

2012 GUIDING PRINCIPLES AND OBJECTIVES FOR NEGOTIATING THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP

Adopted in Phnom Penh, Cambodia on 20 November 2012

Recognizing the ASEAN Framework for Regional Comprehensive Economic Partnership (RCEP), the objective of launching RCEP negotiations is to achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among the ASEAN Member States and ASEAN's FTA Partners. RCEP will cover trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and other issues.

Negotiations for the RCEP will recognize ASEAN Centrality in the emerging regional economic architecture and the interests of ASEAN's FTA Partners in supporting and contributing to economic integration, equitable economic development and strengthening economic cooperation among the participating countries.

RCEP negotiations will be guided by the following principles:

1. The RCEP will be consistent with the WTO, including GATT Article XXIV and GATS Article V.
2. The RCEP will have broader and deeper engagement with significant improvements over the existing ASEAN+1 FTAs, while recognizing the individual and diverse circumstances of the participating countries.
3. The RCEP will include provisions to facilitate trade and investment and to enhance transparency in trade and investment relations between the participating countries, as well as to facilitate the participating countries' engagement in global and regional supply chains.
4. Taking into consideration the different levels of development of the participating countries, the RCEP will include appropriate forms of flexibility including provision for special and differential treatment, plus additional flexibility to the least-developed ASEAN Member States, consistent with the existing ASEAN+1 FTAs, as applicable.
5. The ASEAN+1 FTAs and the bilateral/plurilateral FTAs between and among participating countries will continue to exist and no provision in the RCEP agreement will detract from the terms and conditions in these bilateral/plurilateral FTAs between and among the participating countries.
6. Any ASEAN FTA Partner that did not participate in the RCEP negotiations at the outset would be allowed to join the negotiations, subject to terms and conditions that would be agreed with all other participating countries. The RCEP agreement will also have an open accession clause to enable the participation of any ASEAN FTA partner that did not participate in the RCEP negotiations and any other external economic partners after the completion of the RCEP negotiations.
7. Provisions for technical assistance and capacity building may be made available, building upon the ASEAN+1 FTAs, to the developing and least-developed countries participating in the RCEP to enable all parties to fully participate in the negotiations, implement obligations under the RCEP and enjoy the benefits from the RCEP.
8. The negotiations on trade in goods, trade in services, investment and other areas will be conducted in parallel to ensure a comprehensive and balanced outcome.

I. TRADE IN GOODS

The RCEP will aim at progressively eliminating tariff and non-tariff barriers on substantially all trade in goods in order to establish a free trade area among the parties.

Tariff negotiations will be conducted on a comprehensive basis. Such negotiations should aim to achieve the high level of tariff liberalization, through building upon the existing liberalization levels between RCEP participating countries and through tariff elimination on a high percentage of both tariff lines and trade value. The scheduling of tariff commitments should seek to maximize the benefits of regional economic integration.

Priority will be attached to early tariff elimination on products of interest to the least developed ASEAN Member States.¹

II. TRADE IN SERVICES

The RCEP will be comprehensive, of high quality and substantially eliminate restrictions and/or discriminatory measures with respect to trade in services between the RCEP participating countries.

Rules and obligations on trade in services under the RCEP will be consistent with the General Agreement on Trade in Services (GATS) and will be directed towards achieving liberalization commitments building on the RCEP participating countries' commitments under the GATS and the ASEAN+1 FTAs. All sectors and modes of supply will be subject to negotiations.

III. INVESTMENT

The RCEP will aim at creating a liberal, facilitative, and competitive investment environment in the region. Negotiations for investment under the RCEP will cover the four pillars of promotion, protection, facilitation and liberalization.

IV. ECONOMIC AND TECHNICAL COOPERATION

Economic and technical cooperation under the RCEP will aim at narrowing development gaps among the parties and maximizing mutual benefits from the implementation of the RCEP agreement. The economic and technical cooperation provisions in the RCEP will build upon existing economic cooperation arrangements between ASEAN and ASEAN's FTA partners participating in the RCEP. Cooperation activities should include electronic commerce and other areas that would be mutually agreed upon by the RCEP participating countries.

V. INTELLECTUAL PROPERTY

The text on intellectual property in the RCEP will aim to reduce IP-related barriers to trade and investment by promoting economic integration and cooperation in the utilization, protection and enforcement of intellectual property rights.

¹ As determined by the criteria issued by ECOSOC's Committee for Development Policy.

VI. COMPETITION

Provisions on competition will form the basis for parties to cooperate in the promotion of competition, economic efficiency, consumer welfare and the curtailment of anti-competitive practices while cognizant of the significant differences in the capacity and national regimes of RCEP participating countries in the area of competition.

VII. DISPUTE SETTLEMENT

The RCEP will include a dispute settlement mechanism that would provide an effective, efficient and transparent process for consultations and dispute resolution.

VIII. OTHER ISSUES

The RCEP negotiations will consider including other issues covered by FTAs among RCEP participating countries, which may be identified and mutually agreed in the course of negotiations, and take into account new and emerging issues relevant to business realities.

The RCEP negotiations will commence in early 2013 and aim to complete by end-2015.
