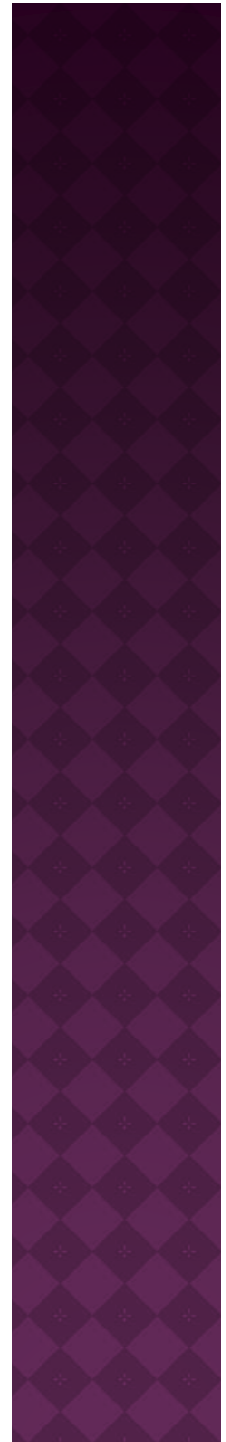


FUTURE SHAPE OF REGIONAL ECONOMIC INTEGRATION IN EAST ASIA

24 September 2009
New Delhi

WHY EAST ASIA?

- ⦿ East Asia accounts for
 - ⦿ 50% of world's population
 - ⦿ 33% of world's national income
 - ⦿ 25% of world's exports
- ⦿ And more importantly, it is the future growth area of world economy



ECONOMIC INTEGRATION IN EAST ASIA

- ◉ East Asian countries have entered into almost 81 RTAs in total that are at different stages of negotiation / implementation.
- ◉ Of which, RTAs amongst East Asian countries are 40 at different stages of negotiation/ implementation.
- ◉ Apart from RTAs, many stand-alone Investment Protection Agreements, Double-Taxation Avoidance Agreements, Customs Cooperation Agreements, etc between East Asia countries aimed at enhancing regional economic cooperation
- ◉ The 16 EAS countries have been integrating de facto (the production networks) and these RTAs are making them de jure!

INDIA & EAST ASIA

- ◉ India has signed EHS with Thailand; FTA/CECA with ASEAN, S. Korea, Singapore; negotiating with Thailand for FTA and JAPAN for CEPA; studying the feasibility for CECA/FTA with New Zealand, Australia
- ◉ India floated the concept of a Pan-Asian FTA in 2005 - PM's speech - *Arc of Advantage*
- ◉ India part of the East Asia Summit since inception

COMPREHENSIVE ECONOMIC PARTNERSHIP IN EAST ASIA (CEPEA)

- ◉ Track II Study launched in 2nd EAS, 2007
- ◉ Study Report, submitted in 2 Phases, recommends immediate discussions to realise CEPEA
- ◉ EAS Economic Ministers mandate consideration of recommendations in EAFTA/CEPEA Study Reports together by Senior Officials
- ◉ Informal (and 1st) Meeting of EAS SEOM on 16th September 2009

THE FUTURE

- ◉ Early finalisation of existing RTAs amongst EAS countries - to pave way for CEPEA
- ◉ Wider scope of economic integration - including Services, Investment, Infrastructure Financing, etc
- ◉ Higher involvement of Track I - institutionalising of dialogue process
- ◉ Increasing of Track I involvement in ERIA & enhancing the scope of ERIA's work