

JEF Asia-Pacific Forum 2016
**Advancing trade and investment
liberalization in the Asia-Pacific**

**Roadmap for Asia Pacific
Integration**

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Adverse environment

- Advanced economies – turning inward, loss of popular acquiescence in interdependence
- Asia – more conventional protectionism and state developmentalism

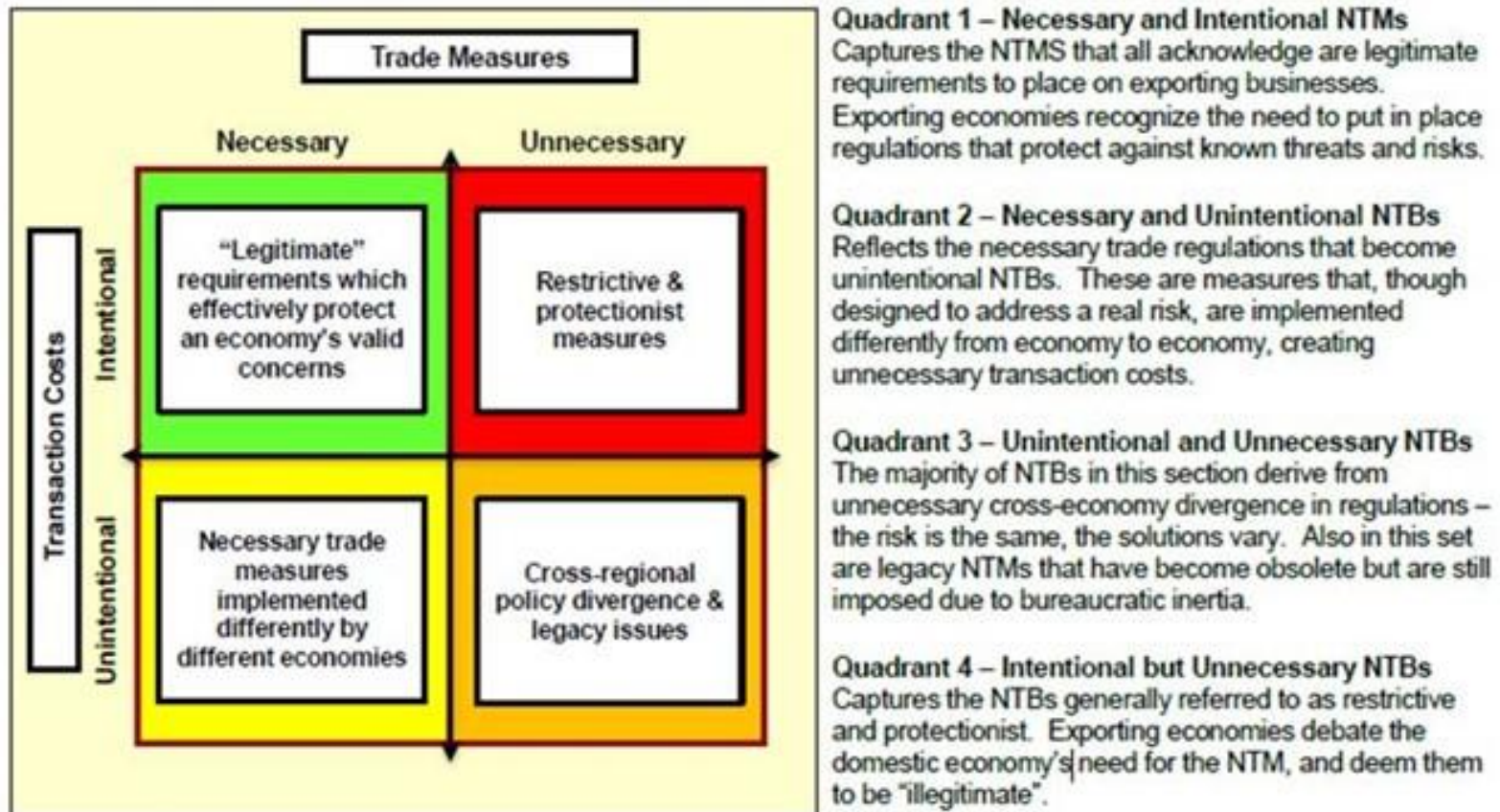
Economic integration rather than liberalization

- Inclusive growth
- Cross-border community-building....
connectivity

Modern trade is dominated by Global Value Chains

- Global Value Chains (GVCs) “have become a dominant feature of the global economy and offer new prospects for growth, competitiveness and job creation for APEC economies at all levels of development” (APEC Leaders’ statement, 2014)
- Over 70% of global trade is in intermediate goods and services and in capital goods (OECD, 2014)
- The average services content of exports for G20 economies is 42% in 2009, and was at or above 50% for countries such as the US, the UK, India, France and the EU (OECD, 2014)

Not all NTMs are 'bad': they become NTBs when more trade restrictive than necessary to achieve their goals



Source: Marshall School (2008)

Domestic Policy is most crucial

- The aim is competitiveness
- “Concerted unilateralism” is still relevant
- Agreements – FTAs, CEPs – formalize relationships

APEC firms' top 5 priorities for APEC in 2015

1. The facilitation of participation of SMEs in GVCs
2. The achievement of the Bogor Goals and FTAAP
3. Services sector reforms and liberalization
4. The design of trade policy in response to GVCs
5. How economies can move to upgrade their participation in GVCs



APEC firms' top 5 priorities for APEC in 2016

- The emergence of anti-globalisation & anti-trade sentiments
- Structural reforms
- The APEC growth strategy
- Corruption
- Improvement in regional logistics & transport connectivity

Policy community's top priorities for APEC in 2016

- Progress towards the Bogor Goals and the Free Trade Area of the Asia-Pacific (FTAAP)
- The APEC Growth Strategy
- Structural reforms
- The emergence of anti-globalization & anti-trade sentiments
- Improvement in regional logistics & transport connectivity

However emergence of anti-globalization sentiments was ranked first in advanced economies and only 10th in developing economies.

Conclusion

- RCEP, Pacific Alliance, FTAAP
- Wait for US to come to its senses