

**Seminar on  
“Knowing ASEAN and Understanding RCEP”**

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# Expectation for Thailand Chairmanship in 2019

Leadership for boosting regional economic integration through...

- Conclusion of RCEP in 2019, as decided by Leaders
- Enhance ASEAN integration by incorporating business needs/inputs (\*)  
(\* non-tariff measures, digital-related rules, IPR)
- Upgrading ASEAN+1 FTA and relevant cooperation initiatives

Address global challenges in the era of trade/investment tensions

- Raise momentum of ASEAN/East Asia countries towards WTO reform
- Engage major players in ASEAN/East Asia (ASEAN's Indo-Pacific concept?)

# Multi-layered EPAs between Thailand & Japan

## Thailand-Japan EPA (2007)

- Expected outcome in 2019 = progress of General Review negotiation

## ASEAN-Japan Comprehensive Economic Partnership (AJCEP: 2008)

- Expected outcome in 2019 = entry into force of First Amendment Protocol (Trade in Services, Movement of Natural Persons and Investment)

<ASEAN-Japan Summit on Nov. 14 (Chairman's Statement) >

... We also looked forward to the signing of the Protocol to Amend the AJCEP Agreement to incorporate the Chapters on Trade in Services, Movement of Natural Persons and Investment at the earliest. ...

## Regional Comprehensive Economic Partnership (RCEP: under negotiation)

- Expected outcome in 2019 = Conclusion

<RCEP Summit on Nov. 14 (Joint Leaders' Statement) >

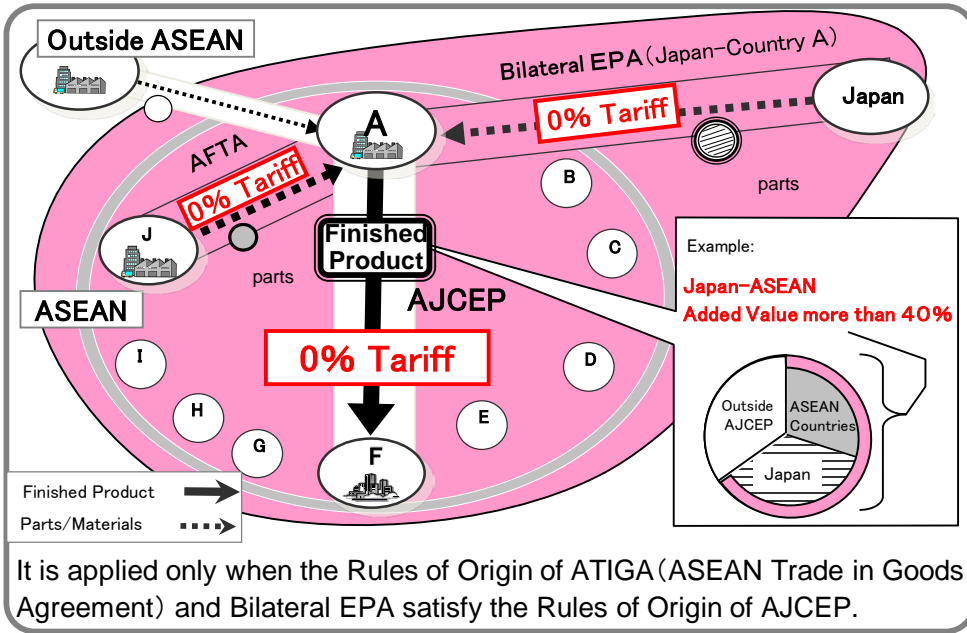
... We are determined to conclude a modern, comprehensive, high quality, and mutually beneficial RCEP in 2019. ...

## Comprehensive & Progressive Agreement for Trans-Pacific Partnership (CPTPP)

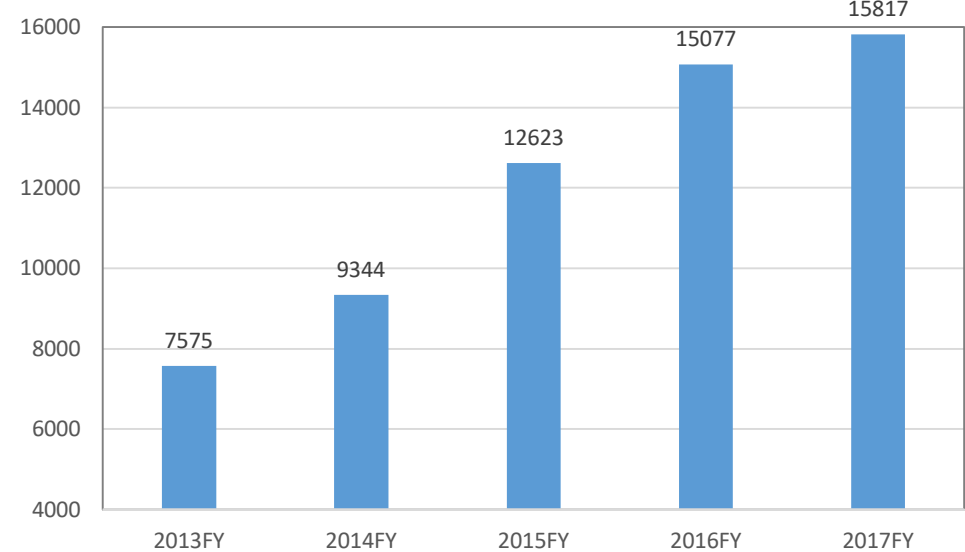
- Expected outcome in 2019 = participation of Thailand ??

# From AJCEP to RCEP

## Example of utilization of AJCEP accumulation



The Number of AJCEP CO Issued in Japan (Annually)



(Source) Made by METI based on the data of JCCI

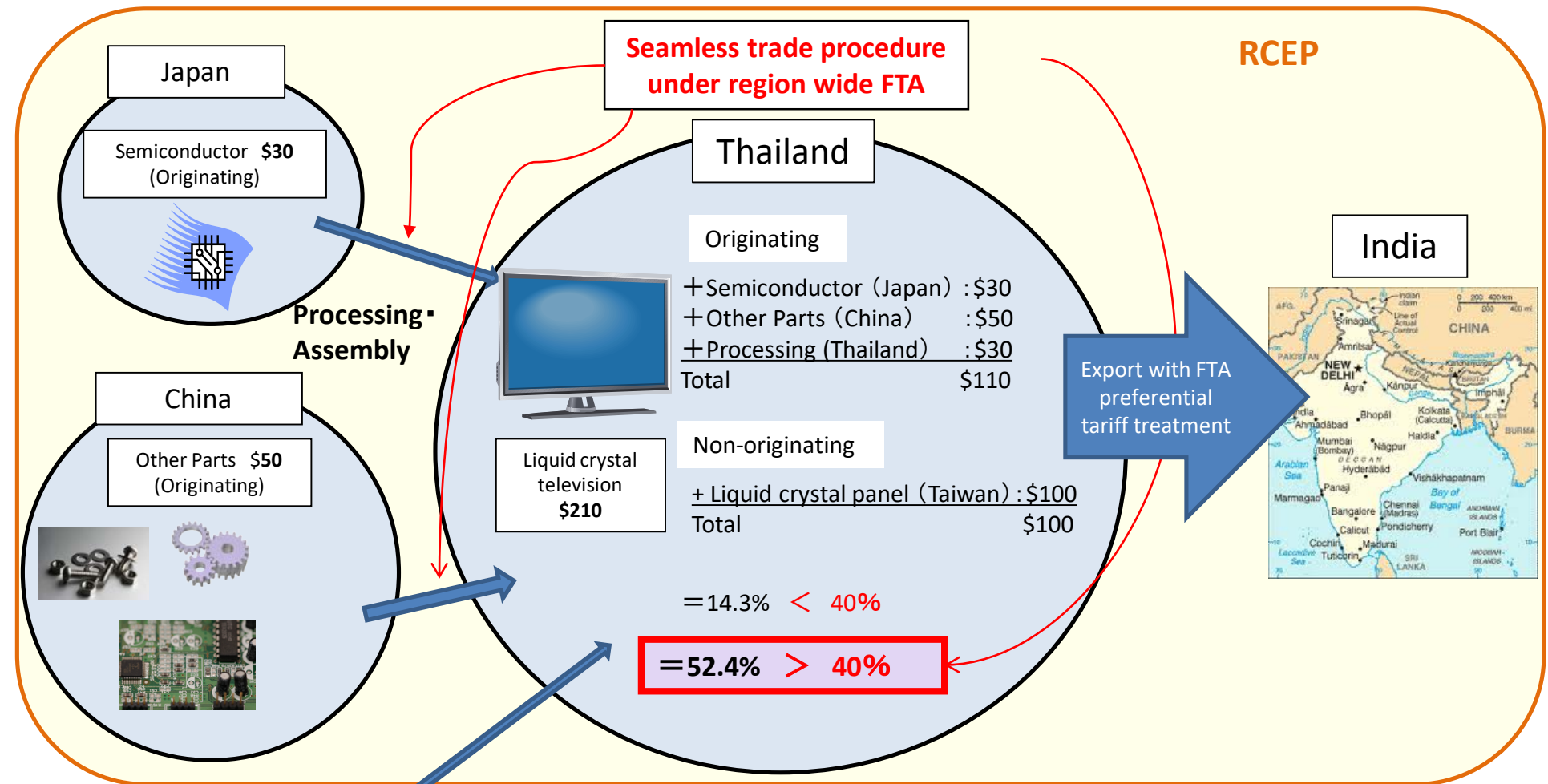
## Expectation of Japanese companies on RCEP (example)

= Realization of seamless business environment through...

- Further liberalization of tariffs, non-tariffs and service regulations beyond existing FTAs/EPAs
- Reduction of tariffs and service barriers between non-FTA countries (e.g., Japan-China)
- Reduction of operational/logistics cost through harmonized trade procedures (e.g., rules of origin, custom procedures and trade facilitation)
- Rules to assure i) promoting e-commerce, ii) protection of intellectual property, and iii) lowering risk for performance requirement on investment to enhance regional operation

# Example of “regional accumulation” under RCEP

Further strengthening Thailand’s competitiveness as “regional-hub”



※Formula

$$\frac{\text{F.O.B. value} - \text{Non-Originating material}}{\text{F.O.B. value}} \times 100 = \text{VA}(\%)$$

# Excerpt from Joint Leaders' Statement of the RCEP negotiations

## <Excerpt from Joint Leaders' Statement>

3. We noted that the task to conclude the RCEP negotiations is becoming more urgent and significant given the current headwinds faced by the global economy. In this regard, we undertook the collective commitment to deliver on the expeditious conclusion of the RCEP negotiations to foster an open, inclusive, and rules-based trading system, and demonstrate to the world that it is possible to make trade work for all.
5. We welcomed the substantial progress made in RCEP negotiations in 2018. We have advanced to the final stage of negotiations. We are determined to conclude a modern, comprehensive, high quality, and mutually beneficial RCEP in 2019.
6. We welcomed the conclusion of 7 Chapters to date, namely the Chapters on Economic and Technical Cooperation, Small and Medium Enterprises, Customs Procedures and Trade Facilitation, Government Procurement, Institutional Provisions, Sanitary and Phytosanitary Measures, and Standards, Technical Regulations and Conformity Assessment Procedures, of which 5 were concluded in this year alone. The status of the negotiations is described in the Annex to this Joint Statement. We highlighted the need to heighten this momentum to bring all remaining Chapters and Annexes to conclusion.

## <Excerpt from ANNEX :Status of the RCEP Negotiations (as at November 2018) >

*• • •RPCs are within reach of concluding market access negotiations • • •, but some work is needed to close the remaining gaps. • • •Special consideration may need to be given to the fact that not all RPCs have in place bilateral free trade agreements among themselves, • • •*

*• • •Negotiations on rules have also progressed substantially. • • •bring the total number of concluded chapters in RCEP to seven. Significant progress has also been made in other chapters and relevant annexes, with some almost concluded while others require further technical work or horizontal consideration due to their cross-cutting nature, i.e. settlement of relevant issues in other chapters is required to conclude some chapters.*

# Challenges ahead: accession to CPTPP ??

Area	JTEPA (under General Review)	RCEP (under negotiation)	CPTPP (EIF on Dec. 30 2018)
<b>Market Access</b>	<ul style="list-style-type: none"> <li>- Trade in Goods</li> <li>- Trade in Services / MNP (Positive list approach)</li> <li>- Investment</li> </ul>	<ul style="list-style-type: none"> <li>- Trade in Goods</li> <li>- Trade in Services / MNP</li> <li>- Investment</li> </ul>	<ul style="list-style-type: none"> <li>- Trade in Goods</li> <li>- Trade in Services / MNP (Negative list approach)</li> <li>- Investment</li> </ul>
<b>Rule</b>	<ul style="list-style-type: none"> <li>- CPTF (Custom Procedures and Trade Facilitation ) (Information exchange)</li> <li>- Intellectual Property Rights (Mainly Focus on Enforcement)</li> <li>- Competition (Information exchange)</li> <li>- Government Procurement (Transparency)</li> </ul>	<ul style="list-style-type: none"> <li>- CPTF</li> <li>- Intellectual Property Rights</li> <li>- Competition</li> <li>- Government Procurement</li> <li>- E-commerce</li> <li>- SMEs</li> <li>- Economic and Technical Cooperation</li> </ul>	<ul style="list-style-type: none"> <li>- CPTF (Release of goods / Express consignment / Consistency / Advanced ruling)</li> <li>- Intellectual Property Rights (Enforcement / Data exclusivity for biologics)</li> <li>- Competition</li> <li>- Government Procurement (Market Access and Transparency)</li> <li>- E-commerce (3 principles: Data free flow/ Prohibition on requiring localization of computing facilities / Prohibition on source code disclosure)</li> <li>- SMEs</li> <li>- Cooperation and Capacity Building</li> <li>- State-owned enterprises</li> <li>- Labor / Environment etc...</li> </ul>