



## **JEF Asia – Pacific Forum 2016**

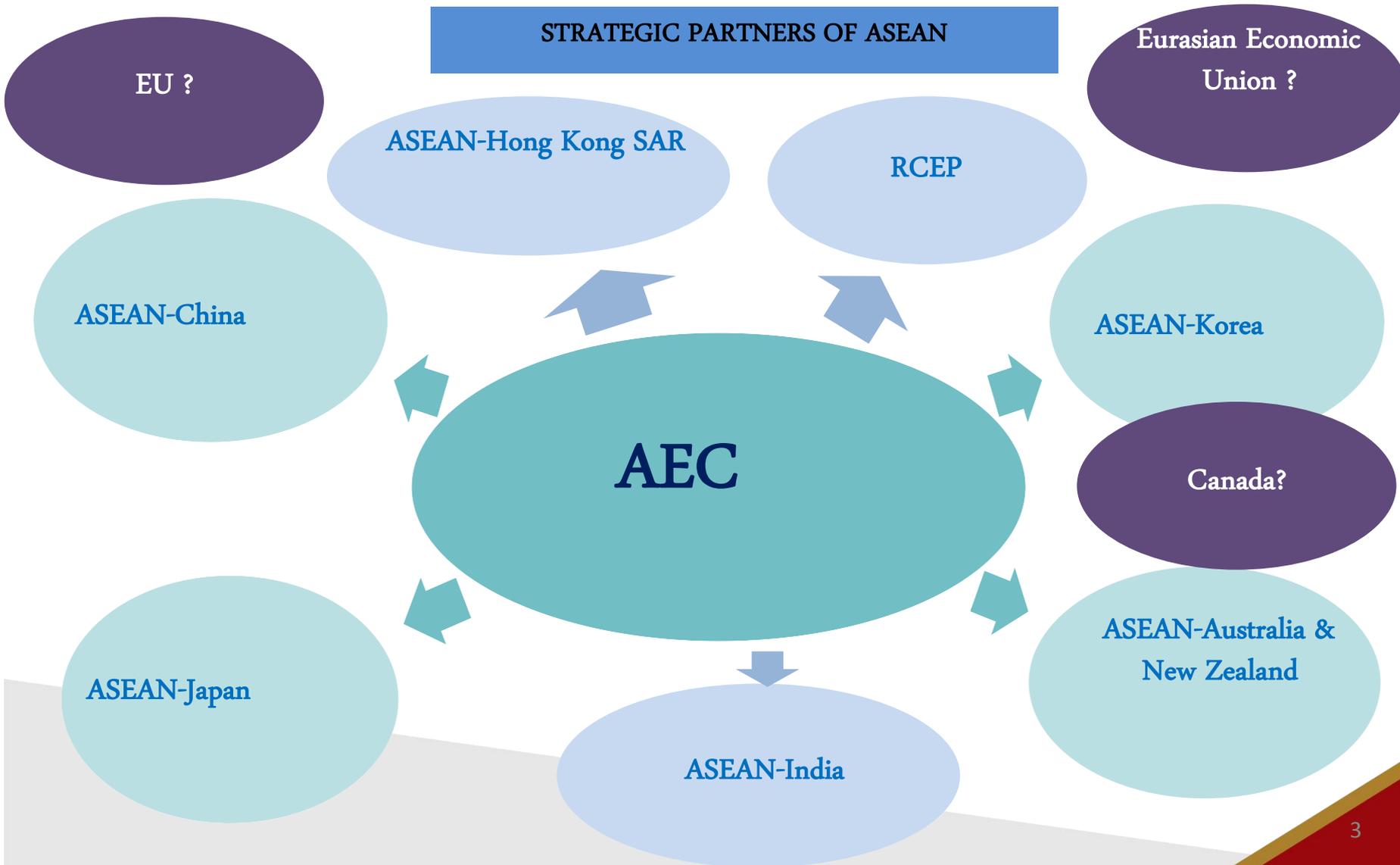
# **Advancing Trade and Investment Liberalization in the Asia Pacific**

**By: P. Ravidran**

- Connectivity enhancement: Framework, steps, and contemporary challenges
- Participation in GVCs: any risks from web of FTAs in Asia Pacific
- Phasing out TBT and SPS: Room for meaningful progress
- Dispute Settlement in FTAs: too formalistic or too asymmetrically restrictive

# Web of FTAs - integration into the global economy

## STRATEGIC PARTNERS OF ASEAN



# Why RCEP completion critical?

- Uncertainty surrounding the global economy has affected all countries, but the impact is especially tougher for some emerging markets.
- WTO forecast global trade will only grow at a tepid 2.8% in 2016, the fifth consecutive year where trade grew at less than 3%.
- IMF forecast of global growth: 3.1% (2016) and (3.4%) in 2017. Emerging markets and developing countries: 4.2% in 2016 and 4.6% in 2017.
- Growth in advanced economies: 1.6%, which is lower than the 2.1% recorded last year.

## *Why RCEP completion critical?*

- China: World's 2<sup>nd</sup> largest economy is also experiencing slower growth of 6.6% this year down from 6.9% last year, and is expected to grow at a much slower pace of 6.2% in 2017.
- BRICS economies -- Brazil, Russia, India, China and South Africa – are no longer the darlings of international investors. The only bright spot appears to be India, where growth is expected to remain steady at 7.6%.
- ASEAN is among the fastest growing region and projected to grow by 4.5% in 2016 and 4.8% in 2017.
- Cambodia, Lao PDR, Myanmar, Viet Nam and Thailand (CLMVT) – new concept that is developing based on the huge potential these countries offers – rich in resources, labour force (150 million) and are having the highest GDP growth in ASEAN.

- Scope of the RCEP Agreement? Varying level of ambition between Parties in RCEP?
- Issue of building on existing ASEAN Plus 1 FTAs versus comprehensive, modern and high quality RCEP agreement? Broader objective of regional integration.
- Streamlining complex Rules of origin ?
- MFN – Forward looking? Grace period ?
- TBT and SPS beyond WTO?
- Application of ISDS ? Application of Trims Plus measures

- Adopt a practical and pragmatic approach given that the 16 countries are so diverse. RCEP consist of developed countries, developing countries (middle and low income economies), least developed countries and also vary immensely in terms of population.
- The gaps in the negotiations are being closed, albeit, on incremental basis. There is a need to promote greater understanding among the Parties of each other's position on issues and the scope of commitments that can be realistically met.
- RCEP must be seen as a process that will see the FTA upgraded with changing global environment.
- AEC and RCEP are mutually reinforcing.



Thank you

[ravidranpalaniappan1956@gmail.com](mailto:ravidranpalaniappan1956@gmail.com)



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Menara MITI

No. 7, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia

Tel: 603-8000 8000 | Fax: 603-6201 2337 | Email: [webmiti@miti.gov.my](mailto:webmiti@miti.gov.my) | Website: [www.miti.gov.my](http://www.miti.gov.my)