

because they usually do not have a comparative advantage. He concluded that, in those cases, the feasibility of an FTA would depend on whether it would be possible to exclude those sensitive products from tariff elimination. He raised a number of such examples from the world's existing FTAs¹⁷. He suggested that rice, wheat and barley, dairy products, sugar and pork are some of Japan's important and sensitive items, and these import restrictions were mostly changed to Tariff Quota items in the GATT Round, and he explained that the elimination of tariffs on those products through FTAs with the U.S., Australia and New Zealand would surely result in the destruction of Japanese agriculture. Finally, he stressed the importance of the role of agriculture and small-scale farming in rural areas, explaining the concept of multifunctionality of agriculture. He also addressed the importance of understanding Japan's efforts to reform its agriculture as well as the anxiety of Japanese people, who depend on foreign countries for 60% of their food.

(vi) Japanese Expert B

Another economist argued the importance and significance of East Asian economic integration, describing it as an immediate "economic need" due to Japan's long-term commitment to the region and the existence of international production and distribution networks. He further stated his views by introducing the fragmentation theory, which enables cost reduction in production blocks and low-cost service links that connect production blocks. Based on this theory, he explained the present political and geopolitical situation surrounding Japan and Asia. He ex-

¹⁷ This economist gave the following examples of exemptions of tariff lines: (1) NAFTA with Canada and Mexico on dairy products, sugar, etc. Canada had 78 items, and Mexico had 87 items exempted. (2) In the EU-Mexico FTA, the EU postponed negotiation on beef, pork, etc., and Mexico postponed on rice, wheat, pork, chicken, etc. (3) Korea-Chile postponed negotiation on beef, chicken, mandarin, etc.