

ADB Conference on the Regional Comprehensive Economic Partnership (RCEP):  
A New Paradigm in Asia's Trading Architecture  
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# RCEP to be living and evolving

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# ADB study: important contribution

- The legal text study by ADB sets a starting point for all of us to utilize RCEP progressively.
- The key message is:
  - RCEP is a significant achievement.
  - It is comprehensive but incomplete.
  - It should be living and evolving.
  - “ASEAN way” must be applied in a progressive manner.

# Signing and going into effect are not the final goal

- Designed as an evolving agreement in the ‘ASEAN way’
  - Homework (built-in agenda, issues for future negotiations)
    - E.g., services (transition from the pos. list to the neg. list), S&D treatments
  - To be upgraded
    - E.g., tariffs (esp., CJK), NTMs, services and investment, international rules
    - CPTPP is a reference for further liberalization and international rule-making
  - Monitoring and upgrading mechanism
    - Ministerial meeting, Joint Committee, four committees, Secretariat
    - General review in five years
    - Expansion of membership? (e.g., Hong Kong, East Timor, India, other SA)

# Role of RCEP in geopolitical tensions

- Middlepowers in-between cannot control geopolitical tensions.
  - Co-existence of “controlled trade” and “free trade” cannot be inevitable, at least partially.
  - From the viewpoint of the economy, the borderline should be set as clearly as possible.
- The institutional setting of RCEP must be utilized for reducing policy risks and defending the rule-based trading regime.

# Non-ASEAN members' commitments are the key

- RCEP is designed in the ASEAN way.
- Many homework is on the CJK side.
- How strongly the non-ASEAN members can keep their commitments to the ASEAN way is the key for the success of RCEP.

# References

- Kimura, Fukunari. (2021) "RCEP from the Middle Powers' Perspective," *China Economic Journal*, 14(2): 162-170. DOI: 10.1080/17538963.2021.1933059.
- Kimura, Fukunari. (2022) "A Framework for Ongoing Commitments to RCEP Process," *East Asia Forum Quarterly*, January-March: 3-5 (<https://www.eastasiaforum.org/2022/04/05/a-framework-for-ongoing-commitments-to-rcep-success/>).
- Kimura, Fukunari; Thangavelu, Shandre; and Narjoko, Dionisius. (2022) *Regional Comprehensive Economic Partnership (RCEP): Implications, Challenges, and Future Growth of East Asia and ASEAN*, Jakarta: Economic Research Institute for ASEAN and East Asia (ERIA) (<https://www.eria.org/uploads/media/RCEP-Monograph-Launch-14-March-2022-FINAL.pdf>). Three books on RCEP by ERIA will follow.