How much further have RTAs gone in negotiating trade and environment disciplines?

TRAINING COURSE ON
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Discussion points

- What is your experience/observation about RTA provisions on environment?
- How do you look at the existing environment provisions in RTAs:
  - Your bilateral agreements
  - ASEAN
  - ASEAN +1 agreements
  - SAARC
  - RCEP
  - TPP
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Tariff effect
Asia-Pacific RTAs

- As of July 2016, there were 260 RTAs in Asia-Pacific region which are either in force, signed or being negotiated.
- Globally 267 “physical” RTAs in force, and 169 (63%) are from AP
- 12 - signed but not implemented
- 78 - under different stages of negotiations.
Cumulative number of PTAs (notified and non-notified to WTO) put into force by Asia-Pacific economies, 1971-July 2016

Source: ESCAP (APTIR 2016) - calculation based on data from APTIAD
Cumulative number of PTAs (notified and non-notified to WTO) put into force by Asia-Pacific economies, 1971-July 2016

Source: ESCAP (APTIR 2016) - calculation based on data from APTIAD
Breakdown of trade agreements, by type and number of partners

Source: ESCAP (APTIR 2016) - calculation based on data from APTIAD
Asia-Pacific Noodle Bowl

Source: ESCAP (APTIK 2016) - calculation based on data from APTIAD
Types of trade agreements

- **Preferential Trade Agreements**
  - Partial preferences to trading partners

- **Free Trade Area**
  - Elimination of all tariffs, quantitative restrictions and NTBs

- **Customs Unions**
  - Common level of trade barriers vis-à-vis non-members

- **Common Market**
  - Free movement of factors of production

- **Economic Union**
  - Integration of national economic policies; currency union

“shallow” integration

“deep” integration
Issues covered

- Goods
- Services
- Non-Tariff Barriers
- Investment
- Competition
- Labour Mobility
- Environment
- Labour standards
- Government Procurement
- E-commerce
- Intellectual Property Rights
- Dispute Settlement
- Customs cooperation/Trade Facilitation
- MRAs
- Technical Assistance
- Areas of cooperation
Environment provisions in Asia - Pacific RTAs
Environment: what is in the Asia-Pacific RTAs

- Preamble
- Binding commitments:
  - Market access in goods and services
- Dispute resolution
- Cooperation
- Technical assistance
- Transfer of technology
ASEAN

- Do you find EGS in CEPT or ATIGA text?
- Has the goods tariff liberalisation programme has not dealt the environmental goods with a separate modality?
- How does ASEAN brings the EGS on agenda?
ATIGA

- ATIGA text does not have a word ‘sustainable’.
- The word ‘environment’ only appears once at Article 45: Work Programme on Trade Facilitation and its Objectives

“Member States shall develop and implement a comprehensive ASEAN Trade Facilitation Work Programme, which sets out all concrete actions and measures with clear targets and timelines of implementation necessary for creating a consistent, transparent, and predictable environment for international trade transactions that increases trading opportunities and help businesses, including small and medium sized enterprises (SMEs), to save time and reduce costs.”
AEC & SAFTA

- ASEAN Economic Community 2025 Consolidated Strategic Action Plan endorsed by the AEM and AEC Council on 6 February 2017 has many provisions relating to ‘environment’ but nothing on EGS.

- However, has many provisions which can be indirectly correlated to EGS.

- SAFTA: the word ‘environment’ is not there in text.
Commitments - beyond cooperation

- New Zealand – Thailand (2005)
- Malaysia – New Zealand (2009) – separate agreement on environment
- Republic of Korea – EU (2010)
Cooperation

- Japan – Malaysia (2005)
- China – New Zealand (2008)
- ASEAN – Japan (2008)
- ASEAN – ANZ (2009)

- Many agreements either do not mention anything or just reiterate the WTO Article XX on environment.
Asia-Pacific RTAs and environment provisions

- **Entry into force**: 169 agreements
- **Signed and pending ratification**: 50 agreements, 13 are having environment related provisions
- **Under negotiation**: 78 agreements

Total agreements: 50 + 13 + 78 = 141 agreements
SOME EVIDENCES
Goods - Lists

- Environmental Goods and Services:
  - OECD (132)
  - WTO (480, 153, request list)
  - APEC (54)
- Climate Friendly List
  - World Bank (43)
- Climate Smart Goods and Technologies
  - UNESCAP (64)
Tariffs

- Doha Round: Reduction and elimination of EGS being discussed.
- APEC list of 54 items: Autonomously decided to bring duties to 5% level.
- In various PTAs/FTAs countries are undertaking commitments to eliminate duties on substantially covered items including environmental goods.
- NTBs and transfer of technology is an issue....
APEC Average MFN Tariff

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SAARC Average MFN Tariff

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RCEP Average MFN Tariff

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WTO: Notified SPS and TBT measures

Source: Compiled on the basis of Centre for WTO Studies, India database on SPS and TBT
Services and Investment

- Environmental services (Sewage, Refuge disposal, Sanitation and similar services, Other)
- Professional Services (Architectural services, Urban planning and landscape architectural services, Other)
- Research and development services
- Other business services (Building-cleaning services)

Issues:
- If no domestic players, is liberalisation bad?
- How to promote investment?
- How to attract technology and innovation?
THANKS FOR LISTENING!
IT'S TIME FOR QUESTIONS!