

IEIT WORKING PAPER SERIES

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and diversion of the UK, Korea, Japan, and China

이재득

WP-2021-002

경제통상연구원

April 2021

이 논문은 2021 년도 경제통상연구원의 지원을 받아 수행된 연구임

**The impact of the UK–Korea–Japan FTA on the GDP, exports, welfare,
and trade creation and diversion of the UK, Korea, Japan, and China**

Chae-Deug YI

Jean Monnet Chair, Professor, College of Economics and International Trade,

Pusan National University, Busan, Republic of Korea

E-mail: givethanks@pusan.ac.kr

Head: UK–Korea–Japan FTA

The impact of the UK–Korea–Japan FTA on the GDP, exports, welfare, and trade creation and diversion of the UK, Korea, Japan, and China

The trilateral UK–Korea–Japan Free Trade Agreement (FTA) will increase the three countries' gross domestic product (GDP) and exports in most manufactured product sectors, its substitution effects will reduce the volume of exports in most manufactured goods from China and the 27 European Union (EU) countries to the UK, Korea, and Japan. The trilateral FTA also results in large welfare gains to the three countries, and will lead the UK and Korea to have larger trade creation effects on imports from Japan. Similarly, Japan will also have larger trade creation effects on imports from the UK and Korea. However, Japan's imports are expected to decline in China and the 27 EU countries due to the trade diversion effects.

Keywords: Economic Partnership Agreement; Japan; the EU; tariff; non-tariff measures; trade; welfare

JEL classification codes: F1, F6