Editorial Statement

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PECC was established in 1980. It currently has 25 member committees from all over the Asia-Pacific region. Each member committee comprises tripartite senior representatives. In addition, PECC comprises two institutional members: the Pacific Trade and Development Conference (PAFTAD) and the Pacific Basin Economic Council (PBEC).

PECC is the only non-governmental official observer of APEC since the APEC's formation in 1989. PECC has provided information and analytical support to APEC. It also channels and facilitates the private sector's participation in the formal process.

The Chinese Taipei Pacific Economic Cooperation Committee (CTPECC) was formed in 1984, with the purpose of participating in PECC events as an observer. In November 1986, CTPECC's application for membership was approved by PECC at the 5th General Meeting. Since then, CTPECC has become a full and active member of PECC.

The Chairman of CTPECC is Dr. David S. Hong who is also the President of Taiwan Institute of Economic Research (TIER). The Secretariat of CTPECC is set up at the Department of International Affairs, Taiwan Institute of Economic Research. The Director General is Dr. Darson Chiu.

Asia-Pacific Perspectives is a key publication of CTPECC and an open forum welcoming submissions of analyses, perspectives, and commentaries on the Asia-Pacific region. The periodical focuses on political, economic, business and social issues.

For enquiries and submitting papers, please contact Ms. Tzuying Chen.
Address: Taiwan Institute of Economic Research, 5F, No.16-8, Dehuei Street, Taipei 10461, Taiwan.

Email: d17699@tier.org.tw

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Policy Alternatives to Sustain Long Term Economic Growth

Darson Chiu

It has been two years, 2012 and 2013, which Taiwan's economic growths laid beneath the averaged world growth rates. Is this turning into an accepted incident? Actually, there's a sign showing that Taiwan's economy might be able to turn the tables on the distinct disadvantage, so we probably do not need to worry about that at least for the short term. What this island actually needs would be policy alternatives to sustain its long term growth.

One of the optimistic signs would be that the U.S. housing and job markets have been recovering in recent times owing to several rounds of quantitative easing measures. Although said measures taper off, they do help the demand back to an expansion mode. As the U.S. market is the world's largest end products destination, supply value chains in the region of Asia-Pacific have started to be actively revived again. Since 1980s, Taiwan has been playing a key role in regional supply value chains; whereas more than 75% of Taiwan's present exports are categorized as intermediate goods. Therefore, the revitalization of supply chains in the region will certain help pick up Taiwan's exports of this year.

Taiwan's degree of reliance on exports stood at 70% for the past decade, and the degree has been increasing in recent times. That means a strong exports growth can be considered as a big push for Taiwan's economic growth. The most recent forecasts of 2014 world economic growth rate conducted by global creditable agencies such as World Bank, IMF, OECD, and Global Insight Institute etc standing at 3.0% on average. By comparison, Taiwan's GDP of this year is predicted to grow by 3.28% by the Taiwan Institute of Economic Research. It means there's a chance that Taiwan may outgrow the world economy by a slim margin when the actual numbers are out.

A potential challenge could be addressed in the short run or foreseeable near future; however, the long term issues hindering Taiwan's growth capacity in the long run still remain. First, Taiwan's status in regional supply value chains has been challenged by the downstream economies, and the challenge mainly coming from mainland China. Second, Taiwan has been continuously losing overseas market shares due to insufficient free trade agreement (FTA) coverage.

Due to the labor cost hike, Taiwan has been outsourcing its downstream manufacturing and packaging processes mostly to mainland China since early 90s and some to Southeast Asia even earlier. Outsourcing is necessary to better allocate human and other resources among countries that are in economic and trade relations. Both sides of Taiwan Strait had been benefitted from such a business model until global financial crisis triggering the European troubles.

Nevertheless, the economic and trade relationship between China and Taiwan has been changing from a cooperative to more of a competing mode. Because the demand of China's biggest exports destination-Europe has been shrinking ever since the outburst of European sovereign debt crisis, China has adopted a policy of import substitution or supply chains localization in response. Instead of purchasing intermediate goods from Taiwan, mainland China has been buying some less costly parts and components from local and other suppliers or making them on their own. The purpose of said Chinese policy would be to reduce production costs, and it has been hurting Taiwan's exports seriously.

Besides China and Taiwan, East Asian countries including Japan, South Korea, Malaysia, Singapore, and Thailand and many more are all involved in the regional supply value chains. However, the Chinese policy seems to cause more harm on Taiwan's economy than others. The reasons behind would be a) economies such as Japan and South Korea have had sufficient technological advantage to stand firm on their positions and b) other economies especially Southeast Asian countries do not depend on the Chinese market as much as Taiwanese firms do.

Why can't Taiwanese suppliers hold their positions in supply chains and overcome downstream challenges? If the intermediate goods designed and produced by Taiwanese firms are irreplaceable and critical, China's import substitution acts will pose no threat at all. South Korea's research and development (R&D) expenditures over GDP ratio is around 4.36%, which is the highest ratio among all OECD countries. Japan's R&D over GDP ratio stands at 3.35%. By comparison, Taiwan's R&D over GDP is about 3.06%. Being less dedicated in R&D has made Taiwan more vulnerable to challenges.

Therefore, the first structural reform that Taiwan needs to secure its long term growth would be to pursue technological improvement through R&D. As over 90% of Taiwanese companies are small and medium sized, and they probably lack of funds to conduct their own R&D. And this is where the government could and should jump in to guide them and lend a helping hand. Japanese and Korean governments' policies to enhance corporate capacity building would be a good reference for the Taiwanese government to refer to.

The reason why the Taiwan economy has been relying on China and losing market shares at the same time would result from Taiwan's lacking sufficient FTA coverage. Many have been stressed how crucial it is for Taiwan to join the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP) so as to effectively enhance Taiwan's FTA coverage. The Ma administration has also issued a special order directing all ministries and government agencies to join forces and pursue both FTA processes simultaneously. It is understandable why Taiwan is in such a rush. The FTA coverage ratios of China, Japan, and South Korea stand at 29.79%, 18.93%, and 36.81% respectively, whereas Taiwan's coverage is only 9.69%. Since Taiwan is way behind the leading group, the government has been striving to pick up the pace and try to catch up. However, a FTA strategy is needed; otherwise the joint efforts will be futile.

The second step that Taiwan ought to take to sustain its economic growth in the long run would be to prioritize the multilateral FTAs that provide Taiwanese companies most benefits and cause fewer impacts. It is hence suggested to aim for RCEP before TPP. First, RCEP members include Taiwan's number one and number two exports destinations, mainland China and Southeast Asia. TPP on the other hand is all about the US market. Although it's the world largest end products market, Taiwan is basically a supplier of intermediate goods but end products. Second, the averaged tariffs of RCEP are 7.7%, and overall tariffs of TPP are around 4.4%. That means TPP requires more market opening and less protection, which could cause more damages on Taiwan's defenseless industries. In other words, Taiwan needs more time to prepare itself for TPP. Join RCEP first and enhancing industrial resilience while applying for TPP membership would be a more feasible approach for Taiwan to address its long-standing constraints for growth.

Reducing Post Harvest Losses and Wastes in Asia Pacific

Wayne Chen

APEC has been working intensively on advancing food security for the Asia Pacific region since 2010 when Japan hosted the first APEC Food Security Ministerial Meeting in Niigata followed by the 2^{nd} ministerial meeting was held in Kazan in 2012 and the 3^{rd} one in Beijing in 2014. Last year, APEC Policy Partnership on Food Security (PPFS) launched the APEC Food Security Road Map towards 2020 which serves as a primary guideline to concert efforts of all APEC economies for achieving regional food security, particularly in providing access to sufficient, safe and nutritious food for all people at all times.

In 2014, PPFS drafted 4 important documents, namely the APEC Action Plan for Reducing Food Loss and Waste[1]; the APEC Food Security Business Plan (2014-2020)[2]; the APEC Food Security Roadmap toward 2020 (2014 version)[3], and; the Action Plan to Enhance Connectivity of APEC Food Standards and Safety Assurance[4] to depict APEC food security tasks in a more concrete and comprehensive manner. According to the PPFS Inputs for the Leaders' Declaration[5] tabled at the third Senior Officials in August,

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1 APEC, 2014/SOM3/027anx3.
2 APEC, 2014/SOM3/027anx2.
3 APEC, 2014/SOM3/027anx1.1.
4 APEC, 2014/SOM3/027anx4.
5 APEC, 2014/SOM3/027anx6.

4 priority areas were identified crucial for APEC economies to cooperate on improving capacity building, technology utilization and communications. First is to promote policy talks on food security; secondly, to reduce food post-harvest loss and waste; thirdly, to facilitate agricultural and food trade, and; to increase connectivity of food security partnership.

Compared to the Niigata Declaration (2010), Kazan Declaration (2012) and the Food Security Road Map 2020, reducing food post-harvest loss and waste was newly added and recognized as one first-tier work for the first time. In addition, a quantitative goal was established in the Action Plan that "APEC economies will strive to food loss and waste by 10% compared with the 2011-2012 levels by 2020 in the Asia-Pacific economies". These developments illustrate that post-harvest food loss and waste is obtaining more interests and attention upon which APEC economies are carrying out more capacity building activities and cooperation. To investigate the reasons why reducing post-harvest food loss and waste is effective to promote food security, this essay illustrate current situation of food loss and waste before introducing the Strengthening Public-Private Partnership to Reduce Food Losses 5-year project proposed by Taiwan in APEC PPFS.

According to UN's research for the Global Initiative on Food Loss and Waste Reduction, approximately one third of the food produced, equal to 1.3 billion tons, in the world for human consumption every year gets lost or wasted. In industrialized countries, food loss and waste amounts to US$ 680 billion and US$ 310 billion in developing countries. By products, 30% for cereals, 40-50% for root crops, fruits and vegetables, 20% for oil seeds, meat and dairy plus 30% for fish lost per year. Such amount is equivalent to more than half of the world's annual cereals crop in 2009/2010[6].

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[6] FAO, 2014, Global Initiative on Food Loss and Waste Reduction,http://www.fao.org/docrep/015/i2776e/i2776e00.pdf.

On the other hand, the population in the APEC region accounts for 40% of world population and 50% of global cereal production and almost 70% of fish production. According to the research conducted by the UN Industrial Development Organization, post-harvest losses in Asia alone are estimated at 30% of global food production annually, valued at $5 billion, and the number of food losses in the Asia-Pacific region is expected to be higher[7]. In light of the increasing importance of food security in APEC's agenda, efforts should be made to improve production integrated with postharvest management for effective increase of food availability. Moreover, enhancing postharvest management is essential given that food lost reduction is generally less costly than equivalent increase in food production and therefore reveals a unique niche where APEC can assist economies to build up their capacity for regional food security.

Since 2010, APEC economies are aware of and more devoted to food security actions. After the Roadmap (2013 version) was tabled by PPFS, reducing food losses has been repeatedly underscored as one of primary tasks in relevant APEC fora and Leaders' meetings.

In 2013, Taiwan proposed an initiative to address post-harvest losses in different stages of the food supply chain, including harvesting; handling and storage; processing and packaging; distributing and marketing, and; consumption, in the APEC region by strengthening public-private partnership. It aims to 1) identify key issues on reducing post-harvest losses and costs along the food supply chains for improving food safety and quality in the APEC region; 2) seek best practices in private and public sectors on

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[7] UNIDO, 2012.Post Harvest Losses (PHL) of Main Commodities in ASEAN Countries, 17 July, Ja karta,http://www.asean.org/news/asean-secretariat-news/item/unido-asean-secretariat-to-strengthen-supply-capacity-of-main-food-commodities-to-address-post-harvest-losses-phl-in-asean-countries-at-a-two-day-workshop-in-jakarta.

reducing post-harvest losses and costs, and enhance the role of public-private partnership (PPP) to reinforce policy coordination among APEC economies, and; 3) identify practical solutions to enhance capacity-building on reducing food losses by establishing toolkits and a dataset on related practices, and to develop a consolidated methodology of APEC food losses assessment.

For 2014, the initiative is focused on fruit and vegetable and related methodologies, best practices, toolkit and dataset will be developed. Furthermore, a website for disseminating project outputs and best practices for farmers to enter foreign markets and for private sectors to offer post-harvest services will be established. On 15th September, Taiwan will host a seminar on food loss reduction in vegetable and fruit sectors in Beijing before the Food Security Ministerial Meeting. One example Taiwan will present in the seminar is the cold chain development in mango production. Taiwan has long experience in developing cold chains for mango growers to improve postharvest protocols for export market which Taiwan used to have great difficulty to access, due to mango is such delicate and chilling-sensitive tropical fruit that easily be damaged during the process of harvesting, packaging, and distributing to foreign markets and consumers. After introducing and integrating the postharvest cold chain systems in 2005, the export value and prices of Taiwanese mango has increased dramatically in Japanese market. In 2012, the price of Taiwanese mango is more than double of its competitors. Furthermore, in local market, mango price also increased from 1 USD/Kg in 2003 to 2 US$/Kg[8], that benefit mango growers and industry substantially.

In 2015, the program will expand its work to fishery and livestock products and to food consumption ends in 2016. It is believed that this

[8] COA, Agricultural Trade Statistics, http://agrstat.coa.gov.tw/sdweb/public/trade/tradereport.aspx

initiative will assist APEC economies to improve food chain management, increase food availability, and benefit a wide range of stockholders along food chains, including small farmers, local communities, enterprises and consumers by enhancing public private partnership.

Realignment of Global Value Chains under TPP and RCEP

Eric Chiou

In recent years, the significance of global values chains (GVCs) with regard to regional economic integration has drawn much attention. The rapid expansion of GVCs has broadly spread around the world and its importance has also been widely recognized. Since the initial study conducted by the collaboration work between the OECD, the WTO, and the UNCTAD, the positive effects of GVCs in terms of boosting economic growth and development, helping job creation have been highly anticipated.

As a result, policy-makers in many economies have adopted various policies to enhance their GVC participation in hope of stimulating economic growth, fostering job creation, and facilitating industrial upgrading. They hope that through actively participating in GVCs, many promising advantages, such as accelerating the catch-up process of developing countries, facilitating convergence between different development levels of economies, and upgrading production capabilities could be fulfilled.

Over the past decades, the Asia-Pacific region has been one of the most successful cases in harnessing GVCs. The robust economic development in the Asia-Pacific region has lied in the intertwined networks of supply chain connectivity, which allow different economies to base on each comparative advantage and partake in GVCs for mutual benefits.

Some studies even suggest that active participations by APEC members in GVCs in the past decades have allowed most them to enjoy lasting economic growth and business resilience in the ups and downs of unpredictable global economy. As the most important regional economic forum in the Asia-Pacific region, while acknowledging the importance of GVCs, APEC has initiated several action plans to facilitate the development of GVC in this region. Specifically, APEC has launched two Trade Facilitation Action Plans (TFAPs) to lower related trade transaction costs within the region.

While the above two plans had reached significant achievements, APEC decided to shift its focus to the broader issue of supply chain performance and launched the Supply Chain Connectivity Framework Action Plan (SCFAP). This Action Plan sets a target of a 10 percent improvement in supply chain performance in terms of time, cost and uncertainty by 2015. On the other hand, while the soundness of supply chain connectivity may affect multinational corporations' decisions on where to invest and where to locate their production bases, the arrangement of regional economic integration exerts overwhelming weight on the performances of supply chain connectivity.

Since different designs of regional economic integration provide varied incentives for multinational corporations to reconsider their strategies of GVCs in terms of where to produce and where to sell, one can expect that the consequences of regional economic integration are likely to alter existing comparative advantages, change business calculation of multinational corporations, influence supply chain connectivity, and reshape regional production networks.

Given that TPP and RCEP have represent the major two blueprints of regional integration in the Asia-Pacific region, it is important to explore possible impacts of TPP and RCEP on supply chain connectivity and how these influences will affect some industries. Particularly, the importance of supply chain is likely to vary by different industries, while the impacts of different regional integration on different sectors also tend to be dissimilar. Hence, the consequences of regional integration may change the existing status of comparative advantages in different sectors across economies in the region, while the changed comparative advantages among economies are likely to affect multinational corporations' calculation of GVC arrangement in the region, so as to lead to the possible shift of GVCs.

Based on the outcomes obtained through utilizing the Global Trade Analysis Project (GTAP) analysis on three selected sectors, electronics sector, machinery sector, and automobile sector, which are heavily dependent on regional supply chain connectivity, the following findings are noteworthy.

First, a state's increased economic welfare due to participating in regional integration and GVCs does not mean that the state's each sector will gain benefits equally. Based on the principle of international division of labor and comparative advantage, regional economic integration is likely to benefit originally competitive sectors, but to further devastate vulnerable sectors in an economy. On the other hand, while regional integration may level the playing field by eliminating tariffs, it can accelerate the speed of industrial relocation to some economies with lower labor cost or more convenient access to markets, which may further erode the existing output of industries.

Second, different routes of regional integration initiatives will not only pose different impacts on each economy's sectors, but may also shape and alter the sectoral competitiveness of each economy. In other words, based on the assessments of its industrial interests under different regional integration initiatives, an economy may prefer one route of regional integration over the others. On the other hand, if an economy does not make a prudent assessment before participating in regional integration, it may unintentionally let its relatively competitive sectors encounter more intense competition after joining regional integration.

Third, the findings also suggest that both trading camps, TPP and RCEP, do not have a significant gap in terms of their development of regional supply chain connectivity. Although TPP may have the upper hand now, it also means that RCEP has huge room for improvement if RCEP can be concluded as a high-quality regional integration.

At the sectoral level, the findings do indicate that some developing economies could generate remarkable growth of output in some sectors after the implementation of either TPP or RCEP. But this is not true for some developed economies. In other words, one of consequences of the formation of TPP and RCEP is to alter industrial comparative advantages in different sector across countries in the Asia-Pacific region, while this changing configuration of comparative advantages across economies seem to be more favorable to developing economies in these selected industries in terms of their domestic industrial outputs, rather than to developed economies.

Although these changes of domestic industrial outputs in individual economies may reveal some important signs of the possible shifts in GVCs, this indicator is hardly the only and decisive factor in suggesting the shift of GVCs, since many factors would affect multinational corporations' consideration of global strategies and production arrangements.

Despite the limitations of sketching the picture of changing GVCs under TPP and RCEP, one of important policy implications revealed from the above analysis is that leaders of individual economies should be cautious and foresee the possible shift of regional supply chains after the formation of any regional integration initiatives. They should be prepared with prudent and welldesigned strategies to alleviate negative impacts, while maximizing positive benefits from upcoming challenges of the realignment of global value chains in the aftermath of varied versions of regional economic integration.

Strengthening APEC's Role in Regional Economic Integration

Chen Ho

Introduction

In recent years, APEC has begun to consider the realization of a Free Trade Area of the Asia-Pacific (FTAAP). The FTAAP goal is more ambitious than the Bogor Goals. The development indicates that APEC is seeking to enhance regional economic integration (REI) through deeper trade and investment liberalization and facilitation as well as economic and technical cooperation. At the same time, APEC members are also forming free trade agreements (FTAs) in the form of Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP). APEC has regarded RCEP, TPP and other regional undertakings to be pathways to an FTAAP. The main purpose of the article is to provide suggestions for APEC to enhance REI through the building of the trilateral relationship among FTAAP, TPP and RCEP.

Development of an FTAAP

In the "2004 ABAC Report to Leaders," ABAC suggested the development of an FTAAP. ABAC called for APEC Leaders to show strong political commitment to negotiate a region-wide agreement that would bring economic benefits to members. An FTAAP would accelerate the achievement of the Bogor Goals and minimize the negative effects from the proliferation of complex web of FTAs (ABAC 2004).

Subsequently, the views of APEC on the creation of an FTAAP were stated in the various annual APEC Leaders' Declarations. The 2004 Leaders' Declaration mentioned that ABAC had presented a relevant proposal regarding the need to study the feasibility of an FTAAP (APEC 2004). In 2006, the Leaders' Declaration said that difficulties in negotiating an FTAAP existed but APEC should undertake studies on ways to promote REI and FTAAP. The creation of an FTAAP will be a long-term prospect (APEC 2006). By 2008, Leaders had mentioned in the Declaration that an FTAAP could bring economic benefit to the region but challenges existed. The Leaders called on Ministers to examine the prospects of an FTAAP through analyzing the economic impact of an FTAAP as well as discussing the capacity requirements that would be needed for negotiations in the future (APEC 2008).

The most important milestone for the FTAAP idea was reached in 2010 when the APEC Leaders stated in their Declaration that APEC will take concrete steps to realize an FTAAP. The Leaders further said that an FTAAP should be a comprehensive free trade agreement that will build on regional undertakings, such as ASEAN+3, ASEAN+6 and the Trans-Pacific Partnership. In addition, APEC will serve as an incubator of an FTAAP through the provision of leadership and intellectual input into its development (APEC 2010).

Afterwards, the support for attaining an FTAAP seems to lose momentum without mentioning a free trade agreement. In the 2012 Leaders' Declaration, Leaders mentioned that they recognized FTAAP to be an important instrument to advance APEC's REI. In addition, they noted that the various regional undertakings could serve as a way towards an FTAAP. The Leaders also maintained that APEC will continue to be an incubator of an FTAAP and will also provide leadership and intellectual input (APEC 2012). APEC Leaders mentioned in the 2013 Declaration that they reaffirmed their commitment to realize an FTAAP. APEC will continue to offer leadership and intellectual input into the REI process (APEC 2013).

With China as the 2014 APEC host, the APEC's work towards achieving an FTAAP is showing signs of renewed vigor. One of the priorities for APEC in 2014 is: "Advancing Regional Economic Integration." Specifically, APEC will pursue the realization of an FTAAP through the creation of favorable conditions for FTAAP (APEC ISOM 2013).

During the 2014 SOM1 Meeting in Ningbo, China presented a proposal titled "APEC Framework of Strengthening Regional Economic Integration." The proposal seeks to enhance the realization of an FTAAP. The framework consists of four elements: 1) Enhance transparency of RTAs/FTAs; 2) Strengthen capacity building activities to achieve an FTAAP; 3) Formulate a work plan to realize an FTAAP; and 4) Launch an FTAAP feasibility study (APEC SOM1 2014).

Most importantly, the proposal calls for the development of a work plan or roadmap. Essentially, the roadmap will identify the steps toward an FTAAP. In addition, the roadmap will clarify major principles focusing on the relationship between the pathways and an FTAAP as well as the relation between an FTAAP and the Bogor Goals. Furthermore, the proposal suggests the year 2025 to be the deadline to realize an FTAAP (APEC SOM1 2014).

Analyzing the FTAAP-TPP-RCEP Relationship

The APEC Leaders' support for ensuring that an FTAAP will be built on regional undertakings was clearly stated in the 2010 Declaration, as mentioned in the literature review. In the 2013 APEC MRT Meeting Statement, Ministers agreed that APEC will analyze the convergence of TPP and RCEP within the APEC framework (APEC MRT 2013). Specifically, there is a need to study ways to converge TPP and RCEP with an FTAAP.

In theory, one way to enhance the convergence of TPP and RCEP with an FTAAP would be to ensure that the rules of the TPP and RCEP are as similar as possible. After doing so, APEC could state that the two FTAs have led to the realization of an FTAAP in which an FTAAP is define to be a free trade area with loose meaning and not a formal agreement. In addition, if an FTAAP is regarded to be a formal free trade agreement, an FTAAP agreement could be composed of rules from the TPP and RCEP.

If an FTAAP is an idea and not a formal agreement, another way to converge the two major FTAs in the Asia-Pacific region would be the enabling of open membership for APEC members. This way can be called membership convergence. From a technical standpoint, this method is feasible in that the two FTAs can develop their own rules. The APEC members will be able to join the two FTAs, as long as they are willing to accept the rules. At the same time, the members of the two FTAs will become APEC members. Thus the TPP and RCEP are linked with an FTAAP through membership convergence. The benefit is that businesses in the Asia-Pacific region will be able to choose the FTA that satisfies their needs the most.

Suggestions

First, it is suggested that APEC continues to support the open regionalism idea. APEC's realization of an FTAAP should include the support for the WTO and ensure that non-APEC members are not discriminated. APEC should show to the world that the creation of a free trade area will also be beneficial to non-APEC members.

Second, APEC membership in the future should be enlarged to further advance an FTAAP. The expansion of APEC membership would increase the size of an FTAAP. Economies that touch the Pacific Ocean should be able to join APEC. Furthermore, economies that border the economies touching the Pacific Ocean should also become APEC members. The outcome is the building of a seamless regional economy and the generation of greater benefits from an enlarged FTAAP.

Third, APEC should work to ensure that TPP and RCEP can be joined by APEC members, as long as their rules are followed. In doing so, the FTAAP-TPP-RCEP relationship will be strengthened. At the same time, APEC will consider an FTAAP to be a free trade area and not a formal agreement. The TPP and RCEP will jointly serve as an informal FTAAP without a formal agreement. Additionally, members of RCEP and TPP can become APEC members. The benefit is that APEC will not need to spend tremendous amount of resources to negotiate a formal free trade agreement to realize an FTAAP.

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