



**Asia-Pacific
Economic Cooperation**

2021/SOM1/CTI/004

Agenda Item: V.1

APEC Business Advisory Council Presentation on the Free Trade Area of the Asia-Pacific

Purpose: Information
Submitted by: ABAC



**First Committee on Trade and Investment
Meeting
3-4 March 2021**



APEC Business Advisory Council

CTI1

**ABAC Presentation on
FTAAP**

**Presentation by Ho Meng Kit (ABAC Singapore)
& Matt Takahashi (ABAC Japan)**

3 March 2021

www.abaonline.org

Agenda

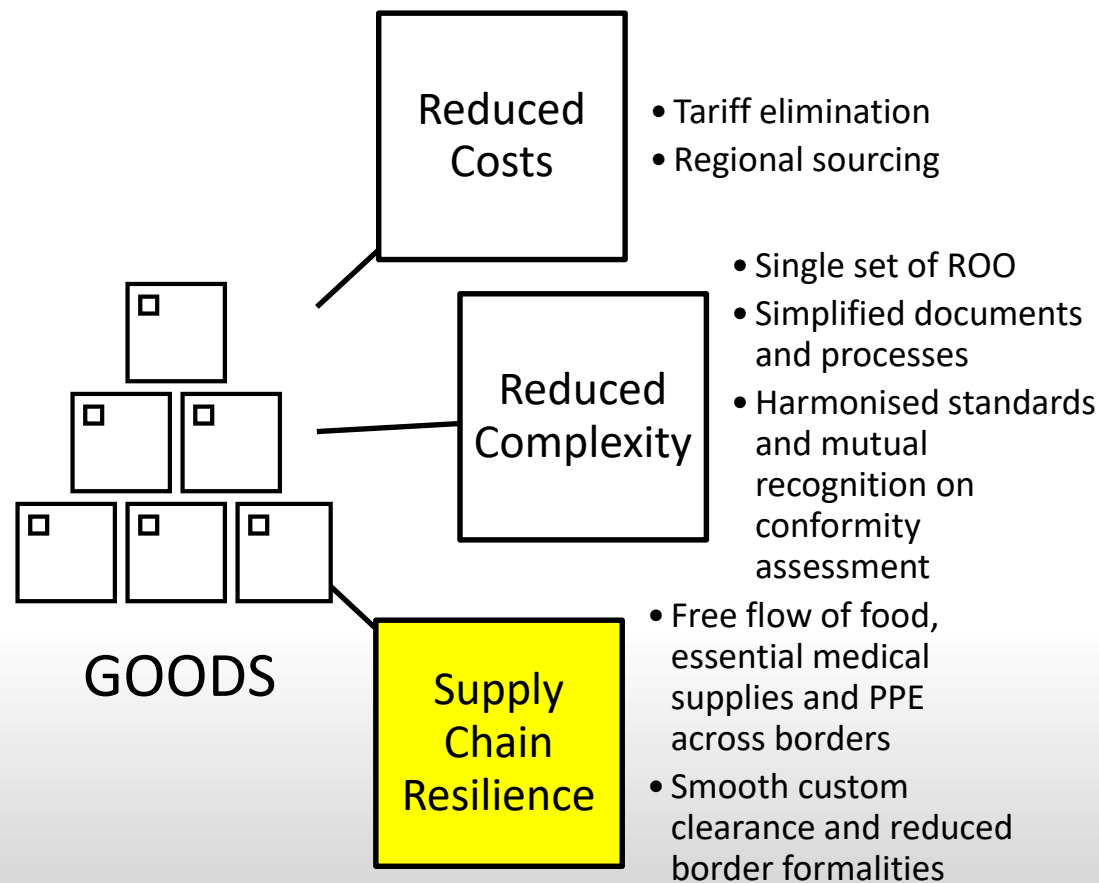
1. APEC Putrajaya Vision 2040
2. What businesses want
3. ABAC contributions to FTAAP agenda
4. Next steps for FTAAP

APEC Putrajaya Vision 2040

Our vision is an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations.

“We will further advance the Bogor Goals and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to **high standard and comprehensive regional undertakings.**”

What businesses want

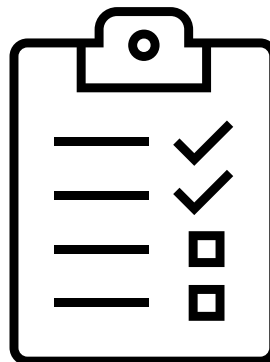


What businesses want



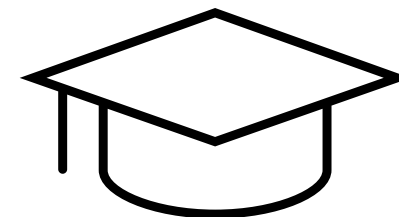
SERVICES

- More market access & sectors included
- “Negative-list” approach



INVESTMENT

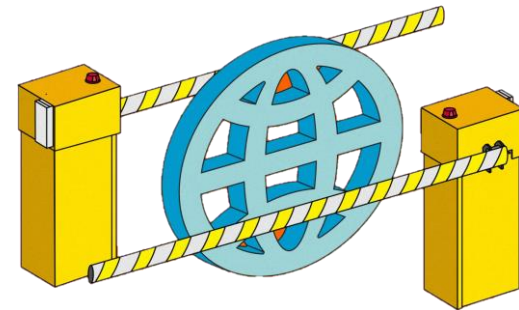
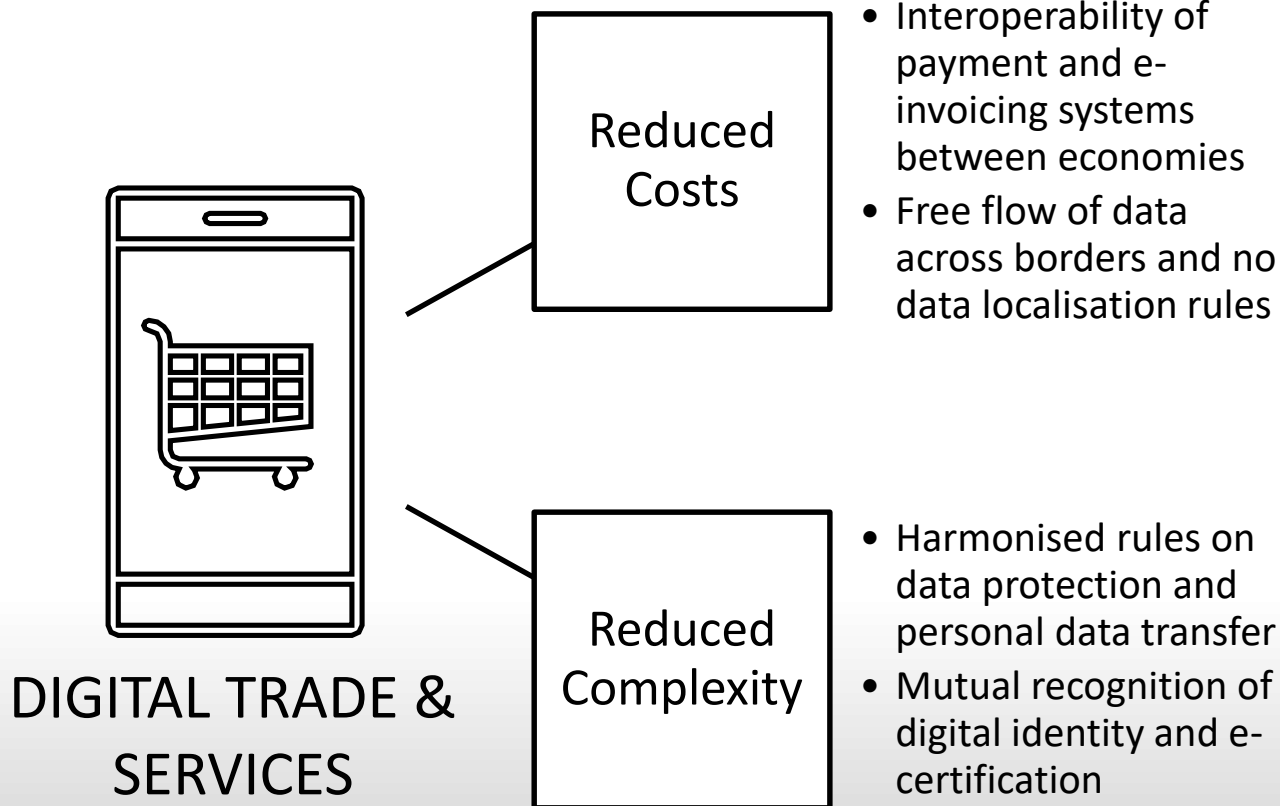
- Greater market access & expansion of sectors
- Greater transparency on rules and approvals required
- Protection against unfair or unjust actions



INTELLECTUAL PROPERTY

- Strong IP rights
- Single filing for multi-economy protection

What businesses want



What businesses want



“LIVING” PROCESS

- Transparency and communication
- Single channel to raise issues/challenges/ problems faced for prompt action

ABAC Contribution to FTAAP Agenda

1. ABAC FTAAP Project and Key Messages to Leaders^①

2016 – Peru Year (Lima Declaration)

2018 – PNG Year

2. ABAC FTAAP Project and Key Messages to Leaders^②

2019 – Chile Year (FTAAP birthplace in 2004)

2020 – Malaysia Year (Bogor concluding year)

3. ABAC 2021 Work Plan on FTAAP Agendas

(1) FTAAP Investment Policy – Resilient GVCs

(2) Pathways contribution to Recovery from Pandemic

4. Outlook of Progressing FTAAP Pathways

Year	Project Title	Key Message to Leaders	
		<Shaping & Realizing FTAAP>	<Concluding Pathways towards FTAAP>
2016	FTAAP Opportunity Authors: C. Findlay, P. Petri and M. Plummer		
	Reported to CTI Chair	<ul style="list-style-type: none"> ➤ Living documents ➤ Future-looking/ambitious ➤ Converge beyond pathways ➤ Business priorities 	<ul style="list-style-type: none"> ➤ Promote TPP/RCEP at high level ➤ Pathways complement each other ➤ Open & accessible to all
2018	FTAAP Opportunity II Authors: M. Plummer, C. Findlay, P. Petri and G. Wignaraja		
	Reported to CTI Chair	<ul style="list-style-type: none"> ➤ More seamless regional rule ➤ Accommodate digital economy & different trade environment ➤ Importance on NGeTis 	<ul style="list-style-type: none"> ➤ Pathways in different models ➤ Furthering the path to convergence ➤ CPTPP covers business priorities ➤ RCEP accommodates different levels of economic development ➤ PA strong political will and progressivity to expand members

Year	Project Title	Key Message to Leaders	
		<Shaping & Realizing FTAAP>	<Concluding Pathways towards FTAAP>
2019	FTAAP NGeTIs Author: J. Navarro		
	Reported to SOM Chair	<ul style="list-style-type: none"> ➤ Re-affirming 2014/2016 Leaders direction & find consensus on FTAAP work ➤ Importance to address NGeTIs to emerging business challenges 	<ul style="list-style-type: none"> ➤ Deepening regional integration with high quality and comprehensive RTAs/FTAs ➤ CPTPP ratification & possible expansion ➤ RCEP successful conclusion ➤ PA deepening integration
2020	FTAAP NGeTIs Competition Policy Author: J. Navarro		
	Reported to SOM Chair	<ul style="list-style-type: none"> ➤ NGeTIs to address transformational changes for recovery from COVID-19 ➤ Achieving FTAAP to support inclusive growth for all market participants ➤ Find consensus on FTAAP work 	<ul style="list-style-type: none"> ➤ RCEP significant contribution to recovery from COVID-19 with ratification ➤ CPTPP ratification and expansion process ➤ PA membership expansion

NOTE: ABAC participated in MOFA Japan led Policy Dialogue (Meeting and Survey), and the author of the Report attended the Policy dialogue as a Panelist and presented his Report

<Shaping and Realizing FTAAP>

Project FTAAP Investment Policy

Report by **Juan Navarro**
Associate Professor
Royal Roads University

Objectives

Recognizing issues and challenges impacted by COVID-19 on GVCs, task force compiles recommendation to enhance resilience of GVC from the viewpoint of cross-border investment.

<Concluding Pathways towards FTAAP>

Analysis Economic Impact by CPTPP/RCEP

Report by **Peter Petri**
Carl Shapiro Professor of International Finance in the Brandeis International Business School

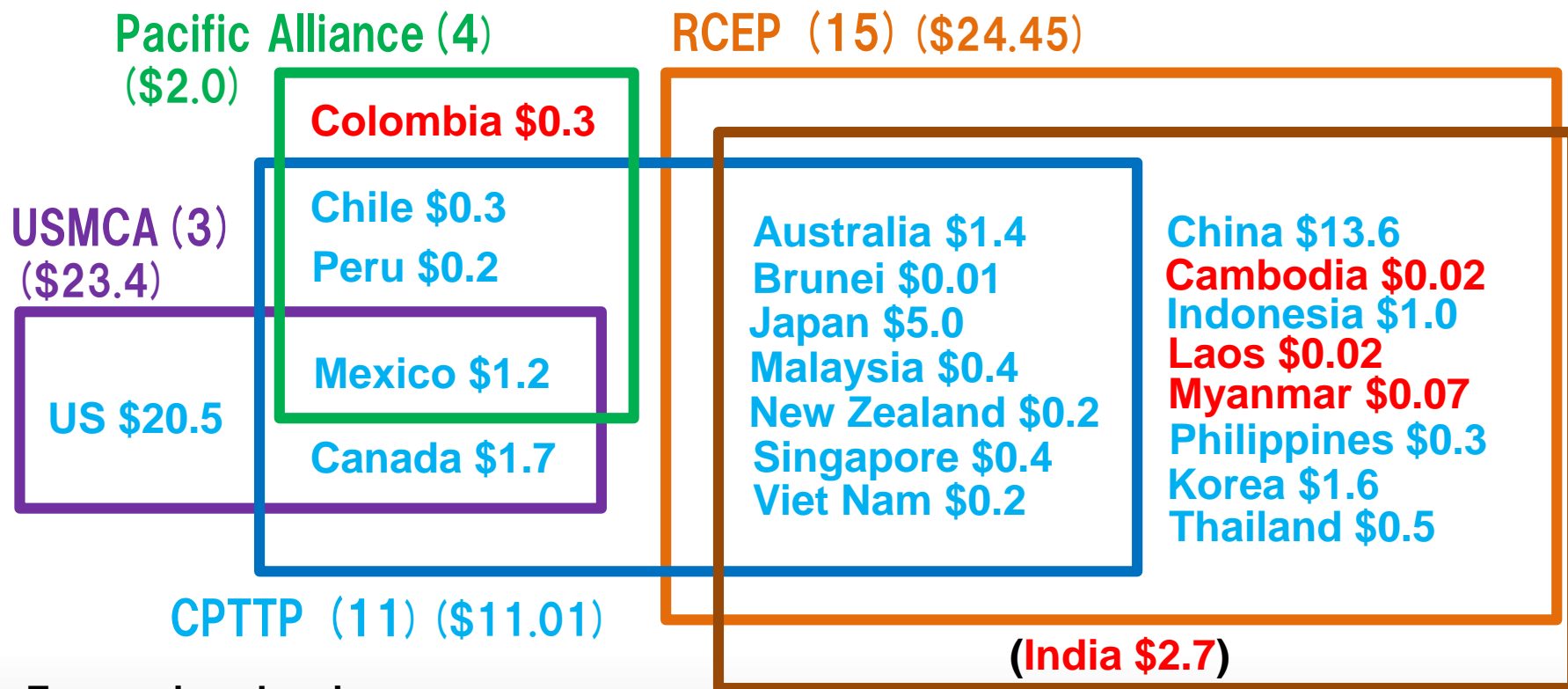
Mike Plummer
Eni Professor of International Economics

Objectives

Recognition of the significant impact by mega RTAs of high quality and comprehensive pathways to advance Regional Economic Integration and support strong recovery from Covid-19.

NOTE: Aiming to submit FTAAP Investment Policy to SOM Chair
Plans to participate in CTI Workshop scheduled for May 2021

Regional trade groups involving the United States, Asia, and the Pacific and 2018 GDP (trillions of US dollars)



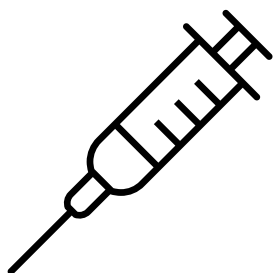
Economies showing interest in joining CPTTP

UK, China, Korea, Chinese Taipei, Thailand and others

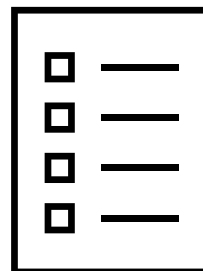
APEC Economies indicated in Blue
 APEC's Neighbours in Red
 Remote Participants in Black

Next steps for FTAAP

PRIORITIES FOR ACTION



1. Sectoral initiative to eliminate tariffs, NTBs and export restrictions on essential medical supplies, vaccines and related services



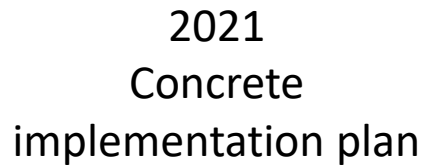
2. Areas where APEC has fallen short of Bogor Goals, e.g. agriculture, NTBs, services, investment




3. Aligning the convergence and reducing the divergence of the spaghetti bowl

Next steps for FTAAP

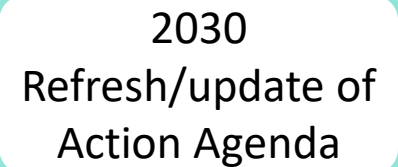
PROCESS / JOURNEY

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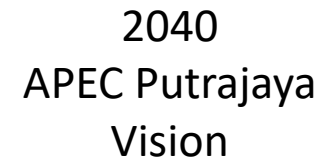
2021
Concrete
implementation plan

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2025
Review of
progress

A teal-bordered rounded rectangle containing the text '2030 Refresh/update of Action Agenda'. A teal location pin icon is positioned above the box, pointing to the road.

2030
Refresh/update of
Action Agenda

A blue-bordered rounded rectangle containing the text '2040 APEC Putrajaya Vision'. A blue location pin icon is positioned above the box, pointing to the road.

2040
APEC Putrajaya
Vision



END