



**Asia-Pacific
Economic Cooperation**

2024/AELM/DEC/1

**31st APEC Economic Leaders' Meeting 2024- Ichma
Statement on a New Look at the Free Trade Area of
the Asia-Pacific Agenda**



**31st APEC Economic Leaders' Meeting
Lima, Peru
16 November 2024**

Ichma Statement on A New Look at the Free Trade Area of the Asia-Pacific agenda

An FTAAP agenda for our times

We reaffirm our commitment to the APEC Putrajaya Vision 2040 and the Aotearoa Plan of Action (APA) while upholding the principles of voluntary and non-binding cooperation, consensus-building, open dialogue, and equal respect for the views of all participants. We recognize that advancing economic integration in the Asia-Pacific region in a manner that is market-driven is a core objective of APEC. We collectively support advancing, in a comprehensive and systematic manner, the Free Trade Area of the Asia-Pacific (FTAAP) agenda as an important shared initiative that supports enhancing information sharing, capacity building and technical cooperation efforts in support of economies' readiness to participate in high quality and comprehensive regional undertakings.

Twenty years after the concept of the FTAAP was proposed by the APEC Business Advisory Council (ABAC), we share the view that it is time to assess how APEC's FTAAP agenda can address changes in the evolving international trade landscape. The FTAAP agenda should further promote regional trade and investment, including through the FTAAP Agenda Work Plan. We acknowledge the contributions of the Beijing Roadmap and the Lima Declaration on FTAAP. We also acknowledge the relevance of existing regional and free trade agreements (RTAs/FTAs). Recognizing the contributions of the Bangkok Goals on Bio-Circular-Green Economy and the San Francisco Principles on Integrating Inclusivity and Sustainability into Trade and Investment Policy, the FTAAP agenda should also foster a trade and investment environment that is both adaptable and responsive to sustainable and inclusive economic growth, the evolving needs of our economies, and the well-being of our people. These efforts are in furtherance of the APA's collective and individual actions for advancing this work.

In this context, and under Peru's leadership, we welcome the progress achieved this year, through the three dialogues on "A New Look at the FTAAP: How to Advance the FTAAP Agenda". We note the open and collaborative discussion, exploring various pertinent aspects of the FTAAP agenda. ABAC and the Pacific Economic Cooperation Council (PECC) have made valuable contributions to the discussion. This process was developed on the basis of the APEC Policy Support Unit's (PSU) review of APEC's work on the FTAAP and the study on areas of convergence and divergence across key free trade agreements within the region.

A strengthened process: Guiding Elements

To foster a cooperative and evolving FTAAP agenda, we instruct the following:

- A new workstream within the Committee on Trade and Investment (CTI) FTAAP Agenda Work Plan that examines and analyzes areas of divergence and convergence in FTAs and RTAs practice, based on the PSU's Study on

Convergences and Divergences of Free Trade Agreements in the APEC region as well as other relevant initiatives, which will lay the groundwork for exploration of new areas of work, which may possibly include *inter-alia* customs procedures, investment, digital trade, competition policy, state-owned enterprises, trade and labour, trade and environment, intellectual property and MSMEs. We task the CTI to engage and identify relevant emerging issues and topics, on consensus basis, for our economic integration goals.

- A reinforced, updated and fully utilized Information Sharing Mechanism Initiative on RTAs-FTAs and Capacity Building Needs Initiative, as well as other capacity building initiatives, which will support peer learning, enhance transparency, and improve economies' understanding and implementation of RTAs and FTAs in order to participate in and benefit from high quality and comprehensive regional undertakings, with a view to bridging the gap between economies with different capacity levels.
- CTI to guide and lead the efforts to deepen synergies, enhance cross-fora collaboration, seek inputs, and explore new ways to address the multidimensional and cross-sectoral challenges we face today. The CTI and relevant sub-fora are strongly encouraged to include FTAAP agenda-related work in their workstreams
- Continued active involvement of representatives from business and academia, including closer collaboration with ABAC, PECC, and the APEC Studies Centers Consortium. When feasible and appropriate, discussions may involve representatives from relevant international organizations and stakeholders.
- The PSU to continue supporting APEC's work on FTAAP.

Advancing areas of work

The work on the FTAAP agenda must be advanced in both bottom-up as well as top-down strategies to effectively address the current challenges affecting trade and investment. In addition to the areas identified under 'Guiding Elements,' economies should continue to explore the links between trade and other sectors or emerging topics, such as digitalization, sustainability, inclusivity, supply chain resilience, among others.

These areas may be further explored through the guiding elements listed above, existing APEC initiatives and workstreams, or other initiatives to be developed and agreed, including exploring pathfinder approach.

Reporting

To maintain momentum and ensure tangible progress on the FTAAP agenda, we instruct officials to report to ministers on advancements and tangible outcomes, including through the CTI Annual Report. The PSU may review related work done during this period, with a comprehensive review in 2030.