

Outcomes of the SOM Dialogue on Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs)
25 August 2016, Lima, Peru

Overview/Introduction

The APEC Policy Support Unit provided an overview on the trends and developments in the provisions and outcomes of RTAs/FTAs implemented in 2015 by APEC Economies. The PSU highlighted the number of RTA/FTAs signed and enforced by APEC economies is following an upward trend. More agreements were put in force in 2015 in comparison to 2014 and a greater percentage of the total APEC trade is being covered by RTA/FTAs every year. The CTI Chair presented the outcomes of the CTI-level Trade Policy Dialogue at SOM2 which emphasis was placed on the WTO-plus elements of the RTAs/FTAs.

Session 1: Salient Trends – Mega regional agreements

The first session focused on discussing the new trends towards mega regional agreements. The session provided insights from the academic and public perspective about the negotiation of the two pathways towards FTAAP: TPP and RCEP. Experts shared their opinion regarding the attributes and characteristics of the already signed TPP, and some insights regarding RCEP, as it is currently under negotiation.

Session 2: Similarities and differences among recent RTAs/FTAs in the APEC Region

This session aimed to discuss the similarities and differences among recent RTAs/FTAs in the APEC region, based on the key findings made on the Chapter 7 of the Study on FTAAP regarding Convergences and Divergences.

Speakers tackled from the public and academic perspective the challenges that the realization may imply including the definition of an optimal convergence, determining where more convergence might be more desirable (SPS, TBT) and where might not be so much (tariff elimination, environmental and labor provisions).

Session 3: Capacity Building regarding RTAs/FTAs negotiations

During the third session, experts from public and academic sector provided an overview of the capacity building initiatives for RTAs/FTAs negotiations that have been realized within APEC. The key recommendations were that this initiatives should enhance their effectiveness, such as exploring new topics, but also, revisiting the topics already covered by APEC with value-added programs (Environment, ROO, Scheduling in Services trade), developing research building database, providing analytical tools, among others.

Session 4: RTAs/FTAs Utilisation

In this session, it was discussed best practices to enhance FTAs/RTAs utilisation in order to facilitate access to the benefits related to trade liberalisation and facilitation, especially by SMEs in APEC economies. Experts concluded that even though data of RTAs/FTAs utilisation may differ substantially throughout the world, the evidence shows that it has grown in the last years in APEC economies.

However, there is much to do, especially for SMEs, in order to improve the utilisation of RTAs/FTAs. Some elements identified as affecting its utilisation were disinformation,

delays and administrative costs associated with rules of origin, corruption, among others. Some suggestions mentioned were to provide clearer and practical information regarding RTAs/FTAs, generate greater awareness of RTAs/FTAs provisions, including the phasing out of tariff schedules. Furthermore, in order to assess more precisely the level of utilisation in APEC economies, it is paramount the gathering better data. As a final recommendation, experts suggested that RTAs/FTAs utilisation might be one key element that should be tackled deeper in APEC in the following years.

Session 5: Wrap up

This final session summarized all the topics covered during this SOM Dialogue on RTAs/FTAs. SOM Chair provided the closing remarks.