



APEC Business Advisory Council

REIWG II 2024

Revitalizing FTAAP

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FTAAP: CTI Dialogue 2

- Focus for Dialogue 2 on 12 May 2024 in Arequipa:
 - “member **economies**’ views, suggestions, proposals on possible paths, frameworks, schemes aimed at advancing the FTAAP agenda with the view of contributing to implement the relevant APA Collective Actions”*

- Specific questions for the session are:
 1. Given that at Dialogue 1 there were ample expressions agreeing that the FTAAP needs to be infused of a renovated dynamism and to reflect changes in the domestic and international realms; what are your economy’s overarching views on **possible strategies, approaches, methods or ways** that could accomplish this endeavour?
 2. Short of specific suggestions, **what additional elements** – besides the APEC Information Sharing Mechanism and the Capacity Building Needs Initiative (CBNI) – **could be useful and/or needed to contribute to infuse the looked after dynamism** to our FTAAP endeavour. In this regard, please also consider commenting on the FTAAP agenda Work Plan and its potential contributions in advancing the FTAAP.

CTI Dialogue 2: Possible ABAC approach

- Propose focusing on the “**bottom up**” approach
 - *Dynamic and incremental achievement of concrete deliverables, within the framework of an overarching vision and work plan*

Part 1: Recall regional initiatives that have used this model of economic integration, for example:

- Aus-NZ Closer Economic Relations (1983) → Single Economic Market
- ASEAN Free Trade Area (1992) → ASEAN Economic Community

Part 2: Showcase ABAC proposal(s) for “early harvest” initiatives as building blocks to FTAAP:

- Focus on how these specific initiatives contribute to the Aotearoa Plan of Action

Part 1:

Case study: Australia-NZ Single Economic Market



Signing of CER, March 1983



SEM talks, February 2024



- Specific initiatives have led to deep and broad economic integration
 - Original vision: **Closer Economic Relations** in 1983
 - CER started with duty-free **goods trade**, based on agreed **ROO**
 - **Services** added in 1989, progressively liberalised through to 2014
 - Joint **Food Standards** system 1995
 - Trans-Tasman **Mutual Recognition** Arrangement (occupational registration and goods standards) 1996
 - Progressive **business law harmonisation** (e.g. company accounting standards, consumer protection, patents, business regulation, mutual recognition of business registration) 1990s to 2000s
 - 2009 onwards: the **Single Economic Market** Agenda
 - Focus on “**3rd generation** issues” e.g. **Investment** Protocol (2011), mutual recognition of **trade facilitation** tools (2016), **e-invoicing** (2018), **digital identities** (ongoing), and many more.
- Enabled a unique trade negotiation: CER + ASEAN = AANZFTA (2010)

Part 2:

Examples of specific ABAC building blocks

Specific “early harvest” initiatives for 2024:

- Women’s Access to Venture Capital
- A New Services Agenda
- A Greener Trade Framework
- Coherent Digital Trade Provisions
- Resilient Supply Chains

Contribution to APA – examples:

- *A New Services Agenda* – to replace ASCR, supporting APA Collective Actions on trade, structural reform, digitalization
- *A Greener Trade Framework* – to contribute to APA Collective Actions on sustainability

Recommendations

- Members to endorse the proposed approach to the second CTI FTAAP Dialogue.