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**RTA Developments in the Asia-Pacific  
Region:  
State of Play**

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**PECC Trade Forum**

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# **RTA Developments in the Asia-Pacific Region: State of Play**

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**Brunei**

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# Current State of Play

- **“Old” (pre-1999) Agreements (5)**
  - **NAFTA**
  - **CER**
  - **AFTA**
  - **Mexico-Chile**
  - **Canada-Chile**

- **Concluded “New” Agreements (6)**
  - **Singapore-US**
  - **Singapore-Japan**
  - **Singapore-Australia**
  - **Singapore-New Zealand**
  - **US-Chile**
  - **Korea-Chile**
- **New developments in “old” agreement (1)**
  - **Bangkok Agreement**

- **Under Negotiation (or negotiations announced) (13):**
  - **ASEAN-China**
  - **ASEAN-Japan**
  - **U.S. - Australia**
  - **FTAA**
  - **Singapore-Canada**
  - **Singapore-Korea**
  - **Singapore-Mexico**
  - **Korea-Mexico**
  - **Japan-Mexico**
  - **Thailand-Japan**
  - **Thailand-Australia**
  - **Singapore-Chile-New Zealand (P3)**
  - **China-Hong Kong**

- **Proposed and/or under discussion (7)**
  - **ASEAN Plus Three (“East Asian FTA”)**
  - **Japan-Korea**
  - **US-ASEAN (“Enterprise for ASEAN”)**
  - **US-Andean Community**
  - **Canada-Andean Community**
  - **Mexico-New Zealand**
  - **Thailand-New Zealand**

- **Previously proposed but not currently under active development (as PTAs) (9)**
  - **AFTA-CER**
  - **Japan-Canada**
  - **P5 (US, Australia, Singapore, Chile, New Zealand)**
  - **US-New Zealand**
  - **Japan-Chile**
  - **Korea-US**
  - **Korea-New Zealand**
  - **Hong Kong-New Zealand**
  - **Chinese Taipei-New Zealand**

# Possible Classifications

- **Bilateral (BTA)**
  - **most numerous type, different classifications possible**
    - **intra-East Asia (e.g Japan-Singapore)**
    - **intra-Western Pacific (e.g. Singapore-NZ)**
    - **trans-Pacific (e.g. Singapore-Chile)**
    - **“large” – “small” linkages (BTAs involving US, Japan, Korea with “small” partners)**
    - **“small” – “small” linkages (e.g. Singapore-NZ)**
    - **“large” – “large” linkages (e.g. Japan-Korea)**



- **plurilateral**
  - **amalgamations of existing groups (e.g. ASEAN-CER) or existing bilaterals (e.g. Singapore-Chile-NZ)**
- **“mega-blocs”**
  - **“ASEAN Plus three” (East Asian Bloc)**
  - **FTAA**

- **“hubs” and “spokes”**
  - **“primary” hubs:**
    - **US**
    - **China**
    - **Japan**
    - **ASEAN (ASEAN Plus One model)**
  - **“secondary” hubs**
    - **Singapore**
    - **Chile**
    - **Mexico**

# Forseeable Outcomes

- **“kaleidoscope” of overlapping/intersecting bilaterals and plurilaterals**
- **“bipolar Pacific” based on megablocs in East Asia (ASEAN Plus Three) and Americas (FTAA)**

- **“hub and spoke” arrangements based on large regional “hubs” (US, China, Japan, Korea)**
  - **ASEAN as a possible alternative “hub”**
  - **perhaps combined with the “kaleidoscope” of BTAs**
- **achievement of the APEC “vision” of free trade and investment in the Asia-Pacific region?**

# Competing models?

- **Evidence of distinct “models”**
  - **“NAFTA model” (with Canadian variations)**
  - **“AFTA model”**
  - **“CER model”**
  - **“EU model”**
  - **“Indian model” (or “ALADI model”)**

# **Key elements in different “models”**

## **Goods Trade:**

- **Positive v. negative list**
- **Partial v. complete liberalisation**
- **Rules of origin**
- **Trade remedies**

## **Services Trade:**

- **NAFTA v. GATS approach**

# **Trade and Investment Facilitation**

- **Standards and conformance**
- **Customs**
- **Quarantine**
- **Investment**
- **Government Procurement**

## **“Additional” Elements**

- Intellectual property**
- Competition policy**
- E-Commerce**
- Trade and Environment**
- Trade and Labour**
- Capital movements**



- **Pressure for smaller economies to follow the “models” of the major ‘hubs’**  
→ **multiple PTAs may imply many “models” for a single economy**
- **Potential clashes of “models” in negotiations for new PTAs**

# Questions

- **what “model” or “models” can best serve the liberalisation objectives?**
- **is there a potential “East Asian model” as an alternative to “NAFTA” and other models?**
  - **rules of origin a key consideration**
- **What is “best practice”?**