RCEP: 2016 Early Harvest Recommendations

As officials grapple with how to successfully conclude negotiations in the Regional Comprehensive Economic Partnership (RCEP) that will bring together 16 countries in Asia, the Asian Trade Centre would like to propose the following:

1. **Continue to Negotiate**

Officials have made excellent progress in 2016 on a comprehensive trade agreement that covers a dozen different chapters including goods, services, investment, intellectual property rights, e-commerce, ecotech, standards and more. But too many gaps in coverage are likely to remain for a high quality outcome with commercially meaningful commitments by the end of this year.

2. **Create an “Early Harvest” Package**

ASEAN should propose the creation of an Early Harvest package that can be agreed upon by RCEP leaders in September that will maintain momentum for the broader trade agreement in Asia. This package must be balanced and fair and contain commitments in a range of areas under negotiation.

3. **A Comprehensive Package**

An acceptable Early Harvest package should include some provisions from goods, services, investment and ecotech while still providing sufficient gains for all RCEP negotiating countries with the conclusion of a high quality, comprehensive trade agreement in 2017.

4. **Specific Early Harvest Components**

An Early Harvest plan should include:

A) Comprehensive tariff reductions on textiles and apparel products (greater than 95% of all tariff lines included). These products should be subject to cut and sew rules of origin to make the benefits of the package accessible to the widest range of smaller size firms across RCEP economies.

B) Openings in the travel and tourism sector. This service sector can be opened on a positive list with as many subsectors included as possible and still provide substantial benefits to most RCEP economies. Mode 1 should be fully liberalized with no local presence requirements to demonstrate the importance of e-commerce in RCEP. Comprehensive Mode 3 pledges can illustrate the commitments of RCEP members to facilitating investment across Asia.

C) Ecotech commitments specifically for trade facilitation.

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The Asian Trade Centre (ATC) is the premier regional thought leader, advocate and educator for trade in Asia. ATC works directly with both governments from around the world, companies, think tanks, foundations, non-governmental organizations, aid agencies and serves as the resource for trade-related activities in Asia.