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Panel: WTO vs. Mega FTAs (G1)

Date/Time: Tuesday, April 22, 2014 / 16:00-17:15

Talking Points for: Inkyo Cheong, Economics, Inha University.

◆ The emergence of mega FTAs

While it is pessimistic for the WTO agenda such as the DDA to go forward due to the lack of leadership, the RTAs with various types have been widely spread in the world and several mega FTAs are under progress such as the TPP, TTIP, RCEP and CJK. The TPP, lead by the US, has attracted East Asian countries.

◆ Issues

- Several issues about mega FTAs

1. Contributing to the development of the WTO system
2. The prospects for the conclusion of mega FTAs
3. Competing mega FTAs: New RTA cold war?

◆ The prospects for mega FTAs

The world has not seen a ‘high quality’ FTA/RTA with more than 10 member countries when it is formed. Only low standard RTAs could be possible, reflecting the least common denominators of participating countries. AFTA can be an example of this. The EU started with 6 members in 1960s and has been enlarged into 28 countries now. When core members with a likely-minded countries play strong leadership, it could be established.

Current mega FTAs such as TTIP, TPP and RCEP lack in leadership. Even US and EU can not be sure for their bilateral FTA, and TPP has not narrowed sensitive issues such as IPR, GP, SOE and agriculture. TPP countries have advertised that their bloc will adopt new trade rules and ‘full’ cumulative rules of origin for goods, pushing East Asian countries to join the negotiation. The prospect for the TPP is not optimistic in terms of contents and timing for time-being. Korea’s best option will be to “wait and see.” Especially, the priority for trade policy should be the “tariffication of rice” and the conclusion of the negotiation for the FTA

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