**RCEP: Economic fortunes and challenges**

[**Yasir Habib Khan**](https://nation.com.pk/Columnist/yasir-habib-khan)

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With economic windfalls and challenges, Regional Comprehensive Economic Partnership (RCEP) is an ‘Asian Economic Stride’, on a global trade stage. Representing present time as well as future dynamics, it promises China, ASEAN countries, Japan, South Korea, Australia and New Zealand inclusive growth in tandem.

Raining down positive impacts, RCEP’s Asian Economic Stride triggers deeper trade integration, tariff rationalisation, economic liberalisation, SMEs’ revitalisation, market accessibility and a level playing field in all development spectrums. It anchors the next stages of e-commerce, entrepreneurialism, Intellectual property protection and enforcement, manpower capacity building and mammoth opportunities of employments.

The RCEP marks ASEAN’s biggest free trade pact to date, covering a market of 2.2 billion people with a combined size of US$26.2 trillion or 30% of the world’s GDP. “The signing of the RCEP Agreement is a historic event as it underpins ASEAN’s role in leading a multilateral trade agreement of this magnitude, despite global and regional challenges and eight years of negotiations,” said Dato Lim Jock Hoi, Secretary-General of ASEAN. “RCEP will give a much-needed boost for a swift and robust recovery for businesses and peoples in our region particularly during the current COVID-19 pandemic crisis,” he added.

[Houthis claim killing of 8 Saudi soldiers in Marib](https://nation.com.pk/30-Nov-2020/houthis-claim-killing-of-8-saudi-soldiers-in-marib)

The deal will improve market access with tariffs and quotas eliminated in over 65% of goods traded and make business predictable with common rules of origin and transparent regulations, upon entry into force. This will encourage firms to invest more in the region, including building supply chains and services, and to generate jobs.

The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment along with contributing to global economic growth and development. Accordingly, it will bring about market and employment opportunities to businesses and people in the region. The RCEP Agreement will work alongside and support an open, inclusive, and rules-based multilateral trading system.

The agreement is not made just for today but also for tomorrow. It updates the coverage of the existing ASEAN Plus One FTAs (ASEAN’s FTAs with the five dialogue partners) and takes into consideration changing and emerging trade realities, including the age of electronic commerce, the potential of micro, small and medium enterprises, the deepening regional value chain, and the complexity of market competition. It will complement the World Trade Organisation (WTO), building on the WTO’s Agreement in areas where the parties have agreed to update or go beyond its provisions.

[UN special envoy for Syria: No deadline in Geneva talks](https://nation.com.pk/30-Nov-2020/un-special-envoy-for-syria-no-deadline-in-geneva-talks)

The RCEP is also comprehensive, in terms of both coverage and depth of commitments. On its coverage, the RCEP Agreement comprises of 20 Chapters and includes many areas that were not previously covered in the ASEAN Plus One FTAs. This agreement has specific provisions covering trade in goods, including rules of origin; customs procedures and trade facilitation; sanitary and phytosanitary measures; standards, technical regulations and conformity assessment procedures; and trade remedies. It also covers trade in services including specific provisions on financial services; telecommunication services; and professional services, as well as the temporary movement of natural persons. In addition, there are chapters on investment; intellectual property; electronic commerce; competition; small and medium enterprises (SMEs); economic and technical cooperation; government procurement; and legal and institutional areas including dispute settlement. In terms of market access, the RCEP Agreement achieves liberalisation in trade in goods and services and has extended coverage to investment.

[Punjab govt orders to remove barriers to stop PDM rally: Shahbaz Gill](https://nation.com.pk/30-Nov-2020/shahbaz-gill-says-punjab-govt-orders-to-remove-barriers-to-stop-pdm-rally)

The RCEP contains provisions that go beyond the existing ASEAN Plus One FTAs, while recognising the individual and diverse levels of development and economic needs of the RCEP Parties. It addresses the issues required to support the Parties’ engagement in the global and regional supply chain and complements market access commitments with trade and investment enabling rules. It preserves legitimate public policy objectives. The RCEP Agreement strives to boost competition in a way that drives productivity, which is sustainable, responsible, and constructive. In 0addition, the RCEP Agreement has the added value of bringing together a single rulebook to help facilitate the development and expansion of regional supply chains among Parties.

Furthermore, it brings together countries with diverse levels of development. Thus, the RCEP Parties have recognised that its success will be determined by its ability to mutually bring benefits. The RCEP Agreement is designed to achieve this objective in a number of ways, including through appropriate forms of flexibility and provisions for special and differential treatment especially for Cambodia, Lao PDR, Myanmar, and Viet Nam, as appropriate, and additional flexibility for the least developed Parties. In addition, it also includes technical cooperation and capacity building that will be made available to support the implementation of commitments made under the RCEP Agreement and for the Parties to maximise the benefits accruing therefrom. The agreement also includes provisions that will ensure that economies with different levels of development, businesses of differing sizes, and the broader stakeholders can all benefit from the Agreement.

[Markets buoyed by promising vaccines, but high hurdles remain](https://nation.com.pk/30-Nov-2020/markets-buoyed-by-promising-vaccines-but-high-hurdles-remain)

RCEP has realised the dream of Northeast Asian economic integration. A spokesman for Japan’s Ministry of Foreign Affairs noted last year that negotiations on the trilateral China-South Korea-Japan free trade agreement, which has been stuck for many years, will become active as soon as they are able to conclude the negotiation on RCEP. Finally what dreamt came true.

As a matter of fact, in the bygone era when Asia dominated the world economy, the Eurasian continent was regionally connected by the ancient Silk Roads, the Spice Roads and the maritime silk roads travelled by caravan traders, pilgrims, craftsmen, seafarers, diplomats, artists and poets of different color hailing from a diverse array of Asian, Arabic and Mediterranean civilisations. Conversely, Asia collectively declined in cultural and economic significance when European powers rose to prominence on the world stage on the back of colonialism. As such, RCEP has made its mark in the region for free trade and connectivity underpining Asia’s centrality in the world economy.

[Asad Umar says NCOC finalizes recommendations for vaccine procurement](https://nation.com.pk/30-Nov-2020/asad-umar-says-ncoc-finalizes-recommendations-for-vaccine-procurement)

Under the RCEP, participants are to ensure the free flow of digital information, such as contents and data, across borders. Nations will be barred from requiring foreign companies to place servers or other equipment on their soil as a condition for conducting business. But the treaty will not ban countries from demanding the disclosure of source codes, a clause that was included in the TPP.

Officials have clearly got a focus on helping the smallest firms in RCEP benefit from the final agreement. This is a welcome development, since every country in the grouping is dominated by smaller size companies. The one area of sustained focus in RCEP that will be most promising for SMEs is e-commerce and digital trade. E-commerce and digital trade represent the fastest and easiest way for smaller firms to connect to suppliers, consumers and lead firms. Given the relatively higher levels of connectivity in Asia compared to other regions, this pathway can be developed further quickly with the right policies in place and help lead to new growth opportunities.

[Boko Haram attack killed at least 110 in Nigeria: UN](https://nation.com.pk/30-Nov-2020/boko-haram-attack-killed-at-least-110-in-nigeria-un)

2020 is going to end on a positive note regarding RCEP historic agreement. However, attention is already turning to 2021, when the bloc will renew its focus on more traditional concerns, namely regional unity and outside threats that some suggest could hamper the RCEP’s ultimate implementation.

Simon Baptist, global chief economist at consultancy The Economist Intelligence Unit said that RCEP, once realised, will significantly contribute to the flow of goods and services in the region, but the biggest challenge would be infrastructure development in such countries as Cambodia, Laos, Vietnam and Myanmar.

“Here, the BRI can play a very important role in the bloc. Without effective communication and connectivity, the RCEP cannot flourish and economic potential cannot be utilised by partner countries,” he said. “The BRI involvement in infrastructure development and enhancing the logistic capability of the region is a prerequisite for any further progress in the bloc.”

[COVID-19 positivity rate increases to 8.53pc in Pakistan: NCOC](https://nation.com.pk/30-Nov-2020/coronavirus-positivity-rate-surges-to-8-53pc-in-pakistan)

Chheang Vannarith, president of the Asian Vision Institute, a think tank in Phnom Penh, said the RCEP would provide economic impetus for regional countries to bounce back together from the economic recession caused by the COVID-19 pandemic. “It will send a clear signal that regional economic integration in Asia remains robust and vibrant although protectionism and unilateralism are on the rise in the United States and other regions,” he said.

He said the challenges lying ahead include how to convince people of the benefits deriving from the RCEP and how to empower and enable people and local small and medium-sized enterprises to fairly benefit from this regional trading arrangement.