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

