



**Asia-Pacific
Economic Cooperation**

2014/SOM2/049anx2

Agenda Item: 2.1

Annex 2: Work Plan of CTI FoTC Group on Strengthening REI and Advancing FTAAP

Purpose: Consideration
Submitted by: CTI Chair
Forum Doc. No.: 2014/SOM2/CTI/009



**Second Senior Officials' Meeting
Qingdao, China
14-15 May 2014**

Work Plan of CTI FoTC Group on Strengthening REI and Advancing FTAAP (Proposed by China and US)

The FoTC Group should prepare CTI recommendations to strengthen regional economic integration, kick off and advance the process of realization of an FTAAP, seeking endorsement by CTI Reps, Senior Officials, Ministers and Leaders. In developing recommendations, the FoTC Group should consider the following, non-exhaustive list of issues.

1. Building on the existing report on RTA and FTA negotiations at the SOM, how shall APEC set up the RTAs/FTAs information sharing mechanism before MRT as agreed at CTI 1, aiming at increasing transparency of ongoing RTAs and FTAs within APEC, as a means of building a better understanding of the possible pathways to an FTAAP? Should the information sharing mechanism be established on a voluntary basis, where member economies reserve their rights to publicize sensitive matters of their on-going RTA/FTA negotiations? Should the ongoing work be published at the Secretariat website? How can we engage outside experts from other regional and global institutions as well as the business community? The Information sharing dialogue on RTAs/FTAs will kick off this mechanism, and be held at the margins of SOM2.

2. How can APEC improve its capacity building efforts, building on the CBNI, prepare economies for realizing a possible FTAAP, which would occur outside of APEC? How to advance this work in depth with more APEC value added without proposing other burdensome proposals to avoid wasting resources? How to mobilize sources for financing these capacity building activities? How can APEC further assist its members to prepare for negotiations, especially with respect to next generation trade and investment issues? Should the capacity building programs include experience sharing on effective domestic consultation?

3. Would a stocktake of economies' existing RTAs and FTAs help build a better understanding of the possible pathways to an FTAAP? What would be the parameters for that stocktake? How to conduct stocktake built on the work done by the other international bodies, such as WTO, think tank and academia, etc? Could we use APEC/ABAC/PECC previous activities and studies on FTAAP, including the pioneering proposal on docking, merging and enlarging? Should this mandate be given to CTI FoTC on Strengthening REI and Advancing FTAAP? How to enhance coordination and cooperation and share of information with academia, private sectors and other stakeholders? How do we bring in relevant parts of our existing RTAs/FTAs into our work on FTAAP? Could the stocktake include information on the RTAs' and FTAs' level of liberalization, scope and coverage, work program and timeline/milestones for implementation? Could the stocktake seek advice of former and current negotiators and learn their experiences and lessons they have gained?

4. As a means of enhancing APEC's role as an incubator of an FTAAP, how can APEC carry out a possible feasibility study on realizing an FTAAP in a comprehensive approach based on existing findings from previous research in APEC? What would be the scope and contents of this study? Should the study comprise an economic modeling exercise by considering a scenario with high-ambition scope and outcome? Should APEC members with similar features in capacity be grouped and the findings suggest proper and practical roadmaps for each group towards realizing FTAAP? Should the CTI establish a task force to undertake this work or should the CTI FoTC undertake it? Who will participate in this work? Should it open to all economies, ABAC, PECC and relevant and willing international organizations? What about the structure, operation and tasks? Could APEC explore consolidating the applied tariff information of member economies in parallel to this study?

5. What are the key trade and investment initiatives APEC can undertake to achieve the Bogor Goals and support the realization of an FTAAP? Could IAPs be a source of information as well as a means to visualize convergences and divergences? How do we feed existing APEC work (such as the 2010 Yokohama Declaration – Pathways to FTAAP, 2008 APEC Model Measures for RTAs/FTAs) into our discussions on FTAAP?

6. How to explore the development of a possible roadmap towards the realization of an FTAAP? Should this roadmap include a timeframe and milestones for realizing a possible FTAAP? Should this roadmap be considered based on the elements illustrated in the “Pathways to FTAAP” endorsed in 2010? What additional steps and actions can APEC economies take to realize an FTAAP? How do we start work on the principles that an FTAAP should be based on? What are the principles that would underpin an FTAAP to make it a successful vehicle for regional economic integration?

CTI 1:

- The FoTC established, endorse the workplan and launch the work on REI and FTAAP in 2014; CTI agreed in principle on the establishment of the APEC information sharing mechanism on RTAs/FTAs.

Mid-March

- Request economies submit ideas and inputs on the above issues to the FoTC lead by March 14. These inputs will be considered and incorporated into the revised proposal on strengthening REI Framework proposed by China.

Before CTI 2

- Based on comments and inputs provided by the economies, China will submit the revised proposal, which would contain details of the roadmap, possible feasibility study and possible timeframe to the FoTC Group for considerations inter-sessionally.

Mid-May, 2014 /CTI 2/MRT:

- CTI 2 to consider and discuss the revised proposal and other potential contributions on how to take forward this work.
- Report progress to SOM2 and MRT and submit possible recommendations on the roadmap, the framework of the possible feasibility study, a possible timeframe and milestones for consideration at MRT.
- MRT to discuss and seek to endorse the recommendations and further actions to finalize the work on strengthening REI and advancing FTAAP in 2014.

Mid-August, 2014 /CTI 3:

- CTI to submit recommendations to SOM3 and seek to endorse the possible proposals.

Early November, 2014/CSOM/AMM/AELM:

- Ministers and Leaders to endorse possible recommendations and outcomes on strengthening REI and advancing FTAAP.