

Chapter 1

Asia-Pacific Trade Agreement: An overview

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Introduction

The Asia-Pacific Trade Agreement (APTA) is one of the oldest preferential trade agreements (PTA) in the region (signed in 1975 as the Bangkok Agreement) and is open for membership to all the developing countries in the ESCAP region. The current members are Bangladesh, China, India, the Lao People's Democratic Republic, the Republic of Korea and Sri Lanka. Mongolia's accession was finalized in October 2013 and is pending national ratification. The members are officially known as "Participating States of APTA".

Although launched as a conventional PTA covering only goods under the Bangkok Agreement, and with the name change to APTA in 2005, this Regional Trade Agreement (RTA) mandates for expansion of coverage to other areas of cooperation. In this context, the Participating States of APTA agreed to work in areas of trade facilitation, trade in services and investment. This was followed up by the signing of three separate Framework Agreements; to date all Participating States of APTA have ratified the Framework Agreements on Trade Facilitation, Trade in Services and Investment, respectively.

The Asia-Pacific Trade Agreement is the first regional PTA among the developing countries in the region to adopt common operational procedures for certification and verification of the origin of goods. It offers special and differential treatment for countries with special needs, including least developed countries (LDCs).

The Ministerial Council is the highest decision-making body of APTA, which is supported by its Standing Committee. The Ministerial Council provides overall policy direction for the future negotiating agenda as well as supervision and coordination of the implementation of the Agreement. The Council meets at least once every two years. Three Ministerial Council meetings have been held so far, i.e., the First Ministerial Council in November 2005 in Beijing, the Second Ministerial Council in October 2007 in Goa, India, and the Third Ministerial Council in October 2009 in Seoul. The Fourth Ministerial Council is scheduled to be held in Bangkok in 2017.

The Standing Committee, comprising representatives of the Participating States, is responsible for reviewing the application of APTA, carrying out consultations, making recommendations and taking decisions as required and, in general, undertaking whatever measures may be required to ensure the adequate implementation of the objectives and provisions of APTA.

Table 1.1. Highlights of APTA Ministerial Council meetings

Ministerial Council	Date and venue	Important decisions
First	2 November 2005 (Beijing)	<ul style="list-style-type: none"> (a) Adoption of the revised text of the Bangkok Agreement and renaming it as Asia-Pacific Trade Agreement (APTA). (b) Approval of the results of the third round negotiations on tariff concessions. (c) Adoption of common rules of origin for all the Participating States.
Second	26 October 2007 (Goa, India)	<ul style="list-style-type: none"> (a) Adoption of a common set of operational procedures for the certification and verification of the origin of goods under APTA. (b) Review of the implementation of the Third Round results. (c) Launch of the Fourth Round of negotiations and directive to the Standing Committee to further widen product coverage and deepen tariff cuts. (d) Agreed to discuss and negotiate agreements areas of non-tariff measures, trade facilitation, services and investment.
Third	15 December 2009 (Seoul)	<ul style="list-style-type: none"> (a) Signing of the Framework Agreements on Trade Facilitation and on Promotion, Protection and Liberalization of Investment. (b) Commenced negotiations on sectoral agreements on rules of origin. (c) Facilitated the accession talks with Mongolia in order to expedite its accession.
Fourth	13 January 2017 (Bangkok)	<ul style="list-style-type: none"> (a) Launch of the APTA NTMs/MoP/RoO database. (b) Adoption of a future road map of APTA, including conversion from a PTA to an FTA. (c) Mongolia is declared an official member and a new Participating State of APTA.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP; APTA Unit, Trade, Investment and Innovation Division) is the Secretariat of APTA.

A. Moving towards a comprehensive trade agreement

In keeping with the global trends of RTAs, APTA is also moving from a conventional partial scope preferential agreement on goods trade to a comprehensive trade agreement. While the current Fourth Round will lead to an agreement on tariff concessions covering more than 10,000 items, compared with 4,270 items under the Third Round with an average margin of preference of 32%, a possibility exists of it converting to a Free Trade Agreement (FTA) in the near future. APTA provides better opportunities for LDCs, which are granted additional concessions on 1,259 items with an average margin of preference of 84%. The Fourth Round widens the coverage of preferences of total tariff lines for each Participating State of APTA and deepens the tariff concessions by at least 28% of the total intraregional trade under the Agreement. The Fourth Round tariff concessions are expected to enter into force in July 2017.

The other important developments in the move of APTA towards comprehensive agreements are through the following Framework Agreements.

1. Framework Agreement on Trade Facilitation

Signed on 15 December 2009 in Seoul, the Framework Agreement on Trade Facilitation broadly covers areas of advance information sharing, cooperation and undertaking obligations through future work programmes beyond those already existing under WTO as well as those that may result from the Doha negotiations. The Framework Agreement, *inter alia*, prescribes:

- The exchange of information related to new trade laws and regulations through the ESCAP secretariat;
- Rationalization and minimization of fees and charges related to exportation and importation;
- Working towards the establishment of a Single Window allowing a one-time submission of export and import data and documentation;
- Harmonization and standardization of individual trade regimes in terms of the Harmonized Commodity Description and Coding System (HS), the Kyoto Convention and WTO.

2. Framework Agreement on Promotion, Protection and Liberalization of Investment

Signed on 15 December 2009 in Seoul, the Framework Agreement on Promotion, Protection and Liberalization of Investment broadly focuses on cooperation, facilitation, promotion and awareness through the publication and the exchange of information among the Participating States of APTA and prescribes the undertaking of commitments to liberalize the investment regimes of the Participating States of APTA to promote intra-APTA investment flows through future negotiations. The Agreement calls for expeditious approval and implementation of intra-APTA investment projects, exchange and harmonization of

investment data, development of a collective database on the APTA supporting industries and technology suppliers; and facilitation of public-private sector linkages to improve intra-APTA investments. The Agreement also covers the commitment by the APTA Participating States to negotiate a full-fledged agreement on the promotion and protection of investment among them, outlining the minimum provisions that such an agreement should include. Negotiations on this agreement have already started through the informal working group. The establishment of a formal working group for the purpose of detailed negotiations is expected soon, following the fourth session of the APTA Ministerial Council.

While implementation of cooperation initiatives are likely to create a more transparent regime for investors, thereby promoting intra-APTA business and investment linkages, a commitment to liberalize investments for APTA will enhance not only intra-APTA investment flows but also investment flows from transnational corporations of non-members seeking efficiencies in their supply chains. Given the fact that foreign direct investment (FDI) has played an important role in enhancing production and generating exports, intra-APTA investment flows will not just generate more trade and investment among the Participating States and with the rest of the world. It will also provide opportunities to promote South-South technology transfers due to the fact that countries have competitive advantages in different technologies (e.g., China in manufacturing; the Republic of Korea in manufacturing and services; and India in IT services). The conclusion of an agreement on the promotion and protection of investment should ideally lead to the consolidation of the various bilateral investment treaties among the Participating States of APTA, thereby simplifying the investment regime.

3. Framework Agreement on Trade in Services

Signed on 24 August 2011, the Framework Agreement on Trade in Services covers commitments to cooperate in services sectors through, for example, improving infrastructure facilities, joint production, marketing and purchasing arrangements, and research and development. It also prescribes the identification of future areas of services for cooperation and starting negotiations for giving preferential market access in services sectors (negotiations to be carried out by a working group that will report to the Standing Committee) beyond the commitments by countries under the WTO General Agreement on Trade in Services (GATS) and associated schedules. The agreement also paves the way for recognition by Participating States of APTA of each other's standards, education/training qualifications and other criteria through mutual recognition agreements.

Services form an increasingly important economic sector and are major contributors to the gross domestic product (GDP) of APTA members as well as to the GDP of most of the economies in the Asia-Pacific region. A liberalized services regime in the APTA will enhance trade and investment in services among the Participating States of APTA and will integrate the economies more effectively through supply chains and backward/forward linkages of industries in the region.

B. Accession procedure under APTA

The accession procedure, which is relatively simple and straightforward, and requires no application or membership fees, involves the following five steps:

- (a) The applicant country notifies the Executive Secretary of ESCAP of its intention to accede to the Agreement;
- (b) The Executive Secretary informs the applicant country's intention of accession to the Participating States of APTA, and the APTA Secretariat prepares a negotiation programme for the Participating States' concurrence/approval;
- (c) Bilateral negotiations are conducted between the prospective member country and each Participating State of APTA;
- (d) The agreed tariff concessions are then multilateralized among all Participating States;
- (e) The Agreement comes into force for a newly-acceded country on the date it deposits the corresponding instrument of accession together with the National List of Concessions and the related administrative notification (e.g., a government notification, such as a customs notification) to the Executive Secretary of ESCAP.

C. Rules of origin

In any PTA, the intention is to grant tariff preferences only on such products that are genuinely produced in the parties to a PTA. The criteria of whether to grant tariff preference or not are determined through well-defined rules of origin (RoO) which form part of a PTA. The real objective of RoO is to prevent: (a) trade deflection or circumvention and (b) its use as a commercial policy instrument.

Complex RoO can hinder the intraregional trade as compliance with meeting RoO criteria may require changes in production and sourcing patterns, leading a higher production costs and thereby loss of preferential market access. Complex RoO could then act to reduce the actual benefit of the tariff preferences that are made available through free trade and preferential trade arrangements. In that sense, the APTA RoO are relatively simple and easy to comply with when compared to other RoO in the region (table 1.2). APTA only requires a single criterion based on a minimum of 45% local value-added content (35% for LDC members), or 60% under the full cumulation basis. Compared to other RTAs, APTA provides more flexibility to member countries, especially LDCs. With indefinite duration, LDC Participating States of APTA are given special concessions and less restrictive RoO.

The Participating States of APTA, while recognizing that sometimes meeting the value-added content criteria may be difficult and could act against the value chains, have agreed on Product Specific Rules (PSRs) that specify change in tariff heading (CTH) on selected items as an alternative criterion. This is expected to ease trade in items where the prescribed value-added cannot be achieved. The full cumulation allows more flexibility of the

Table 1.2. Different rules of origin criteria practiced in regional trade agreements

RTAs	Type	Qualifying criteria	Cumulation
ASEAN FTA	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 40% – FOB value calculation basis 	Full
ASEAN-China FTA	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 40% – Product Specific Rules 	Regional
ASEAN-Japan FTA	Regional	<ul style="list-style-type: none"> – Product Specific Rules 	Regional
ASEAN-India FTA	Regional	<ul style="list-style-type: none"> – CTSB + 35% Regional Value Content 	Regional
ASEAN-Republic of Korea	Regional	<ul style="list-style-type: none"> – Product Specific Rules – CTH or 40% Regional Value Content 	
ANZCERTA	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 50% – Factory cost calculation basis 	Bilateral (full)
Asia-Pacific Trade Agreement	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 45% (35% for LDCs) – Ex-factory price calculation basis 	Full
India-Nepal	Bilateral	<ul style="list-style-type: none"> – Change in Tariff heading (4-digit level) and – Value content needs to be at least 30% 	Bilateral
India-Sri Lanka	Bilateral	<ul style="list-style-type: none"> – Change in Tariff heading (4-digit level) and – Value content needs to be at least 35% – FOB value calculation basis 	Bilateral
South Asian Free Trade Area (SAFTA)	Regional	<ul style="list-style-type: none"> – CTH and – Value content needs to be at least 40% (for India and Pakistan), 35% for Sri Lanka and 30% for LDCs – FOB. value calculation basis 	Diagonal
South Asian Preferential Trade Arrangement (SAPTA)	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 40% (30% for goods of LDCs) – FOB value calculation basis 	Diagonal

Table 1.2. (continued)

RTAs	Type	Qualifying criteria	Cumulation
Singapore-Australia	Bilateral	<ul style="list-style-type: none"> – Value content needs to be at least 50% (Product specific rule: 30%) – Factory cost calculation basis 	Bilateral
Singapore-Japan	Bilateral	<ul style="list-style-type: none"> – Either CTC (4-digit level) or – Value content needs to be at least 60% – FOB value calculation basis 	Bilateral
Singapore-New Zealand (ANZSCEP)	Bilateral	<ul style="list-style-type: none"> – Value content needs to be at least 40% – Ex-factory cost calculation basis 	Bilateral
Singapore-United States	Bilateral	<ul style="list-style-type: none"> – Either CTH (2-, 4- or 6-digit level) or/and (for specific products): – Value content needs to be at least 30-60% – Highly product specific 	Bilateral
SPARTECA	Regional	<ul style="list-style-type: none"> – Value content needs to be at least 50% – Factory cost calculation basis – Non-reciprocal 	Bilateral (full)
Thailand-Australia	Bilateral	<ul style="list-style-type: none"> – Product specific CTH (4- or 6-digit level) and/or (for specific products): – Value content percentage of 40%-55% – FOB calculation basis 	Bilateral
United States-Australia	Bilateral	<ul style="list-style-type: none"> – CTH (2-,4- or 6-digit level) and/or (for specific products): – Value content needs to be at least 35% (automotive: 50% net cost) – FOB calculation basis 	Bilateral

Source: Compiled by authors.

procurement operation for regional producers.¹ It could lead to more fragmentation of the production process among members of the trade agreement, and increase economic linkages and trade between countries in the PTA. The production sharing within the regional agreement might increase the opportunity of LDCs to be integrated into the regional production network, because labour-intensive production stages could be outsourced to lower-wage Participating States of APTA through the process of cumulation.

While meant to minimize trade deflection, the RoO in APTA have greater potential to promote and expand intraregional trade. In simple terms, as APTA preferential market access is about to help Participating States of APTA reduce the cost of trade through the strategic design of RoO, the Participating States can promote development of certain productive activities (sectors) by making them more cost-efficient by:

- (a) Removing related costs of tariff- and non-tariff barrier;
- (b) Using them as a tool to promote the establishment of supply chains as it could ensure supply of cheaper and/or higher quality intermediate inputs.

D. Removing non-tariff barriers

The ability to gain and benefit from market access due to preferential tariffs also depends on successful compliance with the non-tariff barriers of the importing countries, most of which are in the form of mandatory standards due to Sanitary and Phytosanitary (SPS) and Technical Barrier to Trade (TBT) requirements. These non-tariff barriers (NTBs) represent a challenge to exporters as well as importers, and raise the price of traded goods. Many NTBs have primarily non-trade objectives, such as the protection of public health or the environment, while also affecting the trade factor through procedural requirements, and are WTO-compliant. Compliance with SPS and TBT measures is necessary, where applicable, in order to enter the market. One of the impediments is related to lack of awareness among exporters about the SPS and TBT measures in the importing countries.

APTA realizes that understanding the uses and implications of these trade policy instruments is essential for the formulation and implementation of effective market access strategies. Now that tariff measures are being reduced through the four rounds of negotiations, interest is increasing in the ways that NTBs may distort and restrict trade among APTA members.

APTA also specifies how to address the non-tariff barriers:

“Each Participating State shall take appropriate measures, consistent with its development needs and objectives, for the gradual relaxation of non-tariff measures which may affect the importation of products covered by its National List of Concessions. Issues relating to technical barriers to trade and sanitary and phytosanitary measures among Participating States

¹ Full cumulation takes into account all the operations conducted within the countries that are members to an agreement – even if they are carried out with non-originating material. Thus, there is no more restriction of having to use only originating materials and components for the final good.

shall be dealt with, as far as practicable, in accordance with the WTO provisions on these subjects. Participating States shall also make available to one another, on a transparent basis, a list of non-tariff measures existing on conceded products.”

With the objective of trade transparency, the APTA Secretariat has started working on developing a non-tariff measure (NTM) database on items covered under the four rounds of concessions (table 1.3). The WTO Integrated Trade Intelligence Portal (I-TIP) database has been used for this purpose. In total, there are 262 cases by HS 2-digit of NTMs under Participating States of APTA with 172 cases of SPS and 90 cases of TBT.

Table 1.3. NTMs status of Participating States of APTA

Member	HS 2012	Total items under the Fourth Round	Sanitary and Phytosanitary (SPS)	Technical Barriers to Trade (TBT)
China	8-digit	2 191	6	384
India	8-digit	3 334	61	–
Republic of Korea	10-digit	2 796	–	39

Source: WTO, Integrated Trade Intelligence Portal (I-TIP), accessed in October 2015.

This database is expected to be useful to traders as they can use it to understand the nature of SPS and TBT requirements of importing Participating States of APTA. This information will help them to prepare documents well in advance and will therefore facilitate trade as well as lessen trade disputes and delays in clearance by customs. This information will also be useful to the Participating States in identifying the items for which they may need to adopt regional standards.

The next step for the Participating States of APTA will be to reduce the cost of trade related to the SPS and TBT measures. In this regard, they can also learn from other RTAs in the region, especially the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC). ASEAN has moved towards “one standard, one test, accepted everywhere”. ASEAN members initiated actions to address the NTMs during the 1990s as they understood that NTMs would play an important role in determining trade directions; it is also an important aspect of regional integration.

Recognizing the importance of mutual recognition agreements and harmonization of national standards with international standards, the ASEAN Consultative Committee for Standards and Quality (ACCSQ) was established in 1992. The initial mandate of ACCSQ was to deal with TBT; subsequently, the mandate was expanded to take steps for assisting ASEAN members towards a single market through economic integration. All 10 ASEAN members have harmonized their standards for 20 priority products as well as 81 standards for safety and electromagnetic compatibility. They are now examining identification of new areas for harmonization. ASEAN also has a working group on sanitary and phytosanitary measures, which functions under the Senior Officials Meeting of the ASEAN Ministers of Agriculture and Forestry (SOM AMAF).

Harmonization of products has already taken place on the basis of international standards from Codex, International Plant Protection Convention (IPPC) and World Organisation for Animal Health. Encouraged by the intra-ASEAN process, it has also initiated discussions on reducing the cost of trade with its dialogue partners through Mutual Recognition Arrangements and is engaged with the Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), China, European Community, Japan, Republic of Korea and the United States. ASEAN has made considerable progress in this regard and has signed the agreements on standards and quality not only within ASEAN but also with some of its dialogue partners.²

Article 4(c) of SAARC Preferential Trading Arrangement (SAPTA) provided for arrangements related to non-tariff measures and the adoption of trade facilitation measures; however, it did not provide an effective platform for discussing and addressing the non-tariff issues. The South Asian Free Trade Area (SAFTA) saw a strengthened text on non-tariff measures in Article 3.2(d) (Objectives and Principles), Article 6(c) (dealing with arrangements relating to non-tariff measures) and Article 8(a) (harmonization of standards, reciprocal recognition of tests and accreditation of listing laboratories of contracting states and certification of procedures). SAFTA was able to facilitate more effectively the issue of non-tariff measures in terms of actions through various cooperation measures, yet it lagged behind the efforts taken by ASEAN.

The Agreement on the Establishment of South Asian Regional Standards Organization (SARSO) (signed in August 2008) entered into force with effect from 25 August 2011 after ratification by all member States of SAARC; this was followed by the SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment (November 2011) and SAARC Agreement on Implementation of Regional Standards (November 2011). Work on the harmonization of standards in some identified products (refined sugar, biscuits, instant noodles, black tea, vanaspati, instant noodles, skimmed milk powder, etc) has been progressing. The draft SAARC Standards are being formulated by the respective Sectoral Technical Committees. The implementation of the Regional Action Plan on Standards, Quality Control and Measures is now being monitored by the Governing Board of the SARSO. The standards that will be finalized by SARSO will have a distinct identity and be known as SAARC Regional Standards (SARS). The SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment; and the SAARC Agreement on Implementation of the Regional Standards will enter into force on ratification by all member States. A SAARC Expert Group on Accreditation (SEGA) has been established.

One of the important aspects relates to the harmonization of national standards with international standards. Efforts must be made to align them, especially when the extra regional trade share is high. This will help to create a supply chain within the region for the global market. However, creation of the necessary infrastructure, regulatory bodies, accreditation and conformity assessment bodies, and national laboratories will be an important aspect. The technical assistance can be obtained from other partners of the RTA, the international standard setting bodies or other donor agencies; however, this is essential now for APTA and other RTAs. The more developed economies can also provide technical assistance and build the capacity of the weaker economies in RTAs.

² ASEAN website, accessed on 6 April 2014 at www.asean.org/communities/asean-economic-community/category/agreements-declarations-13.

E. Role of APTA in regional integration

Regional integration is increasingly recognized as critical in promoting economic growth and reducing poverty. PTAs have become a cornerstone of the international trading system and a central instrument for regional integration in all parts of the world. In many developing countries, regional integration has become a key means of promoting economic growth and combating poverty. In fact, no low-income country has managed to grow and sustainably reduce poverty without global or regional trade integration.

Today's modern PTAs are shaping a broad and comprehensive reform agenda that developing countries can adopt and implement with full ownership and mutual accountability. Preferential market access is no longer the predominant motive. Increasingly important is the use of such agreements to promote labour mobility, protect intellectual property, improve governance, and foster transparency and the rule of law, which, in time, help to build common regional values and norms for a more peaceful and prosperous world.

Open to all ESCAP developing member countries, APTA is a truly region-wide trade agreement spanning East Asia and South Asia, with good potential for expansion to other subregions of ESCAP, including Central Asia and the Pacific.

APTA is the only operational trade agreement linking China and India – two of the world's fastest growing markets – and the other major Asian market, the Republic of Korea, which have a 2.6 billion consumer base and a combined GDP of more than \$12 trillion, which is around 17% of the global GDP in 2014. It is also the RTA with the longest effective implementation period in Asia and the Pacific. The Agreement also provides greater opportunity for promoting South-South trade due to the large economic size of the developing Participating States of APTA.

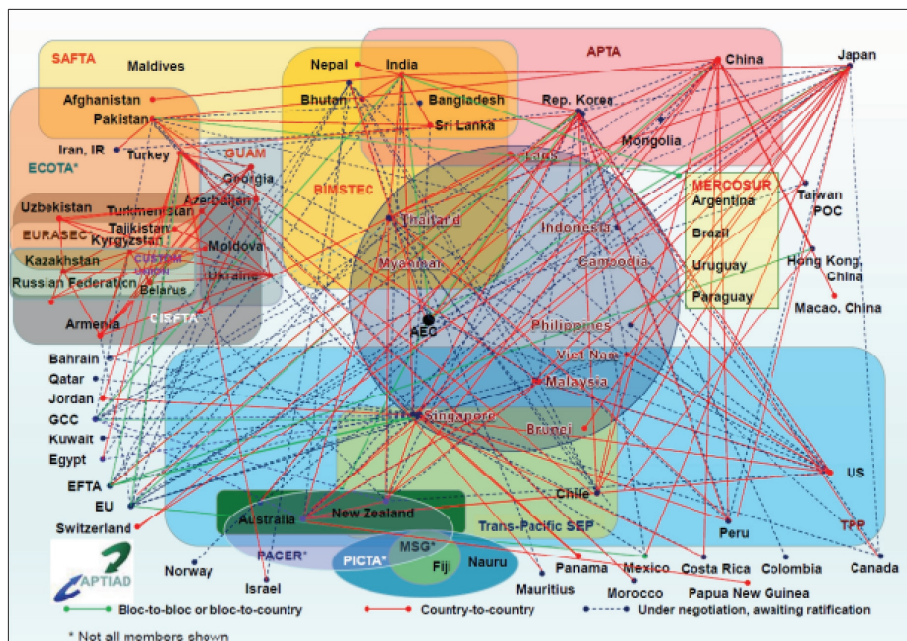
Aimed at comprehensively deepening trade cooperation and integration, for the first time in the history of APTA, the Fourth Round negotiations extended into areas beyond the traditional tariff concessions, including non-tariff measures, trade facilitation, trade in services and investment.

F. Mega trading blocks in Asia-Pacific and APTA

Once considered an example of the benefits of autonomous trade liberalization, Asia-Pacific economies have turned into major contributors to the global build-up of PTAs. The Asia-Pacific economies lead in the global process of establishing new PTAs. Of 262 PTAs currently in implementation worldwide, Asia-Pacific economies are party to 156 PTAs. This means that each Asia-Pacific economy is implementing PTAs, on average, and has already created a complex “noodle bowl” (figure 1.1).³

³ APTIAD Briefing Note 7 (February 2016), ESCAP. Available at www.unescap.org/sites/default/files/APTIAD%20brief.pdf.

Figure 1.1. Asia-Pacific “Noodle Bowl”



Source: ESCAP, APTIAD database, 2015.

Despite the plethora of bilateral and plurilateral agreements, the Asia-Pacific economies are engaged in three important mega-regional blocs – the Regional Comprehensive Economic Partnership (RCEP), Trans-Pacific Partnership (TPP) and Eurasian Economic Union (EAEU).

RCEP is a comprehensive trade agreement that is being negotiated among 16 countries – the 10 members of ASEAN (Brunei Darussalam, Cambodia, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam) – and the six countries with which ASEAN has existing bilateral FTAs under the ASEAN+1 arrangement – Australia, China, India, Japan, the Republic of Korea and New Zealand. Although RCEP negotiators have completed 11 rounds of negotiations⁴, it is obvious that they will need more time to deliver on the expectations of making RCEP deeper and broader than the current ASEAN-based PTAs. The negotiations are expected to be completed by the end of 2016.

The TPP⁵, with a current membership of 12 countries (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Viet Nam), was signed on 4 February 2016 after more than six years of talks. The

⁴ The sixteenth round of negotiations were scheduled to be held in Indonesia in December 2016.

⁵ There is a doubt expressed on the implementation of TPP due to the likely change in the United States’ policy (as of December 2016).

objective of TPP is to enhance trade and investment among the partner countries, promote innovation, economic growth and development, and support the creation and retention of jobs. Its vision is to serve as a vehicle for economic integration in the Asia-Pacific region. TPP looks beyond the traditional liberalization of trade in goods and services; based on incomplete publically-available information on the content of the agreement, it is considered to be broader, deeper and to have the same shared norms across the membership. It is deemed broader because it covers markets for all goods (with some exceptions in agriculture), services, investment, government procurement and e-commerce. It is deeper as it brings new rules with regard to dispute settlement, intellectual property protection, food and food safety (through SPS), technical standards, environmental and labour protection, competition and customs procedures. Every member has the same commitments and there is special and differential treatment only in terms of longer periods of implementation. TPP seeks to forge stronger economic links among the economies in the region, and aims to become a pathway to region-wide trade and investment integration of Asia-Pacific Economic Cooperation (APEC) economies under the proposed "Free Trade Area of the Asia-Pacific" (FTAAP).

The current Eurasian Economic Union (EAEU) members are Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation. The EAEU introduced the free movement of goods, capital, services and people with the first treaty on customs union having been signed in October 2007 and implemented in January 2010. The legal framework for Eurasian Economic Space was formed in January 2012. In May 2014, Belarus, Kazakhstan and the Russian Federation signed the treaty on the Eurasian Economic Union, which came into effect on 1 January 2015. Armenia and Kyrgyzstan signed the treaty in October 2014 and December 2014, respectively. The EAEU also provides for common transport, agriculture and energy policies, with provisions for a single currency and greater integration in the future. Tajikistan is currently negotiating its accession.

The Commission, in its resolution 70/5 on "Strengthening Regional Cooperation and Capacity for Enhanced Trade and Investment in Support of Sustainable Development", requested the ESCAP Secretariat to continue the promotion of regional cooperation with a view to achieving higher levels of regional economic integration through enhanced intraregional trade, investment and technology flows for sustainable development by, among other approaches, "expanding membership, and deepening and broadening commitments within the framework of the Asia-Pacific Trade Agreement while studying the feasibility of strengthening the linkages of that Agreement with other regional trade agreements".

The Committee on Trade and Investment, at its third session held in Bangkok from 20 to 22 November 2013, agreed that APTA provides a complementary mechanism for regional integration, and in particular marginalized countries, into the regional economy. The Committee requested that the APTA Secretariat, along with Participating States of APTA, develop tools to measure the economic impact and implementation of the Agreement upon conclusion of the Fourth Round of negotiations.

Given the plethora of RTAs in the Asia-Pacific and their nature and scope, which are much wider than APTA, it is important for APTA to redesign itself. APTA needs to see its role as

not only promoting South-South trade and investment but also promoting technology and innovation. One option could be that APTA acts as a platform for consolidating several bilateral and plurilateral RTAs into itself. In order to do this, APTA would need to expand its scope from a PTA to becoming an FTA. The Framework Agreements on Trade Facilitation, Trade in Services and Investment could be used to further liberalize trade in services and investment flows as well as reduce trade costs through trade facilitating measures. In this regard, the Ministers in their next meeting in 2017 are expected to provide the future road map for APTA.

Box 1.1. APTA: Linkages to ESCAP's RECI⁶ initiative, SDGs⁷, AAAA, and other ESCAP agreements

Open to all ESCAP developing member countries, APTA is a truly region-wide trade agreement spanning East and South Asia, with good potential to expand to other sub-regions of ESCAP, including Central Asia and the Pacific. In an effort to have an Asia-Pacific-wide market integration, ESCAP (2012)⁸ had recommended that APTA can be used as a platform for such integration.

APTA complements the Policy Directives of Executive Secretary of ESCAP covering the issue of 'supporting regional economic integration and cooperation' as well as ESCAP Resolution 70/1 (Implementation of the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific) adopted on 13 June 2014.

Strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development (ESCAP resolution 70/5): This resolution called for the promotion of regional cooperation with a view to achieving higher levels of regional economic integration through enhanced intra-regional trade, investment, and technology flows for sustainable development. This resolution also called for "expanding of membership and deepening and broadening commitments within the framework the Asia-Pacific Trade Agreement (APTA) while studying the feasibility of strengthening the linkages of that Agreement with other regional trade agreements."

APTA is related to *Goals 8, 10 and 17 of the SDGs* and could facilitate meeting these goals through its preferential market access initiatives and expansion of intra – regional trade and investment flows.

Implementation of the Addis Ababa Action Agenda (AAAA): Paragraph 87 recognizes the significant potential of regional economic integration and interconnectivity and calls for a strengthening of coherence and consistency among bilateral and regional trade and investment agreements to ensure that they are compatible with WTO rules, and underlines the importance of trade facilitation.

Likewise APTA can promote various trade-and-investment-related work programmes as enshrined in the Istanbul Programme of Action (Paragraphs 38-44, 128, 134, etc.), Vienna Programme of Action (Priority 3), and the Samoa Pathway (Paragraph 107).

⁶ Regional Economic Cooperation and Integration.

⁷ Sustainable Development Goals.

⁸ ESCAP (2012) – 'Growing Together: Economic Integration for an Inclusive and Sustainable Asia-Pacific Century'.

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