



Case Studies

Shumon Khalid

Trade Economist | PMCG

Regional Comprehensive Economic Partnership (RCEP)

Background

- Is a free trade agreement-FTA between the ten-10 member states and its five-5 FTA partners.
- The world's largest free trade agreement bloc
- 30 per cent of world's population (2.2 billion people) and
- 30 per cent of global GDP (\$28.2 trillion).
- Includes government procurement and agriculture sectors.
- Entered into force on 1st January 2022 for Australia, Brunei Darussalam, Cambodia, PRC, Japan, Lao PDR, New Zealand, Singapore, Thailand and Vietnam. And entered again into force on 1st February 2022 for the Republic of Korea.
- For the remaining signatory nations; RCEP treaty will enter into force sixty-60 days after the deposit of their instrument of ratification, acceptance or approval to the Secretary-General of ASEAN as the Depositary of the RCEP treaty.

Regional Comprehensive Economic Partnership (RCEP)

Processes

- 31 negotiation rounds.
- 15 Ministerial meetings, and four Leader's Summits.
- Negotiations were concluded and signature of agreement signed on 15th November 2020.
- Coordination and steering of the negotiation process was conducted by the Trade Negotiation Committee-TNC composed of levels of chief trade negotiators.
- Ten working groups were created while the market access related issues were negotiated in bilateral formats.

Regional Comprehensive Economic Partnership (RCEP)

Results

- For trade in goods, tariff and non-tariff barriers will be progressively eliminated by 90% within 20 years of the agreement coming into force.
- For investments; RCEP treaty covers promotion, protection, facilitation and liberalization.
- The negotiated rules of origin are likely to support the expansion of regional value chains and increase cross-border investment flows throughout the RCEP bloc.
- The RCEP Agreement also provides flexibility to the least-developed countries such as Cambodia, Lao PDR, Myanmar and Vietnam.



Questions?

PRC - Georgia Free Trade Agreement

Background

- Started in 2013.
- Georgia (located at the crossroads of Europe and Asia) expressed an interest to join the initiative;
- Both nations on March 9th 2015 agreed to establish a joint working group to study the feasibility of an FTA; and then signed a Memorandum on strengthening the joint construction of “Silk Road Economic Belt.”
- PRC-Georgia FTA was signed in 2017
- Is the first new generation trade agreement that China signed in South Caucasus and Central Asia regions.
- Covers trade in goods and services as well as intellectual property rights, competition, environment and E-Commerce.

Process

There were three rounds of negotiations:-

- First round of negotiations (22-23 Feb 2016, Georgia)
- Second round of negotiations (9-13 May 2016, Beijing)
- Third round of negotiations (18-22 July 2016, Georgia)

Approach

- For both nations the negotiation objectives were to liberalize trade in goods and removing tariff and non tariff barriers to trade.
- For Georgia; this objective was also aligned with their strategy for diversification of trade in both goods and services using FTAs with partner countries (Georgia already has 80 per cent of goods at zero tariff rates).
- For PRC's strategy was aligned to Belt and Road Initiative.
- The feasibility study was conducted prior to negotiating

PRC - Georgia Free Trade Agreement

Results

- Upon entry into force, Georgia eliminated tariffs on 96.5% of Chinese products imported, with China eliminating tariffs on almost 91% of products imported from Georgia.
- On PRC's tariff elimination commitments, the vast majority of these (90.9% of imports) will face a zero tariff upon entry into force, with the remaining 3% being subject to a five-year transition period.
- the Georgian side addressed PRC's concerns in transport, movement of natural persons, and traditional Chinese medicines, whereas the PRC side addressed Georgian concern in: tourism and shipping.
- The additional chapters beyond WTO were Competition-Chapter 10 and Environmental standards-Chapter 9.



Questions?

The Eurasian Economic Union (EAEU)

Background

- Armenia, Belarus, Kazakhstan, Kyrgyz Republic, and Russia while observing member states are Cuba, Moldova, and Uzbekistan.
- Single market of 180 million people.
- GDP of over \$5 trillion.
- Cover an area of approximately 15% of the world's land surface.
- The treaty was officially enacted on January 1, 2015.
- 25% growth of the GDP for the next 20 years.

The Eurasian Economic Union (EAEU)

Process

- Customs Union between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation.
- Eurasian Economic Intergration.
- Single Economic Space.
- Eurasian Economic Commission.
- May 29th 2014 member states signed the treaty on the EAEU.

The Eurasian Economic Union (EAEU)

Approach/Results

- The negotiation governance mechanisms involved top-down processes following pre-existing legal frameworks under the EAEU.
- Different stakeholders were involved.
- Treaty provided elimination of 29 revealed exemptions, barriers and restrictions, mainly in government procurement.
- Professional qualification of employees of the service provider is also recognized in another Member State.
- 31 exemptions revealed in the areas of industrial policy, as well as those related to sanitary, veterinary and sanitary and quarantine phytosanitary measures – to be eliminated during different transitional periods.



Questions?