



**Asia-Pacific
Economic Cooperation**

2017/SOM3/DIA/017

Enabling Free Trade Area of the Asia-Pacific: Pathways: Preference of Plurilateral Agreements

Submitted by: ABAC



**Dialogue on Regional Trade Agreements and Free
Trade Agreements
Ho Chi Minh City, Viet Nam
27 August 2017**



SOM Dialogue on FTAs and RTAs

Enabling FTAAP Pathways: Preference of Plurilateral Agreements

Japan ABAC Member: Matt Takahashi

August 27, 2017

Enabling FTAAP Pathways: Preference of Plurilateral Agreements

ABAC Enabling FTAAP 2017 Work plan

1. Support to pursue the Pathways to FTAAP:
 - ① Encourage TPP parties to adhere to the commitments of the original agreement and to preserve its high-quality outcomes; and
 - ② Encourage RCEP parties to conclude negotiation by the end of the year, ensuring that the agreement is comprehensive, high quality and mutually beneficial.

2. Identify further areas and issues from Lima Declaration on FTAAP.
 - ① Forward-Looking
 - ② Business priorities
 - ③ Convergence at highest level of pathways
 - ④ Capacity building for next-generation trade and investment issues

3. Propose an additional initiative on domestic and regional benefits of Plurilateral Trade Agreements.

Enabling FTAAP Pathways: Preference of Plurilateral Agreements

EXISTING FTAs/RTAs:

1. Number of Agreements

TPP members (12) → 42

RCEP members (16) → 115

2. Contribution to Tariff reduction

Pre-GATT 45% → 2010 4.2%

3. Increased NTBs

4. Increased complexity in goods/services trade and investment

5. Complexity discouraged new investment decisions on Global Value Chains

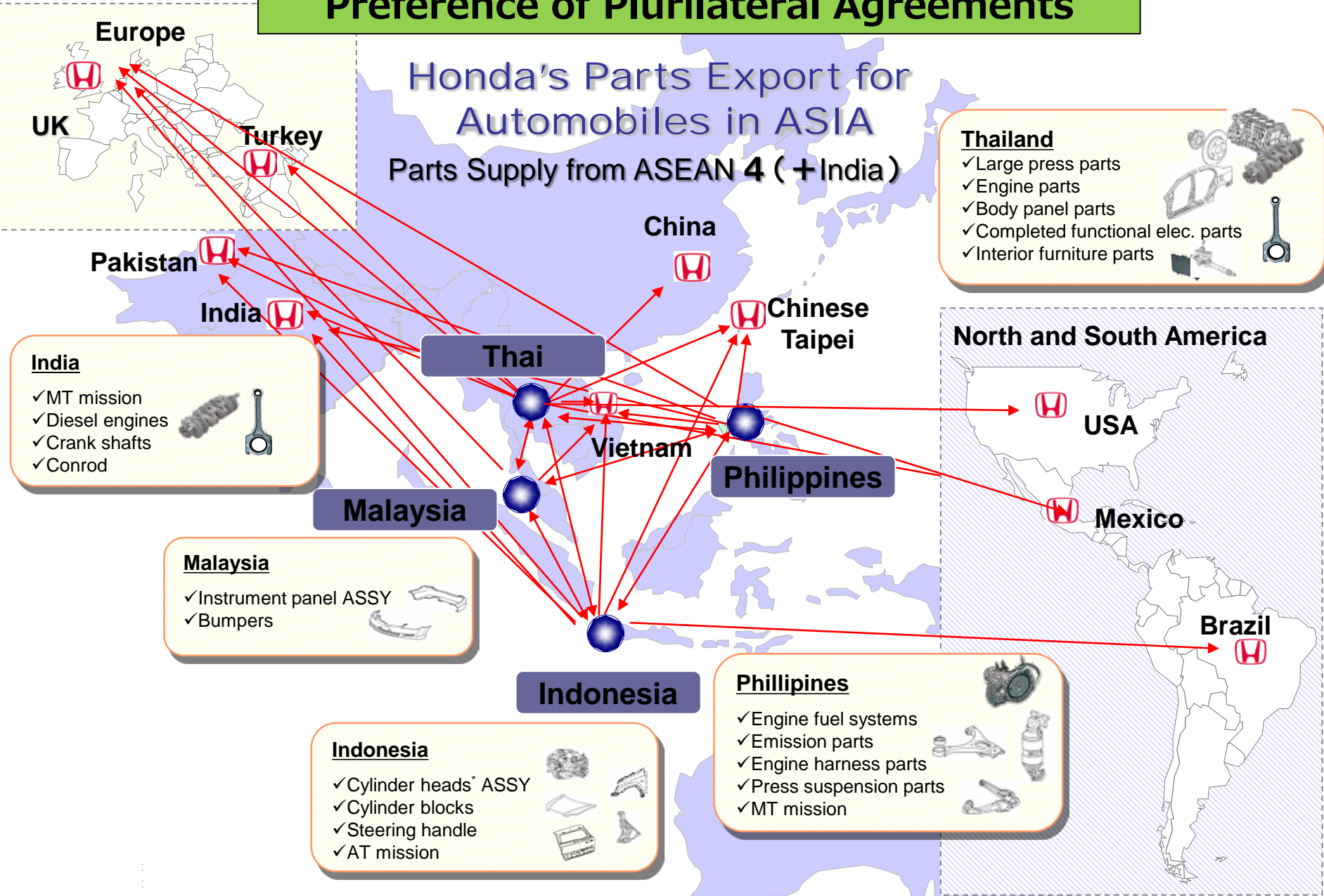
Enabling FTAAP Pathways: Preference of Plurilateral Agreements

Benefits of Free Trade are empowered by Plurilateral Agreement with High-Quality and Comprehensiveness:

1. Stronger justification of Structural Reform to minimize NTBs/NTMs
2. Positive promotion of Capacity Building
3. Acceleration to advance digital and internet economy with more standardized cross-border rules
4. Encouragement of more investment activity to advance more competitive and resilient Global Value Chains

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Honda's Parts Export for Automobiles in ASIA Parts Supply from ASEAN 4 (+ India)



Thailand

- ✓ Large press parts
- ✓ Engine parts
- ✓ Body panel parts
- ✓ Completed functional elec. parts
- ✓ Interior furniture parts

India

- ✓ MT mission
- ✓ Diesel engines
- ✓ Crank shafts
- ✓ Conrod

Malaysia

- ✓ Instrument panel ASSY
- ✓ Bumpers

Indonesia

- ✓ Cylinder heads* ASSY
- ✓ Cylinder blocks
- ✓ Steering handle
- ✓ AT mission

Philippines

- ✓ Engine fuel systems
- ✓ Emission parts
- ✓ Engine harness parts
- ✓ Press suspension parts
- ✓ MT mission

North and South America

USA

Mexico

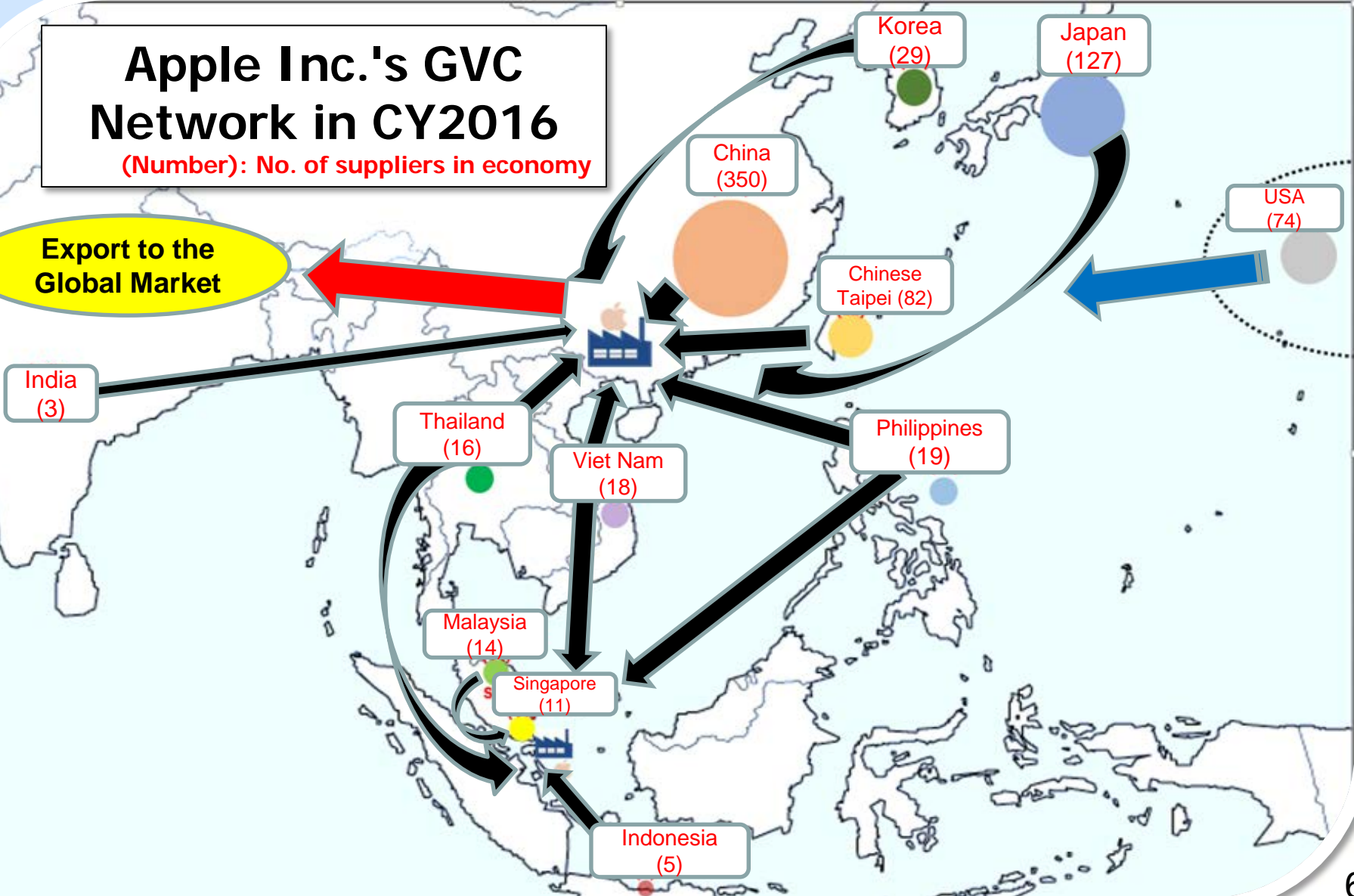
Brazil

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Apple Inc.'s GVC Network in CY2016

(Number): No. of suppliers in economy

Export to the
Global Market



Enabling FTAAP Pathways: Preference of Plurilateral Agreements

Thank you for your
kind attention.

