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## Summary of General Discussion on “Emerging Mega-FTAs: Rationale, Challenges, and Implications”

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Jung Sung Chun said the Korean government is considering whether or not to join the TPP and when. Three important issues to consider are: 1) China is an important country from a political perspective, and maybe the Chinese will think that Korea joining TPP will be bad for them. 2) Japan is the second factor. Ten years ago, Japan and Korea started to negotiate a FTA, which failed because of issues related to the manufacturing sector for Korea and the agricultural sector for Japan. The agricultural sector issue is not too important anymore, but Korean SMEs resist TPP negotiations because of Japan's strong manufacturing. 3) The agricultural factor is also an obstacle. Many people think that Japan needs to reform its agricultural sector. Korea thinks that Japan will eventually give up protecting five agricultural items. If so, Korea will lose a partner in agricultural protectionism.

Bhanuphong Nidhiprabha pointed out the need to consider the impact of increasing trade integration on the world business cycle. Shocks in the United States will not hurt China or India, but with mega-trade blocks, it may be harder for countries to diversify risks.

Siow Yue Chia responded by noting the interesting points brought up by Jung on Korea and addressed Nidhiprabha's comment by saying that there is a tradeoff between global stability and trade blocs.

Dionisius Narjoko asked what will happen if RCEP cannot be concluded by 2015? On ASEAN centrality, how does TPP affect the ASEAN centrality argument? If there is a China-Japan-Korea FTA, one assumption is no longer valid. There is no incentive for ASEAN to further integrate. Chia said that something will conclude but in what form is not known. The geopolitical importance of subgroups needs to be weighed.

Jayant Menon suggested that the paper be shortened by dropping TTIP from the comparison. He asked if the TPP will degenerate into a series of bilateral agreements. For example, Malaysia has carve-outs and special deals to appease the public. It is also not known how TPP is changing Japan, but we know how Japan is making TPP less likely to happen. This is related to the United States' inability to guarantee fast-track implementation. There are many differences between RCEP and TPP. He thinks, for example, that TPP is essentially an intellectual property agreement and RCEP is not.

Chia does not believe in ASEAN centrality as this is either given or earned. She agreed with Menon that TPP is degenerating into a series of bilateral agreements. She disagrees with the view that TPP's big difference from RCEP is IP. There are no compromises among countries.

Shandre Thangavelu said the political economy side is left out. China was not discussed in any of these elements. TPP is rules-based, which China is trying to avoid. Increasingly, China seems to be interested in TPP. If President Obama cannot carry through, TPP may not go through. How will China come to the table on TPP? The RCEP glue is stronger than that in TPP, which is why political economy plays a bigger role in TPP. He also pointed out that Cambodia, Lao PDR, Myanmar and Vietnam and India are not in APEC and neither is Europe. They could try coming in through the back door.

Chia addressed Thangavelu's political levers and said what to include or exclude, and pointed out that China is now more ready to join TPP. Singapore advocates this as China is ready and undertaking reforms; the role of SOEs will be diluted. She agrees that RCEP has stronger political glue. She is doubtful that an Asia Pacific FTA will materialize and wonders why APEC cannot include India.