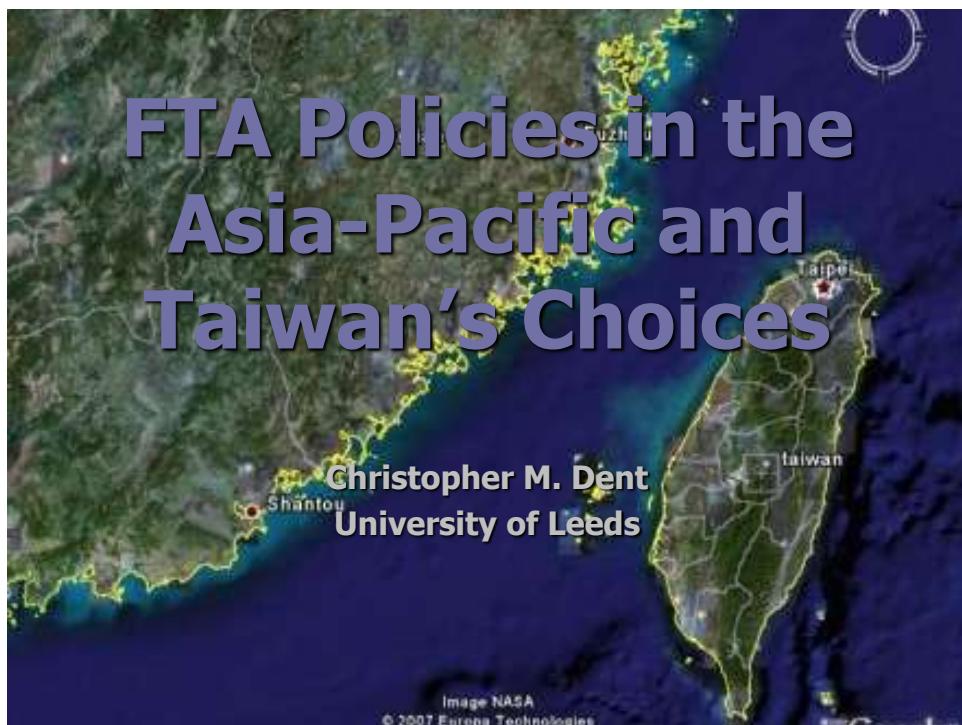


臺灣歐洲聯盟中心訪問學者系列演講  
EUTW Fellowship Speech Series

時 間：中華民國99年11月10日（星期三）10:30至15:00  
Date & Time: Wednesday, 10th November 2010, from 10:30 to 15:00  
地 點：臺灣大學社會科學院國際會議廳  
Venue : International Conference Hall, College of Social Sciences, NTU

第一場：亞太自由貿易協定與臺灣的抉擇  
Session 1: FTA Policies in the Asia-Pacific and Taiwan's Choice

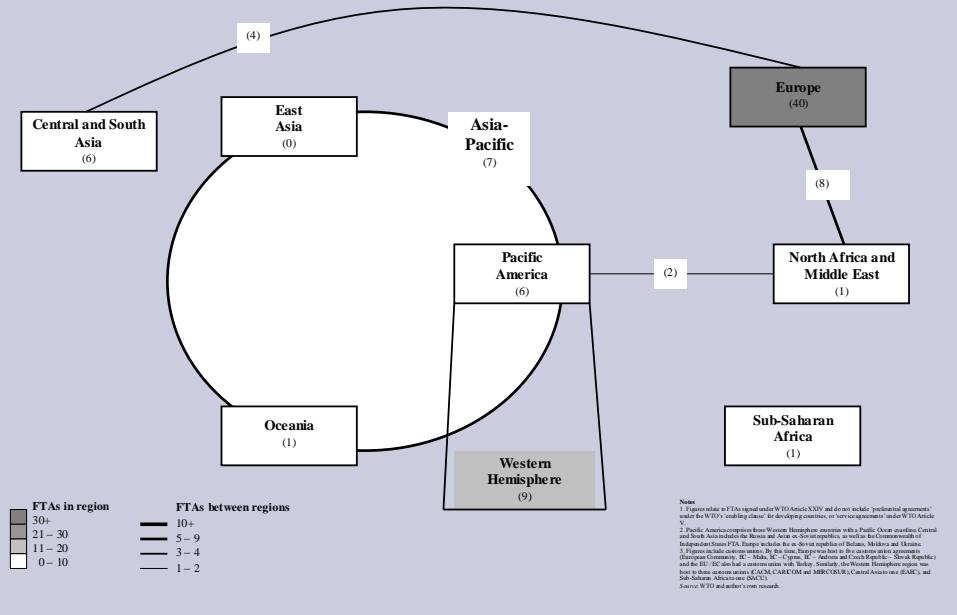
10:10-10:30 (20 minutes)	報到 Registration
10:30-10:40 (10 minutes)	主持人致詞 Remarks by Moderator 臺灣大學政治系 左正東副教授 Dr. Chen-Dong Tso, Associate Professor, Department of Political Science, NTU
10:40-11:40 (60 minutes)	專題演講 Keynote Speech Dr. Christopher M. Dent, Senior Lecturer, Department of East Asian Studies, University of Leeds, UK
11:40-12:00 (20 minutes)	交叉討論 Q&A 結語 Conclusion

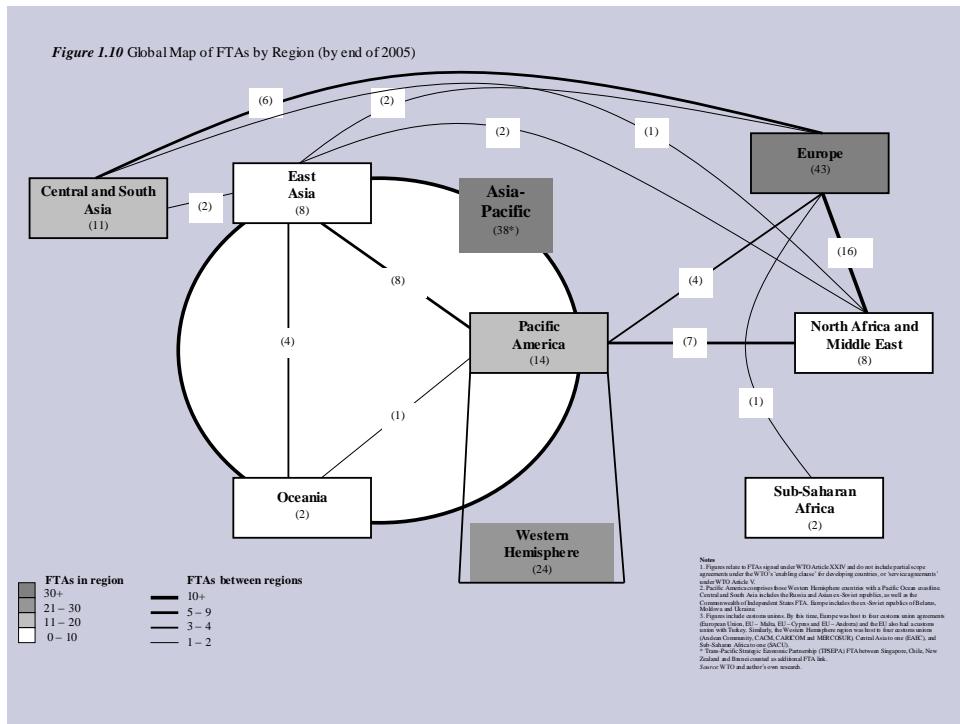


# FTA Activity on the Rise...

- Global expansion of FTA activity and regionalism since the early 1990s
- Europe and Latin America as early main centres of new FTA activity
- East Asia, US and Oceania only start to catch up from the late 1990s onwards
- Asia-Pacific witnesses the most intense growth of FTA activity in the world system during the 2000s
- FTAs have significantly shaped the Asia-Pacific's international economic relations and business environment...

**Figure 1.1** Global Map of FTAs by Region (by end of 1997)





**Figure 6** Asia-Pacific FTA Projects (before 1998)

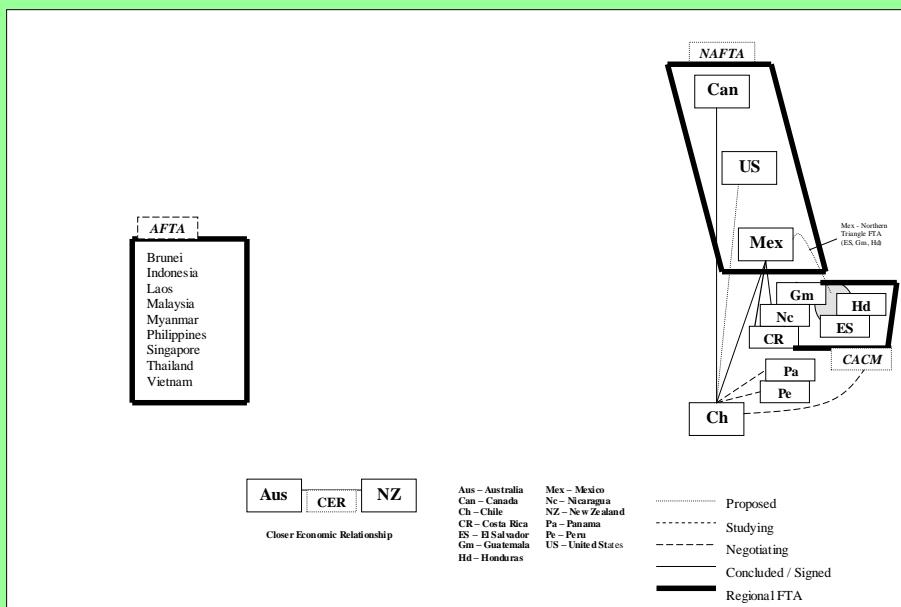


Figure 7 Asia-Pacific FTA Projects (by end of 2004)

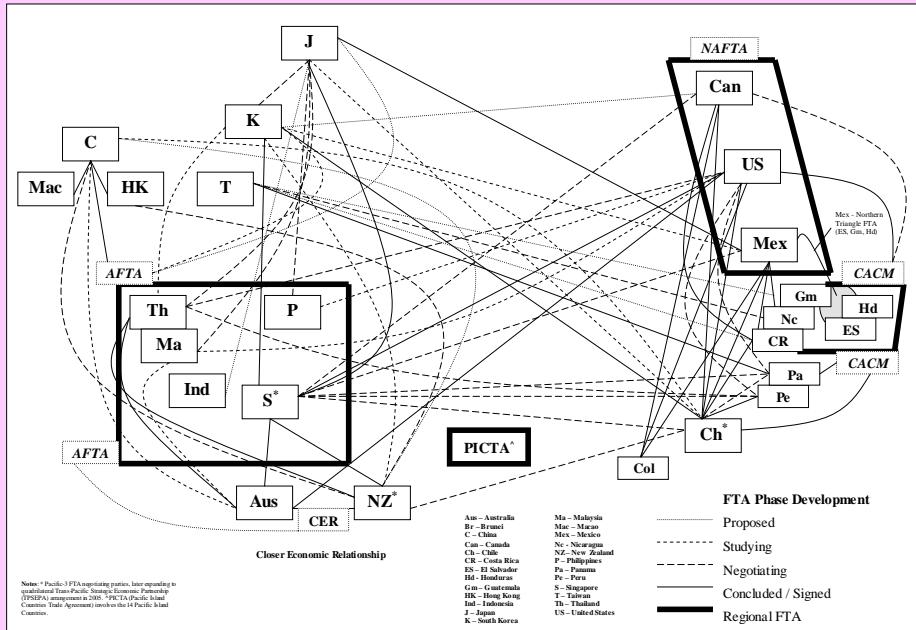
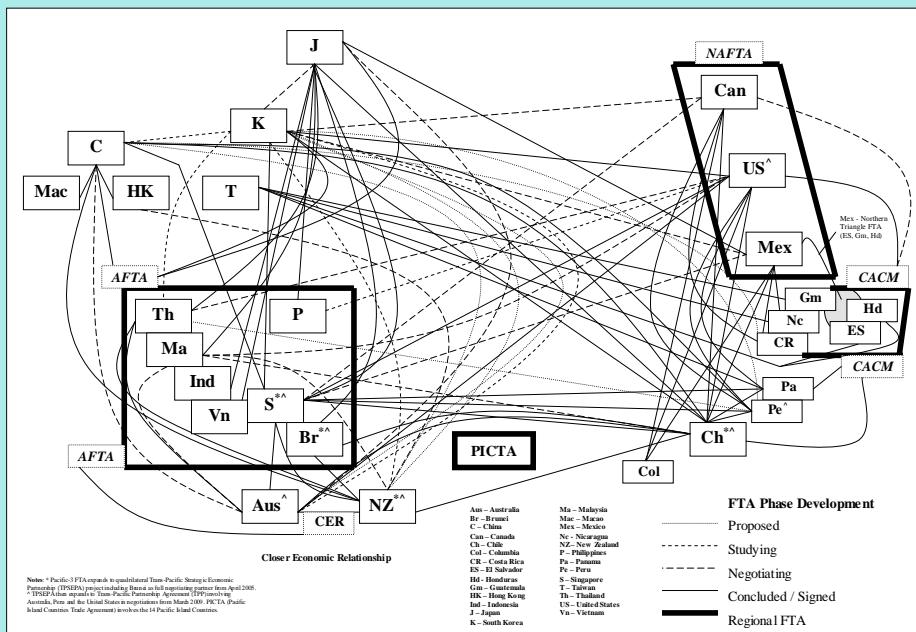


Figure 8 Asia-Pacific FTA Projects (by end of 2008)





## The Evolving Nature of FTAs

- Traditionally, FTAs have primarily entailed the elimination of conventional trade barriers (e.g. tariffs) between signatory parties
- Have been around for a while. Last great spurts of FTA activity were 1860-1914 and the 1930s
- However, the portrayal of FTAs found in conventional economic textbooks are increasingly outdated...
  - tariffs, etc now as less significant features... more now about **commercial regulation** and other policy-related measures
  - FTAs are becoming increasingly **heterogeneous**
  - often 'stretched' into **wider economic partnership agreements**

## FTA Heterogeneity

- Each FTA is crafted in accordance to the political economic interaction between the trade partners concerned
- Agreements can vary significantly in terms of:
  - scope of commercial liberalisation
  - implementation schedules and modalities
  - commercial regulation provisions, e.g. investment, IPR, government procurement, rules of origin, standards
  - economic co-operation provisions
  - philosophical or ideational approach
- Dominant trade partners can significantly determine the overall framework and content
- This is often in accordance to their **preferred 'FTA model'**

## Key Trends in Asia-Pacific FTA Activity

- The large majority of FTAs in the region are **bilateral**, consistent with the global trend
- Notwithstanding FTA heterogeneity, **three main FTA models** are evident: US, Japan, China/ASEAN
- ASEAN as hub for **quasi-regional FTAs**: with China, Japan, Korea, Aus/NZ, India
- **Plurilateral FTAs**: Mexico– Northern Triangle (2000) and TPSEPA (2005, expanding to TPP)
- Many FTA projects are in effect **dormant** (e.g. Mexico – Singapore), **stalled** (e.g. Japan – Korea), or have been **abandoned** (e.g. US with many SE Asia nations)

- Trade partner selection
  - The **club of ardent free trader nations**: NZ, Aus, US, Canada, Singapore, Chile, Panama (Mexico, Korea, Peru as secondary members)
  - Relatively **small trade partners** often selected
  - 'Easy' FTA partner options are **running out for active FTA countries...**
- In the US, the Obama Administration is **far more circumspect** than its predecessor about FTAs
- Japan, China and others are looking more to merge existing FTAs into **larger Asia regional arrangements** rather than create new FTA partners
- BUT... large regional FTAs may prove unrealistic
- As result of the above, **FTA activity in the Asia-Pacific is slowing down...**
- **Existing FTAs may be transformed** into different types of agreement, taking on new content, etc

### ADB Survey of FTA Utilisation and Burden Impact, 2010

	Use FTAs (%)	Plan to or Use FTAs (%)	Burden Imposed by multiple RoOs (%)
China	45.1	77.9	6.3
Japan	29.0	47.4	31.0
South Korea	20.8	54.2	15.4
Singapore	17.3	28.0	37.5
Thailand	24.9	45.7	26.2
Philippines	20.0	40.7	27.7

## Commercial Regulatory Provisions in Asia-Pacific FTAs

- FTAs are increasingly focused on **commercial regulation**: the rules and standards that determine the regulatory framework in which the trade and investment related activities of firms take place
- Core generic areas:
  - investment
  - government procurement
  - intellectual property rights (IPR)
  - competition policy
  - rules of origin (RoO)
  - industrial and other standards
- Sector-specific areas: financial services, telecoms, etc

- Ascendance of commercial regulatory provisions:
  - tariffs and other conventional trade barriers have fallen or become less important
  - technological and policy developments: the rise of services trade, open market competition for infrastructure and professional services
  - globalisation and the closer inter-linkage of trade and investment
  - foreign firm penetrability of the host country's domestic market in terms of business operations as well as product sales
- FTAs (and hence their rules and regulations) now nominally cover around 40-50% of Asia-Pacific trade
- US + Aus/NZ focused on **regulatory rights**; China and ASEAN on **regulatory co-operation**; Japan, South Korea and Singapore a mix of the two

## FTA Provisions on IPR: Singapore and Thailand FTAs

FTA Partner	Year	Word Count in FTA text										TRIPS Provision Areas										TRIPS-Plus													
		No provisions					Because of reference to WTO TRIPS, minor only					Conformance to general principles of TRIPS					State compliance to existing WTO TRIPS					Information exchange and transparency					Geographical indications					Intellectual property rights			
New Zealand	2001	35	•																																
Japan	2002	1,089		•							•																								
Australia	2003	633		•	•	•																													
EFTA	2003	1,589		•	•	•						•	•	•																					
United States	2004	8,738		•	•	•	•	•	•	•	•	•	•	•	•																				
Jordan	2005	24	•																																
India	2005	120		•																															
South Korea	2006	679		•	•	•																													
TPSEPA	2006	128		•	•	•						•	•	•																					
Panama	2006	-	•																																
China	2008	-	•																																
FTA Partner	Year	SINGAPORE																																	
FTA Partner	Year	THAILAND																																	
FTA Partner	Year	ASEAN-Level																																	
AFTA	2002	545		•																															
ACFTA (China)	2004	96	•																																
KAFTA (Korea)	2007	95	•																																
JACEP (Japan)	2008	-	•																																

## FTA Provisions on Investment: Singapore and Thailand FTAs

FTA Partner	Year	Word Count in min FTA text										TRIMS Provision Areas										TRIMS-Plus										Protective Clauses and Exceptions									
		No provisions					Commitment to future negotiation					State of alignment with TRIMs					Information exchange and transparency					Geographical indications					Intellectual property rights					Intellectual property rights					Intellectual property rights				
New Zealand	2001	1,306									•	•	•	•	•																										
Japan	2002	4,586									•	•	•	•	•																										
Australia	2003	3,718									•	•	•	•	•																										
EFTA	2003	2,088									•	•	•	•	•																										
United States	2004	8,371									•	•	•	•	•																										
Jordan	2005	-	•																																						
India	2005	4,624		•	•	•	•	•	•	•																															
South Korea	2006	4,653		•	•	•	•	•	•	•																															
TPSEPA	2006	-	•																																						
Panama	2006	4,482																																							
China <sup>a</sup>	2008	-	•																																						
FTA Partner	Year	SINGAPORE																																							
FTA Partner	Year	THAILAND																																							
FTA Partner	Year	ASEAN-Level																																							
AFTA / AIA	2002	1,955									•	•	•	•	•																										
ACFTA (China)	2004	-	•																																						
KAFTA (Korea)	2007	-	•																																						
JACEP (Japan)	2008	4,567									•	•	•	•	•																										

Notes: Smaller dot denotes a more minor reference to this provision or clause. \* MFN treatment applies amongst ASEAN member states only. <sup>a</sup> Obligation to adopt the ACFTA chapter on investment after its concluded negotiation. Sources: Original FTA texts.

- Commercial regulation provisions of FTAs can shape the economic and business environment in various ways...
  - shaping the very nature of international business competition (and 'free trade'): more defined by regulatory parameters rather than the elimination of conventional trade barriers, e.g. tariffs
  - conferring distinct regulatory preferences, e.g. on govt procurement 'offer' thresholds, RoO generally
  - dominant FTA partner shapes the domestic regulatory regime of others, e.g. US and IPR
  - rules of origin and configuration of supply chains and international production networks
  - FTAs extending beyond compliance to WTO accords, e.g. on TRIMS, TRIPS, GPA
- Approach towards FTA commercial regulation will primarily depend on development capacity factors...

## Taiwan's Future FTA Choices?

### The ECFA Factor

- ECFA is currently a sub-FTA arrangement (partial or 'early harvest')... plans to graduate to full FTA?
- China as Taiwan's largest trade partner, so ECFA is Taiwan's most potentially important FTA option
- Will ECFA become one day like the Aus – NZ CER?
- ECFA the key to unlock Taiwan's other FTA options...

### New FTA Partner Selection

- **Japan and South Korea:** very viable, potentially large gains... similar industries and development level, shared views on agriculture protection
- **Singapore:** easy option, limited gains... may help to leverage deal with ASEAN

- **ASEAN:** viable, gains will depend on substance of agreement signed (very unpredictable), may take some time to negotiate... separate bilaterals or singular regional approach?...
- **United States:** possible... be prepared to wait, US demands will be high on commercial regulation, backlog of unratified FTA bills already at Congress, may suggest Taiwan joins the TPP...
- **Trans-Pacific Partnership (TPP):** cross-regional FTA in talks, expanding membership but little chance of success unless significant compromises made
- **European Union:** viable, not so demanding as US on commercial regulation, easier on agricultural protection, may have to wait until EU-ASEAN deal done
- **Other possibles:** New Zealand, Australia, Chile, Mexico, Peru, ASEAN member states

### ***What kind of FTAs for Taiwan?***

- The extent to which Taiwan will **have a choice** on this will depend on the FTA partner (FTA models issue, e.g. US)
- Deep evaluation required of what kind of agreements will **best serve Taiwan's interests**: economic, business, political, energy security, etc
- Different kinds of FTAs will be signed (heterogeneity) according to **what is politico-economically feasible**
- The importance of keeping track of **trade policy innovation and 'issue linkage'**, e.g. energy, climate change related