

## **APPENDIX 1**

### **22<sup>nd</sup> APEC ECONOMIC LEADERS' Declaration Beijing, China**

#### **Annex A**

#### **The Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP**

Over the past 25 years, APEC economies have made great strides in the pursuit of free and open trade and investment. APEC's role in facilitating regional economic growth and cooperation has proven essential in efforts to achieve greater common prosperity and stability, and has greatly contributed to the region's reputation as an engine of world economic growth. As the global economic landscape has evolved, global supply chains and value chains have emerged, and enterprises have taken advantage of distributed and more efficient production of goods and services and global networks of investors and exporters.

Economic integration efforts in the Asia-Pacific region have entered a critical stage, and are now facing both opportunities and challenges. The proliferation of regional RTAs/FTAs has created favorable liberalizing momentum that complements the multilateral trading system as embodied in the WTO; however it has also resulted in a "spaghetti bowl" effect, posing complex new challenges to regional economic integration and to business.

In 2006, APEC economies agreed to examine the long-term prospect of a Free Trade Area of the Asia-Pacific (FTAAP). In 2010, APEC Leaders issued "Pathways to FTAAP", and instructed APEC to take concrete steps toward realization of the FTAAP, as a major instrument to further APEC's regional economic integration agenda, which should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership. In this regard, APEC is expected to make an important and meaningful contribution as an incubator of the FTAAP. By providing leadership and intellectual input into the development process of regional economic integration, APEC could play a strong role in driving the FTAAP vision forward.

Over the past several years, APEC has discussed a broad range of issues relevant to the prospect of the FTAAP, conducted analytical work related to the FTAAP, addressed a number of next generation trade and investment issues, and undertaken sectoral initiatives. APEC has also carried out capacity building programs to assist economies in engaging in FTA negotiations on particular topics, has exchanged information on status of FTA/RTA negotiations in the region in Senior Officials Meetings, and led other work that could be used to contribute to the eventual realization of the FTAAP.

Today, we have reached a critical point in global economic evolution, and APEC economies are committed to making a contribution by translating the vision of the FTAAP into concrete steps, and to kicking off and advancing the process in a comprehensive and systematic manner towards the eventual realization of the FTAAP. Establishment of this Roadmap for APEC's Contribution to the Realization of the FTAAP represents an important concrete step towards greater regional economic integration.

**In this regard, we, the APEC Leaders, share the following common views:**

- The rules-based multilateral trading system will remain a key tenet of APEC. The FTAAP should be pursued on the basis of supporting and complementing the multilateral trading system.
- The FTAAP should do more than achieve liberalization in its narrow sense; it should be comprehensive, high quality and incorporate and address “next generation” trade and investment issues.
- Attaining the Bogor Goals by 2020 will continue to be APEC’s core objective, and progress towards the Bogor Goals will substantially advance and help determine APEC’s contribution to the eventual realization of the FTAAP. This work will not supersede the Bogor Goals but will serve as an important driving force to consolidate and accelerate progress toward trade and investment liberalization.
- The FTAAP will be realized outside of APEC, parallel with the APEC process. APEC should maintain its non-binding, voluntary cooperation principles in its contributions to the realization of the FTAAP. APEC will encourage more unilateral trade and investment liberalization and reform, continue to play a role as incubator of the FTAAP and provide leadership and intellectual input to its realization.
- The FTAAP should aim to minimize any negative effects resulting from the proliferation of regional and bilateral RTAs/FTAs, and will be pursued by building on current and developing regional architectures. Greater efforts should be made to concluding the possible pathways to the FTAAP, including the TPP and RCEP.
- To assist interested APEC economies with participating in ongoing regional undertakings and preparation for the realization of the FTAAP, APEC should continue to provide effective economic and technical cooperation activities that help developing economies, including in structural reform, human resource, SME development and integration.

**Bearing in mind the above, we agree to undertake the following actions while pursuing the conclusion of initiatives considered as potential building blocks of the FTAAP:**

- Launch a collective strategic study on issues related to the realization of the FTAAP by building on and updating existing studies and past work, providing an analysis of potential economic and social benefits and costs, performing a stocktake of RTAs/FTAs in force in the region, analyzing the various pathways towards the FTAAP, assessing impacts of the “spaghetti bowl” phenomenon on economies, identifying trade and investment barriers, identifying challenges economies may face in realizing the FTAAP, and considering any recommendations based on the study’s findings. The CTI Friends of the Chair Group on Strengthening REI and Advancing FTAAP, led by member economies, will organize and lead a task force to undertake the study and will seek contributions from interested APEC economies, the APEC Policy Support Unit, ABAC, PECC and APEC Study Centers. The linkage with the second term review of Bogor Goals will be strengthened while carrying out this study. The CTI and SOM will review progress annually, finalize the report, along with any recommendations, arrived at by consensus, and submit them to Ministers and Leaders by the end of 2016.
- Increase transparency of existing and recently concluded RTAs/FTAs by advancing work under the APEC Information Sharing Mechanism on RTAs/FTAs. This will support cooperation on the realization of the FTAAP, and encourage economies to organize supporting policy dialogues and

other information sharing activities under this mechanism. Increased transparency of existing RTAs/FTAs and better understanding among our economies of possible pathways will contribute to building stakeholder support and lead to the eventual realization of a truly beneficial FTAAP. This mechanism would complement the WTO Transparency Mechanism for Regional Trade Agreements; economies will continue to participate to the fullest extent possible in the WTO Transparency Mechanism. The CTI will review the effectiveness of this mechanism biennially and submit any outcomes to MRT, AMM and AELM.

- Continue the capacity building activities in pursuit of the FTAAP under the Action Plan Framework of the 2nd Capacity Building Needs Initiative (CBNI). We highly commend the successful implementation of the 1st CBNI in 2012-2014 and encourage more economies to design and conduct capacity building programs for specific sectors as lead economies. The results of the capacity building programs conducted under the 2nd CBNI will be periodically reviewed with the goal of building up economies' capacity to participate in ongoing regional undertakings and realize the FTAAP.
- Accelerate "at the border" trade liberalization and facilitation efforts, improve the business environment "behind the border", and enhance regional connectivity "across the border". This includes advancing initiatives in areas such as investment, services, e-commerce, rules of origin, global value chain, supply chain connectivity, customs cooperation, environmental goods and services, good regulatory practices, as well as next generation trade and investment issues that the FTAAP should contain. APEC will continue to support and foster cooperation in these areas to ensure that member economies can effectively benefit from such initiatives in its continuing contribution to realizing the FTAAP.
- Strengthen engagement with the business sector via the APEC Business Advisory Council (ABAC) and other direct routes. We will intensify efforts to strengthen APEC public-private sector dialogues on the promotion of regional economic growth, integration and an improved business environment. ABAC input on issues expected to impact the region's economic growth and development over the longer term will be used to advance work towards the realization of the FTAAP.

We will pursue the FTAAP with a step-by-step, consensus-based approach, and affirm our commitment to the eventual realization of the FTAAP as early as possible by building on ongoing regional undertakings, which will contribute significantly to sustained growth and overall prosperity in the Asia-Pacific region. We are steadfast in supporting regional economic integration and increasing global trade and investment, including through this Roadmap. We are determined to demonstrate APEC's leadership and commitment to shaping the future of the region with a strong Asia-Pacific Partnership.