Pathway to FTAAP

Zhang Yunling

Prof. Director of International Studies, CASS

Vice president of CNCPEC

FTAAP Initiative (1)

- FTAAP was firstly proposed in 2004, APEC leaders announced in 2006 that it " would examine the long-term prospect of a FTAAP" (*with background of East Asia 10+1 FTAs*)
- In 2010, leaders announced, "we have agreed that now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision"(*with background of TPP*)
- In 2013, leaders "reaffirm our commitment to achieve a Free Trade Area of the Asia-Pacific (FTAAP), including by continuing APEC's work to provide leadership and intellectual input into the process of regional economic integration (*with background RCEP*)

FTAAP Initiative (2)

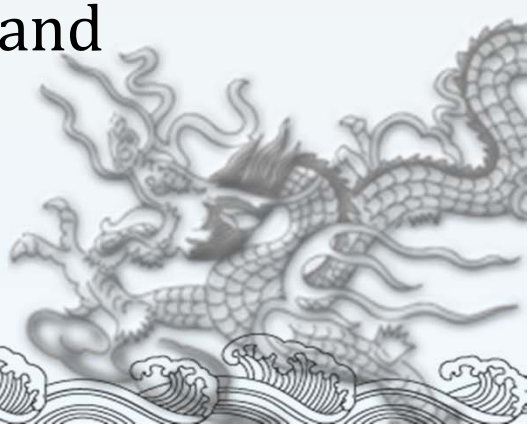
- With above commitments, it is natural that some progress should be seen on FTAAP initiative in 2014.
- Chinese Premier Li Keqiang proposed "to consider beginning with a feasibility study on FTAAP in his speech during Boao Forum in April of 2014" and hoped to reach a consensus on this
- Imagine: a joint expert team for feasibility study be set up in 2015, a study report be submit to minister in mid. 2016, and the negotiation be started from 2017, and an agreement be finished by 2020 (*the Bogor Goal*)

Approach (1)

- In 2010 leaders' statement, some points:
- --FTAAP as a comprehensive free trade agreement by developing and building on ongoing regional undertakings
- -- APEC 's contribution as an incubator of an FTAAP by providing leadership and intellectual input , by playing a critical role in defining, shaping and addressing the "next generation" trade and investment issues
- TPP, RCEP are two major FTAs covering 20 APEC member, neither of them be as a single undertaking for FTAAP

Approach (2)

- Comparing TPP and RCEP:
- --TPP: comprehensive and high standard liberalization for fare competition and rebalancing; broad covering "behind border issues " for eliminating real barriers aiming at efficiency; "a club of friends"
- --RCEP: comprehensive, high-quality (*with significant improvements over ASEAN+1 FTAs, while recognizing the individual and diverse circumstances of the participating countries*); limited covering of new issues; operational agenda for economic cooperation; be more inclusive and flexible, catering to diverse circumstances and development gaps



Approach (3)

- Some proposed ideas for FTAAP:
- --Principles: WTO-plus, comprehensive in scope, simple ROO, transparency, openness
- --An independent process: open to all APEC members,
- -- APEC does not need to change its nature as an open and voluntary forum and continues to play the role as a broad framework for more agendas than FTA

Challenges

- Timing: both TPP and RCEP are in the process, FTAAP not on the high agenda; others like ASEAN Community, China-US BIT……
- Leadership: US? ASEAN? US+ASEAN+…..
- Members: Starting with full member s of APEC or based on willing of critical mass?
- Political support: if FTAAP too high standard, if it too high flexibility
- Reasons for consensus on FTAAP now or in the future