The Asia-Pacific Trade Agreement (APTA), formally (1975-2005) the Bangkok Agreement (BA, renamed to APTA in 2005), is a preferential regional trade agreement among countries in the Asia and Pacific Region. APTA aims to promote economic development through the adoption of mutually beneficial trade liberalization measures that contribute to intra-regional trade expansion and economic cooperation.

Before the first amendment to the BA in 2005, APTA was focused on enlarging tariff concessions in trade in goods. This amendment established the Ministerial Council. The four sessions of the Council have held since 2005 have expanded the scope of APTA negotiations and delivered several significant outcomes, including a revision of the Rules of Origin (RoO) text; adoption of a common set of operation procedures for the certification and verification of the origin of a good under APTA; and, the signing of the Framework Agreements on Trade Facilitation, Investment and subsequently Trade in Services. The latter two outcomes both meaningfully expanded APTA’s areas of cooperation beyond trade in goods. The most recent session of the Council resulted in the adoption of a future roadmap for APTA. This roadmap envisions converting APTA from a PTA into a FTA, which would enable it to cover more sectoral areas, and subsequently transitioning it gradually into a more comprehensive regional trade agreement.

APTA’s current members include: Bangladesh, China, India, Lao PDR, Republic of Korea and Sri Lanka. Mongolia is expected to formally accede soon after the completion of its final domestic procedure.

The Trade, Investment and Innovation Division (TIID) of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the APTA secretariat.
APTA aims to be an effective Pan-Asia-Pacific comprehensive economic cooperation agreement. Until the 4th round of negotiations however, APTA only covered trade in goods. Through continuous negotiation, Participating States agreed in 2017 to expand APTA’s areas beyond the traditional tariff concessions to include trade facilitation, trade in services, investment and non-tariff measures (NTMs). This expansion enables APTA to be converted into a FTA.

**Future roadmap of APTA**

- **Preferential Trade Agreement**
- **Free Trade Agreement**
- **Truly Pan-Asia-Pacific Trade Agreement (CEPA or CECA)**

**Trade in Goods**
- Tariff elimination
- Negative list approach

**Coverage expansion**
- FA on Trade Facilitation
- FA on Trade in Services
- FA on Investment
- Info. Exchange in NTMs

**Further expansion**
- Energy
- Science and Technology
- Customs Cooperation
- Other areas

Further expanding APTA to include provisions in other areas such as energy, science and technology, information exchange, customs cooperation and capacity building, etc. would provide an opportunity for the Agreement to move further towards operating as a Pan-Asia-Pacific Trade Agreement. APTA recognizes this potential and intends to consider the economic implications of interlinkages in these areas. Comprehensively deepening trade cooperation and integration among Participating States, would move APTA closer to achieving its aim of becoming a Comprehensive Economic Partnership Agreement (CEPA) or Comprehensive Economic Cooperation Agreement (CECA).
APTA’S DISTINGUISHING FEATURES

Open to all ESCAP developing member countries
APTA is truly a region-wide trade agreement spanning across East and South Asia, and it is open to expansion to other sub-regions, including Central Asia and the Pacific. It therefore provides a unique opportunity to promote South-South trade through the large economic size of its developing Participating States.

Longest effective implementation period in the Asia-Pacific Region with large-market base
Since APTA was signed in 1975, it is one of the longest operational trade agreements in the Asia and Pacific region. It has enormous potential to expand trade within the region through linking China and India, two of the fastest growing markets in the world with a consumer base of 2.6 billion, as well as other major markets, such as the Republic of Korea.

Simple & Common Rules of Origin (RoO) and Special treatment for LDCs
APTA is the first plurilateral agreement among developing countries in Asia and the Pacific to adopt common operational procedures for certification and verification of the origin of goods. For least developed countries, APTA offers 10% special criteria with rules 3 (not wholly produced or obtained) and 4 (cumulative RoO) of the RoO provision under APTA.

Rules of Origin for APTA

<table>
<thead>
<tr>
<th>Rule 2</th>
<th>Rule 3</th>
<th>Rule 4</th>
<th>Rule 3(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly produced or obtained</td>
<td>Not wholly produced or obtained</td>
<td>Cumulative Rules of Origin</td>
<td>Change in Tariff Heading (CTH*)</td>
</tr>
<tr>
<td>100% produced or wholly produced in exporting country</td>
<td>Up to 55% (65% for LDCs)</td>
<td>Min. of 60% (50% for LDCs)</td>
<td>156 items (at 4-digit HS code)</td>
</tr>
</tbody>
</table>

Source: Annex II of the amendment to the Bangkok agreement and the Second Amendment to the APTA
*CTH has been newly added in the Second Amendment to the APTA.

The Second Amendment to the APTA widened coverage of RoO. Before the change in tariff heading adoption, some items did not fully enjoy the benefits of tariff concessions because of the differences in RoO application among Participating States. For instance, some items under the concession list were required to satisfy conditions of both rules 3 and rule 4 or could not satisfy current RoO standards under APTA. The widening of coverage is expected to reduce existing barriers and contribute to the removal of NTMs, which would stimulate more intraregional trade among Participating States.
APTA is composed of the following institutional bodies: Ministerial Council, Standing Committee, and four Working Groups on Trade Facilitation, Trade in Services, Investment and Rules of Origin* and APTA Secretariat.

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

**Standing Committee**
The Standing Committee is responsible for the overall administration of the APTA, which is done through regular meetings, at least once a year. Its duties include reviewing Agreement implementation; carrying out consultations; making recommendations and taking decisions as required; and undertaking any measures needed to ensure the adequate implementation of the objectives and provisions of the Agreement.

**APTA Secretariat**
The Trade, Investment and Innovation Division (TIID) of ESCAP functions as the APTA secretariat. TIID is dedicated to facilitating the deepening and widening of the Agreement and provides the necessary support to backstop its activities. As the regional development arm of the United Nations for the Asia and Pacific region, ESCAP is the most comprehensive multilateral platform for promoting cooperation among member States to achieve inclusive and sustainable economic and social development in Asia and the Pacific.

**Working Groups**
Three Working Groups on Trade Facilitation, Investment and Trade in Services were formed in accordance with the decision of 4th Ministerial Council. They negotiate commitments in the Framework Agreements on Trade Facilitation; the Promotion, Protection and Liberalization of Investment; and the Promotion and Liberalization of Trade in Services.

*The Working Group on Rules of Origin has been in operation since the establishment of the Bangkok Agreement.*
5 STEPS TO JOINING APTA

Which countries are eligible to accede?
All ESCAP developing member states are eligible to accede to the Agreement

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

Step II
ES of ESCAP informs APTA Participating States (PS) of the applicant country’s intention to accede, and prepares a negotiation programme for the PS’s approval. The applicant country may accede to the Agreement if at least two thirds of PSs recommend its accession

Step III
Upon PS’s agreement, the applicant country may conduct bilateral negotiations with each respective PS on its accession to the Agreement

Step IV
After the completion of bilateral negotiations, the APTA Standing Committee is convened to finalize the outcome of the bilateral negotiations between the applicant country and the PSs, and to multilateralize the agreed concessions

Step V
The Agreement comes into force for the newly acceded country on the date in which it deposits the corresponding instrument of accession (e.g. a government notification, such as a customs notification) accompanied by the National List of Concessions and the related administrative notification to the ES of ESCAP
APTA has a potential to connect all sub-regions of Asia and the Pacific through expansion of trade and investment opportunities

Further Information

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This brochure was issued on:
November 2018, TIID, UNESCAP

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