

## Regional Comprehensive Economic Partnership (RCEP): Possible Agenda in the Post-Pandemic Period

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RCEP is the first, large scale, pluri-lateral pact in Asia agreed by ASEAN, Japan, Korea, China, Australia and New Zealand. It is by principle to enhance the market access, to promote rule-based trade and investment activities, and to cooperate for inclusive growth. Compared to other mega pacts participated mostly by matured economies, RCEP member includes many developing/emerging economies, and the priority should be given to tap the growth potentials. On the other hand, the multi-lateral regime like the WTO has not functioned and is expected to underperform for a certain period, RCEP should lead the rule-based economic transactions in the region.

Especially among Japan, China and Korea (JCK), RCEP is the first platform for free trade. As the economic pillar in the region, responsible commitment for these three principles should be maintained and practiced, but at the same time efforts should be mobilized to upgrade and to update the present contents for their own growth. Without the efforts, post pandemic reshuffling of GVC should continue to pressure JCK network, negatively influenced by the U.S.-China rivalries, such as security-trade link controls and entity list.

There may be several approaches for RCEP to go against this unprecedentedly uncertain environment, that includes free trade, free trade plus, and beyond free trade agenda. First, the market access still has a good room for further opening in RCEP, especially in various consumption goods including food and other light industries. This sector is participated by many local SMEs especially in late comers, and free trade is expected to contribute to inflation control too, while complementing the low self-sufficiency among JCK at the same time. Collective action for free trade in consumption goods should impress the strong will for protecting the big yard from security-link fences.

Secondly, RCEP upgrading should be designed to maximize the synergy effects between the market access and others, including service sector liberalization, investment, and natural person movement. Strategic synergy as free trade plus may work especially among the neighbors. For instance, China has encouraged the cross-border E-commerce recently, and Japan's sake export soared after the inbound tourism boom from China. E-commerce was supported by sophisticated cold-chain logistics in urban China, and Japan's marketing was also stimulated by the innovative Chinese shopping way, relying on 3D, Augmented Realities (AR) technologies.

Thirdly, considering the rapid digital revolution as the growth engine, beyond free trade approach also looks indispensable, especially in the data rules. China has applied for the

Digital Economic Partnership Agreement (DEPA) and the successful membership will encourage China to tackle with the data rules in The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) seriously. As beyond free trade agenda, further upgrading and harmonization of each JC, KC Bilateral Investment Treaty (BIT), dialogues for IPR implementation, and accountability principles for SPS and other border procedures may work for JCK integration. In fact, CPTPP has the principles for arbitrary border controls without providing scientific evidence. Better accountability commitment will strengthen JCK integration, as well as their leadership in the rule designing games.