

ANNEXES

Recent Estimation on Impacts of FTAs between Japan and Mexico

○ Research Institute of Economy, Trade and Industry (Dr. Kawasaki)

: Impacts of tariff reduction by Japan-Mexico FTA

(Using GTAP ver.5, effects of capital accumulation / movements and pro-competitive effect of imports are considered; (unit: million US dollars))

	<u>Japan</u>	<u>Mexico</u>
• Export	+ 637.4 (+0.13%)	+1939.4 (+1.68%)
• Import	+ 1092.9 (+0.26%)	+1733.2 (+1.70%)
• Real GDP	+ 0.03%	+ 1.08%
• Capital Stock	+ 0.05%	+ 1.40%

○ Japan Center for Economic Research (2001)

: Impacts of tariff reduction by Japan-Mexico FTA and Japan-Singapore FTA¹

(Using GTAP ver.4, effects of technological spillover, FDI and movement of skilled labor are considered)

	<u>Japan</u>	<u>Mexico</u>
• Real GDP	+ 0.10%	+ 4.20%
• National Income	+ 0.21%	+ 5.36%

(N.B. as for the case of Japan-Singapore FTA, it estimates 0.07% increase of Japan's real GDP and 0.08% increase of its national income)

¹ The results for Japan consider tariff reductions with both Singapore and Mexico. The results for Mexico consider only tariff reduction with Japan

(Table 1 of I. Trade in Goods)

Coverage, Liberalization Rates of Trade in Goods

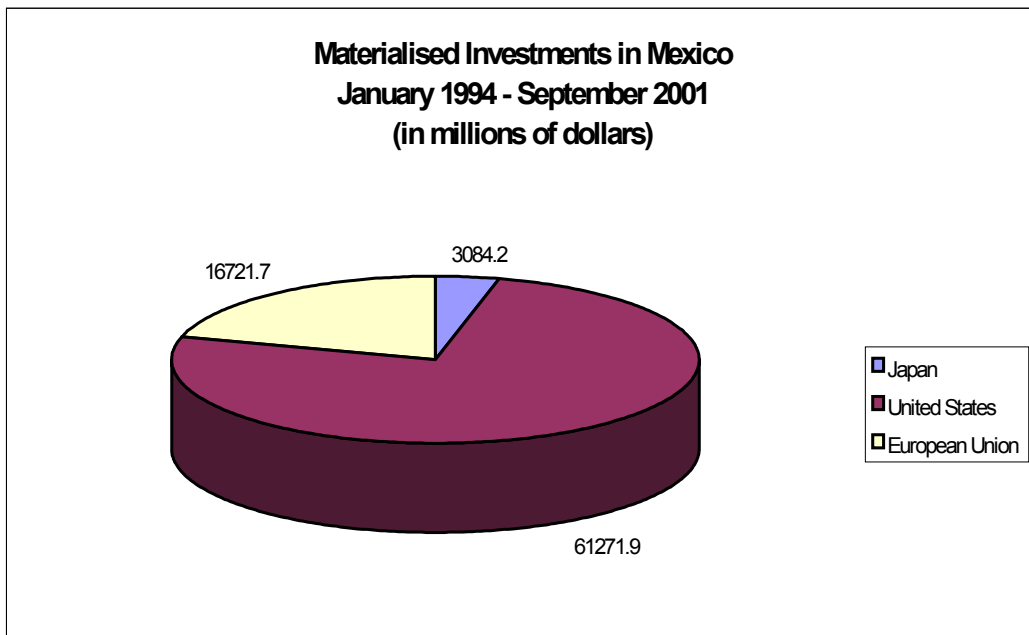
(Figures)

Agreement	1. NAFTA	2. MEXICO • EU FTA	3. JAPAN — SINGAPORE EPA
Share of duty-free	USA → MEX • CAN : 99%	MEX → EU : 97.6%	JPN → SIN : 100%
	MEX → USA 99% • CAN : 100%	EU → MEX : 96.8%	SIN → JPN : 93.8%
	CAN → USA • MEX : 99%		
Total	99%	97.1%	98.5%

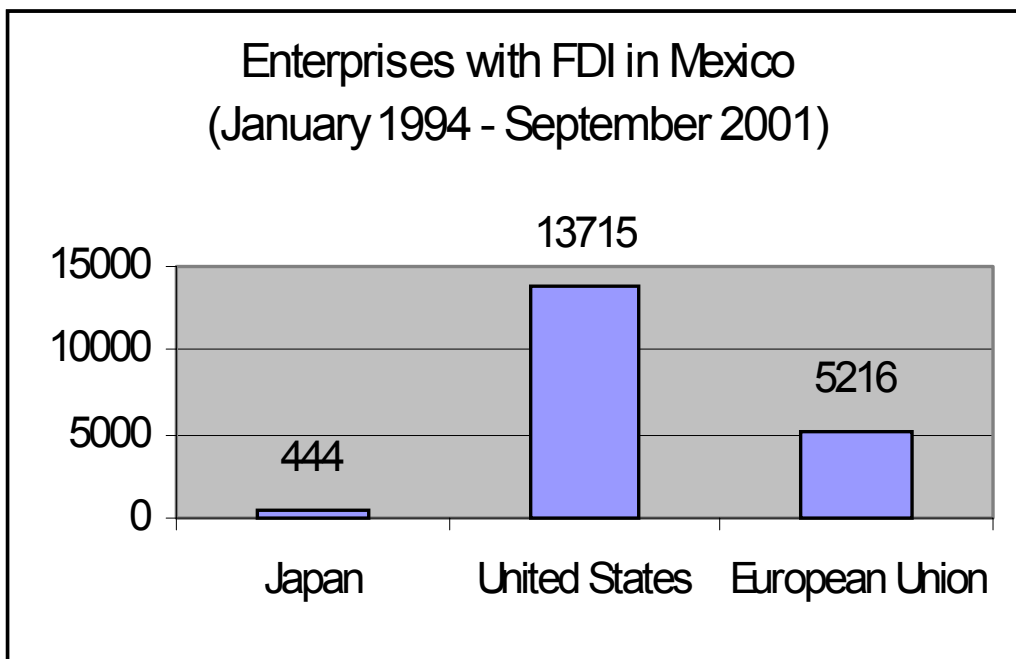
(1) The figures 1. and 2. are the ones which were notified to WTO-CRTA from each FTA member country.
The figures in 3. are the figures calculated by Japan's side.

(2) The figures are the ones to be finally achieved after various transitory measures such as staging have been implemented.

(Graphs of V. Investment, paragraph 2.)



Graph 1



Graph 2

APPENDIX : STATISTICS

● Evolution of Trade

According to Mexican statistics, Japan is Mexico's most important trading partner after the United States and the European Union. In 2000, total bilateral trade between Mexico and Japan amounted to US \$7.4 billion dollars, almost 61% more than in 1993 and 26.5% more than 1999. According to Japanese statistics, trade volume between these two countries totaled ¥730 billion in 2001, an increase of 30% over 1993 and a decline of 11% from 2000.

i) Growth of the trade flows between Mexico and Japan.
(Statistics of Mexico)

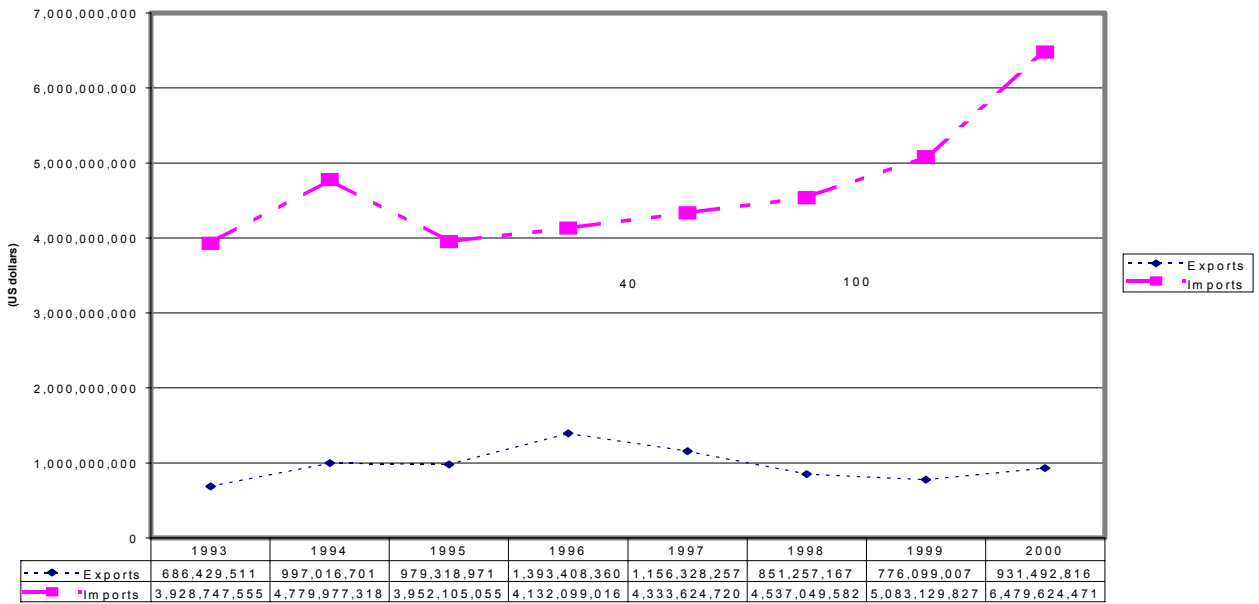
Table 1: Trade balance between Mexico and Japan

<i>(U.S. Dollars)</i>							
Year	EXPORTS	GROWTH PERCENTAGE	IMPORTS	GROWTH PERCENTAGE	TRADE BALANCE	GROWTH PERCENTAGE	TOTAL TRADE
1993	686,429,511	0.0	3,928,747,555	0.0	-3,242,318,044		4,615,177,066
1994	997,016,701	45.2	4,779,977,318	21.7	-3,782,960,617	16.67	5,776,994,019
1995	979,318,971	-1.8	3,952,105,055	-17.3	-2,972,786,084	-21.42	4,931,424,026
1996	1,393,408,360	42.3	4,132,099,016	4.6	-2,738,690,656	-7.87	5,525,507,376
1997	1,156,328,257	-17.0	4,333,624,720	4.9	-3,177,296,463	16.02	5,489,952,977
1998	851,257,167	-26.4	4,537,049,582	4.7	-3,685,792,415	16.00	5,388,306,749
1999	776,099,007	-8.8	5,083,129,827	12.0	-4,307,030,820	16.85	5,859,228,834
2000	931,492,816	20.0	6,479,624,471	27.5	-5,548,131,655	28.82	7,411,117,287
2000 1/	853,876,841		5,888,547,291		-5,034,670,450		6,742,424,132
2001 1/	579,659,916	-32.1	7,310,461,994	24.1	-6,730,802,078	33.69	7,890,121,910

Source: Ministry of Economy with data of the Bank of Mexico.

1/ Data from January to November.

Graph 1: Trade between Mexico and Japan
 Source: Ministry of the Economy with data of the Bank of Mexico



(Statistics of Japan)

Table 2: Trade balance between Japan and Mexico

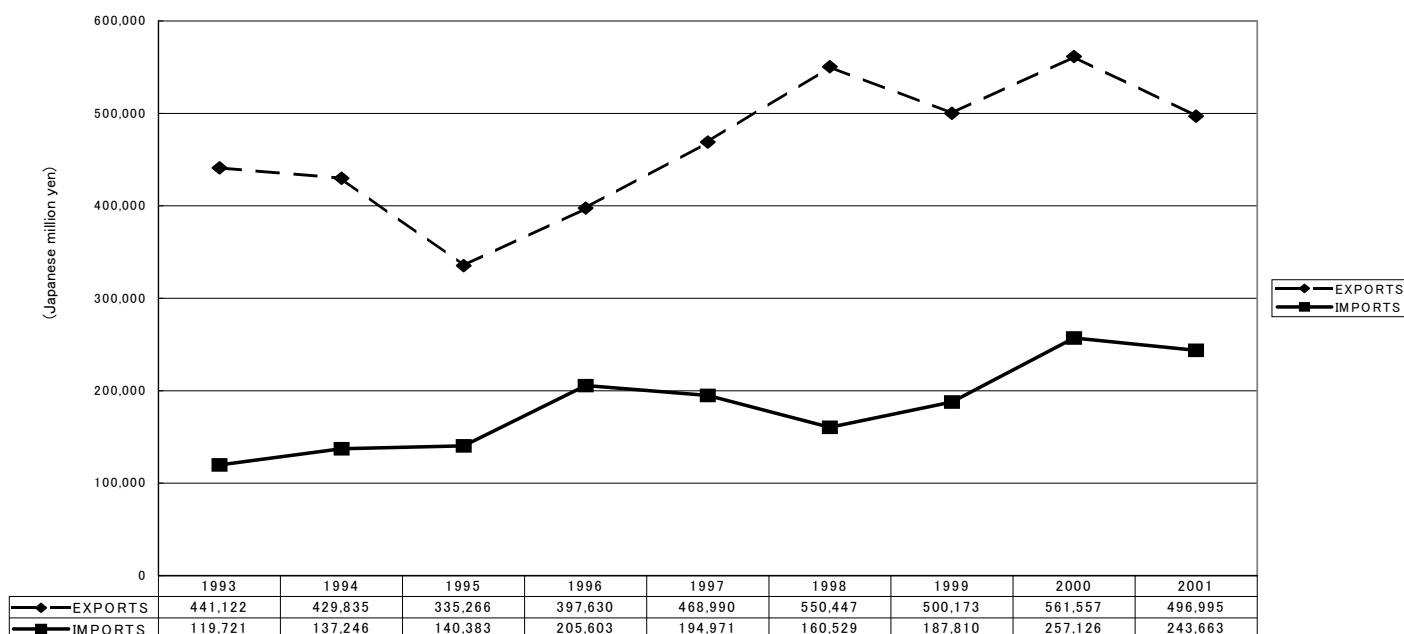
(Unit: Japanese million yen)

Year	EXPORTS	GROWTH PERCENTAGE	IMPORTS	GROWTH PERCENTAGE	TRADE BALANCE	GROWTH PERCENTAGE	TOTAL TRADE	GROWTH PERCENTAGE
1993	441,122	-8.6%	119,721	-24.3%	321,401	-0.9%	560,843	-12.4%
1994	429,835	-2.6%	137,246	14.6%	292,589	-9.0%	567,082	1.1%
1995	335,266	-22.0%	140,383	2.3%	194,883	-33.4%	475,649	-16.1%
1996	397,630	18.6%	205,603	46.5%	192,027	-1.5%	603,233	26.8%
1997	468,990	17.9%	194,971	-5.2%	274,019	42.7%	663,961	10.1%
1998	550,447	17.4%	160,529	-17.7%	389,919	42.3%	710,976	7.1%
1999	500,173	-9.1%	187,810	17.0%	312,364	-19.9%	687,983	-3.2%
2000	561,557	12.3%	257,126	36.9%	304,431	-2.5%	818,682	19.0%
2001	496,995	-11.5%	243,663	-5.2%	253,332	-16.8%	740,658	-9.5%
2000 1/	511,680		237,055		274,625		748,734	
2001 1/	447,893	-12.5%	225,557	-4.9%	222,336	-19.0%	673,449	-10.1%

Source: Ministry of Finance, Japan

1/ Data from January to November

Graph 2 : Trade between Japan and Mexico
Source: Ministry of Finance, Japan



iii) Main export and import products (Statistics of Mexico)

- Main imports to Mexico from Japan (See ANNEX I)
- Main exports from Mexico to Japan (See ANNEX II)

(Statistics of Japan)

- Main imports to Japan from Mexico (See ANNEX III)
- Main exports from Japan to Mexico (See ANNEX IV)

● Bilateral Trade in Comparison with Trade with other Countries

Japan is Mexico's third most important supplier, after the United States and the European Union. During 2000, Mexican imports from Japan reached US \$6.4 billion dollars, almost 65% more than in 1993.

In 2001, Mexico was the 20th most important destination for Japanese export and the 33rd source of Japanese import.

Japan's import from Mexico amounted to ¥243.7 billion and Japan's export to Mexico totaled ¥497 billion. Compared to figures of 1993, the export grew by 12.7% and the import by 103.5%.

i) Share of Mexican imports from Japan

Table 3

Evolution of Mexican Imports from Japan in relation to the Mexican Imports from the rest of the world
(US dollars)

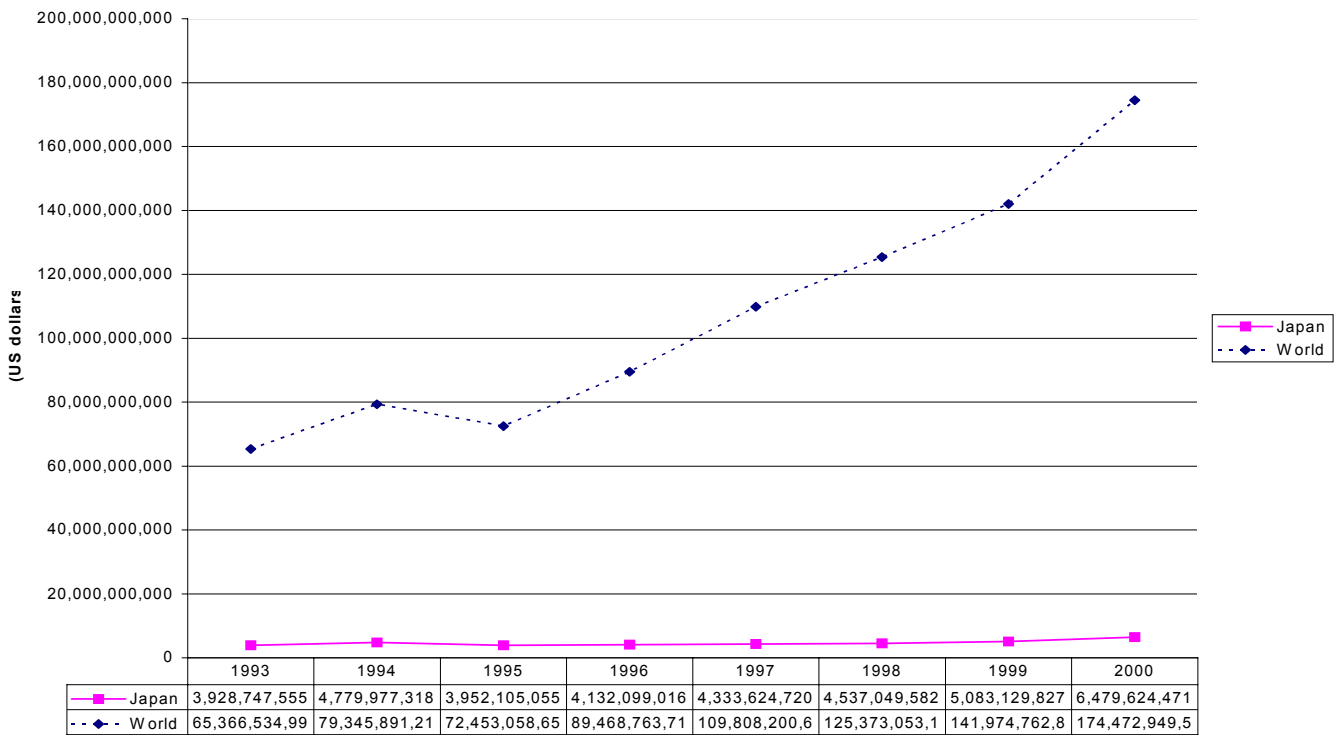
	1993		1994		1995		1996		1997		1998		1999		2000		2001		2001/1	
	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%
World	65,366,534,99	100	79,345,891,21	100	72,453,058,65	100	89,468,763,71	100	109,808,200,62	100	125,373,053,18	100	141,974,762,86	100	174,472,949,58	100	189,397,310,98	100	164,878,058,25	
Japan	3,928,747,55	6	4,779,977,31	6	3,952,105,05	5	4,132,099,01	5	4,333,624,72	4	4,537,049,58	4	5,083,129,82	4	6,479,624,47	4	5,888,547,29	4	7,310,461,99	

Source: Ministry of Economy with data of the Bank of Mexico

1/ Data from January to November

Graph 3: Mexican imports from Japan and from the rest of the World

Source: Ministry of the Economy with data of the Bank of Mexico



ii) Share of Japanese imports from Mexico

Table 4

Japanese imports from Mexico in relation to the Japanese imports from the world
(Japanese million yen)

	1993		1994		1995		1996		1997		1998	
	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%
World	26,826,357	100	28,104,327	100	31,548,754	100	37,993,421	100	40,956,183	100	36,653,647	100
Mexico	119,721	0.45	137,246	0.49	140,383	0.44	205,603	0.54	194,971	0.48	160,529	0.44

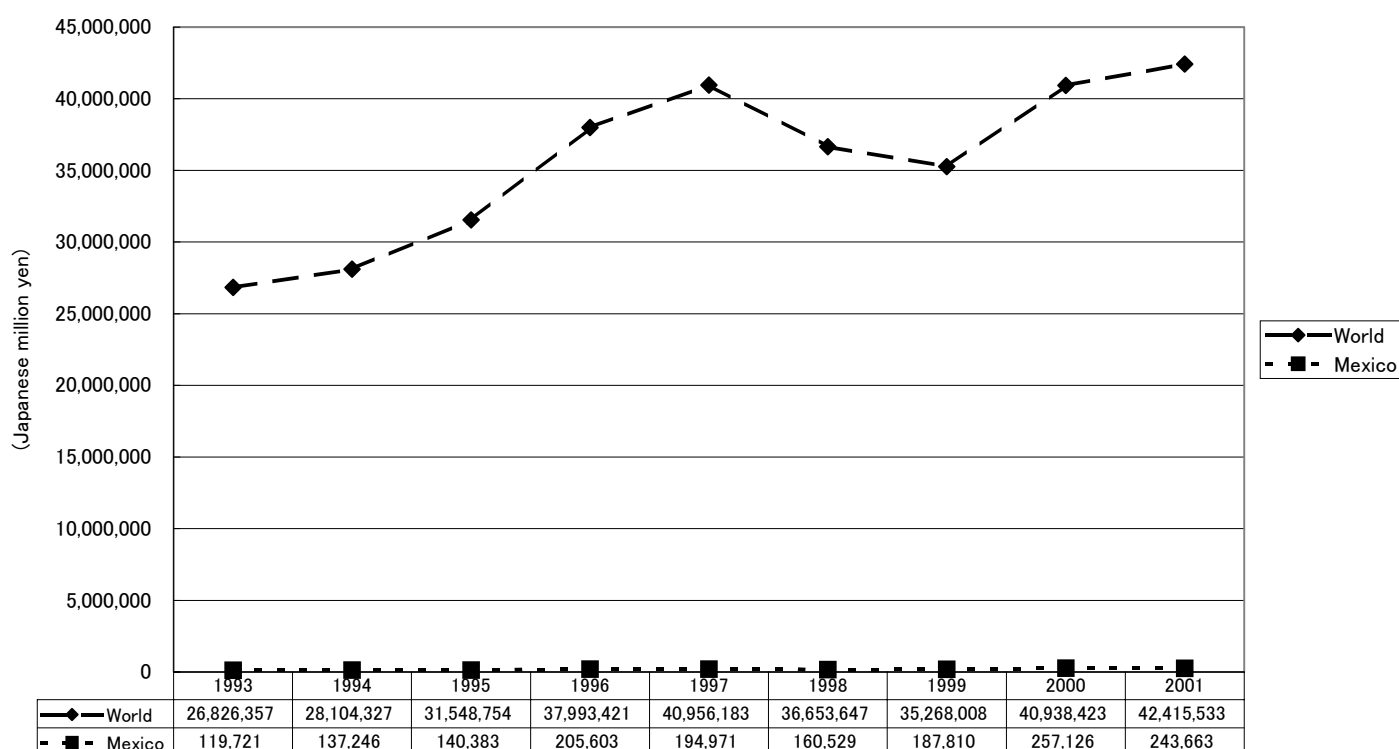
	1999		2000		2001		2000 1/		2001 1/	
	Imports	%	Imports	%	Imports	%	Imports	%	Imports	%
World	35,268,008	100	40,938,423	100	42,415,533	100	37,124,610	100	39,113,542	100
Mexico	187,810	0.53	257,126	0.63	243,663	0.57	237,055	0.64	225,557	0.58

Source: Ministry of Finance, Japan

1/ Data from January to November

Graph 4 : Japanese import from Mexico and from the world

Source: Ministry of Finance, Japan



iii) Trade evolution vis-a-vis United States of America and Canada (NAFTA) and the European Union (EU).

Table 5

Mexican imports from USA/Canada, the European Union and Japan.

(US dollars)

Year	1993			1994			1995			1996			1997			1998			1999			2000			2001			2001 ¹		
	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth	Imports	%	Growth			
EU	7,798,726,416	12%		9,058,151,140	16	11%	6,732,173,194	-26	9%	7,740,567,215	15	9%	9,917,309,726	28	9%	11,692,981,542	18	9%	12,742,753,555	9	9%	14,745,058,766	16	8%	13,389,698,096	-9	8%	14,840,943,662	11	10%
USA/Canada	46,470,004,458	71%		56,411,171,796	21	71%	55,202,755,833	-2	78%	69,279,668,733	26	77%	83,970,264,019	21	76%	95,548,578,805	14	76%	108,216,205,848	13	76%	131,582,194,955	22	75%	120,454,257,364	-8	78%	108,195,070,450	-9	71%
Japan	3,928,747,555	6%		4,779,977,318	22	6%	3,952,105,055	-17	5%	4,132,099,016	5	5%	4,333,624,720	5	4%	4,537,049,582	5	4%	5,083,129,827	12	4%	6,479,624,471	27	4%	5,888,547,291	-9	4%	7,310,461,994	24	5%
Total	65,366,531,993	100		79,345,891,218	21	100	72,453,058,655	-9	100	89,468,763,711	23	100	109,808,200,620	23	100	125,373,053,182	14	100	141,974,762,861	13	100	174,472,949,584	23	100	159,397,350,986	-9	100	154,878,058,225	-3	100

Source: Ministry of Economy with data of the Bank of Mexico.

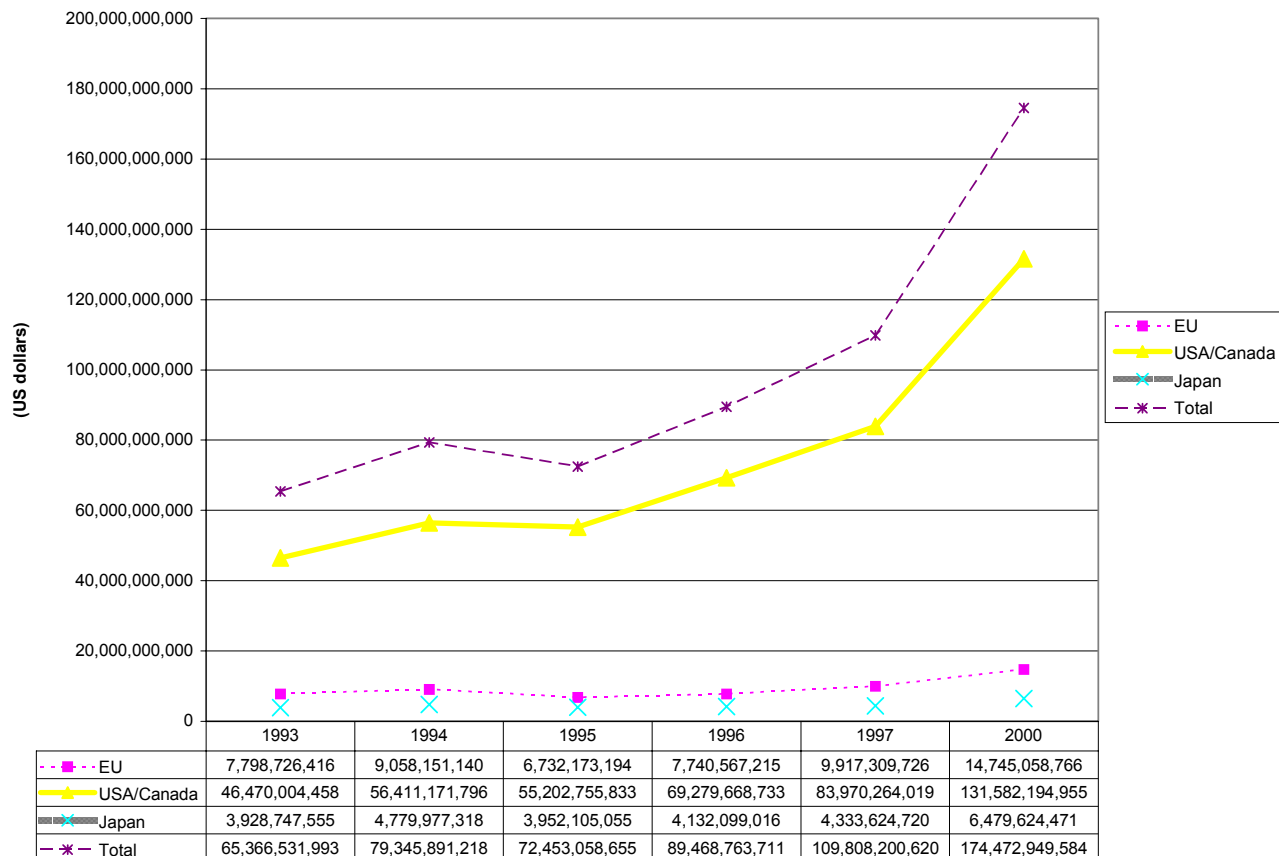
¹ Data from January to November

Growth percentage in relation to the previous year.

% Share in relation to the total Mexican imports.

Graph 5: Mexican imports from USA/Canada, European Union and Japan

Source: Ministry of the Economy with data of the Bank of Mexico



iv) JAPANESE IMPORTS FROM MEXICO IN RELATION WITH THE JAPANESE IMPORT FROM USA/CANADA AND CHINA

Table 6
Japanese imports from Mexico, USA/Canada and China

(Unit: Japanese million yen)

Year	1993			1994			1995			1996			1997			1998		
	Imports	%		Imports	Growth	%	Imports	Growth	%	Imports	Growth	%	Imports	Growth	%	Imports	Growth	%
Mexico	119,721	0.4		137,246	14.6	0.5	140,383	2.3	0.4	205,603	46.5	0.5	194,971	-5.2	0.5	160,529	-17.7	0.4
USA & Canada	7,064,515	26.3		7,336,623	3.9	26.1	8,088,089	10.2	25.6	9,731,508	20.3	25.6	10,333,872	6.2	25.2	9,781,128	-5.3	26.7
China	2,278,026	8.5		2,811,395	23.4	10.0	3,380,882	20.3	10.7	4,399,676	30.1	11.6	5,061,673	15.0	12.4	4,844,135	-4.3	13.2
World Total	26,826,357	100.0		28,104,327	4.8	100.0	31,548,754	12.3	100.0	37,993,421	20.4	100.0	40,956,183	7.8	100.0	36,653,647	-10.6	100.0

Year	1999			2000			2001			2000 1/		2001 1/		
	Imports	Growth	%	Imports	Growth	%	Imports	Growth	%	Imports	%	Imports	Growth	%
Mexico	187,810	17.0	0.5	257,126	36.9	0.6	243,663	-5.2	0.6	237,055	0.6	225,557	-4.9	0.6
USA & Canada	8,539,765	-12.7	24.2	8,717,346	2.1	21.3	8,612,950	-1.2	20.3	7,932,520	21.4	7,948,215	0.2	20.3
China	4,875,385	0.6	13.8	5,941,358	21.9	14.5	7,026,677	18.3	16.6	5,390,311	14.5	6,444,923	19.6	16.5
World Total	35,268,008	-3.8	100.0	40,938,423	16.1	100.0	42,415,533	3.6	100.0	37,124,610	100.0	39,113,542	5.4	100.0

Source: Ministry of Finance

Graph 6

Japanese imports from Mexico, USA/Canada and China
Source; Ministry of Finance

