

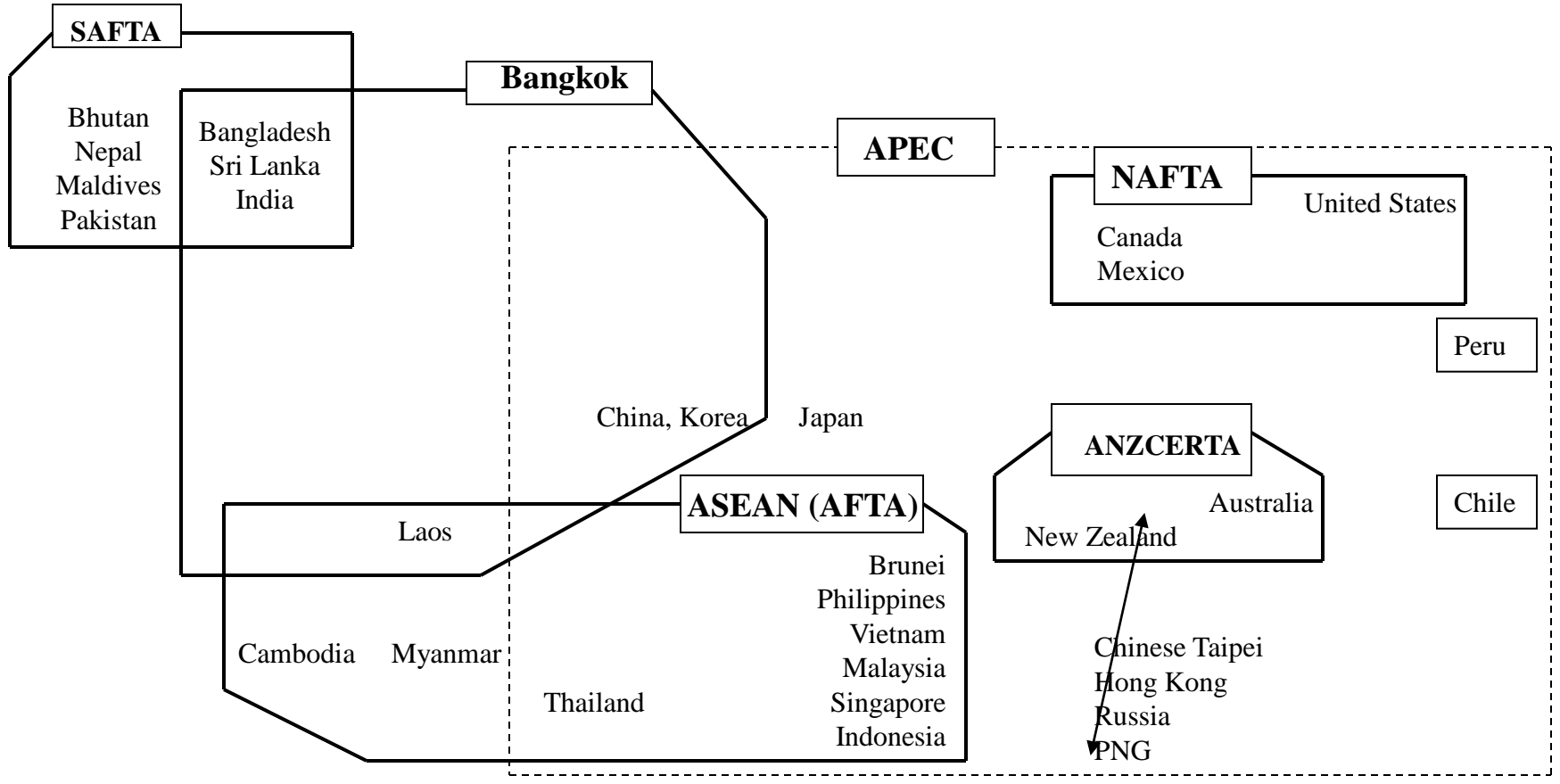


The Contribution of FTAs to Regional Economic Integration

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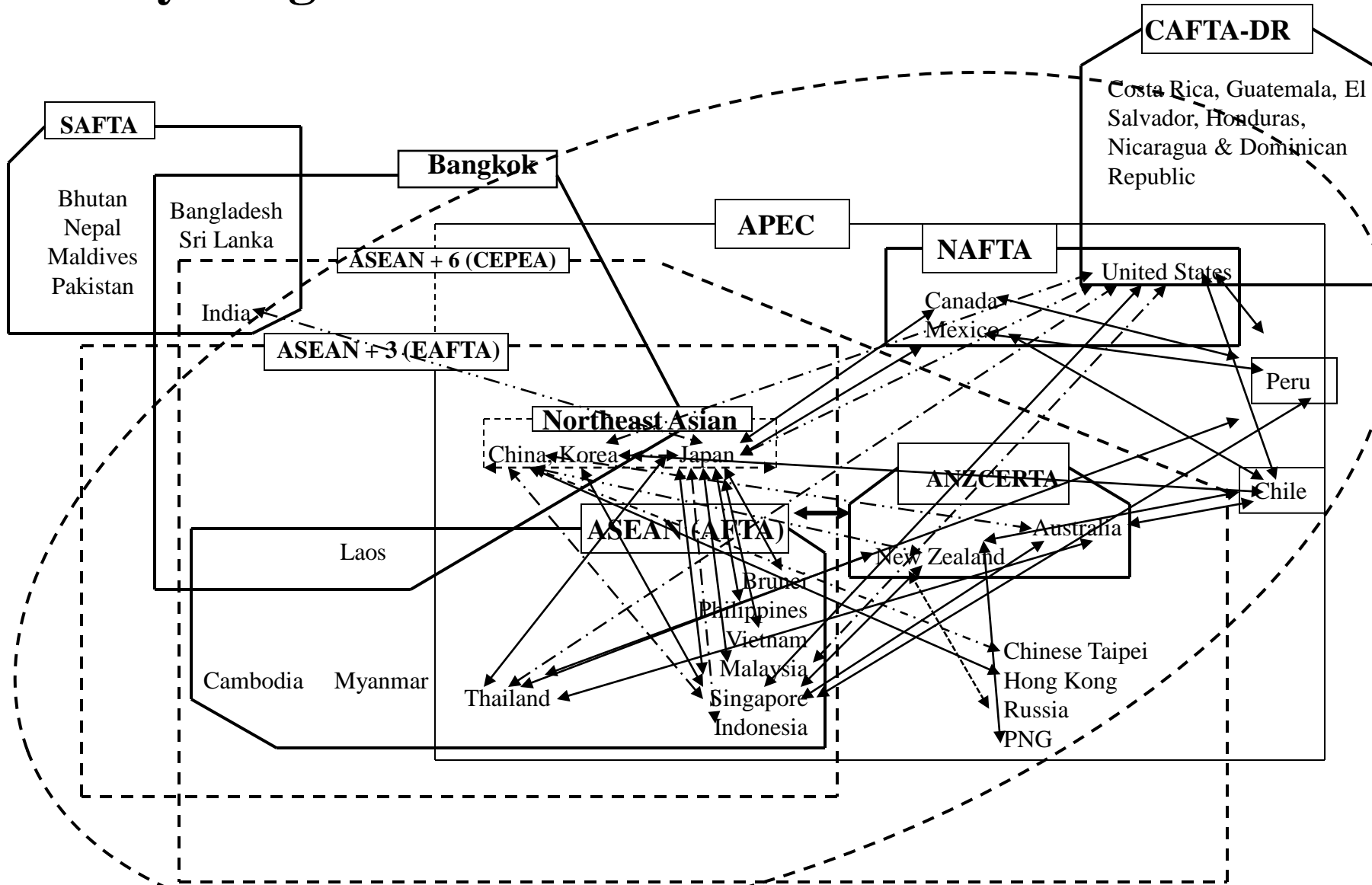
Evolution of the Regional Trade Architecture

From APEC and Plurilateralism in the 1990s...



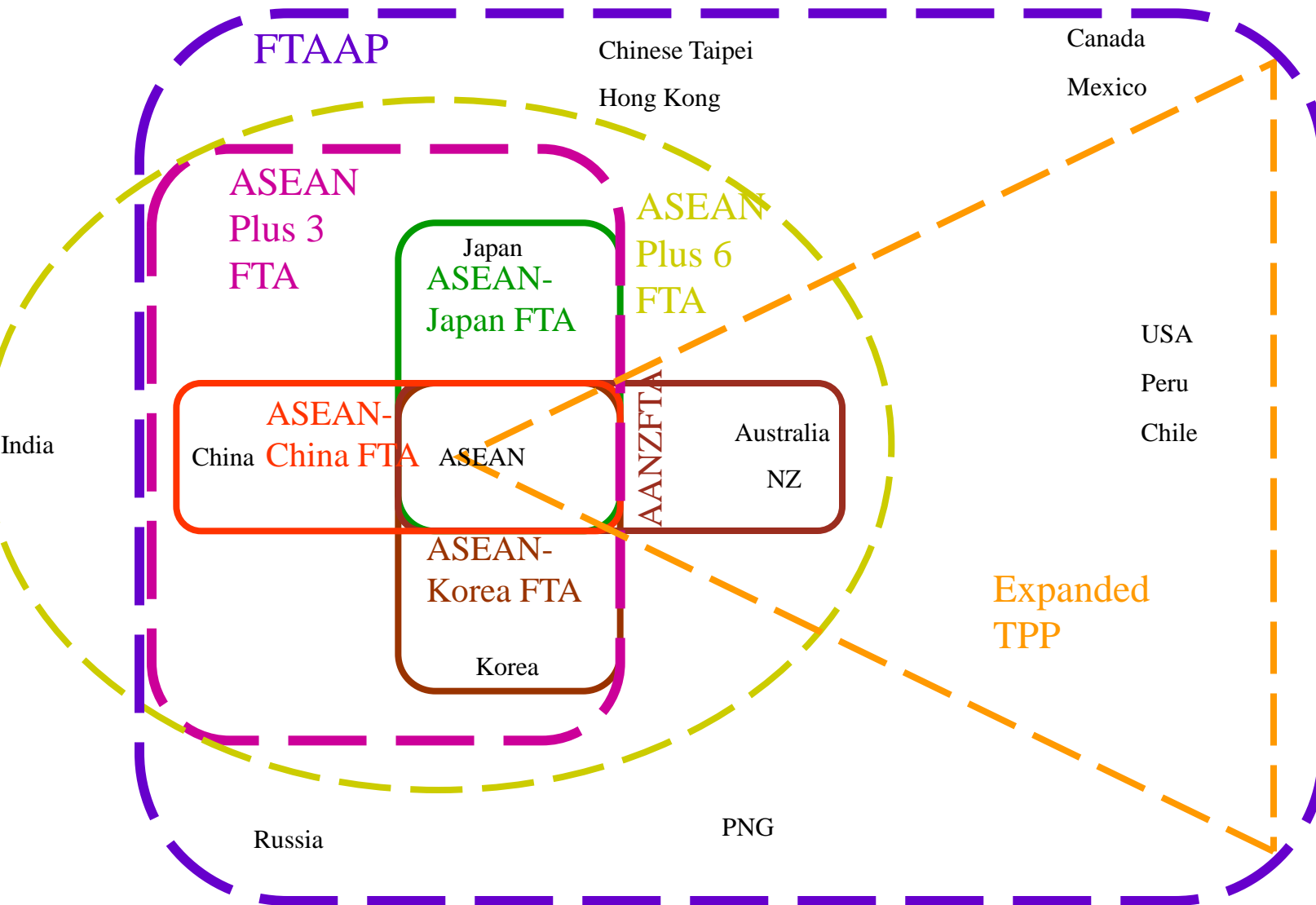
Source: Inter-American Development Bank

To today's regional "noodle bowl"



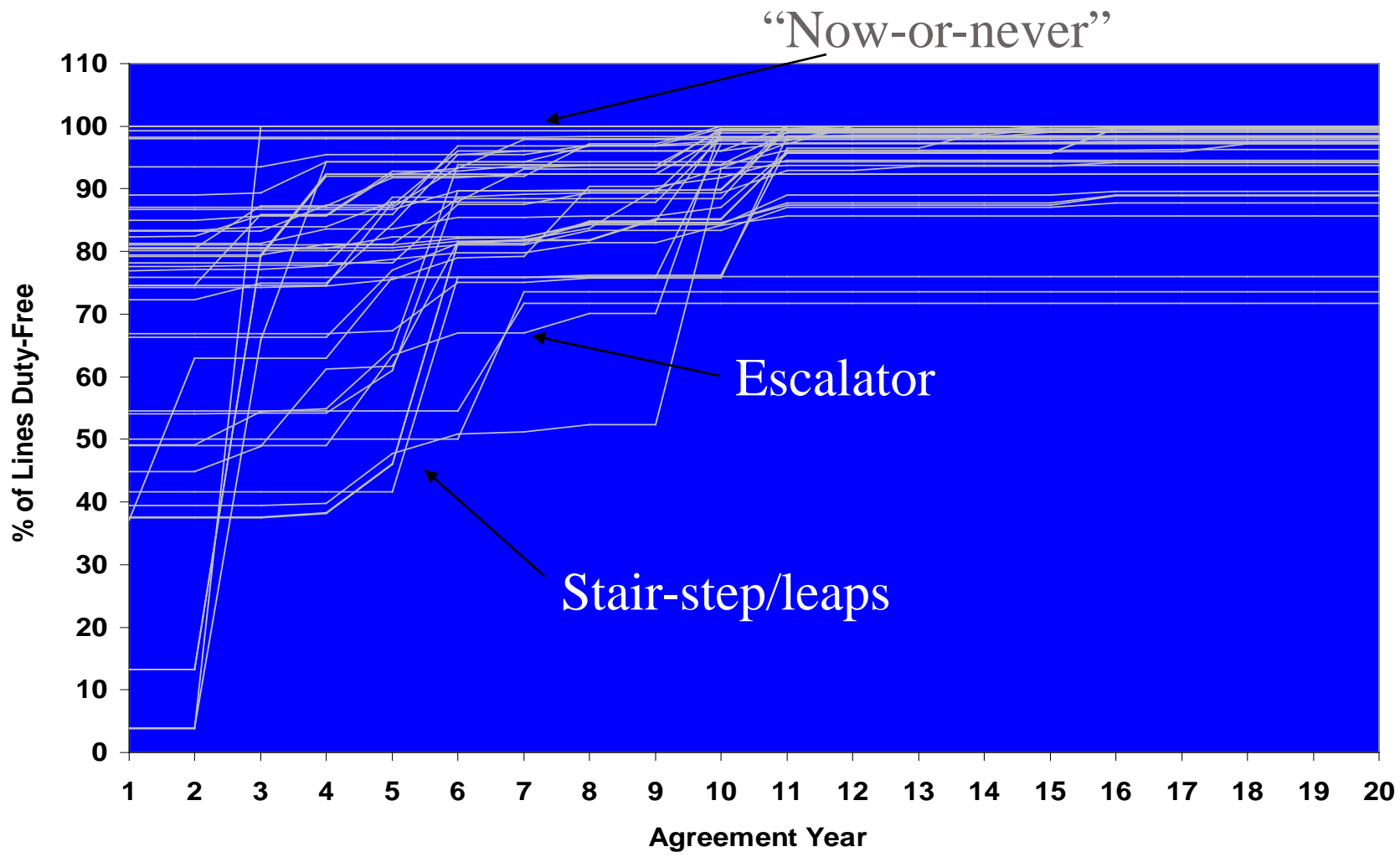
Source: Inter-American Development Bank

Potential Building Blocs for Region-wide Integration



Trade in Goods: What is Being Achieved

Implementation of tariff elimination in 30 Asia-Pacific RTAs

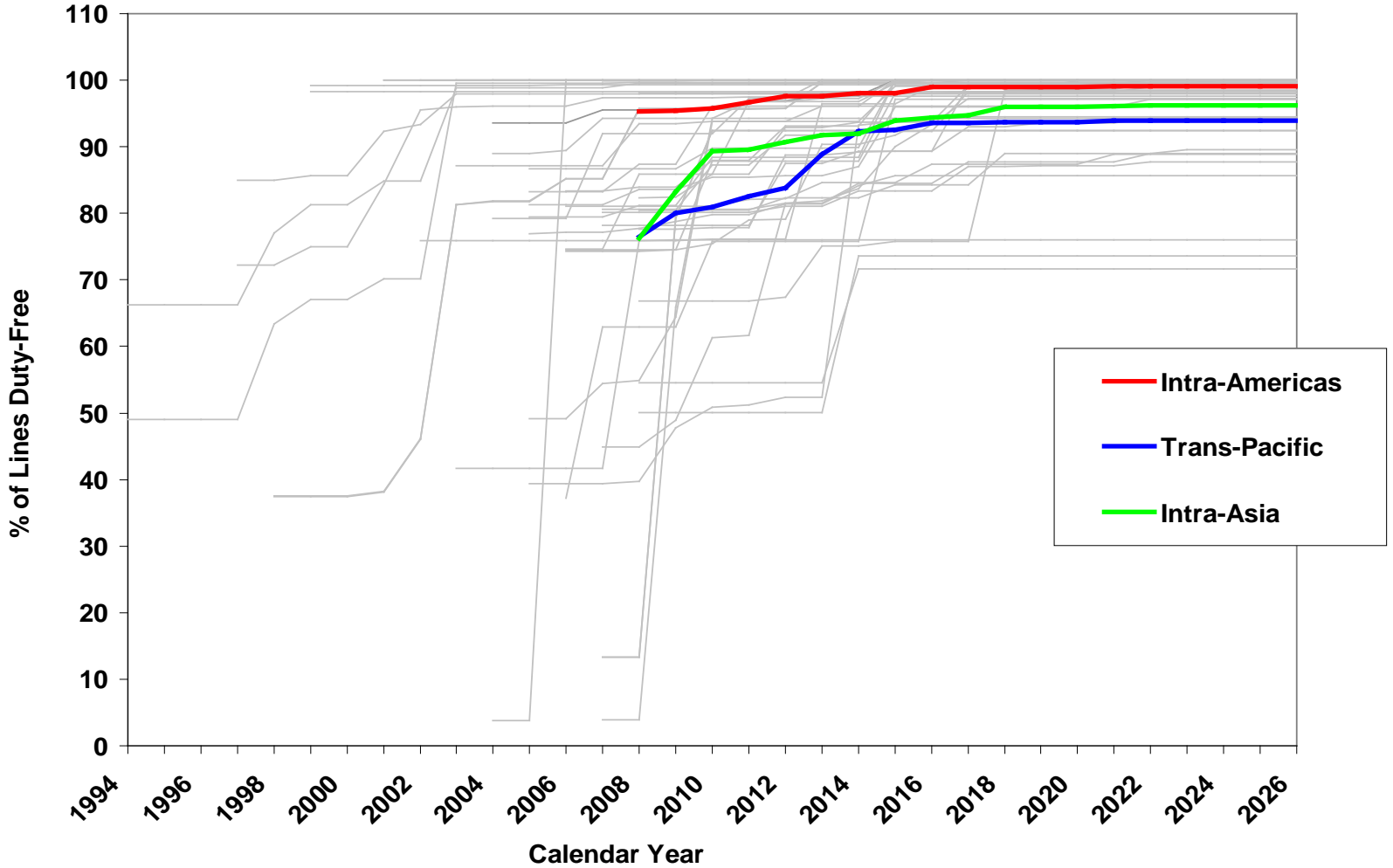


Source: InterAmerican Development Bank

What is being achieved:

> 90% lines freed by 2013; > 95% by 2017

% of Lines Liberalized in APEC RTAs, by Region



Source: InterAmerican Development Bank

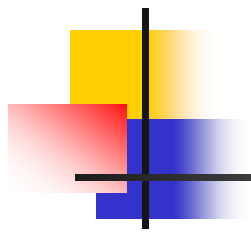
Progress Toward Free Trade in Goods

- **What is being achieved in existing FTAs:**
 - **Very substantial progress over 10 year period**
 - **Elimination of applied tariffs**
 - **Utilisation patchy but increasing**
- **What is missing:**
 - **Coverage of trade flows between major economies**
 - **Intra-Northeast Asia (CJK)WTO Doha Round (and after)**
 - **Trans-Pacific (except Korea-US, Japan-Mexico)**
 - **Participation of Hong Kong, Chinese Taipei (except with China)**
- **Major sources of future gains in economic welfare:**
 - **For ASEAN: CEPEA (relatively minor), FTAAP**
 - **For Northeast Asia: CJK FTA, then CEPEA, FTAAP**
 - **For Australia and NZ: CEPEA, FTAAP (especially for NZ)**
 - **For USA and Americas: FTAAP**



Missing Dimensions of Regional Economic Integration

- **Trade in goods**
 - **Regulatory convergence**
 - **Rules of origin, product standards**
 - **More complete trade facilitation**
- **Trade in services**
 - **Shift from modest to comprehensive liberalisation**
 - **Facilitating policy and regulatory environments**
- **Deeper commitments on competition policy, investment, government procurement**
- **Shift in emphasis to “behind the border” aspects of integration**
- **Shift to region-wide focus**
 - **EAFTA, CEPEA, FTAAP**



Thank-you!!