

PECC Statement for the CTI12 Meeting
10th May 2025

[Agenda Item #12: Policy Dialogue on FTAAP: Trade Facilitation in the context of the PSU Study on Convergences and Divergences of Free Trade Agreements in the APEC Region]

On behalf of PECC, we thank you for this opportunity to comment on the PSU study. We commend this work as it is valuable to APEC economies in their efforts to move towards greater convergence of trade policy approaches and the FTAAP goal of a more collaborative, open, and integrated region.

Good regulatory practice is central to effective trade facilitation, acting as a universally applicable element in trade agreements. Poor regulations significantly hinder economic efficiency, productivity, GDP growth, and trade. Aligning regulatory practices with regional and international standards eliminates bureaucratic inefficiencies and bringing about economic benefits. Good regulatory practice affects goods as well as services, but it is particularly important for the latter, as nearly all the interventions in the services area that restrict trade are in the form of regulations.

Recognizing the central role of regulatory quality in trade facilitation, the PECC contributed a Policy Brief last year titled “Good Regulatory Practice for Services in APEC” under our Signature Project on “FTAAP: Pathways to Prosperity.” This Policy Brief made the following recommendations: (1) Prioritize the implementation of these service domestic regulation principles through the WTO Agreement and APEC initiatives; (2) Analyze how FTAs’ regulatory chapters align with APEC and WTO standards; and (3) Explore the impact of artificial intelligence (AI) on regulatory practices and regional integration.

Prioritizing the implementation of these service domestic regulation principles through the WTO Agreement and APEC initiatives

Convergent regulations and regulatory practices could be further increased with the full implementations of the WTO plurilateral outcome on Services Domestic Regulation and all nine areas of the Blueprint on Good Regulatory Practices for APEC. Capacity-building activities can help APEC economies enhance their implementations.

Analyzing how FTAs’ regulatory chapters align with APEC and WTO standards

Further research is needed – either in a future iteration of the PSU study or other initiatives – to help APEC economies evaluate how the FTAs’ chapters on regulatory coherence and transparency support, or fall short, of the WTO plurilateral outcome on Services Domestic Regulation and the Blueprint on Good Regulatory Practices for APEC. Such analysis will enable us to identify gaps and opportunities for improving regulatory coherence.

Exploring the impact of artificial intelligence (AI) on regulatory practices and regional integration

The growing fragmentation in AI governance in APEC can undermine good regulatory practices and create new obstacles to achieving the FTAAP goal. How the adoption of AI technologies may affect the current agreements on good regulatory practice in APEC deserves to be examined.

Thank you very much.