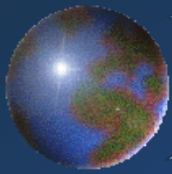


An Outlook of the Substantial Contents of the Future FTAAP

By Liu Chenyang

APEC Study Center of Nankai University

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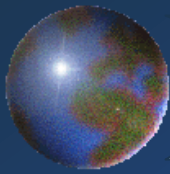
Enjoy A Feast of the FTAAP



What should we order?

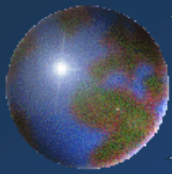


Remember, we should pay the bill together.



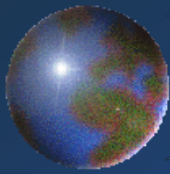
The Important Role of APEC

- ❖ To balance the quality of the FTAAP and different interest demands of its member economies, APEC's role as an incubator of the FTAAP should be fully recognized and utilized.
- ❖ APEC has been making a variety of efforts in recent years to coordinate the development of FTAs/RTAs in the Asia-Pacific region, and achieved fruitful outcomes. It means that APEC has already prepared some raw materials for a feast of the FTAAP.



I. Related Instructions in *Beijing Roadmap*

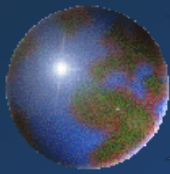
- ❖ Benefited from the main principles and top-level design made by the Leaders, a basic outline of the FTAAP's contents could be formed.
 - The FTAAP should be pursued on the basis of supporting and complementing the multilateral trading system;
 - The FTAAP should do more than achieve liberalization in its narrow sense. It should be comprehensive, high quality and incorporate and address “next generation” trade and investment issues;
 - The FTAAP should aim to minimize any negative effects resulting from the proliferation of RTAs/FTAs, and will be pursued by building on current and developing regional architectures, including the TPP and RCEP.



II. Previous APEC Initiatives and Outcomes

❖ The Best Practices for RTAs/FTAs

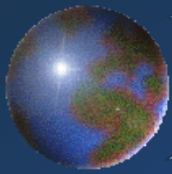
- Consistency with APEC Principles and Goals
- Build upon Work being Undertaken by APEC
- Consistency with the WTO
- Go beyond WTO Commitments
- Comprehensiveness;
- Transparency;
- Trade Facilitation;
- Mechanisms for Consultation and Dispute Settlement
- Simple Rules of Origin that Facilitate Trade
- Cooperation
- Sustainable Development
- Accession of Third Parties
- Provision for Periodic Review



II. Previous APEC Initiatives and Outcomes

❖ Model Measures for RTAs/FTAs (15 Chapters)

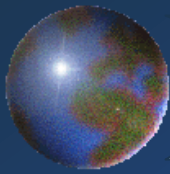
- Trade facilitation (endorsed in 2005)
- Trade in goods (endorsed in 2006)
- Technical barriers to trade (endorsed in 2006)
- Transparency (endorsed in 2006)
- Government procurement (endorsed in 2006)
- Cooperation (endorsed in 2006)
- Dispute Settlement (endorsed in 2006)
- Electronic Commerce (endorsed in 2007)
- Rules of Origin and Origin Procedures (endorsed in 2007)
- Sanitary and Phytosanitary Measures (endorsed in 2007)
- Safeguards (endorsed in 2008)
- Competition Policy (endorsed in 2008)
- Environment (endorsed in 2008)
- Temporary Entry for Business Persons (endorsed in 2008)
- Customs Administration and Trade Facilitation (endorsed in 2008)



II. Previous APEC Initiatives and Outcomes

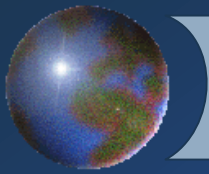
✿ Model Measures for RTAs/FTAs (15 Chapters)

- These Model Measures are of great significance to the promotion of high-quality and comprehensive FTAs/RTAs in the Asia-Pacific region, which is in line with the target of realizing the FTAAP.
- The Chapters of Model Measures, together with Trade in Services, Investment, could compose the main contents of the FTAAP.



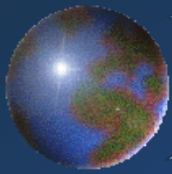
III. Next Generation Trade and Investment Issues

- ⊕ “Next generation” trade and investment issues could be divided into two main categories:
 - Issues that have been considered to be traditional trade issues, but need to be addressed in new approaches;
 - Issues that either did not exist or were not considered trade and investment issues before, but that now have a real impact on business.



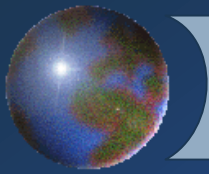
III. “Next Generation” Trade and Investment Issues

- ❁ Since 2011, the following “next generation” trade and investment issues have been undertaken:
 - Facilitating Global Supply Chains (2011)
 - Enhancing SMEs Participation in Global Production Chains (2011)
 - Promoting Effective, Non-Discriminatory, and Market-Driven Innovation Policy (2011)
 - Transparency in RTAs/FTAs (2012)
 - Manufacturing Related Services in Supply Chains/Value Chains (2014)



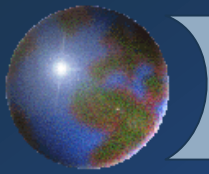
III. “Next Generation” Trade and Investment Issues

- ❖ A number of other issues have been considered as possible “next generation” trade and investment issues.
 - Digital Economy
 - Evolution of the Digital Marketplace and Digital Infrastructure
 - Innovation Policy and Trade in Technology
 - Innovative Agricultural Technologies
 - Environmental Protections
 - Regulatory Coherence
 - Climate Change
 - Consumer



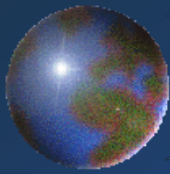
III. “Next Generation” Trade and Investment Issues

- ❖ The “next generation” trade and investment issues not only reflect the ever-changing landscape of Asia-Pacific economic integration in recent years, but also demonstrate the willingness and improved capacity of APEC member economies to participate in more extensive and in-depth regional economic cooperation.
- ❖ in order to adapt to the new trend of Asia-Pacific economic integration process, quite a few “next generation” trade and investment issues could be included in the future FTAAP, not necessarily as independent chapters but being incorporated into related “traditional” chapters.



Summing Up

- ❖ As long term prospect for Asia-Pacific economic integration, the FTAAP aims to establish an overall framework of free trade covering all APEC member economies.
- ❖ To balance the needs and interests of the member economies should be the most important factor to be considered when deciding the contents of the FTAAP. For this end, the FTAAP may be achieved in a step-by-step approach, instead of a one-step approach.
- ❖ The contents of the FTAAP should also adapt to the new trends and characteristics of Asia-Pacific economic integration.



Thank you

Liu Chenyang

APEC Study Center of Nankai University

Boling Building 408, Nankai University, Tianjin China, apecliu@sina.com