

FTAAP: Asia-Pacific Economic Integration by 2020 And Beyond

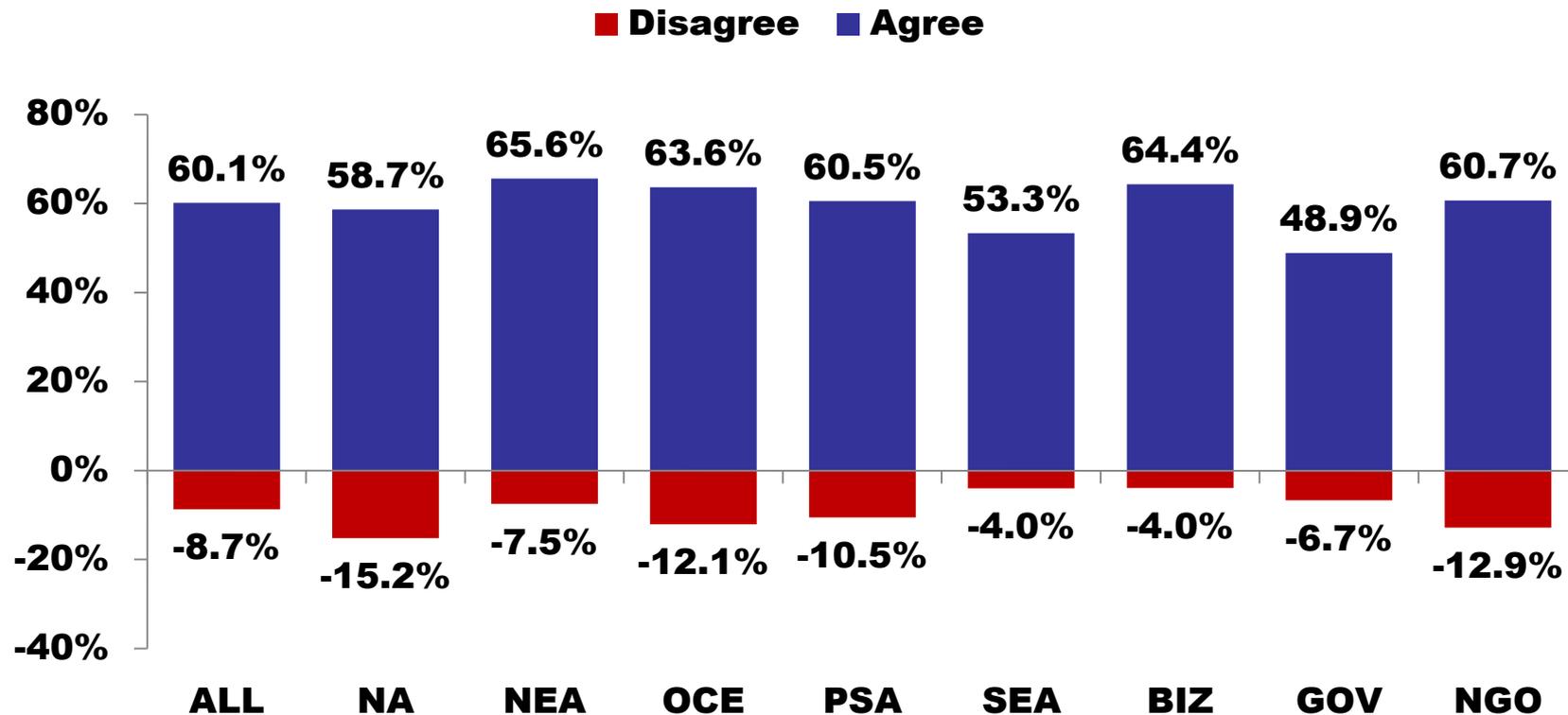
Recommendations to the Collective Strategic Study of FTAAP

15-16 October 2015, Beijing

**Eduardo Pedrosa
Secretary General
Pacific Economic Cooperation Council**

*The views expressed here are his own and do not necessarily
reflect those of the PECC nor its members.*

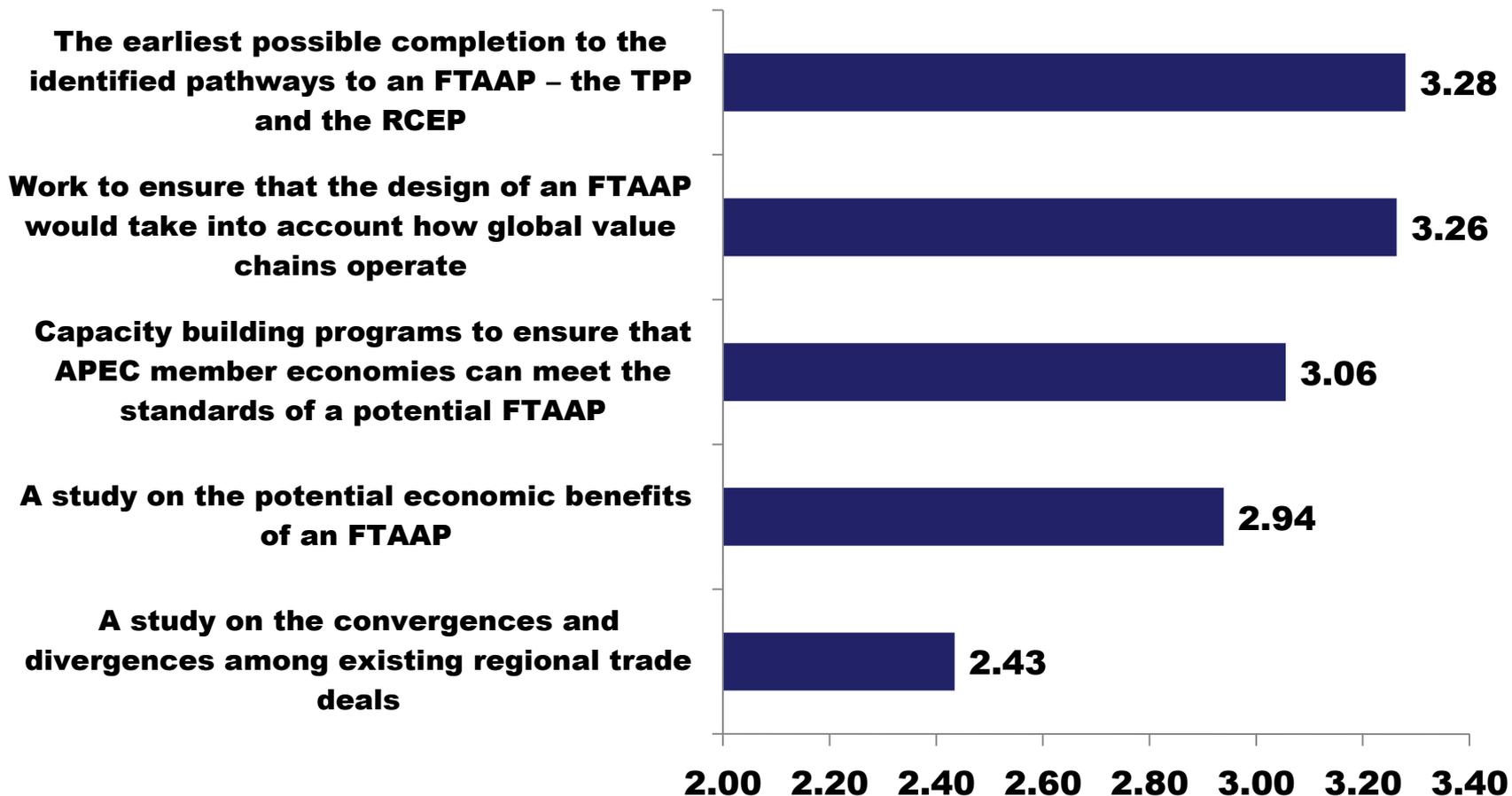
Do we need the FTAAP?



Source: State of Trade in the Region Survey 2015

Question: The Asia-Pacific needs a new regional trade agreement that includes all APEC members

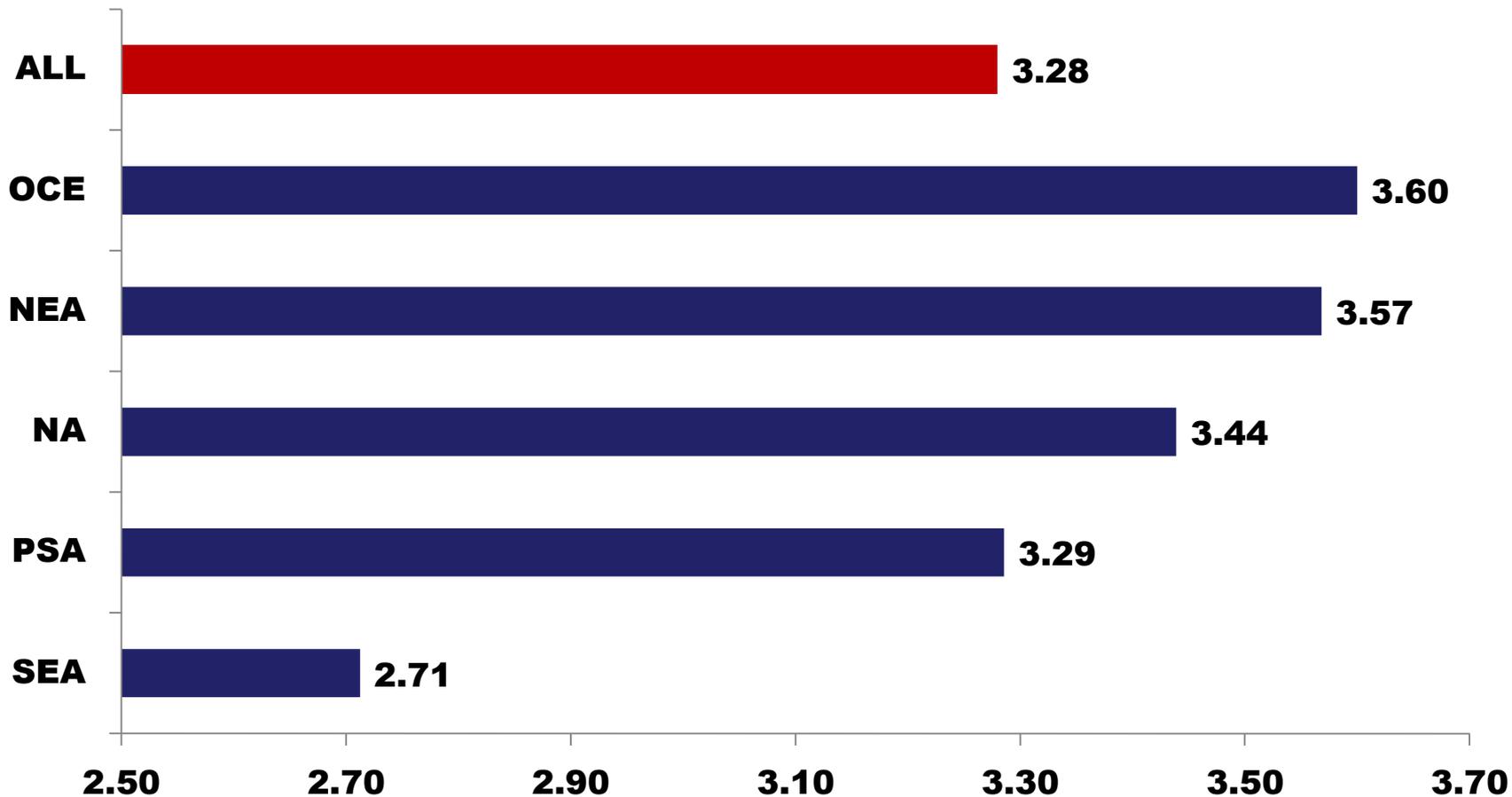
What needs to be done to move towards the FTAAP?



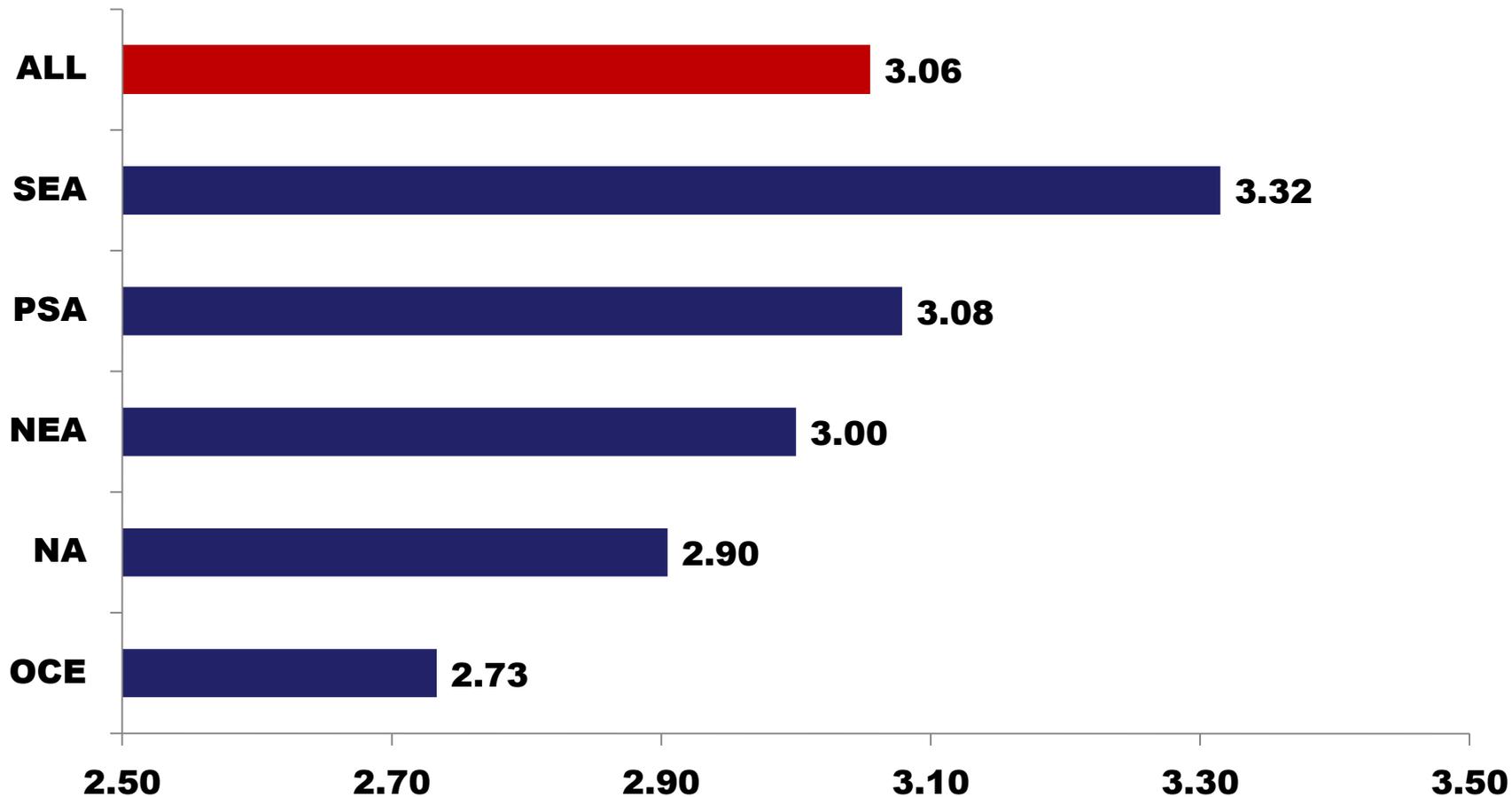
Source: State of Trade in the Region Survey 2015

Question: Please rank each of the following in order of their importance the achievement of a Free Trade Area of the Asia-Pacific (FTAAP).

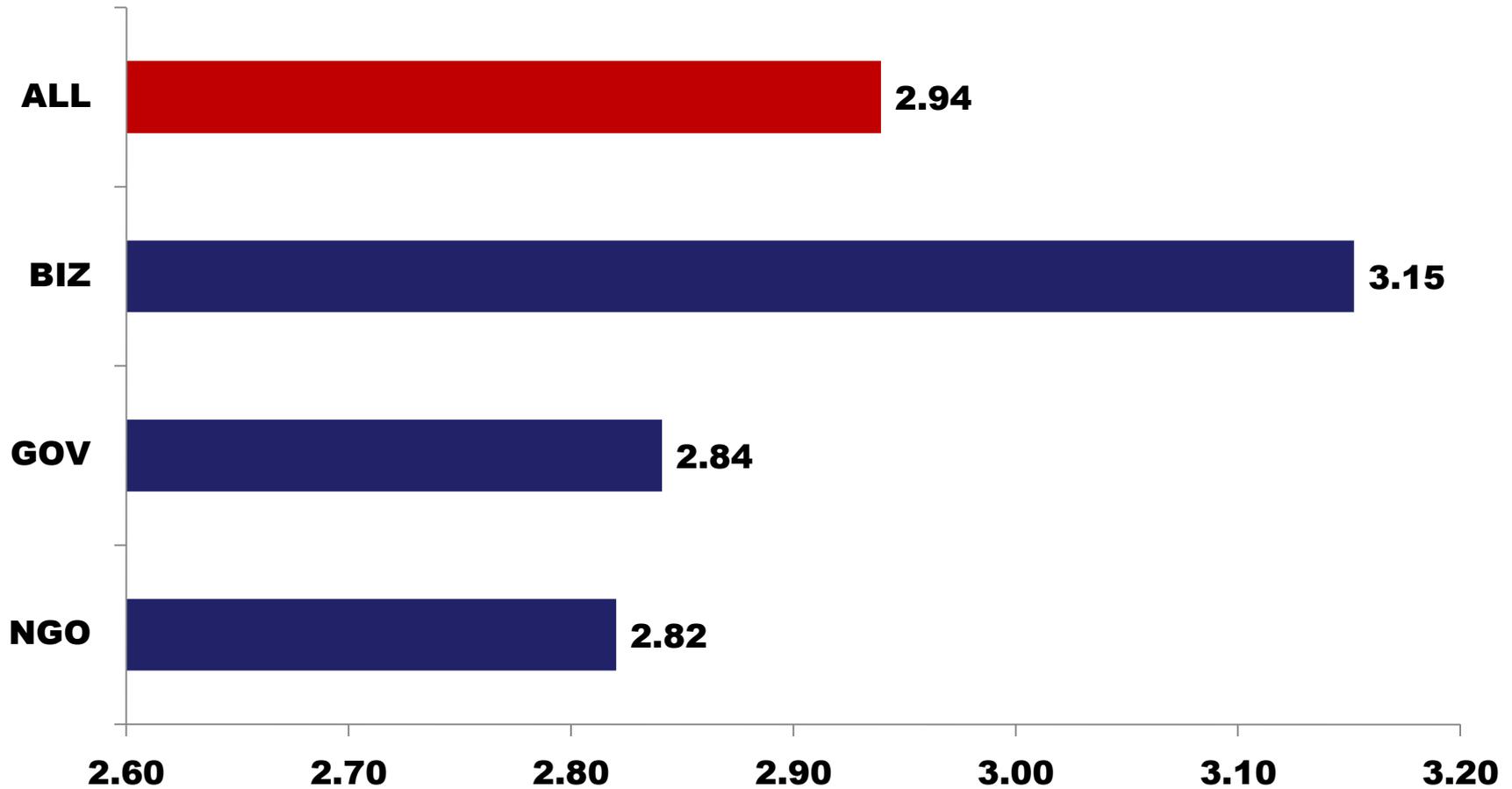
Differences among sub-regions? The Importance of Completing the Pathways



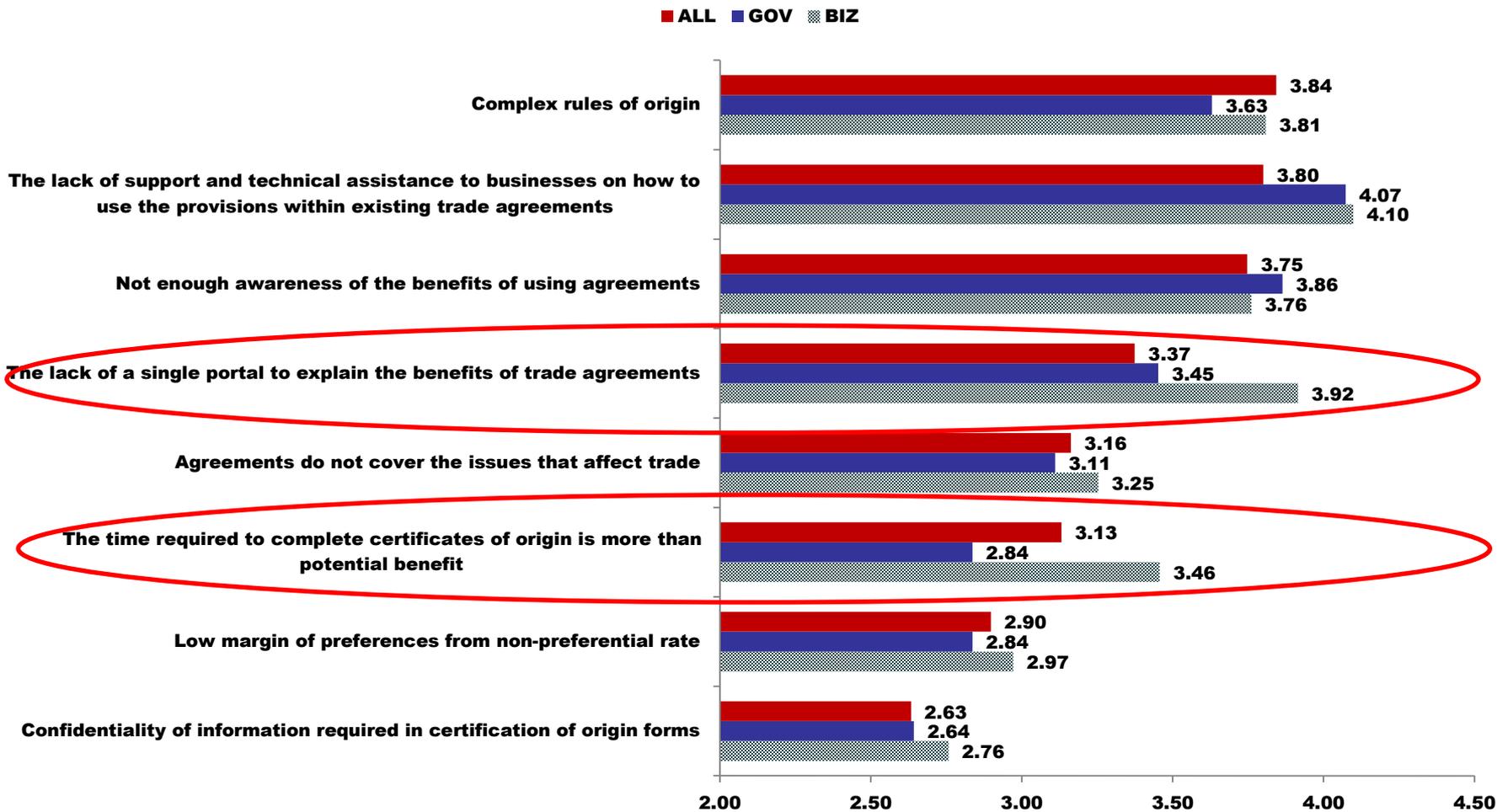
Differences among sub-regions? Capacity building programs to ensure that APEC member economies can meet the standards of a potential FTAAP



Differences among stakeholders? A Study on the economic benefits of an FTAAP

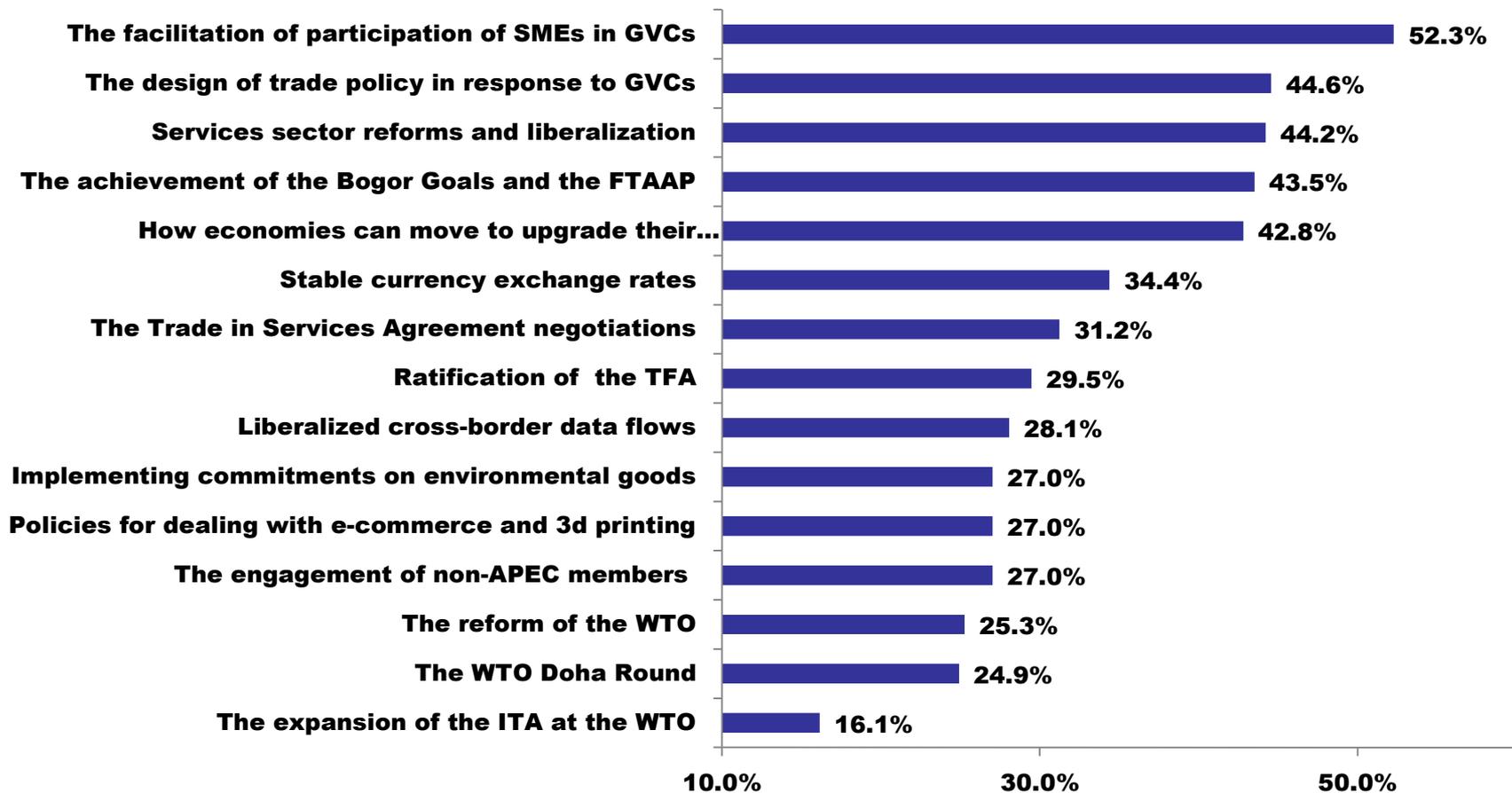


Why aren't FTAs used more?

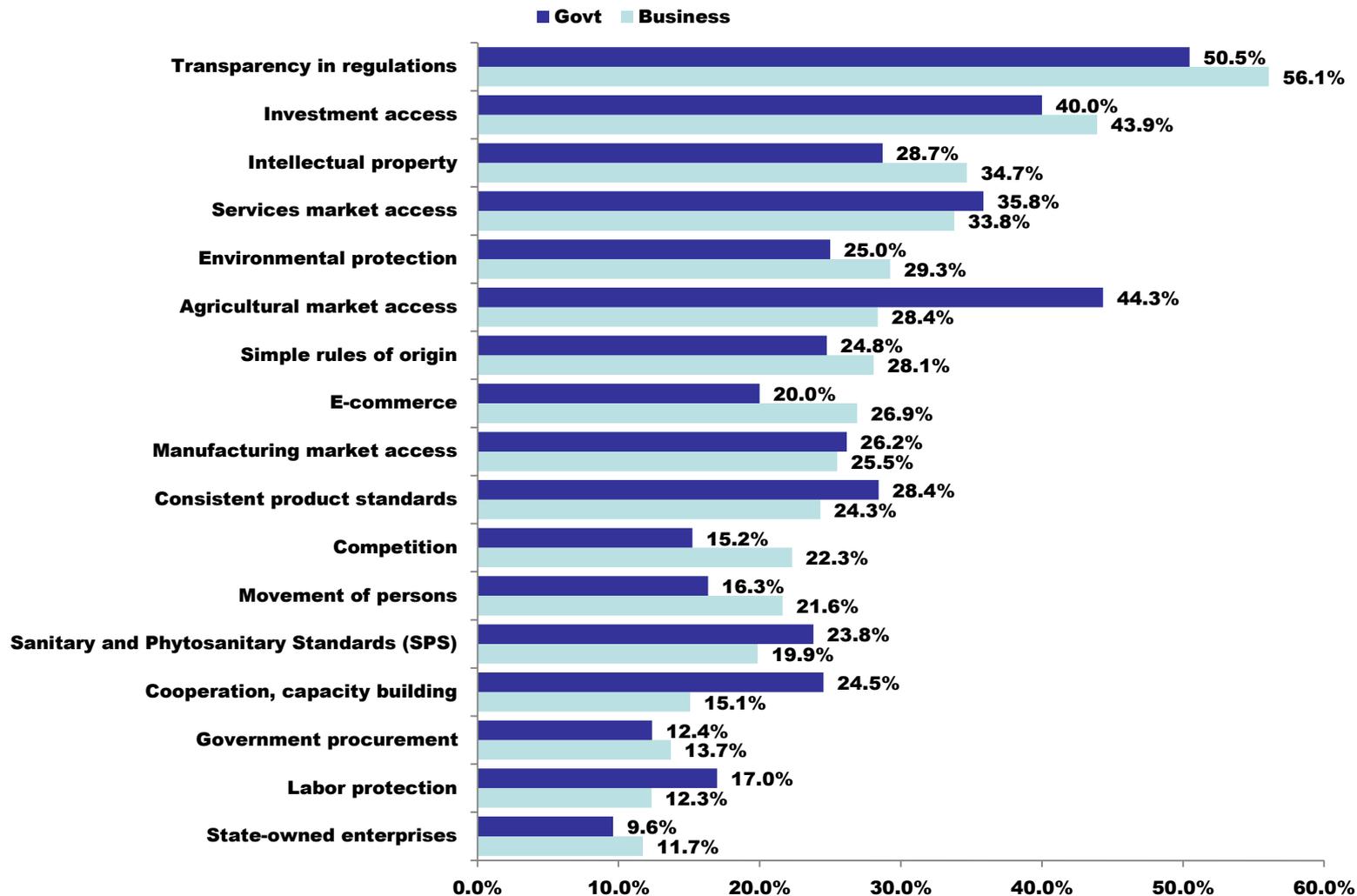


What are the most important trade issues for APEC to address?

■ % of respondents who selected the issues as a top 5 issue



What issues should regional trade agreements address?



Need for Guiding Principles?

- Align with the Bogor Goals
 - ‘enhance the prospects of an accelerated, balanced and equitable economic growth not only in the Asia-Pacific region, but throughout the world as well’
- Pursue relevant coverage
 - taking a packaged approach to include all **dimensions of business models now in operation as well as the relevant policy measures affecting them**
 - ensure coverage of services, investment, trade facilitation, intellectual property, and competition policy and working on regulatory coherence; of achieving predictability; adopting a common set of commitments; using a rule of open accession; and adopting a simple and liberal rule of origin.
- Link with the WTO
 - There must be an understanding of how together these approaches lead to free trade in the region and how they can be taken into and connected with higher level structures and agreements, the WTO in particular.
- Add on to existing regional FTAs and RTAs
 - Add to what has already been committed to in existing agreements, either bilateral or multi-member agreements

Need for Guiding Principles?

- **Support development**
 - support the active participation of all members, in the processes of reaching agreement, managing any formal negotiations, in implementing commitments and in adjusting to their consequences.
- **Recognise the continuing key role of APEC**
 - APEC retains a critical role, which includes refining and sharing a common vision, discussing principles for achieving that vision and taking actions including capacity building to build the confidence among members to reach that outcome.
- **Be transparent and commit to significant progress**
 - Transparency on the reporting of commitments and the progress delivered in each member economy will be useful to identify opportunities for participation in regional and world markets.

Summary

- FTAAP needs to be relevant not just another agreement
 - About the future of trade
 - Need to address utilization issue
- Policy imperatives of GVCs
 - Clarity of objective – what about GVCs are we trying to achieve?
- Guiding Principles
 - Diverse group
 - Need to work together on rules for 21st century trade
- **What's in a name?**
 - More than a free trade area
 - Partnership?
 - APEC – 4 adjectives in search of a noun? Give it one?