



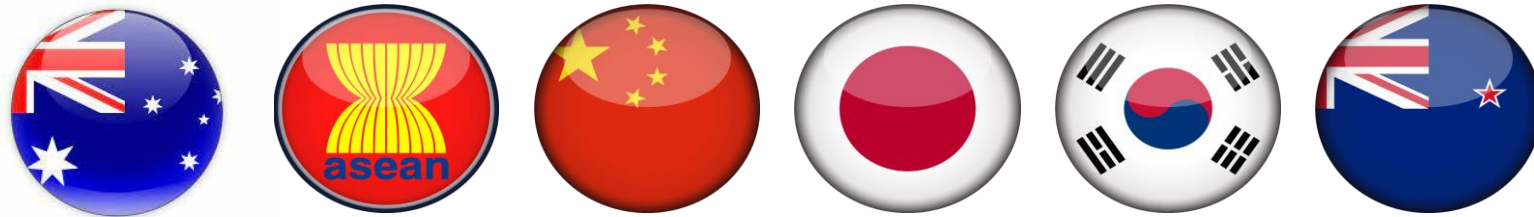
The Regional Comprehensive Economic Partnership (RCEP)

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RCEP

- Overview of RCEP
- Background to the agreement
- Key outcomes/significance of RCEP
- Comparison between RCEP and PACER Plus
- Lessons learnt

Regional Comprehensive Economic Partnership



- A regional trade agreement between **15** Indo-Pacific countries.
- Entered into force on 1 January 2022
- In force for: Australia, Brunei, Cambodia, China, Indonesia, Japan, Korea, Laos, Malaysia, New Zealand, Singapore, Thailand and Vietnam.
- Entry into force for Philippines on 2 June 2023.
- Once fully implemented, RCEP will be the world's largest free trade agreement (FTA) by members' cumulative GDP.

RCEP - Background



Proposals for some form of ASEAN-centred regional agreement date back to the early 2000s



Various ideas and combinations of members.



Concept of RCEP finally settled upon, and in November 2012 negotiations were officially launched.



Signed in November 2020.



RCEP – Key Outcomes/Significance

At a high level, RCEP:

- Reinforces the importance of having mutually agreed rules for services trade.
- Provides greater certainty and confidence for regional service suppliers by locking in existing conditions, building on existing bilateral and plurilateral FTAs and capturing future unilateral liberalisation for selected sectors.
- Enables a range of economic cooperation activities.



RCEP – Key Outcomes/Significance

RCEP provides :

- High-quality rules for services supply (e.g. **MFN**, '**ratchet**'), some of which ASEAN had never committed before in an external FTA;
- A more liberalising '**negative list**' style architecture (for some parties);
- Sector-specific annexes (**Professional, Financial, and Telecommunications Services**) that feature enhanced rules for the supply of these services.

RCEP and PACER Plus - Similarities

	RCEP	Pacer Plus
Key obligations	Market access National treatment Most-favoured nation treatment Domestic regulation Local presence	Market access National treatment Most-favoured nation treatment Domestic regulation
Additional annexes	Financial services Telecommunication services Professional services	MFN exemptions list
Other value adding elements	Ratchet mechanism	
Review	Within 5 years EIF	Within 3 years EIF
Transition to NL	Yes (with special conditions for CA, LA, MM)	



Lessons

Services chapter specific:

- Consider the inclusion of sector-specific annexes. Can add value outside the framework of traditional market access.
- Usefulness of designated sub-committees for chapters and some annexes.
- Consider general trends in world trade (e.g. ecommerce) and how they can be incorporated.

In general:

- Future reviews: importance of mutually agreed timelines, purpose, specific areas of focus.
- Importance of building on agreements signed since the original agreement.

Thank you!