



**Asia-Pacific
Economic Cooperation**

2017/SOM2/018anx04

Agenda Item: 4

Annex 4 - The Conduct of the Trade Policy Dialogue on WTO-Plus Elements of RTAs/FTAs and the Trade Policy Dialogue Outcomes Report

Purpose: Consideration
Submitted by: CTI Chair



**Second Senior Officials' Meeting
Ha Noi, Viet Nam
17-18 May 2017**

TPD ON WTO-PLUS ELEMENTS OF RTAS/FTAS: OUTCOMES REPORT

A Trade Policy Dialogue on WTO-plus elements of recently-concluded RTAs/FTAs was held as part of the Information Sharing Mechanism at the Second Committee on Trade and Investment meeting for 2017 in Hanoi on 14 May 2017. Participants heard presentations from Canada and Singapore on the Canada-European Union FTA (CETA) and technical barriers to trade in Singapore's FTAs, respectively.

Canada outlined the negotiated outcomes and new standards CETA will set out for the future of the Canada-EU trade relationship. The presentation highlighted the WTO-plus outcomes in non-tariff barriers, confirming access to public contracts, enhancing labour mobility, increasing transparency and predictability for services trade, and promoting investment. For example, CETA will reduce the impact of non-tariff barriers by facilitating recognition of equivalency in technical regulations to reduce manufacturing costs. The agreement provides access to the EU's \$3.3 trillion government procurement market for goods, services and construction services. In relation to labour mobility, CETA established a framework to facilitate the negotiation of mutual recognition of professional qualifications. With respect to investment, provisions related to performance requirements are TRIMS plus as they discipline services as well as goods.

In a presentation on TBT Chapters in Singapore's recent FTAs (i.e. the EU-Singapore FTA, the Turkey Singapore FTA and the TPP), Singapore explained that the majority of its agreements included a TBT chapter. For those agreements not having a TBT chapter a number of provisions related to NTMs or 'STRACAP' elements (i.e. standards, technical regulations and conformity assessment procedures). The newer FTAs contained a greater number of WTO-plus elements including in the areas of Transparency, Compliance Period and disciplines in Marking and Labeling. In negotiating its FTAs, Singapore sought to undertake broad domestic consultations with stakeholders including industry associations, e.g. the cosmetics manufacturers association for the cosmetics annex in the TPP. Sectoral annexes are also a feature in Singapore's newer FTAs.

Participants advanced a number of in-depth questions. Asked how CETA dealt with investment, Canada mentioned a provision in the agreement for a 15-person tribunal to hear investment dispute settlement cases. The tribunal provided a solid accountability mechanism. In response to a question about how Singapore's FTAs dealt with supplier declaration of conformity assessment, Singapore noted that SDoC provided an additional mechanism that a manufacturer could use to show that the product is in conformity with the specified requirements of the importing party. Singapore noted that APEC had the Electrical & Electronic Equipment MRA which also helped participants facilitate trade.

TPD facilitator, Australia, summed up the discussion, noting that the TPD would further contribute to the sharing of practical, technical-level information on WTO provisions of individual FTAs and new approaches to recently-concluded FTAs within APEC. There appeared to be much scope for in-depth consideration of WTO-plus issues in new and emerging FTAs. Apart from the TPD, the CBNI initiative and SOM-level dialogues on FTAs/RTAs were forums for discussion of these issues.

Australia expressed that notwithstanding uncertainties about its future, the TPP provided rich pickings for future discussion of new or 'next generation' elements of FTAs, for example, labour and

environment. Australia suggested that outcome reports on TPDs held to date, as well as future TPDs, should be retained as an on-line compendium of WTO-plus elements of FTAs/RTAs, linked to the CTI website. Several economies welcomed continuation of the TPD at future CTI meetings and agreed with Australia's suggestion that it should continue to follow a short (1-2 hour) format.