



**APEC Business Advisory Council**

**ABAC 2024**

**REIWG: FTAAP**

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# FTAAP: The destination and the journey



Image: Matt Howard on Unsplash

- The “**destination**”
  - *Optimising the Pathways for a high-standard, ambitious, inclusive and sustainable FTAAP*
- The “**journey**”
  - *“Early harvest” of issues that are commercially-meaningful, where progress can be made quickly, and which address priority concerns, including openness/non-discrimination, sustainability and inclusion*

# Revitalising the strategy towards FTAAP



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- **Pathways workstream**
  - CPTPP/RCEP full implementation, utilization, transparency, enforcement and expansion; dispute settlement; Secretariat functions *(led by Fumiya Kokubu)*
- **Continued advocacy for “early harvest”:**
- **Digital:** Optimal digital trade rules and “A New Services Agenda” for digitally-deliverable services *(led by Kok Ping Soon)*
- **Sustainability:** Optimal rules for trade tools leveraged for climate/sustainability outcomes *(led by Brett O’Riley)*
- **Inclusion:** Women’s access to venture capital and expansion financing *(led by Gabby Costigan)*
- **Supply chains:** Resilient supply chains and avoiding protectionism *(led by Zhang Shaogang and Laura Lane)*

## APEC Approach:

### *“A new look at FTAAP: How to Advance the FTAAP Agenda”*



- The APEC Chair has proposed a series of Dialogues on How to Advance the FTAAP Agenda, to be held in conjunction with CTI through 2024
- Aim is to refresh the FTAAP Agenda, and update the CTI guidance and further actions
- ABAC has been invited to participate (along with PECC)
- Areas of focus for each Dialogue:
  - **Dialogue 1:** economies' views and assessments on the **current situation of the FTAAP agenda**, including information-sharing and capacity-building
  - **Dialogue 2:** economies' views, suggestions, proposals on **possible paths, frameworks, schemes to take the FTAAP agenda forward**
  - **Dialogue 3:** economies' proposals of possible actions, activities, initiatives to **update the agenda, including on next generation issues**

# CTI Dialogue 1

- 3 March 2024 (half a day); chaired by Peru, vice-chaired by Australia
- ***“economies’ views and assessments regarding the current situation of the FTAAP agenda, keeping in mind what the forum has done so far,...the successes and gaps in capacity building, the proliferation of FTAs, the current and expected future dynamism of the international trade system...as well as member economies’ domestic factors”***
- Taking account of the APEC PSU study on convergence and divergence in trade agreements

## ***Questions prepared by the Chair:***

- 1. What is your assessment of the situation of the FTAAP agenda, taking into account the work so far?*
- 2. What are your views on the Information Sharing Mechanism on FTAs and the Capacity Building Needs Initiatives (and how useful have they been) in advancing the FTAAP Agenda?*

# Proposed ABAC approach for CTI Dialogue



- Questions for Dialogue 1 are focused on policymaker experiences
- Where *ABAC could* contribute is by sharing business insights on the utilization, points of friction, and successes of existing regional integration efforts
  - ABAC work on Pathways is very relevant
  - So is our concept of a ‘bottom-up’/early harvest approach

## ➤ Key messages for Dialogue 1:

- ***On the situation of the FTAAP agenda:*** The concept was first proposed over 20 years ago – it is time for concrete action, including by seeking to build FTAAP from the bottom up
- ***On lessons learned to date:*** Full utilization of the Pathways is critical for the FTAAP work, by (i) building confidence in REI, and (ii) surfacing insights about how to optimize REI for business, through experiences (good and bad) with the Pathways
- ABAC has identified impediments to and possible solutions for full utilization of FTAs (e.g. access to information, capability on ROO/COO, obtaining documents from suppliers, benefits of digitalization), and also sees value in having a Secretariat and dispute settlement mechanisms
- It would be valuable for APEC to integrate this business perspective into its work on FTAAP

## Recommendations

- Members to continue to champion FTAAP, including ambitious outcomes through both the Pathways and a bottom-up/“early harvest” approach
- Members to agree the proposed “early harvest” topics
- Members to endorse the proposed approach for Dialogue 1