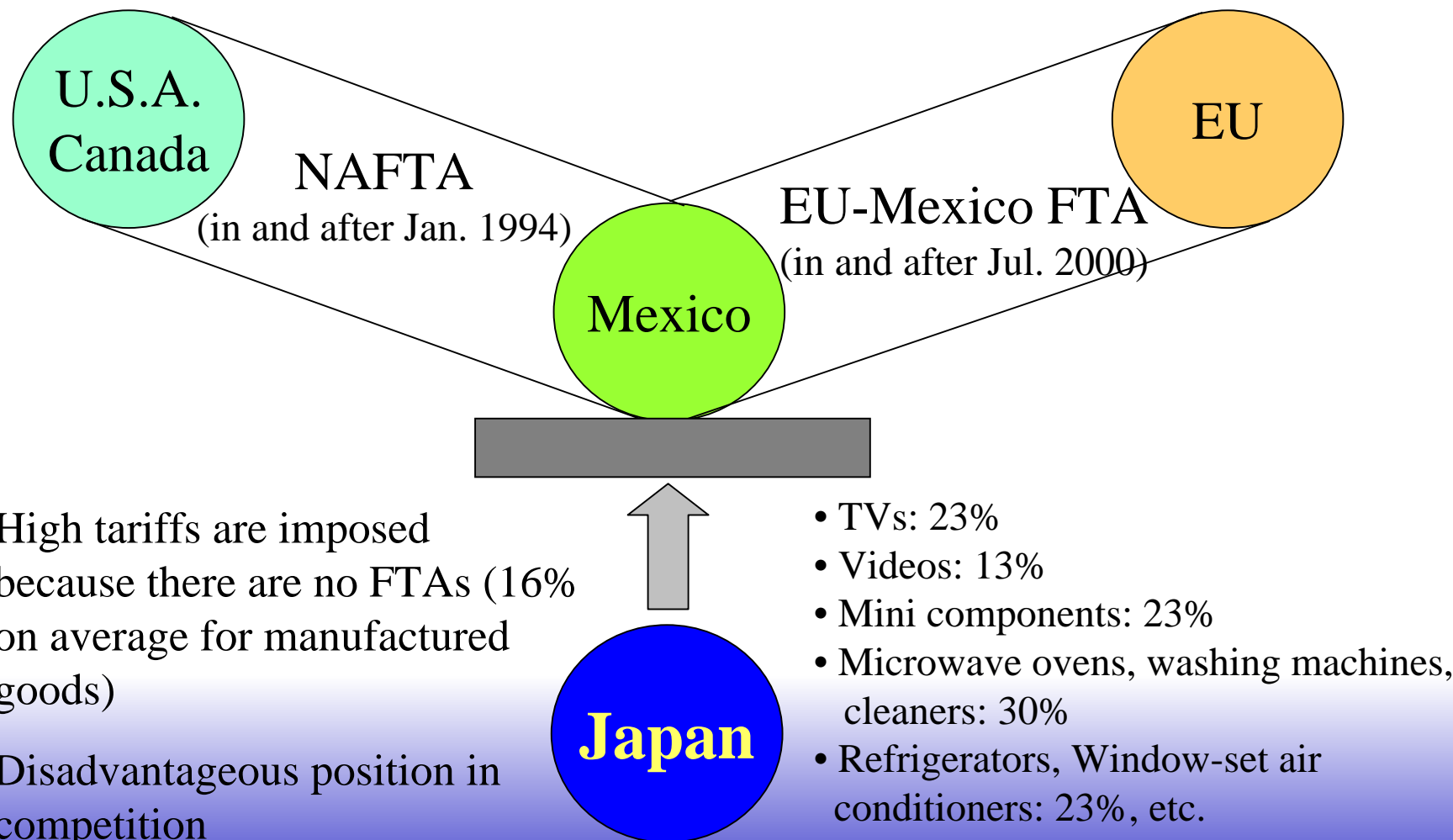


2. Development of Overseas Production

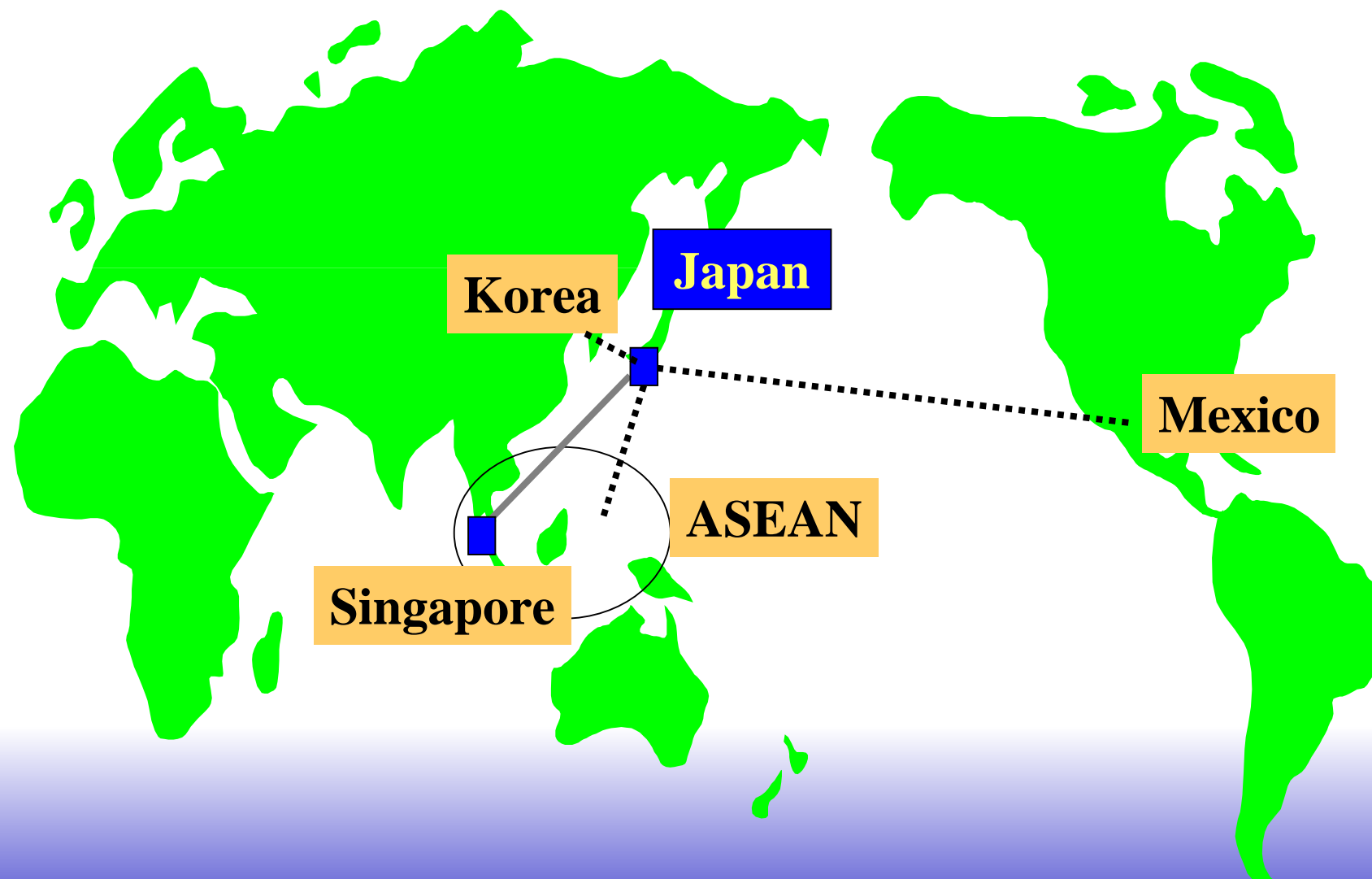
Facilities by Japanese Companies and FTAs

Time	Strategy	Background
1960s	Asian market "insiderization" strategy	<ul style="list-style-type: none"> • High tariff barriers in Asian countries • Local requests
1970s	Asian market development strategy	<ul style="list-style-type: none"> • Trend of rapid appreciation of the Japanese yen • Pursuit for low mass production cost
1980s	Consumption (Europe and the U.S.) market production strategy	<ul style="list-style-type: none"> • Trade friction with Western countries • Trend of appreciation of the Japanese yen after the Plaza Accord
1990s	(1) Establishment and expansion of local production facilities in each Regional Economic Bloc (2) Joint venture strategy in China	<ul style="list-style-type: none"> • EU and NAFTA came into effect. • AFTA accelerated • Growing Chinese economy and local industries

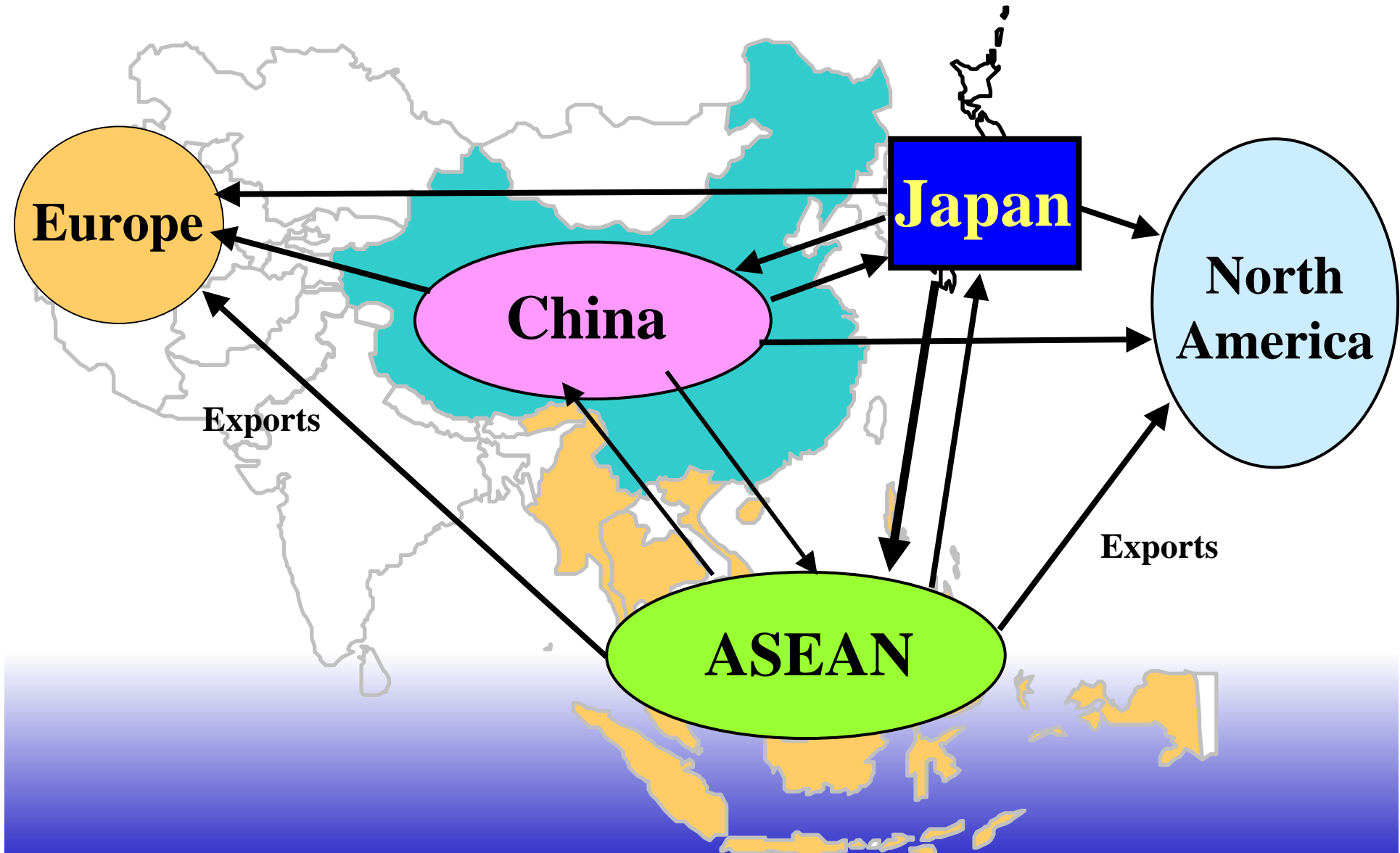
3. Disadvantages of Not Utilizing FTAs



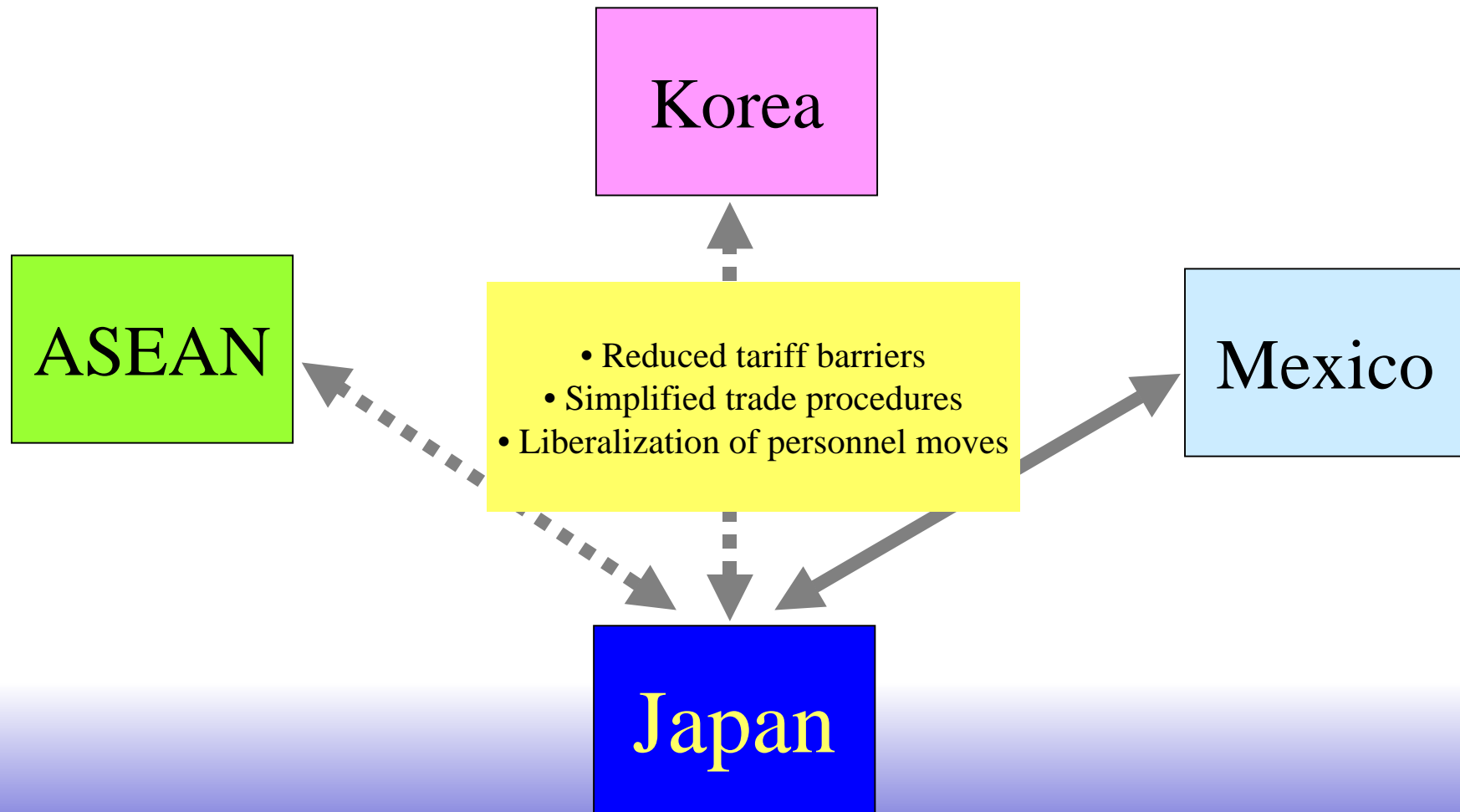
4. Japanese FTA Policy



5. Network of Divisions of Work



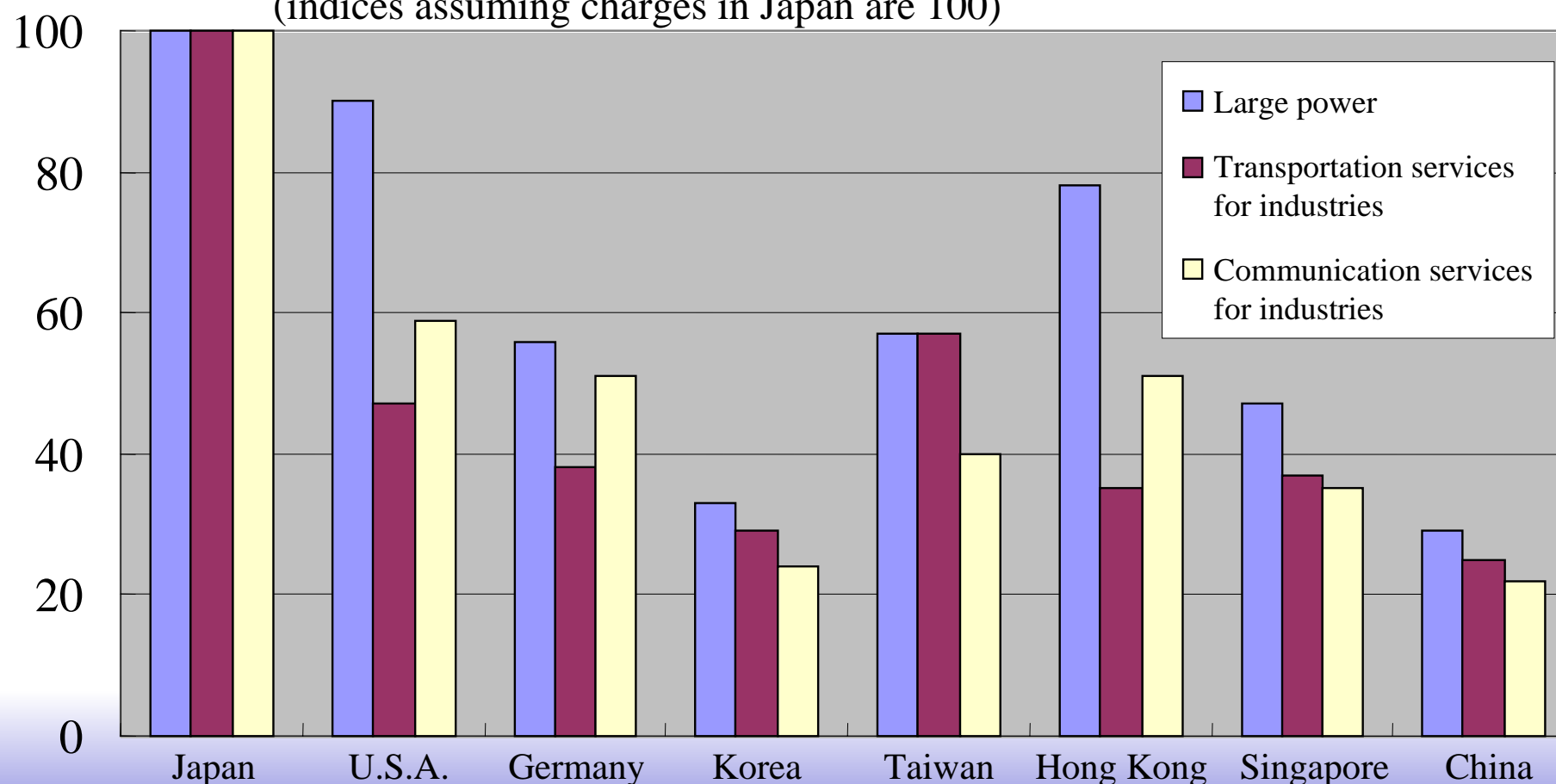
6. *Effects of FTAs*



Development of advanced technologies and creation of new businesses

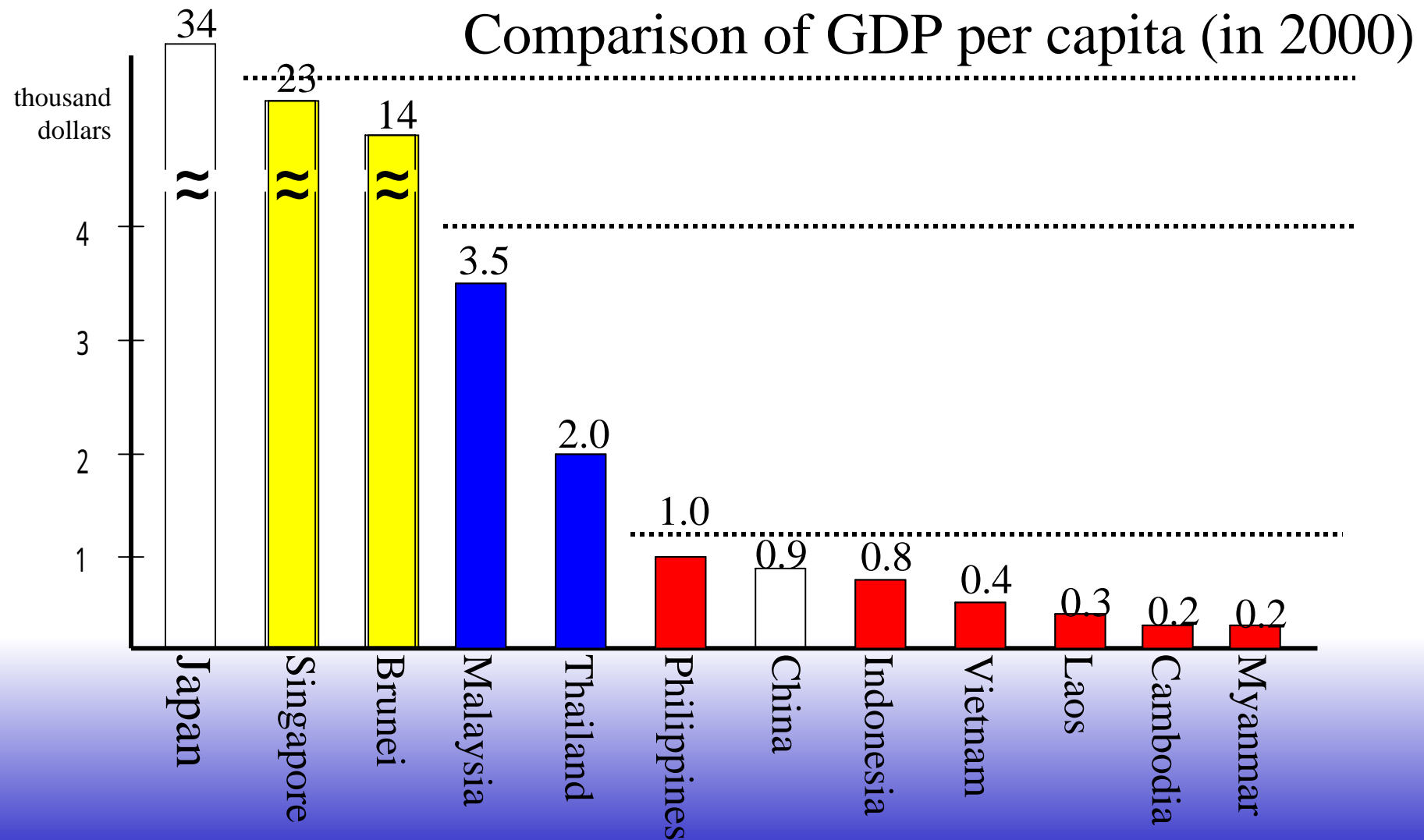
7. *Correction of High Costs in Japan*

International Comparison of Infrastructure Service Charges
(indices assuming charges in Japan are 100)

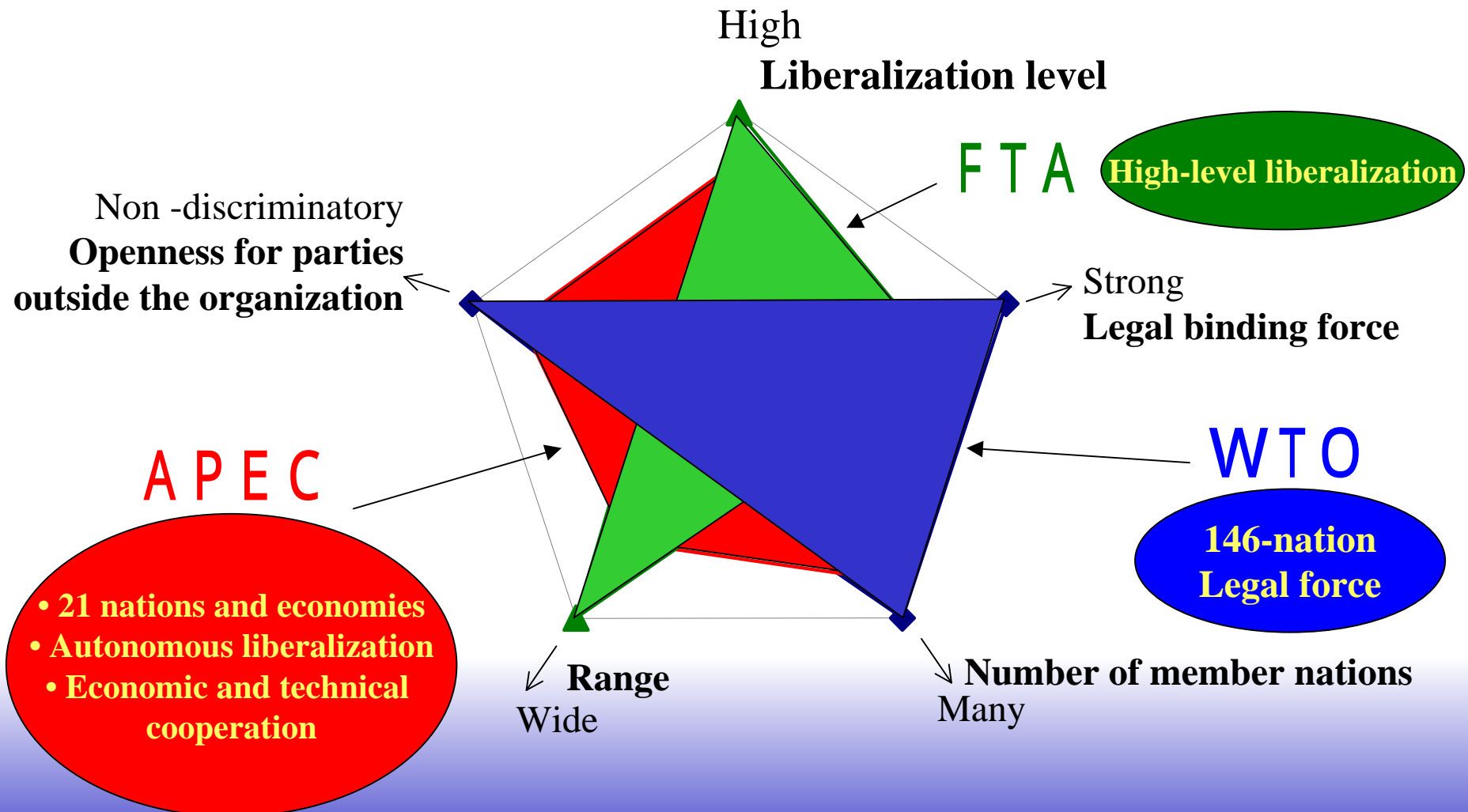


Source: Ministry of Economy, Trade and Industry

8. *Necessity for Various FTAs*



9. Mutual Complement of APEC, FTA, and WTO





End