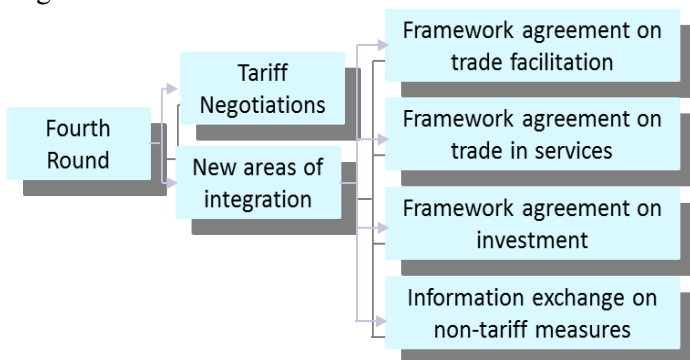


APTA AS A VEHICLE FOR FUTURE REGIONAL INTEGRATION: NEW AREAS

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



INSTITUTIONAL ARRANGMENTS

Ministerial Council: The Ministerial Council represents the highest decision making authority. It provides supervision, policy direction for the future negotiation agenda, expansion of membership, as well as coordination of implementation for the Agreement.

The first session of the Council was held on 2 November 2005 in Beijing, China; the second session on 26 October 2007 in Goa, India and the third session on 15 December 2009 in Seoul, Republic of Korea. The fourth session is tentatively scheduled to be held in June 2015 in Bangkok, Thailand.

Standing Committee: APTA is administered by the Standing Committee. Each Participating State designates a national focal point and an alternate focal point responsible for handling this duty.

Secretariat: The Trade and Investment Division of ESCAP functions as the APTA Secretariat.

ACCESSION PROCEDURE

The applicant country notifies the Executive Secretary (ES) of ESCAP of its intention to accede to the Agreement



ES informs the applicant country's intention for accession to the APTA Participating States (PS), and the APTA Secretariat prepares a negotiation programme for the PSs' approval



Bilateral negotiations



Multilateralization of agreed concessions



The Agreement comes into force for a newly acceded country on the date it deposits the corresponding instrument of accession accompanied by 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

FURTHER INFORMATION

APTA official website:
<http://www.unescap.org/apta>

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Asia-Pacific Trade Agreement

Open to all developing member countries of
ESCAP



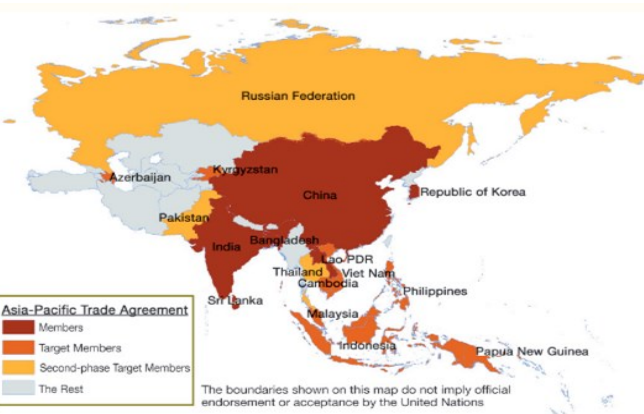
BACKGROUND

The *Asia-Pacific Trade Agreement* (APTA), previously known as the *Bangkok Agreement*, was signed in 1975. It is the oldest preferential regional trade agreement among developing countries in Asia-Pacific. APTA aims to promote economic development through the adoption of mutually beneficial trade liberalization measures that will contribute to intra-regional trade expansion and economic cooperation.

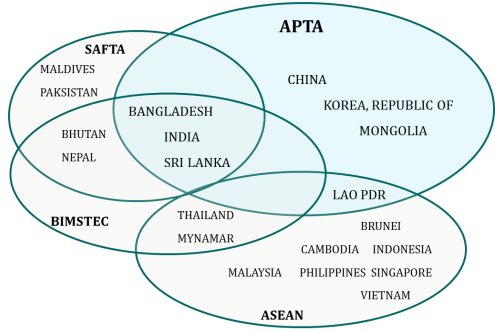
Current members include Bangladesh, China, India, Lao PDR, Republic of Korea and Sri Lanka. Mongolia is expected to join APTA as the bilateral negotiations on tariff concessions with the current Participating States of APTA has been concluded successfully. Mongolia’s formal accession will take place during the fourth session of APTA Ministerial Council tentatively scheduled for June 2015.

FEATURES

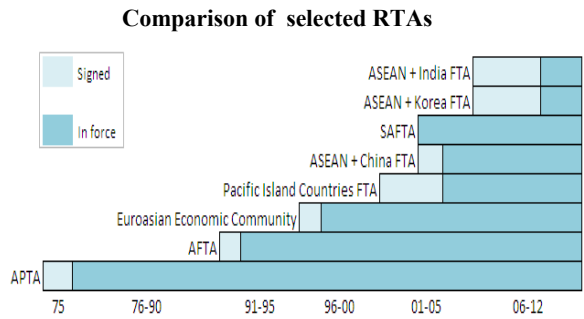
- Open to all ESCAP developing member countries, APTA is a truly region-wide trade agreement spanning East and South Asia, with potential to expand to other sub-regions, including Central Asia and the Pacific.



- The only operational trade agreement linking China and India, two of the fastest growing markets in the world with a 2.6 billion consumer base, as well as other major markets, such as the Republic of Korea.



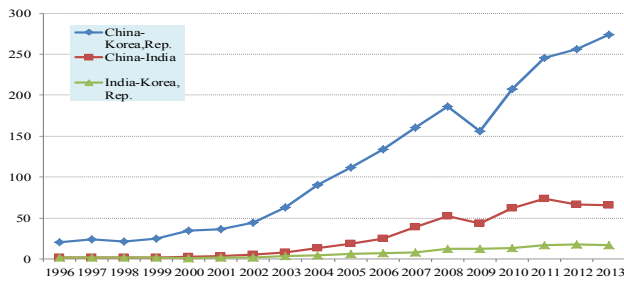
- The agreement with the longest effective implementation period in Asia-Pacific.



Source: Asia-Pacific Trade and Investment Agreements Database (APTIAD), July 2014, <http://www.unescap.org/tid/aptiad/>

- Simple, common Rules of Origin (RoO) with minimum local value content requirement of 45% f.o.b. (35% for LDCs).
- The first plurilateral agreement among the developing countries in the region to adopt common operational procedures for certification and verification of the origin of goods.
- Special and differential treatment for countries with special needs, including LDCs.
- Rapidly expanding trade between the Participating States.

Total trade between selected APTA Members
(Unit: Billion USD)



Source: ESCAP calculations based on UNCOMTRADE, July 2014, <http://comtrade.un.org>

- Provides greater opportunity to promote South-South trade due to the large economic size of developing Participating States.

EXCHANGE OF TARIFF CONCESSIONS

The Fourth Round, launched in October 2007, led to exchange of tariff concessions on approximately 11,000 items, compared to 4,270 items under the Third Round.

Scheduled in force by the Fourth Ministerial Council meeting, this Round widens the coverage of preferences of total tariff lines for each Member State and deepens the tariff concessions by at least 31-34% of the total intra-regional trade under APTA.

Results of the Fourth Round:
Deepening and widening of concessions

	Before the 4th Round	After the 4th Round
No. of products under concession	4,270 (587)	10,868 (1,259)
MoP (%)	27.22 (59.76)	31.83 (83.96)
MoP* (%)	29.53 (66.44)	33.77 (91.00)

Notes: (1) Numbers in brackets indicate special concessions for the LDCs. (2) Margin of Preference (MoP) is the percentage of applied MFN tariff to be exempted, estimated as a simple average of all the items under concession. (3) * Average MoP of China, India and the Republic of Korea only.