

Virtual Dialogue on FTAAP - Charting a Pathway for Trade in a Turbulent Time

May 2023

Summary Note

Introduction

The “Virtual Dialogue on FTAAP - Charting a Pathway for Trade in a Turbulent Time” was the first event to discuss the PECC FTAAP Signature Project involving all PECC members.

The Dialogue explored the context in which PECC is taking forward work on FTAAP and shared perspectives among the PECC community on some of the key questions the Project seeks to address. The first set of questions concerns those about what is meant by the concept of an FTAAP. Why are we revisiting the FTAAP concept now? The second set of questions concerns how PECC can add best value to the work on FTAAP that is already underway? What specific topic areas should a PECC project initially focus on?

Sessions were dedicated to addressing each of these questions involving presentations from experts and moderated discussions. The agenda is attached.

The concept note distributed in February setting out the broad approach to the FTAAP work, and a background note on the Dialogue, were also distributed in advance of the event. A summary of the main conclusions and the discussion follows.

Key conclusions

What is meant by the FTAAP concept? The Project aims to give more substance to the notion of an FTAAP. It is about building broad agreement to support the deeper economic cooperation, integration and openness in the region that we want to see in the longer term. The Project envisages that PECC’s work on an FTAAP would draw on existing work in APEC, ABAC and elsewhere, and build on that to achieve greater integration in the region.

Why revisit FTAAP now? The current environment is creating serious challenges for open trade and economic integration. Work to advance FTAAP could help counteract these pressures.

While the benefits from wider cooperation under an FTAAP framework are difficult to quantify fully, they are likely to be significant. Modelling indicates the greatest gains arise from increased efficiencies achieved by addressing regulatory barriers, especially in services.

The concept of an FTAAP is also important at this time to support greater cooperation on the wide range of challenges facing the region and to help implement the broader framework for cooperation set out in the Putrajaya Vision 2040 and the Aotearoa Plan of Action. This is especially important in the context of tensions between major trading partners and new impediments to integration.

What areas and topics should the project work on? The Project is now moving from a conceptual discussion to a program of practical activities that can give the FTAAP concept additional substance and add value to work that is already underway. Participants in the Dialogue suggested some initial topics that the Project could focus on, including services, sustainability, trade facilitation, and inclusion. It was also suggested that in taking forward work on potential FTAAP building blocks, a stocktake of relevant work programs could be undertaken.

What are the next steps? The Project Taskforce will draw on the outcomes of the Dialogue to select specific topics for initial research work. It will also develop a communications plan for dissemination of the work on FTAAP and engagement with stakeholders and business.