

## **ASEAN Initiatives to Broaden Free Trade Agreements with East Asia**

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### **Abstract**

ASEAN's importance to the regional arena can be discerned from its dynamic trade development and integration policy as well as from a number of enterprising collaborative efforts at trading arrangements with East Asia. In the early nineties, ASEAN initiated its own trading area, known as the ASEAN free trade area (AFTA), which was then extended to become the ASEAN Economic Community by the end of the following decade. ASEAN's initiative in creating AFTA attracted the attention of their dialogue partners. Once ASEAN members, were able to solve their problems resulting from the last Asian financial crisis in 1997-98, a new era of ASEAN's trade development and integration with outsiders began. Since then, ASEAN members, individually and as a group, have embarked upon multiple bilateral, regional and sub-regional initiatives in pursuit of trading arrangements, known often as free trade agreements (FTAs) or sometimes comprehensive economic partnerships (CEPs) with other countries.

**Keywords:** ASEAN, FTA

## 1. Introduction

Until the development and conclusion of ASEAN+1 FTAs become clear and joint studies on region-wide FTA in East Asia among China, Japan and Korea assuming an active role, competition and rivalries among the three Northeast Asian countries, which played a positive role up to ASEAN+1 FTAs, could turn into a stumbling block to the advancement of a region-wide FTA, known as ASEAN+3 versus ASEAN+6, with a fundamental problem due to the lack of FTAs between China, Japan and Korea. In this case, the role of ASEAN in forging broader trading arrangements in East Asia looks important and prominent, even with a view not quite coherent among ASEAN members, but subject to increasing pressure to respond to the growing and urgent needs of such region-wide trade agreement. With the existence of numerous obstacles and problems, ASEAN has to move forward to play an active role in helping achieve a desirable and consistent region-wide FTA that suits well with the grouping interests and other countries as they are all moving deeper into different stages and playing fields of regional economic integration.

## 2. Modus Operandi in Economic Regionalism and Region Building

Region building in Asia started in Southeast Asia with the founding of ASEAN in 1967. At the beginning, confidence building was necessary among members as they had little experience of cooperation between them. No distinctive economic cooperation was marked between them and with outsiders during this period. Only then, after ASEAN launched the ASEAN Free Trade Agreement (AFTA) in 1992 that ASEAN began to both deepen and broaden its economic cooperation. On one hand, ASEAN needed to respond to the economic regionalism elsewhere, particularly in the EU and North America, with its own approach to regional economic integration. On the other hand, ASEAN started to expand and develop seriously the annual Post Ministerial Conferences (PMCs) between the ASEAN Foreign Ministers and the 10 dialogue partners<sup>2</sup>. ASEAN also proposed the idea of forming an ASEAN Regional Forum (ARF) in 1993 to promote dialogue on political and security issues and to contribute to confidence-building and preventive diplomacy in the Asia-Pacific region<sup>3</sup>.

<sup>2</sup> Australia, Canada, China, Japan, Korea, India, the European Union, New Zealand, Russia, and the United States.

<sup>3</sup> The current participants in the ARF: Australia, Bangladesh, Brunei Darussalam, Cambodia, Canada, China, European Union, India, Indonesia, Japan, Democratic Peoples' Republic of Korea, Republic of Korea, Laos, Malaysia, Myanmar, Mongolia, New Zealand, Pakistan, Papua New Guinea, Philippines, Russia Federation, Singapore, Sri Lanka, Thailand, Timor Leste, United States, Vietnam.

It is in this spirit that ASEAN also started the ASEAN plus one summits (with China, Japan, Korea, Australia and New Zealand). The Asian financial crisis of 1997-98 came to stimulate further the way ASEAN thought in favor of broader economic regionalism, starting with the regional monetary cooperation, known as the Chiang Mai Initiatives (CMIs), which gave birth to the process of ASEAN+3, including China, Japan and Korea. Under the initiative of Korea at the early part of the new century, this process was also expanded to cover other areas of economic cooperation, to cite here the most notable example of an East Asian Free Trade Area (EAFTA), with China's acting as important supporter at a later stage. In the meantime, ASEAN took further steps in 2005 when the first East Asia Summit was convened. By this turn, Japan took the advantage to propose another Comprehensive Partnership in East Asia (CEPEA, also known as ASEAN+6). As a result, ASEAN has become to host ASEAN+3 and ASEAN+6, as key initiatives related to broaden regional economic cooperation in East Asia<sup>4</sup>.

As a result, ASEAN has a blend of institutional institutionalism and networked regionalism. It moves closer to the institutional regionalism paradigm, since the adoption of the ASEAN Charter in November 2007, and the three pillars of the ASEAN Community in January 2009, all expected to foster culture of greater reliance on law and legally binding agreements and respect for its deeper integration commitments, something that ASEAN members had never been subject to before these dates. For its networked regionalism, the ASEAN Way of informality, consensus and consultation remains vivid in the ways working for its future. In other words, the informal ASEAN became formalized. These are raised by the questions of what consequences ASEAN's transition from networked to a nascent from of institutionalized regionalism would imply for Asian regionalism. For the moment, this institutionalized idea has not yet translated into the way ASEAN worked as a networked regionalism in East Asia. Only time will tell about this transformation if that would take place and it matters also about when.

Fundamentally, the strength of ASEAN over the past four decades has really been its flexibility, informality, and consensual way of reaching the consensus in its decision making. It goes to say that this happening was not without problems as it also projected the image of ASEAN to many as ineffective, slow to act, and pulled down any substantial progress to region building. With this perspective in mind, it is fair enough to conclude that the way to go for the future of this organization, ASEAN needs to strike to the right balance between its loosely networked structure and its

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<sup>4</sup> ASEAN plus China, Japan, Korea, India, Australia, New Zealand or known as ASEAN+6)(At the time of this writing, EAS will host its first summit with two new members; the United States and Russia, making it named as ASEAN+8).

legalization of ASEAN norms, which could really mean to the way ASEAN member states pursuing more ambitious forms of community-building and regional integration. It is also interesting to observe how ASEAN will work out with its ASEAN way to broader trading arrangements in East Asia.

### **3. ASEAN Centrality Calling into Region-wide Trade Talks**

ASEAN today is at a critical juncture where its centrality and de facto position in the wider region is seriously challenged by another round of region-wide trading talks in East Asia. There have been various proposals to enhance the cooperation in the region that require ASEAN to take a leading role. And yet, ASEAN members, individually, not important economic players, have such a privilege role although they cannot be compared with the neighboring Northern Asian countries. Indeed, ASEAN needs to think beyond the AEC and deliver the next preferred region-wide FTAs that would benefit ASEAN and other countries involved. The current EAFTA and CEPEA proposals (EAFTA (2009), CEPEA (2009)) are both modalities for taking the region forward that seems to be based on ASEAN centrality at the moment.

The Chairman's Statement of the 16<sup>th</sup> ASEAN Summit (9<sup>th</sup> April 2010) stated: "We noted the initiatives to take forward regional integration by considering the recommendations of both East Asia Free Trade Area (EAFTA) and Comprehensive Economic Partnership in East Asia (CEPEA) studies together. We look forward to receiving the progress report at the 17<sup>th</sup> ASEAN Summit in October 2010 and to discussing with our regional architecture with ASEAN at its core". Therefore, ASEAN needs to rethink and prepare for such a move to build partnership with other participating countries to develop proper modalities that serve well the interests of ASEAN.

However, the fact that these competing proposals of economic regionalism, whether it is EAFTA or CEPEA, are emerging is reflection of concerns over ASEAN's lack of overarching coherence and doubts about its ability to drive the region-building agenda. In spite of its longstanding role, ASEAN has played in a "driver seat" of region-wide economic regionalism in East Asia, but also is increasingly coming under pressure for its centrality calling into question. The issue is how ASEAN would manoeuvre its "steering wheel" to maintain its central role because of its unique traits in consensus building and lack of historical rivalries and tensions make the grouping a unique position to play such a central role for region-wide trading talks. In a way, the development of EAFTA and CEPEA must take into consideration the institutional development of ASEAN +3 and ASEAN +6 processes. This is essential because realizing both proposals in parallel will require appropriate institutional structures and mechanisms that can realistically be developed.

Up to before the ASEAN Charter of 2007 and the ASEAN Community of 2009, ASEAN is notorious for being state-driven, based on soft institutionalism, with strong emphasis on non-binding informal institutions, and decision are normally reached through consensus and based on uniformity as a principle. How will this mechanism be transferred to the region-building in Asia that is “multi-layered” with several inter-related institutions from ASEAN to wider cooperation, is still a valid question? The region has to take serious remarks of the fact that many regional initiatives in the past have failed to materialize because of the lack and/ or weakness of institutional mechanisms to implement them.

In this case, the efforts that began with EAFTA and CEPEA should go much farther and should aim at the creation of a stronger process that could lead to the development of an institutional arrangement that would come to exist once implemented those modalities related to broader trading arrangements. This is a necessary development for ASEAN and East Asia as a whole and will provide the foundation for promoting a genuinely economic partnership arrangement involving such diverse and emerging economies as ASEAN plus China, Japan, Korea and Australia, India and New Zealand. This is what is roughly lacking in the region today and unless this situation is rectified, with ASEAN centrality, now viewing increasingly as vital and decisive, the region cannot hope to be able to embark on serious efforts toward deepening regional economic integration.

## **4. ASEAN’s Role in the Formation of EAFTA and CEPEA**

### **Progress from the Beginning**

A view has often been advanced that new regional institutions and processes have been created because of its needs to respond to the new issues and problems at the regional level. Apparently, the crisis-hit Asian economies in 1997-98 had led the creation of an East Asian-only process, the ASEAN+3 (ASEAN plus Three (APT)), initially with the aim to developing regional self-help mechanisms to deal with financial crises. Within a relative short time since the end of 1997, the APT process has taken off. It has an annual summit and has made progress in financial cooperation (the Chiang Mai initiative and the Asian Bond Market Initiative) and few other functional cooperation areas. It has also indirectly led to the development of ASEAN+1 trade and economic agreements (with China, Japan, Korea, and Australia, India, New Zealand). The feasibility of an East Asian Free Trade Area (EAFTA) has been explored, but the governments decided to start any negotiation of an EAFTA until after the ASEAN+1 agreements are taking shape more clearly.

Instead of going for broader economic integration in East Asia, APT leaders decided to move toward broadening of the East Asian process to cover a larger geographic area. The East Asia Summit (EAS), launched in December 2005,

included then the APT members plus Australia, India, and New Zealand, making it, ASEAN+6. The East Asia Summit will be developed in parallel with the strengthening of the APT and will not replace it. Since then, the EAS has also developed its own platforms for leaders to discuss various issues, regional and global, that are related to the development of the region. It has back-to-back summits with the APT, only some major differences, are the number of countries that have been participated and the kinds of issues they select to discuss. Overall, still, the two processes in East Asia have created real questions, if not great confusion, about the way the people look at the region, and of course, have complicated the regional institutional landscape.

The questions remain whether the two parallel processes can be developed effectively given the limited capacity and resources on the part of many regional countries and there is no such a clear cut answer for enhancing the one process in favor of the other. As Soesastro (2007) pointed out:

- market-driven integration has been progressed at about the same speed within different groupings in East Asia, whether it is ASEAN, APT as well as EAS. All three groupings also share a common feature of strong and continued outward orientation of regional integration in East Asia. Therefore, there does not seem to be any qualitative difference between the three, particularly APT and EAS.

- no conclusive results could be drawn whether functional integration schemes would be better pursued in APT or EAS as it is probable that a smaller APT would be a more effective grouping, but with other consideration, like cooperation in energy and environment, the inclusion of other countries could be more be more beneficial.

- nature of institutional integration will be the most important political decision for East Asia to make. As widely known, these countries have been extremely cautious in its approach to institutionalizing the processes of regional integration. So will both APT and EAS, which are said to be driven by ASEAN, being the “least objectionable” party to lead the group.

According to Soesastro (2007), “The politics of China-Japan relations will determine how both the APT and the EAS will unfold. While this uncertainty exists, it appears that for some time to come deepening of integration will be a major challenge for both APT and EAS, but more so for EAS than counterbalance China’s possible domination of the process”.

Ideally from an economic perspective, if integration is pursued through the formation of regional trading arrangements, the larger the grouping the greater will be the gains to its members but this will come at the expense of non-members (see Table 1). According to the study results (Urata (2008)), the East Asian economies will benefit from EAFTA and CEPEA as they can expect their combined GDP to increase by 2.05% and 2.11% respectively. The importance of economic cooperation can be observed by comparing the results from simulation 1 (trade facilitation and liberalization) with

those from simulation 2 (trade facilitation and liberalization, and economic cooperation). GDP growth rates of developing members are supposed to be increased substantially when economic cooperation is included in the program. However, such formation of a region-wide trading arrangement will serve better the region if only to institute greater discipline than the web of bilateral trading arrangements. It remains true that most bilateral FTAs with possibly significant diversion effects could turn out to be undesirable for the dynamic development of regional and global production networks involving all East Asian economies.

### **The EAFTA and CEPEA Proposals**

By the time the ASEAN Economic Ministers met in Thailand in August 2009, two reports had been submitted to them through their Senior Economic Officials (as ASEAN played in the “driving seat” to prepare such reports for the leaders meetings of both APT and EAS later that same year<sup>4</sup>:

- Report of the Joint Experts Group on the EAFTA Phase II Study; and
- Track Two Study on Comprehensive Economic Partnership for East Asia:

#### Phase II

In fact, both reports are recommendations in the study on the EAFTA vis-à-vis the study of CEPEA with the view to guiding SEOM as it deliberated on possible recommendations to the Ministers. These recommendations arising from the Phase I and Phase II for EAFTA and CEPEA can be summarized as follows:

- For EAFTA Phase I, the East Asian leaders put the EAFTA on the economic cooperation agenda during the 10<sup>th</sup> ASEAN+3 Summit and an independent process to form an EAFTA could be launched in 2007; that the EAFTA process firstly proceed within the ASEAN+3 framework because it has already established a solid foundation (This is not to make the EAFTA an exclusive grouping, according to the study, membership will be open to other East Asian economies as well as other members of the East Asia Summit), that EAFTA be of high quality that will lead to further deepening of economic integration, enhancing the competitiveness of production networks and progressively reducing the development gaps among the East Asian countries, that economic development cooperation initiatives with specific action plans must be adopted along with the EAFTA with a view to helping the less developed countries.

- For EAFTA Phase II, the East Asian leaders put the EAFTA as an important initiative in the economic agenda during the 13<sup>th</sup> ASEAN+3 Summit in 2009 that the process to form an EAFTA should follow immediately; that a gradual and realistic

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<sup>4</sup> The author had much benefitted from a discussion paper prepared by Anna M. Rubeniol from the ASEAN Secretariat in writing this topic.

strategy be pursued to achieve a desirable and feasible EAFTA, that initially the EAFTA be formed by consolidating the existing FTAs (AFTA and the 3 ASEAN+1 FTAs), that further work be undertaken to incorporate trade in services and investment into the EAFTA, that concrete trade and investment facilitation measures be implemented to enable all participating countries, especially less developed countries, to fully realize the benefits of an EAFTA, that two working groups be immediately created to pave the way for an EAFTA: (i) one to design a unified regime of ROOs for the EAFTA; and (ii) another one to look into tariff nomenclature and other customs-related issues, that the overall EAFTA negotiations be launched by 2012, at the latest.

- For CEPEA Phase I, it stated CEPEA's objectives as to deepen economic integration in the region, to help narrowing the development gap and to achieve sustainable development, and the structure of CEPEA, that is to be composed of the 3 pillars of economic cooperation, trade and investment facilitation, and trade and investment liberalization be affirmed by the leaders, that discussions be commenced among East Asian governments on cooperation and facilitation measures under CEPEA, that necessary decisions be made regarding an FTA under CEPEA, i.e. whether to commence a government process immediately, provide a clear timeline for future negotiations or continue to further detailed study as a track two process, that a mechanism be developed for enhancing the opportunity for regional business leaders to contribute to the CEPEA realization process.

- For CEPEA Phase II, that CEPEA's objectives and structure be reaffirmed at the Leaders' level, that study and discussions on concrete steps to realize CEPEA, as a comprehensive framework that includes cooperation, facilitation and liberalization, be commenced immediately among the governments of the member countries.

It should be noted that these two reports had happened at the high time of the global financial crisis, so both the EAFTA and CEPEA Phase II studies had incorporated in the introductory section an assessment of the global environment and the role that regional economic integration, such as the EAFTA and CEPEA, can play not only to cushion the region from such an impact, but also to make it more resilient, relevant and less vulnerable to future similar shocks.

## **Outcomes from Recommendations**

It is true that recommendations in the Phase I studies for the EAFTA and CEPEA are not exactly far apart. To highlight a few points, both studies:

- Emphasize a high quality FTA to further deepen economic integration and narrow development gaps among the countries participating in the relevant FTA;
- Make the FTA be based on 3 pillars: (i) liberalization of trade (goods and services) and investment; (ii) trade and investment facilitation; and (iii) development

and economic cooperation. The EAFTA study went further suggesting that an institutional framework for broad-based policy dialogues among the members be put in place to support development cooperation. On the other hand, the CEPEA study specified environment, energy, logistics and facilitation issues covered by the AEC Blueprint as important areas for cooperation and facilitation;

- Suggest a consolidation of related existing FTAs, with CEPEA, recognizing this consolidation may take a while, so suggested voluntary liberalization of barriers and regulatory reforms through information exchange and monitoring; and

- Advocate open regionalism for both studies.

The rationale behind the current global financial crisis gives countries in the region the impetus to broaden economic integration. Meanwhile recognizing the proliferation of FTAs in East Asia, consolidation and streamlining of these FTAs should be a good thing and will have to be undertaken at some point in time in order to get maximum benefits as in principle economic gains from an FTA would be much greater the bigger the FTA grouping is.

When it comes to the recommendations of the Phase II of both studies, it could be generally described as follows:

- Pursue broader regional economic integration in East Asia, realizing that the grouping has a greater potential for generating welfare gains for all the partners in the region because of the inclusion of more developed and emerging economies.

- Consolidate of the existing ASEAN+1 FTAs based on a more practical approach rather than to negotiate a whole new agreement in a way to alleviate concerns on the “noodle-bowl” effect of the often “overlapping” FTAs in the region. The Northeast Asian region which could be a factor in the EAFTA has to make substantial progress with some kind of FTA(s) between China, Japan and Korea, often known as China-Japan-Korea FTA (or CJK FTA). As for lesser developed ASEAN countries, in particular, CMLV countries (involving Cambodia, Myanmar, Laos PDR, and Vietnam), they might not be prepared to extend to the other East Asian countries the same tariff treatment they are giving to ASEAN, so the consolidation process into “ASEAN+3 FTA” must take into consideration some of these sensitive issues. Only when both “ASEAN+3 FTA” as “CJK FTA” are put in place, then an EAFTA can be achieved by consolidating them together.

- Elevate the EAFTA and CEPEA Track Two process to a Track One process, which, in fact, was done to the AEM meetings in Thailand in August 2009, then followed by the acceptance by their leaders summits.

Finally, it is undeniable that East Asian economies have become highly integrated through market driven expansion of trade, investment and capital flows. More recently, public sector initiatives and institutional arrangements have been seen as necessary to support further market-led integration. For these reasons,

governments in the region have started to explore new policy initiatives for formal economic integration through multi-layered bilateral, sub-regional and regional free trade agreements. However, these FTAs are wide ranging, complex, and often overlapping – differing in coverage, depth and regulations – thus rather than boosting trade, they exhibit increasing transaction costs, undesirable and unhealthy for firms conducting business in the region. Moving forward with an adoption of a gradual and incremental strategy would be a solution to achieve a feasible and desirable EAFTA or CEPEA in the region.

The Track One process had declared to work in parallel on recommendations of both reports, EAFTA and CEPEA. The governments begun to set up working groups related to important issues like ROOs, customs procedures, economic cooperation and tariff nomenclature, to cite a few of them. However, the rationale in all of these related issues still depends upon:

- For ROOs, an important task is to create a unified ROOs regime that is simple, liberal and trade facilitative

- With regard to liberalization in goods, instead of renegotiating tariff eliminations and schedules, it would be more reasonable to just focus on the reduction of discriminations arising from the implementation of multiple tariff concessions by, to the extent possible, harmonizing tariff commitments made in AFTA and the existing ASEAN+1 FTAs.

- As for trade in services and investment, the agreements are feasible in light of similarities in the existing structure of agreements.

- Trade and investment facilitation measures as well as cooperation programs are not regionally coordinated and quite overlapped one and another, so the grouping could focus on concrete facilitation and cooperation measures, particularly with a view to help those less developed countries such as CMLV.

However, there is view that all these developments should be based upon the a more realistic and achievable approach before moving forward a high quality of trade and investment liberalization, comprehensive facilitation and cooperation measures. The consolidation of the existing ASEAN+1 FTAs and the progress of CJK FTA become an important step toward broader regional trading arrangements in East Asia (see Figure 1). There should be allowed differentiated approaches for less developed countries, particularly CMLV. The inclusiveness issue remains like the way the ASEAN+3 countries will work with India, Australia and New Zealand, and possibly more countries as the interests in the grouping are expanding rapidly with an emerging Asia in the global economy.

### **ASEAN Template ++ FTA**

While there is no one-size-fits all template to set up the ASEAN ++ FTA, there is a set of fundamental questions the grouping should consider beforehand,

thus including:

- the kind of structure it should take

Precisely, open regionalism seems to be an acceptable feature for all. For these reasons, ASEAN could argue for an open structure in terms of future membership of ASEAN++ FTA which will not only limit to only ASEAN+3 or ASEAN+6. In this manner, it could advance the idea of feasible agreement starting from a sizable number of countries that are politically correct without damaging the incremental gains from economic liberalization. The main approach to economic integration should be a pragmatic, feasible bottom-up one that could support sub-regional cooperation initiatives as the building blocs of broader regional arrangements.

- the main function of ASEAN++FTA

It is important to emphasize that a high quality of FTA is crucial to further deepen economic integration and narrow development gaps among countries participating in such an FTA, based on 3 pillars; liberalization of trade and investment, trade and investment facilitation, and economic cooperation and development. However, the process of building ASEAN++FTA will probably play out slowly over many years, and that should give time for convergence in economic structures and rules that different participating countries could accept.

- the kind of rules of origin the grouping aims to help alleviated the “Asian Noodle Bowl” effect

The ASEAN approach toward effective common rules of origin is desirable for the ASEAN++FTA. The discussion among participating countries is also crucial in order to find a proper way and mean to achieve this desirable approach.

- the leadership in the ASEAN++FTA that should reflect the ASEAN’s centrality who is supposed to oversee the process, working with other partners engaged in a more-permanent basis. For instance, both China and Japan seems to incline for ASEAN’s leadership in steering the ASEAN++FTA so the grouping needs to take this “driver’s seat” role much more seriously. It is likely that one will see competition among different proposals in the short run, however, the economic rationale strongly favors for more cooperation in the long run.

As shown from the EAFTA and CEPEA process and outcomes, ASEAN attempts to broaden regional economic integration in Asia is starting to take shape, but is still far from completion. Since the beginning of 2010, the officials of ASEAN and +3,+6 have been working on issues related to rules of origin, tariff nomenclature, custom procedures and economic cooperation. Several meetings had been held up now, with each working group making good progress on their agenda. The results of these meetings will forward to the ASEAN Ministerial Meeting in 2011, before submitting the 19<sup>th</sup> ASEAN Summit by the end of the year.

Interestingly, both China and Japan came up with their initiative on speeding up the establishment of EAFTA and CEPEA by July 2011. Both countries accept that EAFTA and CEPEA could be examined and considered in parallel, with the core of the “evolving ASEAN-centre regional architecture”. They proposed basic principles to be followed, specific steps to be taken and study elements to be examined for trade in goods, trade in services and investment, in addition to the working format that should follow.

The very crucial issue that needs to be settled in due time is the “Asian Noodle Bowl” problem. For this reason, any future comprehensive and gradual approach to broaden regional integration whether it is EAFTA or CEPEA will need to tackle the complexity related to existing ASEAN FTAs, in particular, the ASEAN+1 and country’s bilateral FTAs which have hampered the firm utilization. As such, ASEAN with other interested partners need to find an optimal way to facilitate an early framework agreement on rules of origin and tariff nomenclature.

The focus of ASEAN should be fully given to the issues of more consistency in implementation among existing FTAs, administrative costs of obtaining a certificate of origin, access to information, harmonization of rules of origin based on choice between change in tariff classification (CTC) or value-added rule, regular updating of FTA CTC-based rules of origin based on the latest Harmonized System (HS) of tariff nomenclature, and acceptance of third-party invoices in obtaining and using certificates of origin. On tariff nomenclature, issues that need to be prepared, should include, the transposition of FTA tariff commitments from HS 2002 to HS 2007, and preparation for implementation of HS 2012.

Given the widespread diversity among ASEAN countries, which could result in the lowest common denominator, ASEAN must not let this issue fall into such a trap. On the other hand, a very strong position from the ASEAN side is needed to show a continuation of incremental efforts from the grouping to make a region-wide system of rules of origin working with a view that this would also serve ASEAN’s centrality and a deeper integration of the AEC.

From the ASEAN side, the present policy development suggests that there is such a tentative from EAFTA and CEPEA to help the establishment of three more working groups to examine at possible structure and convergence for broader trading arrangements in trade in goods, trade in services and investment. On the other hand, the 19<sup>th</sup> ASEAN Summit will have to decide upon this initiative as well as the thrust of developing an ASEAN Template ++ FTA that reflects ASEAN’s centrality – ASEAN driving and determining the structure of the expanded regional economic integration.

For the moment, ASEAN SEOM and ASEAN Secretariat had advanced and embarked upon the concept of ASEAN Template ++ FTA at their latest meeting in August 2011, hence the term of ASEAN ++ FTA will become a more official use language when talking about ASEAN's attempts at the initiatives to broaden trading arrangements.

## 5. Implications from an Expansion of Trans-Pacific Partnership and East Asia Summit into ASEAN+8

The region building's major challenge is still so far the political will of their leaders and the geopolitical considerations in moving forward (Soesastro (2006)). The process of ASEAN+3 and ASEAN+6 and how their governments become closer together in the formation of EAFTA and CEPEA are clear example of this challenge. Alongside with this development, the latest debate for the 2011 leaders' summit involves the inclusion of Russia and the United States in the EAS, making an ASEAN+8, thus making a major turning point in the evolution of the EAS since its inception in 1995. In addition, a recent development of Trans-Pacific Partnership (TPP), an effort to tie economies along the Pacific into a free-trade zone, also poses a major concern for ASEAN, particularly, its centrality and driving force in regional economic integration. The issue remains how these latest developments could impact the process of ASEAN+3 and ASEAN+6, in particular, for its efforts to broadened regional trading arrangements as largely discussed in the former section.

To undertake such challenges for the future development of EAFTA and CEPEA, it is important to understand the region building experiences in their recent historical context which have impacted ASEAN strategy on broader regional trading arrangements. To anyone who interested on the issue of region building in East Asia, Asia-Pacific Economic Cooperation (APEC) was the first product of the post-cold war era which evolves the East Asian economies since the early nineties. It is in East Asia's own interest to reach out and to engage with the United States that APEC provides a broader regional framework that included the US, apart from a smaller regional process of ASEAN. In fact, ASEAN and East Asian economies formed the core members of APEC. From the outset, East Asian participants recognized the importance of involving the US in the process. Although the US is not figured in East Asia, its critical role in the region's security earns her a legitimate place in East Asia. In fact, the term "Asia-Pacific" had been created to capture this geo-political and geo-economic reality, and was used to justify the incorporation of the US into this process.

However, when it comes to the APEC process of trade liberalization, trade and investment facilitation and cooperation development, the Bogor goals for achieving free and open trade and investment in the region<sup>5</sup> were limited and dwarfed due to

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<sup>5</sup> in 2010 for the developed members and 2020 for the developing members.

the Asian financial crisis of 1997-98 which prevented those developing Asian economies to continue with such programs. Indeed, the process is not a FTA because of the liberalization, in its design, will not be discriminatory (but on an MFN basis) and it does not involve a negotiation. Instead, a unique modality called “concerted unilateral liberalization” had been adopted and this modality was supposed to work through peer pressure. Until recently, a more ‘limited’ version of the creation of a Free Trade Area of the Asia-Pacific (FTAAP) had been advanced<sup>6</sup>. Given different views and acceptance of the concept of region building among its members, APEC still struggled with the implementation of such a concept. This is because APEC’s main challenge is always to show the “soft” approach of region building can produce concrete results.

As a result, a recent initiative known as the Trans-Pacific Partnership was advanced an alternative to the Asia-Pacific trade and investment liberalization. The TPP had been seen as a low-key effort with little economic impact on the U.S. There are four core members with small economies: New Zealand, Singapore, Chile and Brunei. The US already has free-trade pacts with Singapore and Chile, as well as with Australia and Peru, which are part of the TPP trade expansion talks. Vietnam is also part of the effort with the addition of Malaysia to join talks to tie economies along the Pacific into a free trade zone. Even Japan and the Philippines have also recently indicated their interests in joining the talks as well. Indeed, this building momentum of TPP is seen as a way to counterweight China’s economic influence in the region and the US government under President Barack Obama taken new interests in region building and its role in East Asia although the US is not even yet figured in as member of TPP.

No matter on what one might like to express, TPP is seen as an expression to form a geo-political and geo-economic interest in a bloc that could serve as counterweight to the rise of China, which is now the largest trading partner with most Asian economies, and has been active in recent years in signing trade arrangements with its neighbors. Notable is ASEAN-China FTA, which came into full effect in 2010. Viewing from this angle, four up to five ASEAN countries are likely to join TPP at the moment, with the exception of major economies like Indonesia and Thailand, which have not yet expressed their interests to join such partnerships. There also remain divergent perspectives among individual countries in ASEAN reflecting their motives and interests on TPP and it will do so for at least in the time to come.

Above all these recent developments, ASEAN strategy for the expanded East Asia Summit (EAS) is somewhat very different from the abovementioned

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<sup>6</sup> C. Fred Bergsten, Director of the Peterson Institute of International Economics in Washington D.C., is one of the main proponents of FTAAP.

region-wide trading arrangements, FTAAP and TPP, in the sense that this expansion is seen as reaffirming the ASEAN centrality in an emerging regional architecture. For this reason, ASEAN as a whole takes this as serious challenges and opportunities for the grouping and the evolving regional architecture in East Asia. With the participation of both, the US and Russia, the EAS would automatically turn from an ASEAN+6 to ASEAN+8 with implications that the meetings could be far more interesting and complex in addressing regional and global issues.

For the interests of broader trading arrangements in East Asia, it is interesting to see how an expanded EAS, now ASEAN+8, could impact the existing arrangements of EAFTA and CEPEA. In this connection, four issues had been identified for the ASEAN Foreign Ministers' discussion, namely, EAS priorities, EAS meeting format and agenda, the involvement of the heads of international institutes and the future expansion of the EAS. For the EAS priorities, it is outlined that unlike the ASEAN+3 process, the EAS is not meant to be a functional-based forum, but rather, representing a high level-strategic forum, with focus on key strategic issues that have global impact and have significant implications for the region, namely; (i) global issues, (ii) on-going cooperation especially economic-financial and (iii) political-security.

There was also mentioned about the possibility to involve the two new participants of the EAS to modalities for taking forward the CEPEA as well as the ASEAN needs to think the next preferred region-wide FTAs that would benefit ASEAN most. The FTAAP proposed in APEC currently joined by a number of ASEAN member countries could present an interesting approach with commitment of the US, the largest economy, but again this is not based on ASEAN centrality that ASEAN should take into consideration on how that would impact ASEAN-led broader trading arrangements, EAFTA and CEPEA. It is also suggested that the inclusion of the US and Russia in 2011, the EAS will need some time to consolidate before further expansion. Therefore, the expansion issue of the EAS could take place upon the realization of the ASEAN Community in 2015.

In sum, the inclusion of the US and Russia in the EAS represents an important step in the recognition of ASEAN-led arrangements as the centerpiece of the regional architecture. This is a key strategic development for ASEAN, but also leaves a lot of homework for ASEAN in particular how the initiative with regard to the expanded EAS would interface with its existing structure and process like broader trading arrangements as developed in EAFTA and CEPEA. It also seems to be that ASEAN leaves the door open to these two new countries for CEPEA if the confidence is placed in ASEAN and ASEAN centrality is not misplaced. However, on the other hand, ASEAN would let its members acting freely upon their own interests in other region-wide trading arrangements such as FTAAP and TPP as long as these arrangements will not disturb the ASEAN strategy and centrality in conducting the emerging regional architecture.

## 6. Conclusion

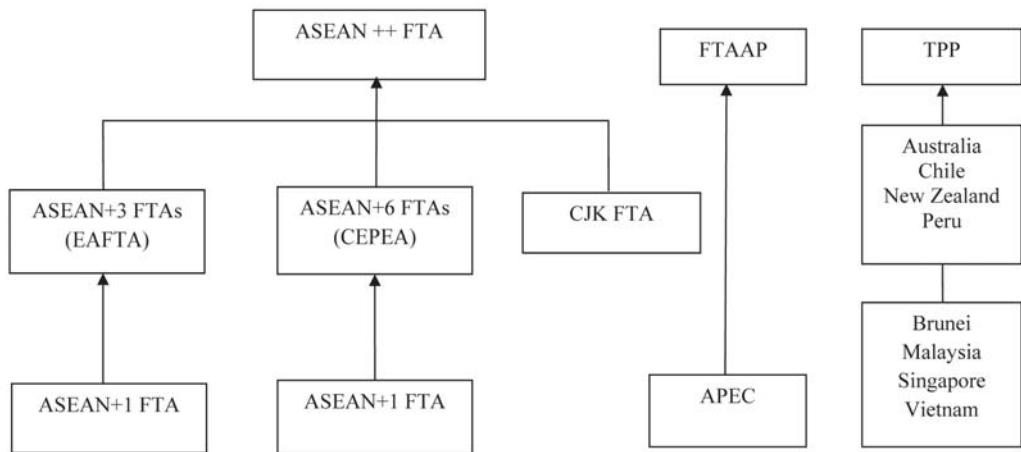
The emergence of the idea for a broader regional economic integration in East Asia represents a real challenge for ASEAN. Indeed, the ASEAN experience in regionalism is traced as background to the ASEAN approach to concept of region building and economic regionalism in East Asia. And yet, ASEAN is also subject to criticism for its weakness of regionalism institutions, especially, the consensual way of ASEAN exploited in reaching common decisions as well as enforcing rules and regulations. This is certainly true in a large part as the past construction of ASEAN is merely reflected in its loosely organizational structure – networked regionalism, with strong emphasis on non-binding informal institutions, and decisions are generally arrived through consensus and based on unanimity as a principle. However, with the implementation of the ASEAN Charter in 2007 and the ASEAN Community in 2009, this marks a key step for ASEAN to recognize the importance of increasing institutionalization in its future region building. In a way, it seems to be that ASEAN needs to look out for balancing its own networked regionalism by increasing the institutional pressure in order to move forward.

It is also interesting to understand the development of the ASEAN centrality that has been progressed over years, from the middle of 1990s when the ASEAN Regional Forum (ARF) was formed, to the launching of the East Asia Summit (EAS) in 2005, and its latest inclusion; the US and Russia, in 2011. Between times, the Asian financial crisis of 1997-98 encouraged the crisis-affected countries to cooperate closer, as they sought common ground to guard against future crises; in 2000, ASEAN along with China, Japan and Korea launched the multilateral arrangement of currency swaps, the Chiang Mai initiative. The process becomes ASEAN+3, the following year, when leaders decided to widen this monetary cooperation beyond to cover also other economic dimensions. In conjunction with the proliferation of multi-layered bilateral, sub-regional and regional FTAs in the “Asian noodle bowl” fashion, that the creation of an EAFTA was proposed as a preferred form to consolidate the existing trend of FTAs. Only when the EAS was created, another preferred region-wide trade agreement, CEPEA, was advanced as an alternative. Here comes again into play the ASEAN centrality as ASEAN was put into the central role or “driver’s seat” to bring about further region-wide trading arrangements.

In discussing EAFTA versus CEPEA proposals, all national leaders acknowledge that East Asia is growing more interdependent, with the competitiveness of its intricate production networks, making East Asia an interesting example of regional integration. Intraregional trade in East Asia climbed from a low level back then to over half today in many countries despite the fact that three-fifths of manufactured exports go to the Western countries, particularly the US and the EU (see Figure 2). Counting on important factors related to what is going on with regard to the global

financial crisis causing more obstacles for their exports and the potential for future growth still bright in the region with a strong consumption of vibrant middle class, this is a better time than never to reinforce this kind of broader regional trading arrangements; that the merit for such proposals cannot be denied.

In reviewing the rationale of these two parallel proposals, both aim to be attained, the consolidation of existing ASEAN+1 FTAs, by a high quality of region-wide FTA, though practical and sequential in its implementation, with unified rules of origin with facilitation and cooperation measures that suit the less developed countries, like those CMLV in ASEAN. Again, ASEAN welcomes for such a role as the two reports were recommended by the ASEAN process to EAS leaders and ministers, but again the optimal approach for such cooperation has to be backed by national strategies and respective governments, both within and outside ASEAN. The biggest challenge for ASEAN and East Asia is still the political will and geo-political considerations in moving forward as witnessed by the latest approach by the EAS to include the US and Russia, making an ASEAN+8 and open a new consideration to the two parallel proposals, EAFTA and CEPEA, apart from other initiatives like FTAAP and TPP which seem to challenge the ASEAN centrality indirectly. The uneasiness of the three Northeast Asian neighbors; China, Japan and Korea and the strong competition from the US role with regard to the rise of China in East Asia seem strong than ever before that ASEAN has to take into consideration. All these developments give challenges directly to ASEAN to take this opportunity to accelerate the concrete discussion on the future desirable region-wide trading arrangement, with the lead by proposing possible “modality” to participating partners, based upon benefits and problems in the existing FTAs. ASEAN’s regional integration will only be successful if linkages are broadened with regional and global partners through proper framework of region-wide trading arrangements. Only time will tell whether will ASEAN do with utmost possible efforts to take all these East Asian projects into a reality.

**Figure 1** Conceptual Formation of ASEAN++FTA in Relation to EAFTA and CEPEA**Figure 2** Final Demand Composition of Asia's Exports in 2006

Total Asia's exports = 100.0%			
Inside Asia = 51.8%		Outside Asia = 48.2%	
of which to		of which to	
final demand	production	final demand	production
16.5%	35.3%	23.2%	25.0%
+ 16.0%	of which to final demand inside Asia 15.1%	+ 44.3%	of which to final demand inside Asia 0.9%
= Total final demand inside Asia 32.5%	final demand outside Asia 20.2%	= Total final demand outside Asia 67.5%	final demand outside Asia 24.1%

**Table 1** Effects of EAFTA and CEPEA on GDP (In Percentage)

	EAFTA (ASEAN+3)		(ASEAN+1)×5	CEPEA (ASEAN+6)	
	Sim.1	Sim. 2	Sim. 1	Sim. 1	Sim. 2
Japan	0.44	0.44	0.10	0.54	0.54
China	1.66	4.72	0.20	1.77	4.84
South Korea	3.56	3.55	0.20	3.72	3.71
Indonesia	1.74	3.94	1.00	1.94	4.14
Malaysia	5.83	8.62	3.30	6.21	9.00
Philippines	3.94	6.28	2.20	4.18	6.52
Singapore	4.22	4.24	2.30	4.40	4.42
Thailand	4.49	7.02	2.80	4.78	7.32
Vietnam	7.08	9.67	5.00	7.33	9.92
Other SEAs	0.88	2.91	0.50	0.92	2.95
Australia	-0.09	-0.09	0.20	1.35	1.35
New Zealand	-0.06	-0.06	0.10	1.87	1.87
India	-0.10	-0.10	0.50	1.30	3.45
Hong Kong	0.00	0.00	0.00	-0.01	-0.01
Taiwan	-0.08	-0.08	0.00	-0.10	-0.10
NAFTA	-0.01	-0.01	0.00	-0.01	-0.01
EU15	-0.01	-0.01	0.00	-0.01	-0.01
Rest of the World	-0.06	-0.06	0.00	-0.08	-0.08
ASEAN	3.60	5.67	2.14	3.83	5.89
ASEAN+3	1.18	1.93	0.30	1.30	2.05
ASEAN+6	1.02	1.68	0.31	1.30	2.11
World	0.22	0.38	0.06	0.28	0.47

*Note:* Simulations 1-2 are as follows

Sim. 1: Trade liberalization and facilitation

Sim. 2: Trade liberalization, facilitation and economic cooperation

Shaded areas indicate FTA members

*Source:* CEPEA Report, cited from Urata (2008).

**Table 2** Milestones of ASEAN Economic Cooperation Achievements

1992	The ASEAN Free Trade Agreement (AFTA) and a Common Effective Preferential Tariff (CEPT) scheme were signed in Singapore	2007	ASEAN Charter and AEC Blueprint were signed
1994	ASEAN establishes the ASEAN Regional Forum (ARF)	2008	MRA: Medical Practitioners, Dental Practitioners; MRA Framework: Accountancy Services
1995	The signing of ASEAN Framework Agreement on Services (AFAS)	2009	AEC Scorecard: 73.6 percent of 2008-2009 targets achieved
1997	1st ASEAN-China Summit	2010	All tariffs for products in the CEPT Inclusion Lists of ASEAN-6 have been eliminated for intra-ASEAN trade.
	1st ASEAN +3 Meeting		ATIGA was implemented and the Cancellation of NTMs by Brunei, Indonesia, Malaysia, Singapore, Thailand
	Chiang Mai Initiative (CMI) was set up		TARGET: Elimination of all barrier to trade and allow 70% ASEAN-equity ownership in 4 priority service sectors (Air-travel, e-ASEAN, Healthcare, Tourism)
	ASEAN adopts ASEAN Vision 2020	2013	TARGET: Elimination of all barrier to trade and allow 70% ASEAN-equity ownership in Logistics Services
2003	Bali Concord II: The ASEAN Community is comprised of three pillars; the ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community.	2015	TARGET: ASEAN Economic Community
	“ASEAN Minus X” formula was introduced in the Protocol to Amend the ASEAN Framework Agreement on Services		TARGET: The Elimination of Tariff by Cambodia, Laos, Myanmar, Vietnam
2005	Mutual Recognition Arrangement (MRA): Engineering Services		TARGET: Elimination of all barrier to trade and allow 70% ASEAN-equity ownership in all service sectors
2006	1st ASEAN +6 Meeting		
	MRA: Architectural Services, Nursing Services; Framework Arrangement for the Mutual Recognition: Surveying Qualifications		

Source: Authors' Compilation.

**Table 3** The Elements of ASEAN Plus One FTAs

ASEAN +1 Trading Arrangements	ASEAN-Australia-New Zealand Free Trade Area	ASEAN-China Free Trade Area	ASEAN-India Free Trade Area	ASEAN-Japan Comprehensive Economic Partnership	ASEAN-Korea Free Trade Area
	AANZFTA	ACFTA	AIFTA	AJCEP	AKFTA
Agreement Signed/ Implemented/ Realization	2009/ 2010/ 2015-2018	2002/ 2004/ 1 Jan 2010	TIG 2009/ 2010/ 2016	2008/ 2008/ 10 years from EIF	2006/ 2007/ 2007
Approach to Negotiations	Comprehensive Single Undertaking	Sequential	Sequential	Single Undertaking	Sequential
Combined Gross Domestic Product	US\$ 2.61 trillion (2009)	US\$ 6.41 trillion (2009)	US\$ 2.74 trillion (2009)	US\$ 6.4 trillion (2008)	
Trade Value with ASEAN	US\$ 49.2 billion (2009)	US\$ 178.2 billion (2009)	US\$ 39.1 billion (2009)	US\$ 157.8 billion (2009)	US\$ 74.7 billion (2009)
Total population	616 million	the World Biggest FTA in term of consumer market size (1.92 billion)	1.8 billion	711 million	

**Table 3** The Elements of ASEAN Plus One FTAs (continued)

ASEAN +1 Trading Arrangements	ASEAN- Australia-New Zealand Free Trade Area	ASEAN-China Free Trade Area	ASEAN-India Free Trade Area	ASEAN-Japan Comprehen- sive Economic Partnership	ASEAN-Korea Free Trade Area
	AANZFTA	ACFTA	AIFTA	AJCEP	AKFTA
Trade in Goods	Normal Track	Tariff Elimination by 2010 for ASEAN-6 and China (flexibilities to 2012 for 150 tariff lines)	Tariff Elimination by 2016 for India and ASEAN-6 (Except Philippines); Tariff Elimination by 2019 for Philippines and the longer timeframe for CLMV	10-year Entry into Force (EIF) for 92% of Japanese Tariff Lines, 90% of ASEAN-6 and Vietnamese Tariff Lines (2018)	In 2007, Korea and ASEAN-6 (Except Thailand) have eliminated tariffs on 90% of products in the Normal Track (NT). For Vietnam, at least 50% of tariff lines under the NT will subject to a 0-5% tariff rate not later than 1 January 2013, and not later than 1 January 2015
		Tariff Elimination by 2015 for CLMV (flexibilities to 2018 for 250 tariff lines)		13-year EIF for 90% CLM Tariff Lines (2021)	for CLM. The reduced tariffs rates of 0-5% will reach 90% of tariff lines by 2016 for Vietnam and 2018 for CLM.
	Sensi- tive Track	Eliminate tariffs on at least 90% of all tariff lines within specific timeframes	SL: Firstly tariff reduction to 20% followed by 0-5%	Tariff reduced to 5% by 2016 for India and ASEAN-6 (Except Philippines); by 2019 for Philippines and by 2021 for CLMV	Various modalities with the bilaterally tariff reduction negotiation
		HSL: Tariff rate not more than 50%		Tariff Rates for Special Products, i.e. crude and refined palm oil, coffee, black tea and pepper. HSL and EL are subject to an annual review	by 2017 for Vietnam and 2020 for CLM. For Thailand, which acceded to the AK-TIG in 2007, the Tariffs for NT products will be eliminated by 2016-2017.

**Table 3** The Elements of ASEAN Plus One FTAs (continued)

ASEAN +1 Trading Arrangements	ASEAN-Australia-New Zealand Free Trade Area	ASEAN-China Free Trade Area	ASEAN-India Free Trade Area	ASEAN-Japan Comprehensive Economic Partnership	ASEAN-Korea Free Trade Area
	AANZFTA	ACFTA	AIFTA	AJCEP	AKFTA
List	1% of Total Trade	Do NOT allow	500 Tariff lines	Do NOT allow	40 Tariff lines
	Tariff Reduction and Elimination	Bilaterally Negotiations of Tariff Offers	Modality, Subject to Thresholds	Modality, Subject to Thresholds	Bilaterally Negotiations of Tariff Offers
	Rules of Origin	Co-equal and Alternative Rules (RVC or CTC), with PSRs	General Rule of RVC (Regional Value Content) 40% and Product Specific Rules (PSRs)	General Rule of RVC (Regional Value Content) 35% or Change in Tariff Sub-Heading (CTSH, 6-digit HS Code) and product specific rules	General Rule of RVC (Regional Value Content) 40% or Change in Tariff Heading (CTH, 4-digit HS Code) and PSRs

**Table 3** The Elements of ASEAN Plus One FTAs (continued)

ASEAN +1 Trading Arrangements	ASEAN-Australia-New Zealand Free Trade Area	ASEAN-China Free Trade Area	ASEAN-India Free Trade Area	ASEAN-Japan Comprehensive Economic Partnership	ASEAN-Korea Free Trade Area
	AANZFTA	ACFTA	AIFTA	AJCEP	AKFTA
Trade in Services	Separated Chapter with the Positive List Approach on Market Access and National Treatment	The Protocol to Amend the Agreement on Services was signed and implemented in 2007			ASEAN-Korea Trade in Services (AK-TIS) Agreement was implemented in 2009 with the objective to easing up the restriction on various service sectors, i.e. business, construction, education, telecommunication, environment, tourism, and transportation.
Investment	Chapter on Investment covered Protection, Promotion, Facilitation	ASEAN-China Investment Agreement was implemented in 2010	Provided in the Framework Agreement. Negotiations on Services and Investment agreements are currently in process.	the Sub-Committee on Services and Sub-Committee on Investment were established to undertake the negotiations.	ASEAN-Korea Agreement in Investment (AK-AI), signed in 2009, mainly focus on a protection elements. The measures on market access and schedules of reservations will be concluded within 5 years.

**Table 3** The Elements of ASEAN Plus One FTAs (continued)

ASEAN +1 Trading Arrangements	ASEAN-Australia-New Zealand Free Trade Area	ASEAN-China Free Trade Area	ASEAN-India Free Trade Area	ASEAN-Japan Comprehensive Economic Partnership	ASEAN-Korea Free Trade Area
	AANZFTA	ACFTA	AIFTA	AJCEP	AKFTA
Movement of Natural Persons	Separated Chapter in relation to movement of natural persons between parties for business purposes.	GATS Annex on Movement of Natural Persons applies, mutatis mutandis	Under Negotiation	n/a	n/a
Trade Facilitation	n/a	Under Negotiation	n/a	n/a	No Explicit TF
Intellectual Property Right	Separate Chapter	n/a	n/a	Identified for Economic Cooperation	n/a
Dispute Settlement Mechanism	Separate Chapter	Separate Agreement	Separate Agreement	the Dispute Settlement Center has been provided (mainly focus on TIG)	AK Agreement on Dispute Settlement Mechanism was signed in 2005

Source: Author's compilation.

**Table 4** Country's Bilateral Trading Arrangements

Country	Implemented (Abbreviation, Year)	Signed (Abbreviation, Year of Signing)	Under Negotiation*	Under Consideration**
ASEAN	China (ACFTA, 2005) Australia & New Zealand (AANZFTA, 2010) India (AIFTA, 2010 TIG) Japan (AJCEP, 2008) Korea (AKFTA, 2007)		ASEAN +3 ASEAN +6 European Union (FTA)	Gulf Cooperation Council (GCC) Pakistan
Brunei	ATIGA (2010) Japan (JBEP, 2007) Trans-Pacific (TPP, 2006)		Pakistan USA (US-Brunei TIFA) Islamic Conference	
Cambodia	ATIGA (2010)	USA (US-Cambodia TIFA, 2006)		
Indonesia	ATIGA (2010) Japan (JIEPA, 2008)	Group of 8 Developing Countries (Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey)(D-8, 2008)	EFTA (CEPA) India (CECA) Iran (PTA) Pakistan (PTA) Australia (IACEPA)	Chile Egypt Korea (FTA) Tunisia USA
Laos	ATIGA (2010)			
Malaysia	ATIGA (2010) India (MICECA, 2011)	Chile (FTA, 2010)	Australia	Korea (FTA)
	Japan (JMEPA, 2006) New Zealand (MNZFTA, 2010) Pakistan (MPCEPA, 2008) Trans-Pacific (TPP, 2006)	Group of 8 (2008)	European Union (FTA) Turkey (FTA) USA (TIFA) Islamic Conference	EFTA Gulf Cooperation Council (GCC) Syria

**Table 4** Country's Bilateral Trading Arrangements (continued)

Country	Implemented (Abbreviation, Year)	Signed (Abbreviation, Year of Signing)	Under Negotiation*	Under Consideration**
Myanmar	ATIGA (2010) BIMSTEC (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, Nepal)			
The Philippines	ATIGA (2010) Japan (JPEPA, 2008)			USA (TIFA) Pakistan
Singapore	ATIGA (2010) Australia (SAFTA, 2003) China (CSFTA, 2009) EFTA (ESFTA, 2003) Jordan (SJFTA, SJBIT, 2005) India (ISCECA, 2005) Japan (JSEPA, 2002)	Costa Rica (SCRFTA, 2011) Gulf Cooperation Council (GCC)	Canada (FTA) Mexico (FTA) Pakistan Ukraine European Union Egypt	Sri Lanka UAE
	Korea (KSFTA, 2006) Australia & New Zealand (ANZSCEP, 2001) Panama (PSFTA, 2006) Peru (PeSFTA, 2009) USA (USSFTA, 2004) Trans-Pacific (TPP, 2006)			

**Table 4** Country's Bilateral Trading Arrangements (continued)

Country	Implemented (Abbreviation, Year)	Signed (Abbreviation, Year of Signing)	Under Negotiation*	Under Consideration**
Thailand	ATIGA (2010)			
	Australia (TAFTA, 2005)		USA (TUSFTA)	Chile
	India (ITFTA, 2006, Early Harvest)			EFTA
	Japan (JTEPA, 2007)			European Union
	New Zealand (TNZCEP, 2005)			MERCOSU
	Peru (Early Harvest)			
Vietnam	BIMSTEC			
	ATIGA (2010)		EU (Vietnam-EU FTA)	Korea
	Japan (JVEPA, 2009)		Chile	Customs Union of Russia, Belarus, and Kazakhstan (FTA)
	USA (US-Vietnam BTA, 2001)			
	Trans-Pacific (TPP, 2006)			EFTA

\* Under Negotiation = Framework Agreements have been already signed.

\*\* Under Consideration = Agreements have already proposed but the Framework are not yet signed.

Source: Author's compilation.

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