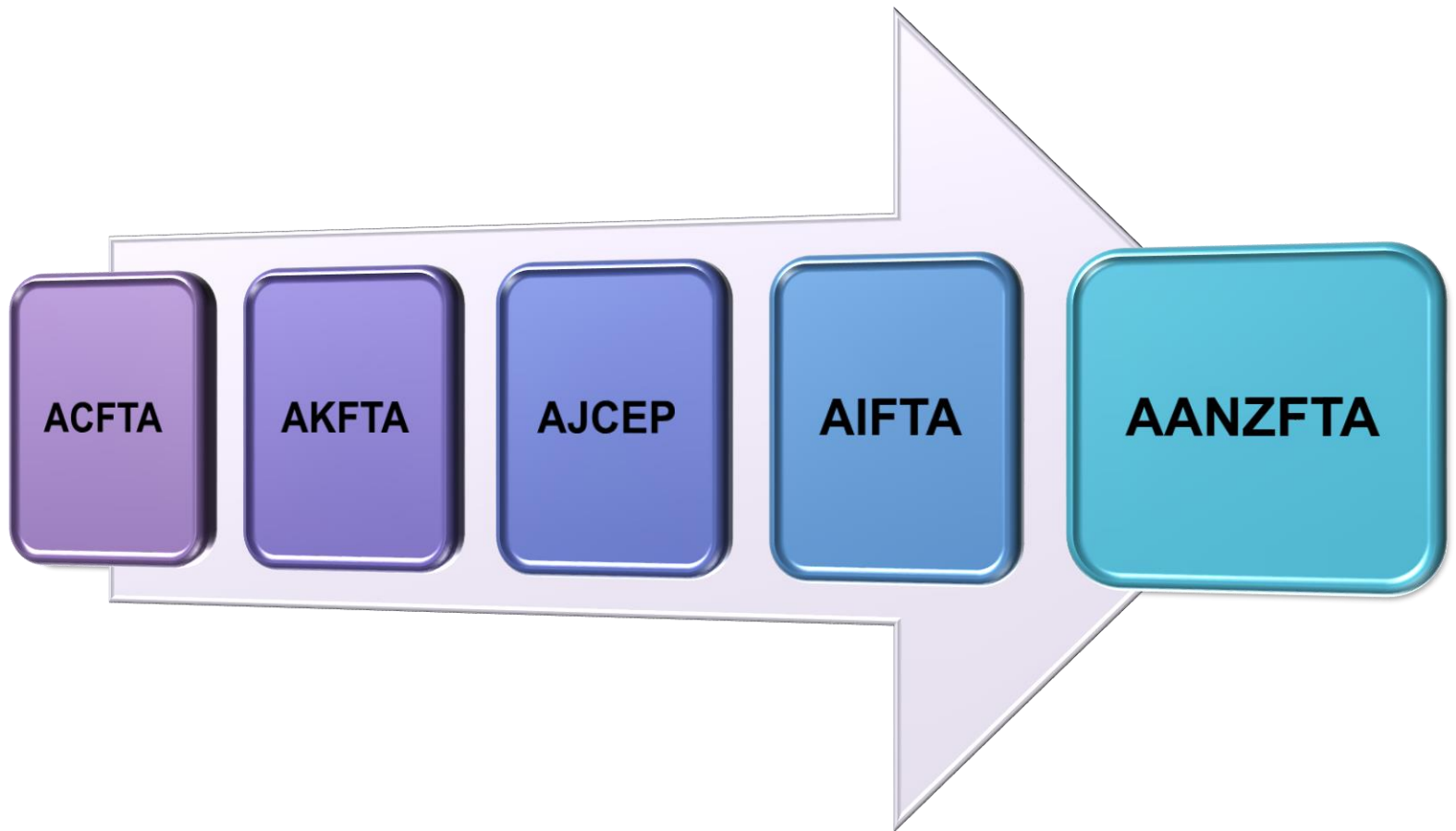




# Regional Comprehensive Economic Partnership

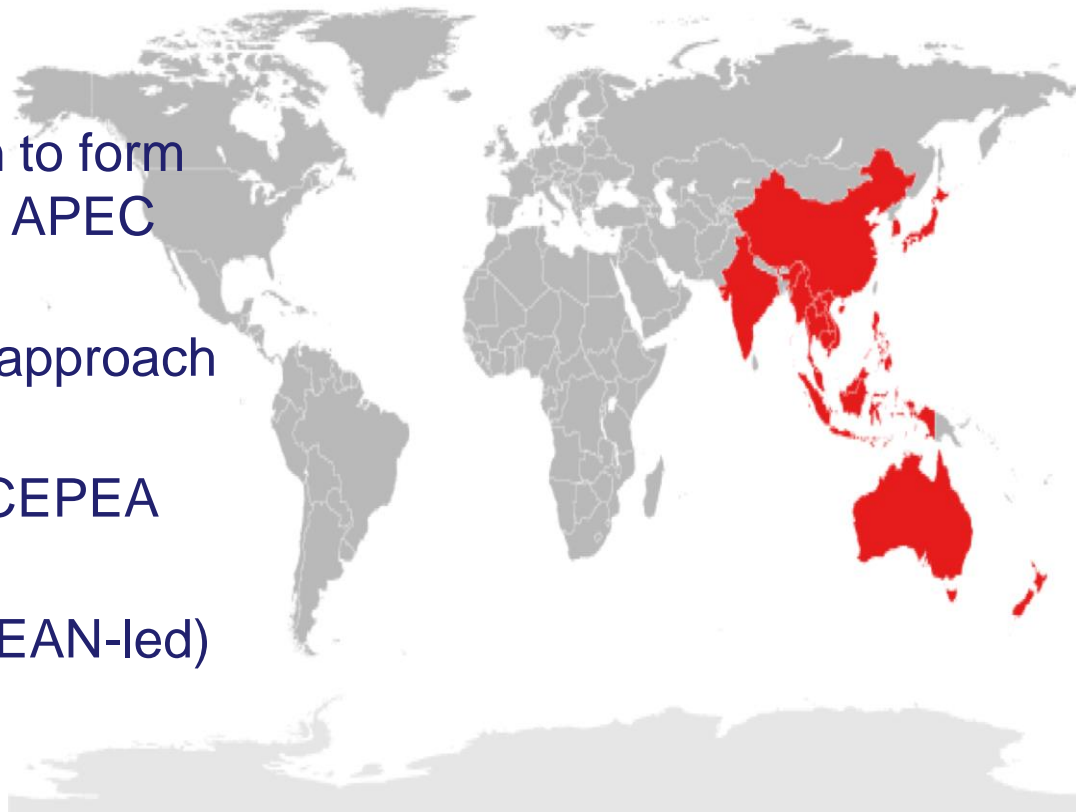
**Assistant Secretary Anna Maria Rosario D. Robeniol**  
*Trade Policy and Negotiations*

ASEAN at 50: PIDS-ERIA Public Symposium on Economic Integration and Nation Building  
21 September 2017 | Marco Polo Ortigas



# RCEP: the genesis

- The ASEAN+1 FTAs
- EAVG recommendation to form an EAFTA ahead of the APEC Bogor goals
- CEPEA, an alternative approach proposed by Japanese
- EAFTA (Korea-led) vs CEPEA (Japan-led) debate
- Conclusion: RCEP (ASEAN-led)



# RCEP Milestones

**November 2011**

ASEAN  
Framework for  
Regional  
Comprehensive  
Economic  
Partnership

**November 2012**

General  
Principles &  
Objectives in  
Negotiating of  
RCEP adopted;  
RCEP  
negotiations  
launched

**April 2013**

RCEP  
negotiations  
commenced



# RCEP Leaders' Commitment

(Joint Declaration on the Launch of Negotiations for the Regional Comprehensive Economic Partnership)

Achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement establishing an open trade and investment environment in the region to facilitate the expansion of regional trade and investment and contribute to global economic growth and development

Boost economic growth and equitable economic development, advance economic cooperation and broaden and deepen integration in the region through the RCEP, which will build upon our existing economic linkages

Commence RCEP negotiations in early 2013 and aim to complete them by the end of 2015 based on the Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership (adopted by the Economic Ministers in Siem Reap, Cambodia in August 2012)



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# Guiding Principles in Negotiating RCEP

Principles	Description
<b>Consistent with the WTO, including GATT Article XXIV and GATS Article V</b>	
<b>Comprehensive market access</b>	Broader and deeper engagement with significant improvements over existing ASEAN+1 FTAs
<b>Trade and business facilitation</b>	Includes provisions to facilitate trade and investment in order to reduce transaction costs and the cost of doing business; and to enhance transparency
<b>Special and Differential Treatment</b>	Includes appropriate forms of flexibility, including S&D, plus additional flexibility to LDCs



# Guiding Principles in Negotiating RCEP

Principles	Description
<b>Open accession</b>	Provides for open accession to enable participation of any of the ASEAN FTA partners should they not be ready to participate at the outset as well as any other external economic partners after completion of negotiations
<b>Economic and technical cooperation</b>	Provides for technical assistance and capacity building
<b>Parallel negotiations</b>	Trade in goods, services, investment and other areas will be conducted in parallel to ensure a comprehensive and balanced outcome
<b>Approach to Negotiations</b>	A balance between comprehensive and what is doable and pragmatic; a balance between what is ambitious and realistic





# Main Considerations for RCEP

- In 2016, RCEP has a total GDP of US\$23.77 trillion with an aggregate population of 3.5 billion people
- RCEP is one of the world's largest free trade areas accounting for:



Sources: [dfat.gov.au](http://dfat.gov.au), [imf.org](http://imf.org), [worldbank.org](http://worldbank.org), [trademap](http://trademap), UNCTAD's WIR 2016





# How Negotiations Are Conducted



ASEAN-led process and not Beijing-led

ASEAN positions through ASEAN caucus

Decisions are by consensus

There are no real AFP positions but there is an AFP Facilitator

Regular and intersessional (in between) meetings

If TNC could not agree, issues are elevated to Ministers



# Broad Negotiating Areas

## Market Access

- Market access
- Goods, services and investment
- Movement of Natural Persons

## Rules & Disciplines

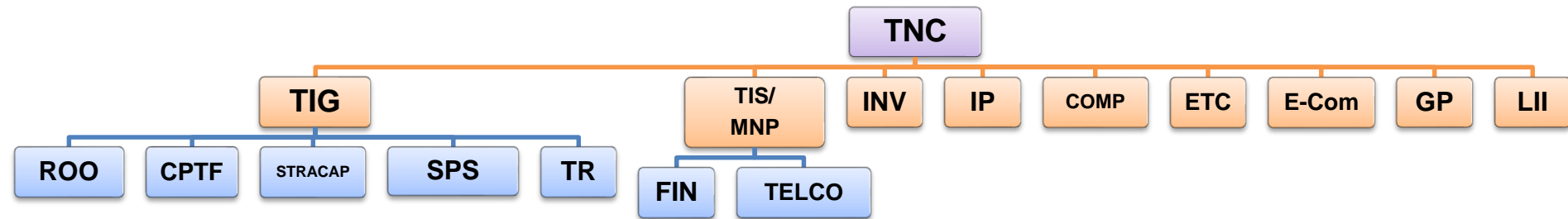
- CPTF
- STRACAP & SPS
- Intellectual Property
- E-commerce

## Economic Cooperation

- Competition
- SMEs
- Government procurement



# Negotiating Structure



# Status of RCEP Negotiations

- RCEP TNC, supported by 9 Working Groups and 7 Sub-Working Groups negotiating market access and text-based negotiations on more than 20 possible Chapters of the RCEP Agreement
- 19 regular RCEP TNC Rounds, 5 Ministerial Meetings and several inter-sessional meetings from the Sub-Working Group to the Ministerial level over a span of 5 years
- No Leaders-level meeting so far
- 2 Chapters (ECOTECH and SME) have been closed so far; 2 Chapters (Competition and CPTF) close to completion
- Key Elements Paper for Significant Outcomes by End of 2017
- Substantial outcomes targeted for 2018



# The Challenges

- Significant development gaps and divergent expectations among the RPCs vs comprehensive and balanced outcomes
- Lack of bilateral FTA between some RPCs makes it difficult to resolve market access issues
- Resource constraint
- Tendency of developed RPCs to “TPPnize” the RCEP Agreement to make “commercially meaningful”
- Lack of flexibility and the tendency to take hardline positions
- “Special and differential treatment” and the “newer ASEAN Member States”
- No “goalpost” set



# Conclusion

- Global developments (i.e. growing anti-globalization and protectionist sentiments) compels us to quickly conclude RCEP negotiations – “the only game in town”
- Substantial conclusion of RCEP negotiations included in the priority deliverables of the Philippines under its chairmanship of ASEAN 2017
- What is “substantial conclusion”?
- Key Elements paper pathway to substantial conclusion?
- How to conclude?
  - Aim for a sufficiently ambitious RCEP Agreement: may require tempering (recalibration) of the level of ambition/expectations
  - Exercise flexibility and understand genuine difficulties: may require securing revised mandates
  - Allocate time and resources: may require putting RCEP at the forefront of RPCs’ priorities
  - Explore creative ways to get past the challenges: review, RCEP-X, side letters/agreements, etc.



# Thank you.

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