

Speech at FTAAP Symposium

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Distinguished participants,
Ladies and gentlemen,

First of all, I wish to thank PECC for inviting me to speak at such an important gathering.

The theme we are discussing here “FTAAP: Asia-Pacific Economic Integration by 2020 and Beyond” is very important. As we recall, APEC Leaders endorsed the Beijing Roadmap for APEC’s Contribution to the Realization of the FTAAP in Beijing last year. Actually, the concept of FTAAP was first put forward by ABAC in 2004, and endorsed by APEC Leaders in Hanoi Vietnam in 2006. We are quite pleased to see that APEC as the incubator of the FTAAP, has accomplished a lot on the way from Hanoi to Beijing. We believe that the FTAAP should serve as the shared long-term prospect in our regional economic integration by 2020 and beyond.

How should the FTAAP be achieved? In fact, APEC Leaders in Yokohama in 2010 agreed that both RCEP and TPP could be the possible pathways to the FTAAP. TPP was concluded a few days ago. And RCEP is now working towards substantial conclusion by the end of this year. China is open to any FTA as long as it is consistent with WTO and conducive to regional economic integration. It is our belief that RCEP, TPP together with other bilateral and regional initiatives will provide great impetus for

the eventual realization of the FTAAP.

What should be the mission of the FTAAP?

First and foremost, the FTAAP should be inclusive. Since the FTAAP is envisaged to be a 21st century model FTA, one of the major challenges it faces is how to accommodate the diversity and disparity of the Asia-Pacific region. This region is full of diversity in terms of religions, cultures, economic governances, and so forth across the various economies. In particular, significant development gap exists among members. We have the most developed economies whose GDP per capita exceeds 50,000 USD, and we also have LDCs with a GDP per capita of around 1000 USD. In this regard, the FTAAP has to deal with and resolve all those differences and proceed in a balanced way to make sure everyone can be fully engaged in the process and gain benefits.

In addition, the FTAAP should foster the common development of the region, especially, eradicate poverty for LDCs, bearing in mind the goals set out in the 2030 Agenda for Sustainable Development which was adopted last month by United Nation. Studies indicate that, the FTAAP, once realized, will bring a considerable increase of GDP for the region and the world at large.

To achieve the above mentioned mission, the FTAAP should be high quality and comprehensive. This means the FTAAP will also cover next generation trade and investment issues. Actually, APEC members have already identified a number of topics over the past few years as new issues, including facilitating global

supply chains, promoting SMEs, innovation policy, transparency in RTAs/FTAs, as well as manufacturing-related services. These issues could be incorporated into the FTAAP based on consensus of members.

On top of that, capacity building should be an indispensable part of the FTAAP. We currently have the Capacity Building Needs Initiatives (CBNI) in APEC which aims to improve members' negotiation skills. In this context, I am very glad to point out that China has established a 3 million USD sub-fund in APEC to support FTAAP initiatives. China has also offered training programs, benefitting 700 participants from APEC developing members in the fields of the GVCs, SMEs, and customs procedures, etc. Last August, China hosted a workshop in Shanghai on the Asia-Pacific Model E-port network, and shared good practices with 7 APEC members who have officially joined APMEN. We are also making joint efforts to promote the developing members and SMEs to better participate in GVCs.

One of the key elements in the Beijing Roadmap is the Collective Strategic Study. So far remarkable progress has been made for the Study. APEC Trade Ministers in Boracay Philippine in May endorsed the terms of reference on the Study, and gave clear guidance to finalize the study by the end of 2016. We are pleased to note that the FTAAP work is now on the solid track of development, which gives us strong confidence in the FTAAP endeavor.

As APEC members, we highly appreciate the contribution that PECC has made in moving forward the regional economic integration process. Today's Symposium is a case in point,

indicating the important role PECC can play in making input for FTAAP. We are very much looking forward to your further engagements and contributions. My colleagues will be with you in the following two days and take note of your views in the Collective Strategic Study.

Thank you!