

Asia-Pacific free trade area 'even more relevant today'

Lim Hng Kiang calls for next step in wider FTA despite challenges

By MOK FEI FEI

TRADE and Industry Minister Lim Hng Kiang has called on Asia-Pacific nations to take the next step towards trade liberalisation.

He said yesterday at a meeting of the 23-nation Pacific Economic Cooperation Council held at Orchard Hotel that the Asia Pacific Economic Cooperation (Apec) nations have always been forward-thinking.

Apec leaders raised the possibility of a Free Trade Area of the Asia-Pacific (FTAAP) as early as 2004, seeing the benefits of such a large free trade zone.

"This vision is even more

relevant today. It must be reignited through a revival of the discussions we have been having, on and off, on the FTAAP, over the past 10 years," Mr Lim said.

He noted that the time is also ripe to exchange ideas on regional integration. For one thing, China is taking the helm of Apec this year after Indonesia's chairmanship last year. There is also renewed momentum at the World Trade Organisation following the Bali Ministerial Conference in December.

Though having such a wide area would involve more complexities since more countries are involved, nations should not be deterred.

Instead, Mr Lim pointed



Trade and Industry Minister Lim Hng Kiang also noted that the time is ripe to exchange ideas on regional integration.

out that Apec economies are not starting from a "zero base", as several discussions involving different members are ongoing.

These include the Trans-Pacific Partnership (TPP), which involves 12 member nations,

as well as the Regional Comprehensive Economic Partnership (RCEP), comprising 16 members.

Mr Lim suggested several ways for the FTAAP to proceed.

One is for Apec economies to vigilantly implement its initiatives under the 2020 Bogor Goals and the 2015 commitments.

Under those initiatives, members pledge to reduce tariffs on environmental goods, among others.

Another means is for countries to ensure that current agreements are of the highest quality possible.

"Regional architectures like the Asean Economic Community, the Pacific Alliance, the RCEP and the TPP are all mutually reinforcing pathways to the FTAAP."

But Mr Lim said economies should also look at how to set out the principles on which

the FTAAP should be built.

One principle, for example, is to ensure that the free trade area is comprehensive and current in scope, and that members ensure complete product coverage for market access.

Other tough issues that need agreement include ways for the regional grouping to ensure there is no backtracking of existing commitments and whether all economies can be made ready for such a deal.

Mr Lim stressed that the regional initiatives must support the multilateral trading system. "As we pursue regional and pluri-lateral initiatives, however, it is crucial that our top priority remains the multilateral trading system.

"The aim of our regional work, including the FTAAP, must be to create a positive domino effect of opening up more and more markets for global trade liberalisation."

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