
DEVELOPMENT AND IMPLICATION OF MEGA REGIONAL TRADE AGREEMENTS: APEC REGION AS AN EXAMPLE

ISSUES FOR MEGA FTA COMPETITION

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China's FTA Arrangements (as of February 2014)

FTA Partner	Status of Negotiation
Hong Kong	2004.1.1 entry into force
Macao	2004.1.1 entry into force
ASEAN	2003.7.1 Framework Agreement 2005.7.1 Agreement on Goods entry into force 2007.7.1 Agreement on Services entry into force 2009.8.15 Agreement on Investment entry into force 2010.1.1 entry into force
Chile	2006.10.1 entry into force
Pakistan	2007.6.1 Agreement on Goods entry into force 2009.5.1 Agreement on Services entry into force 2009.9.1 Agreement on Investment entry into force
New Zealand	2008.10.1 entry into force
Singapore	2009.1.1 entry into force
Peru	2010.3.1 entry into force
Costa Rica	2011.8.1 entry into force
Taiwan	2010.9.1 ECFA Framework Agreement entry into force
In Negotiation	G ulf C ooperation C ouncil (Saudi Arabia, Kuwait, UAE, Bahrain, Oman, Qatar), Australia, Iceland, Norway, SACU, Korea, Korea-Japan
In Preparation	India, Switzerland

Source: China MOFCOM <<http://fta.mofcom.gov.cn/english/index.shtml>>



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Japan's FTA Arrangements (as of February 2014)

FTA Partner	Status of Negotiation
Singapore	2002.11.30 entry into force
Mexico	2005.4.1 entry into force
Malaysia	2006.7.13 entry into force
Chile	2007.9.3 entry into force
Thailand	2007.11.1 entry into force
Indonesia	2008.7.1 entry into force
Brunei	2008.7.31 entry into force
Philippines	2008.12.11 entry into force
Switzerland	2009.9.1 entry into force
Vietnam	2009.10.1 entry into force
ASEAN	2008.12.1 entry into force (Singapore, Laos, Vietnam, Myanmar) 2009.1.1 Brunei 2009.2.1 Malaysia 2009.6.1 Thailand 2009.12.1 Cambodia
India	2011.8.1 entry into force
Peru	2012.3.1 entry into force
In Negotiation	Gulf Cooperation Council (Saudi Arabia, Kuwait, UAE, Bahrain, Oman, Qatar), Korea, Australia, Switzerland, Canada, Mongolia
In Preparation	China-Korea, RCEP, Columbia, EU, Turkey, TPP

Source: <<http://www.mofa.go.jp/policy/economy/fta/>>



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Korea's FTA Arrangements (as of February 2014)

FTA Partner	Status of Negotiation
Chile	2004.4.1 entry into force
Singapore	2006.3.2 entry into force
EFTA (Switzerland, Norway, Liechtenstein, Iceland)	2006.9.1 entry into force
ASEAN	2006.8.24 Framework Agreement 2007.6.1 Agreement on Goods entry into force 2009.5.1 Agreement on Services entry into force 2009.9.1 Agreement on Investment entry into force
India	2010.1.1 entry into force
EU	2011.7.1 provisional entry into force
Peru	2011.8.1 entry into force
US	2012.3.15 entry into force
Japan	2003.12.22 negotiation began 2004.11.1 negotiation suspended
Turkey	2013.5.1 entry into force
In Progress	Canada, New Zealand, Indonesia, China, Vietnam, China-Japan, RCEP, Columbia (signed on Feb. 21, 2013) Australia (signed on Dec. 4, 2013)
Pending	Japan, GCC, Mexico

Source: <<http://www.fta.go.kr>>



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Taiwan's FTA Arrangements (as of February 2014)

FTA Partner	Status of Negotiation
Panama	2004.1.1 entry into force
Guatemala	2006.7.1 entry into force
Nicaragua	2006.7.12 entry into force
Honduras & El Salvador	2008.1.1 entry into force
China (ECFA)	2012.9.12 entry into force
New Zealand	2013.12.1 entry into force
Singapore	2013.11.7 signed
In Negotiation	Paraguay, Costa Rica, Dominican Republic

Source: Taiwan Ministry of Economic Affairs < <http://www.trade.gov.tw/english/Pages/List.aspx?nodeID=672> >



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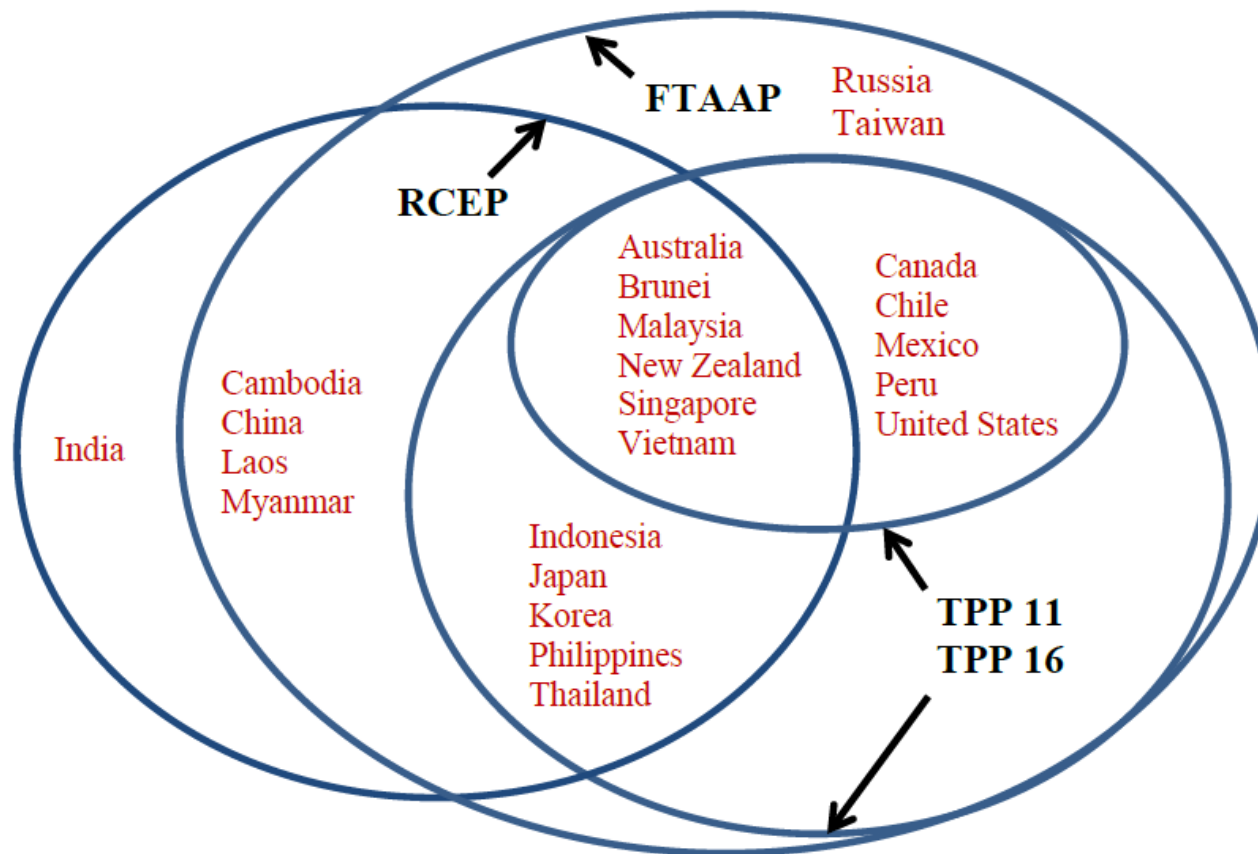
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Northeast Asian FTA Race

- ❑ Japan – Korea FTA: launched in Dec. 2003, but suspended in Nov. 2004.
- ❑ China – Korea FTA: launched in May 2012. (aim to complete within 2014)
 - ❖ Joint study group began in March 2007.
 - ❖ Two tier negotiation: Modality negotiation planned to be completed by June 2013, and market access and rule negotiation will follow
 - ❖ The Korean government restructured the trade ministry. Formerly the Ministry of Foreign Affairs and Trade, but now the Ministry of Industry, Trade and Energy.
- ❑ China-Japan-Korea FTA: launched in Nov. 2012
 - ❖ Political troubles may hinder the progress for a while.
 - ❖ China-Korea FTA may be an important stepping step for CJK FTA.
- ❑ Taiwan will soon join the FTA race in Asia.
 - ❖ After China-Korea FTA, Korea-Taiwan FTA may be the next.



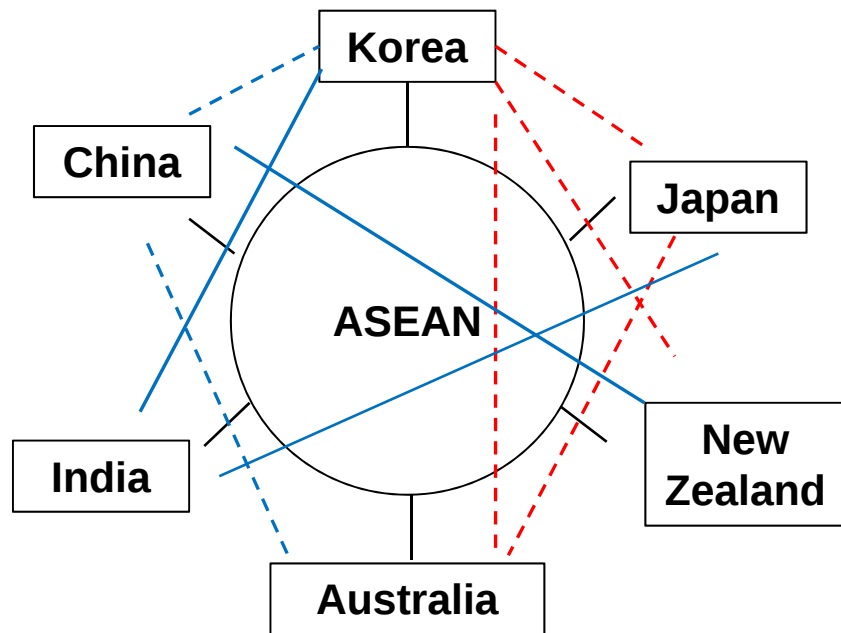
Asian and Trans-Pacific FTA Network



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RCEP Situation



❑ RCEP Structure

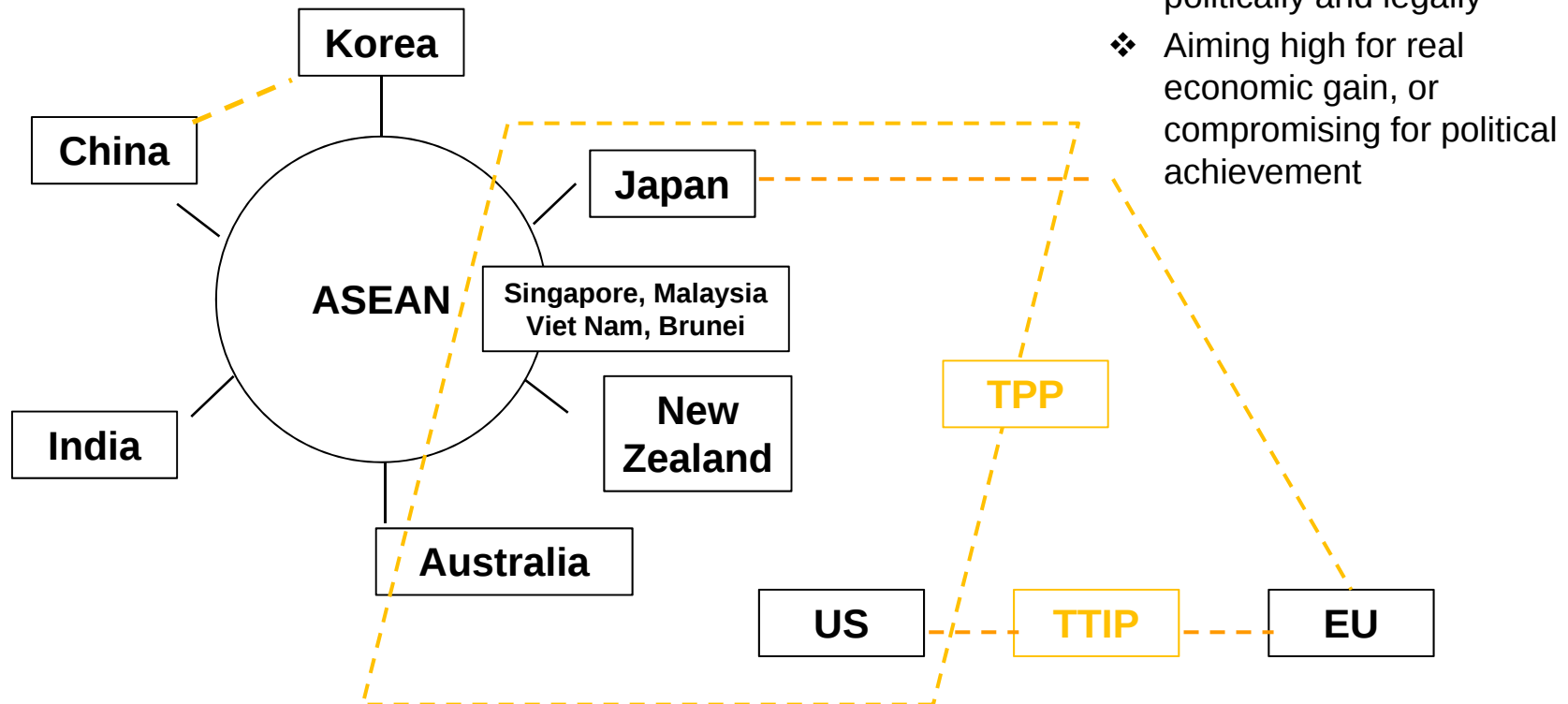
- ❖ ASEAN + 1s: relatively low level FTAs
- ❖ Still many unresolved issues among non-ASEAN parties



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Mega FTA Competition: RCEP vs. TPP vs. TTIP

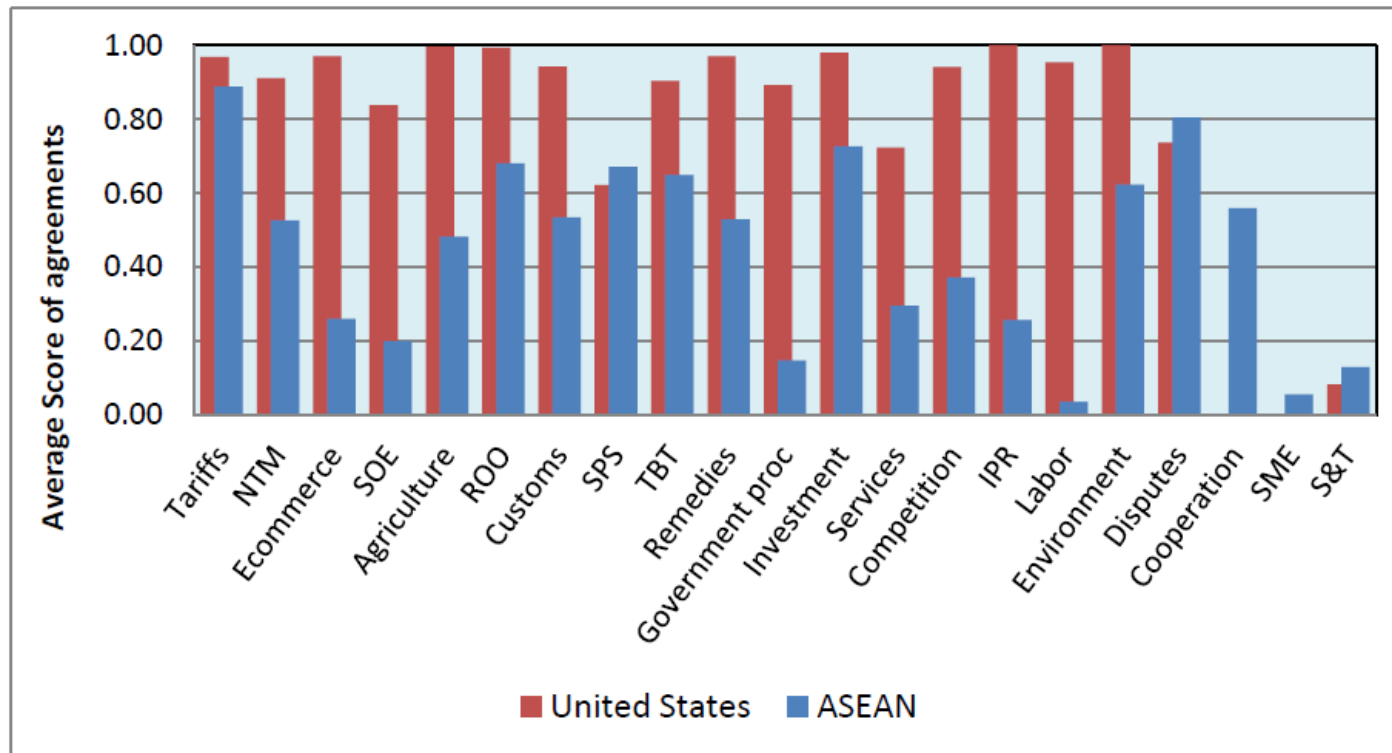


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❑ Average scores of recent FTA provisions on major issues

(Petri, Peter et. al., 2012. *The Trans-Pacific Partnership and Asia-Pacific Integration: A Quantitative Assessment*. Peterson Institute for International Economics)



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Issues for Future Mega FTA Competition

- ❑ Inconsistency between FTAs
 - ❖ RCEP versus TPP
 - ❖ China-Korea FTA versus China-Japan-Korea FTA
- ❑ Compromise of Different Legal systems
 - ❖ US System versus EU System under the TTIP
 - ❖ TPP versus EU-Japan FTA
- ❑ Problems of Domestic Ratification
 - ❖ Political Controversy over Overlapped FTAs
 - ❖ Increased Costs for Marginalized Sectors
- ❑ Coherence with the WTO System
 - ❖ Potential Conflicts with WTO Rules
 - ❖ Trade Liberalization under FTA versus WTO

