



RCEP

- A key milestone for economic integration in the most dynamic growth center in the world -

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The changing global and regional landscape

- ❑ The US-China tensions; Decoupling of supply chains?
- ❑ The crisis in Ukraine further increased geopolitical uncertainty.
- ❑ Covid-19 and the Pandemics; Exposed vulnerability of supply chains and heightened calls for protectionism and reshoring.
- ❑ Digitalization as a drive of trade and investment.
- ❑ Decarbonization of supply chains; The growing demand by consumers to decarbonize supply chains, starting from exploitation of natural resources, production of industrial goods to transportation.

RCEP- A key driver of economic integration and economic dynamism

- ❑ RCEP is largest regional pact in terms of GDP, trade volume, foreign direct investment and population, connecting the most dynamic growth center in the world.
 - GDP: 29% of the global GDP
 - Export value: 29%
 - Population: 30%
- ❑ ASEAN: 6% growth/year

RCEP- A valued source of peace and stability

- ❑ Economic integration plays a critical role in promoting peace and security.
- ❑ RCEP is a valued source of security for the region and the world amid geopolitical turbulence by wrapping major economies in more interdependence and a rule- based approach.
- ❑ RCEP is an ASEAN initiative and anchors in ASEAN institutional arrangements.

Economic impact of RCEP

- ❑ Strengthened connectivity by reducing border measures
 - Eliminations and reductions of Tariffs and non-tariff measures
 - Facilitating custom procedures
 - Providing common rules of origins
- ❑ Promotion of service and investment across the region
- ❑ Enabling cross-border digital trade
- ❑ Providing protection of intellectual properties of TRIPS+

DX in ASEAN

- ❑ Opportunities for leap-frog?
 - Cashless payment and fintec
 - Ecommerce, ride-hailing, food delivery
 - Game and entertainment
 - Consumer and micro-finance
 - Smart cities
- ❑ IT Platformers in ASEAN
 - Grab, SEA (Singapore), Gojek (Indonesia), MoMo (Vietnam)
- ❑ A large and youthful population equipped with smart phones
- ❑ ASEAN Digital Master Plan 2025

A living and evolving agreement

- ❑ RECP is designed in the "ASEAN Way";
 - a living and evolving agreement
 - continuous engagement and step by step approach for deeper economic integration.
- ❑ Slow movers are allowed special and differential treatment or a grace period to achieve the same goals.
- ❑ Capacity building and economic cooperation are critical elements.
- ❑ The gradual upgrade mechanism of the agreement is built-in as 5-year general reviews.