BACKGROUND & SUMMARY

The withdrawal of the United States from the Trans-Pacific Partnership (TPP) in January 2017 shook the Asia-Pacific region. It prompted governments and stakeholders across the region to reassess their reliance on American economic leadership and the U.S. market. As the United States stepped back from its economic engagement in the region, Asia-Pacific economies took matters into their own hands and are now pressing ahead with negotiating their own trade and investment agreements within the Asia-Pacific region, and with other major economies around the world.

This Asia Society Policy Institute (ASPI) issue paper, written by an ASPI “Trade Forum” composed of senior trade experts and chaired by Wendy Cutler, updates the findings and recommendations made almost one year ago (March 2017) in another ASPI report, Charting a Course for Trade and Economic Integration in the Asia-Pacific. This issue paper reflects the unfolding economic developments in the most dynamic area of the world, and over the course of an unusually eventful year for trade.

This paper makes a number of recommendations to policymakers across the region on how to navigate an increasingly complex Asia-Pacific trade landscape. Key among them are the following:

- The 11 remaining Trans-Pacific Partnership members (TPP-11) are urged to conclude and put into place the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) without delay, and they should be prepared, if necessary, to proceed without all partners. Moreover, existing TPP members should seize on their momentum and start accession discussions with interested candidates—including Asia-Pacific Economic Cooperation (APEC) members, as well as the United Kingdom and Colombia.

- The renegotiation of existing trade agreements ought to focus on updating rules and improving market access, rather than weakening previous commitments. Asia-Pacific economies are closely following the North American Free Trade Agreement (NAFTA) renegotiations and the U.S.-Korea Free Trade Agreement (KORUS) amendment process as they consider whether to pursue bilateral negotiations with the United States.

- Regional actors, including the United States, are encouraged to consider pursuing the negotiation of a stand-alone issue-specific regional agreement, for example, on digital trade. As the world’s fastest-growing region for digital trade, the Asia-Pacific has a unique opportunity to play a leading role in setting standards and norms in this area.

- In an effort to rebuild support for trade, policymakers may wish to reconsider the merits of certain long-standing trade agreement provisions that have been particularly polarizing, such as investor-state dispute settlement (ISDS).
Some in the Asia-Pacific region are starting to seriously question the consensus around the rules-based multilateral system that has governed trade for the past 70 years—and trade liberalization more broadly.

Introduction

Nearly one year after the United States withdrew from the Trans-Pacific Partnership (TPP) and stepped back from an economic leadership role in the Asia-Pacific, the rest of the region is proceeding undeterred. In an eventful 2017, Asia-Pacific economies were hard at work developing contingency plans for achieving regional economic integration and advancing trade and investment liberalization without the United States.

Of particular note, the remaining TPP countries agreed on the core elements of the original deal in November 2017 and are close to finalizing the new agreement, retitled as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Meanwhile, the Regional Comprehensive Economic Partnership (RCEP) countries continue to work toward their own regional deal in 2018. Australia, Canada, New Zealand, and Singapore are poised to start negotiations early next year with the Pacific Alliance. At the same time, China’s President Xi Jinping, emerging from the recent 19th Chinese Communist Party Congress greatly empowered, has taken steps to fill the economic leadership vacuum created by the United States in the Asia-Pacific region through the Belt and Road Initiative (BRI) and pledges made on the world stage under China’s new foreign policy framework—the “Community of Common Destiny.”

However, the rising backlash against trade and globalization continues across the globe as growing income inequality, stagnant wages, and job losses continue to squeeze the working and middle classes. A growing number of people feel left out of an increasingly connected world and are making their voices heard at the domestic and international levels. Moreover, some in the Asia-Pacific region are starting to seriously question the consensus around the rules-based multilateral system that has governed trade for the past 70 years—and trade liberalization more broadly. This is most prevalent in the United States, but by no means limited to the world’s largest economy.

A Comeback for Trade

One year ago, there was little good news on the global economic and trade fronts. Global economic growth was slow and uneven—both within and between countries—with International Monetary Fund (IMF) global growth projections idling at 3.4 percent for 2017 on the heels of a stagnant global economic recovery. Indeed, 2016 marked the “slowest pace of trade and output growth [2.2 percent] since the financial crisis of 2009,” according to the WTO.

Data suggest that this trend has reversed in the second half of 2017. Due in part to stronger-than-expected growth in China, Japan, North America, and Europe, as well as bolstered consumer and business confidence and a stable financial environment, the IMF in October 2017 boosted its global growth projection to 3.6 percent in 2017 and 3.7 percent in 2018. Likewise, the WTO forecast for global trade growth surged two full percentage points to 3.7 percent in 2017.
As it became clear over time that the U.S. withdrawal from the TPP was the start of a more inward-looking U.S. trade policy, [Asia-Pacific economies] picked up the pieces and are now actively pursuing plurilateral and bilateral trade deals.

The Asia-Pacific region continues to be a bright spot on the global economic scene—in 2017, 9 of the 15 fastest-growing economies were in Asia. While the Asia-Pacific region accounted for less than 30 percent of global GDP in 2000, today it accounts for more than 40 percent. Economists agree that the region will continue to drive global growth for years to come. The Asian Development Bank (ADB) raised its growth projection in September 2017 for “Developing Asia” from 5.7 percent to 5.9 percent, noting its “cautious optimism” for an Asia-Pacific region stimulated by strong export demand. And, in the medium term, by 2025, new middle-class consumers from the Asia-Pacific will inject about USD $25 trillion into the global economy, accounting for half of the world’s total middle-class spending, according to the Brookings Institution.

Nevertheless, risks underlie global and regional economic growth and global trade projections. The WTO warns that factors such as monetary tightening, geopolitical tensions, the potential for restrictive trade policy measures, and costly natural disasters could undercut growth in global trade flows. With respect to global growth, the IMF warns of short-term risks, such as uneven growth across countries, below-target inflation in most advanced economies, and rocky adjustments from the drop in commodity prices. Additionally, the IMF asserts that this period of modest growth provides “an ideal window of opportunity” to help “boost potential output while ensuring [the] benefits [of growth] are broadly shared, and to build resilience against downside risks.” Importantly, the IMF goes on to note that a “renewed multilateral effort is also needed to tackle the common challenges of an integrated global economy.” Amid such uncertainty, there is no guarantee of continued growth and rising prosperity without forward-looking, inclusive frameworks and policies.

Trade Activity in Asia
Economies in the Asia-Pacific region continue to recognize the importance of trade and trade agreements in promoting economic growth, fostering job creation, spurring innovation, and attracting foreign direct investment. As a result, they have continued their quest for new markets despite some initial hesitation, particularly among TPP members, to charge ahead on trade agreements without the United States. However, as it became clear over time that the U.S. withdrawal from the TPP was the start of a more inward-looking U.S. trade policy, they picked up the pieces and are now actively pursuing plurilateral and bilateral trade deals within the region, and with major economies, such as that of the European Union (EU).

While some negotiations are still in the exploratory stages, and others were launched before the U.S. withdrawal from the TPP, the message is clear: Asia-Pacific economies will continue to lock in new markets through trade agreements, while the United States sits on the sidelines.

In addition to the CPTPP and RCEP, the following is an illustrative, but by no means exhaustive, list of free trade agreement (FTA) negotiations currently underway in the region:

- In December 2017, Japan and the EU announced the conclusion of the bilat-
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- In December 2017, Indonesia and Chile concluded a Comprehensive Economic Partnership Agreement after six rounds of negotiations, beginning in 2014.
- In November 2017, the Association of Southeast Asian Nations (ASEAN) and Hong Kong signed an FTA and investment agreement.
- In November 2017, Australia and Peru announced the conclusion of the Peru-Australia Free Trade Agreement negotiations, which began just six months earlier.
- In October 2017, Australia and Indonesia concluded their ninth round of negotiations for a potential Comprehensive Economic Partnership Agreement, with the aim of concluding the talks in 2018.
- Over the course of 2017, Canada and China have made steady progress on exploring the potential for an FTA; in November 2017, Canada released the findings from its domestic public consultations, reflecting Canadians’ views on significant opportunities and possible challenges associated with the potential FTA.
- In April 2017, China, Japan, and South Korea concluded the 12th round of negotiations of a trilateral FTA. The three countries began negotiations in November 2012 and hope to conclude the agreement as soon as possible.
- In May 2017, Australia and Hong Kong commenced negotiations on a bilateral FTA.
- In 2017, China and New Zealand held three rounds of negotiations to upgrade their bilateral FTA.
- In 2017, Australia, Canada, New Zealand, and Singapore each launched bilateral negotiations with the Pacific Alliance, after becoming “Associate Members” of the group.
- Having each completed the preliminary domestic and bilateral steps, New Zealand and Australia are each expected to launch FTA negotiations with the EU in early 2018.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership

One of the key recommendations of ASPI’s March 2017 trade policy report was to keep the TPP rules alive through unilateral actions and other trade agreements, which has largely occurred since then. For example, Vietnam has unilaterally pursued labor reforms and is implementing other reforms to state-owned enterprises (SOEs) to attract foreign direct investment. Meanwhile, TPP rules have factored into the renegotiation of NAFTA, with new provisions on SOEs, digital trade, and labor standards. Japan has also incorporated many TPP rules for inclusion into its deal with the EU, in areas such as investment, services, and intellectual property rights (IPR). Likewise, the scope of the China–New Zealand FTA, which the two countries are currently updating, is to include TPP-like provisions on competition policy and e-commerce. The recently completed FTA between Peru and Australia, too, incorporates TPP-like provisions on investment and financial services, as well as on digital trade.

Most importantly, however, the remain-
The remaining TPP countries have taken the initiative to advance the agreement without the United States. This process started in March 2017 in Chile, when it invited the other TPP countries, as well as South Korea and China, to a meeting to explore the possibility of moving ahead on the TPP. Following this meeting, a series of additional sessions were held among the TPP countries in Vietnam, Canada, Australia, and Japan to further these discussions. The process was bolstered in the spring of 2017 when Japan, which had initially been reluctant to move ahead on this initiative, assumed a leadership role, along with Australia and New Zealand. Subsequently, the TPP officials met on an almost monthly schedule in preparation for senior-level meetings on the margins of the November 2017 Asia-Pacific Economic Cooperation (APEC) meeting in Da Nang, Vietnam.

On November 11, 2017, the TPP countries announced an agreement on the core elements of the deal—under its new title, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—constituting a major step forward for trade in the Asia-Pacific region. Much of the original TPP agreement remains intact in the CPTPP, including market access commitments and its high-standard rules. However, the new agreement omitted 20 “suspended” provisions from the final text, including U.S.-championed issues such as data protection for biologics. The CPTPP countries also identified four issues that will require further work in the areas of services, state-owned enterprises, dispute settlement, and cultural provisions. The agreement’s prospects are encouraging, with CPTPP members aiming to sign the deal in the first quarter of 2018.

It is important to note that although the CPTPP will yield fewer benefits than the original TPP agreement (which included the United States), it is nevertheless economically meaningful. A study from the Peterson Institute for International Economics points out that the 11 countries would see income gains of USD $157 billion annually by 2030. Moreover, the study concludes that the inclusion of five additional economies in a potential “TPP-16” would generate even larger economic gains for its member economies than the original TPP would have, by approximately USD $40 billion.

With this in mind and with the objective of advancing regional economic integration, the CPTPP countries have an important opportunity to seize on their momentum and start accession discussions with interested candidates, such as South Korea, as soon as possible. Other APEC members that have expressed interest in the past include Indonesia, the Philippines, and Thailand. Another strong candidate is Colombia. As a member of the Pacific Alliance, Colombia is set to negotiate FTAs with the group’s new associate members: Australia, Canada, New Zealand, and Singapore—all of which are CPTPP members. Finally, an additional candidate worthy of consideration is the United Kingdom, the world’s ninth-largest economy and a key center for international finance. While not an Asia-Pacific country itself, the UK appears keen to ink trade deals with trading partners around the world, and particularly in the Asia-Pacific region, once Brexit negotiations are complete.
Shifting Trade Winds: U.S. Bilateralism & Asia-Pacific Economic Integration

November 14, 2017, RCEP leaders announced their agreement to “intensify efforts in 2018 to bring the RCEP negotiations to conclusion.”

Status of the Regional Comprehensive Economic Partnership

Complementary to the TPP’s aim to advance trade liberalization while bringing greater predictability, efficiency, and growth to the region’s economies is the ASEAN-led Regional Comprehensive Economic Partnership (RCEP). Covering almost half of the world’s population and nearly 30 percent of global GDP, RCEP holds great promise, particularly for developing countries in the region that will play an increasingly important role in the global economy.

The March 2017 ASPI trade policy report recommended that RCEP members, in line with RCEP’s own principles and objectives, negotiate a high-quality agreement and not be tempted to adopt the lowest common denominator approach. Negotiations since then seem to have generally taken this course.

RCEP members had hoped to ink an agreement, at least in principle, by the November 2017 ASEAN Summit in the Philippines. Though RCEP leaders were eager to meet this deadline—which marked the 50th anniversary of ASEAN’s founding—outstanding issues proved too difficult to overcome to meet the goal. Paramount among these issues was market access, and participants are still trying to agree on a framework for tariff reductions and elimination. Other difficulties presented themselves in areas such as rules on investment, IPR, and e-commerce. Some participants pressed for high standards, while others, in order to expedite the process, remained comfortable with less rigorous disciplines that could be strengthened over time. As a result, on November 14, 2017, RCEP leaders announced their agreement to “intensify efforts in 2018 to bring the RCEP negotiations to conclusion.”

Reshaping Existing Agreements

As the Asia-Pacific region and, indeed, the rest of the world proceed with negotiations aimed at opening new markets, U.S. efforts are largely focused on revisiting and revising existing agreements that the current administration perceives to be “unbalanced” or “unfair.” Moreover, the United States has also not ruled out withdrawing from such agreements, should negotiations fail.

A key fixture of President Donald Trump’s 2016 election campaign rhetoric—the renegotiation of NAFTA—quickly became a centerpiece of his administration’s trade policy. Renegotiations were formally launched in August 2017 and successive negotiating rounds have proceeded at a rapid pace. Progress has been made in areas such as competition policy, customs and trade facilitation, digital trade, and regulatory practices. But other areas, including rules of origin, government procurement, dispute settlement, and the so-called sunset clause (which would terminate the agreement after five years, unless each country agrees otherwise) are presenting serious challenges, as they are, in many respects, unprecedented—or in some cases seem to backtrack from earlier commitments. Despite the aim to conclude these talks by the end of 2017, the trade ministers of all three countries have agreed to continue the negotiations through the first quarter of 2018.

The United States is also engaging with South Korea to fix what it perceives to be the unbalanced and unfair nature of the
The fates of both NAFTA and KORUS will have major implications for the region, and Asian economies are closely watching how these talks evolve.

The fates of both NAFTA and KORUS will have major implications for the region, and Asian economies are closely watching how these talks evolve. Developments in these negotiations will inevitably weigh into other countries’ considerations about entering into future trade negotiations with the United States.

**Backlash against Trade**

The rising backlash against trade and globalization—perceived as the causes of job losses, stagnant wages, and income inequality—is on the rise in the Asia-Pacific region. Indeed, even New Zealand, one of the original four members of the TPP’s precursor agreement, the P4, and a country with historically positive attitudes toward free trade, is questioning the merits of one of the TPP’s core provisions—investor-state dispute settlement (ISDS).

Moreover, trade has become increasingly politicized, not only on the domestic front, but also at international gatherings. Historically, group statements announcing the outcomes of ministerial and leaders’ meetings of APEC, the G7, the Organization for Economic Cooperation and Development (OECD), and the G20 were largely routine, non-controversial affairs that espoused shared values of transparency and accountability, resisting protectionism, and supporting the multilateral trading system. In recent months, however, these principles have been subjected to heated debate, and the negotiations around drafting statements have become increasingly contentious affairs. In 2017, these tensions were manifest in the U.S. decision to twice issue separate statements to stress the importance of “free and fair” trade and reciprocity—at the APEC Ministers Responsible for Trade Meeting in May in Vietnam and the June OECD Ministerial Council Meeting in Paris.

Internal divisions notwithstanding, the drafting of these statements consumes time and resources often at the expense of pursuing concrete initiatives. Moreover, it is unclear what they accomplish as their shelf life is typically limited. The growing number of multilateral statements denouncing protectionism seems to raise questions of their credibility and efficacy.

To help build support for trade agreements, policymakers should more effectively communicate their benefits, while also proactively pursuing domestic policies, including robust adjustment assistance, retraining, and education programs. Moreover, it may be time for policymakers to rethink certain traditional disciplines of FTAs. In particular, they could focus on aspects that have become the most polarizing and, substantively, do not necessarily generate sufficient positive impact to justify this degree of divisiveness. In this regard, no provision has been as controversial and polarizing in so many economies involved in trade negotiations as ISDS. 21

ISDS has recently been subject to major reconsideration around the world. The EU, for example, has proposed that investment protection be carried out at the international level by a single arbitration body—the
No provision has been as controversial and polarizing in so many economies involved in trade negotiations as investor-state dispute settlement (ISDS).

Multilateral Investment Court,” the eventual establishment of which is referred to in the EU’s FTAs with Vietnam (negotiations concluded December 2015) and Canada (provisionally entered into force September 2017). In the meantime, the Canada-EU FTA (CETA) establishes, on a bilateral basis, a new “investment court system” that substantially departs from the ISDS model. At the same time, the Trump administration is asking NAFTA partners to consider a new “opt-in/opt-out” approach that would allow each of the three NAFTA countries to decide whether or not to adopt the provision. Other countries, including Australia and New Zealand, are also considering how to deal with the complexities of this issue.

Although the ASPI Trade Forum members, at this time, are not in a position to assess the merits of each approach, as well as other ideas that have been proposed to address concerns in this area, they recognize the necessity for governments to balance these views with the need for durable investor protections. They note that ISDS and potentially other long-standing provisions of FTAs are worthy of reconsideration, particularly if doing so would help rebuild support for trade.

Regional vs. Bilateral Agreements

Regional trade agreements offer the best path forward to liberalize trade, raise standards, and promote broad reforms. Nevertheless, bilateral agreements have merit and will continue to remain an important feature in the global trading system. Moreover, the Trump administration’s preference for bilateral agreements is clear. Indeed, in a speech to the APEC CEO summit in November 2017, President Trump affirmed that the United States will “make bilateral trade agreements with any Indo-Pacific nation that wants to be our partner” but will “no longer…enter into large agreements that tie our hands.” In pursuing such agreements, countries should ensure they are comprehensive, incorporate high standards, are WTO consistent, are as compatible as possible with other high-standard deals to avoid the “noodle bowl” of conflicting and overlapping agreements, and enumerate transparent and clear access provisions and procedures to encourage greater regional integration.

If the United States is not interested in entering into a comprehensive regional agreement such as the TPP, it may be useful for trade officials in the region, including those in the United States, to consider pursuing an issue-specific regional agreement. A clear and compelling choice would be on digital trade, which is currently experiencing extraordinary growth in Asia, a region which accounts for almost 40 percent of global e-commerce transactions.

The rapid expansion of digital trade has been a major driving force of the region’s economic dynamism and competitiveness across all sectors, including manufacturing. According to the Office of the U.S. Trade Representative, the U.S. manufacturing sector creates more data—which is generated at each link in the value chain—than any other sector of the economy. By significantly reducing transaction costs, digital trade has opened the door for businesses of all sizes, and particularly small and medium-sized enterprises (SMEs), to participate in international trade and explore opportunities in new markets.
Asia-Pacific economies, eager to reap the gains of trade, are continuing to actively pursue free trade deals among themselves.

Without a regional framework of rules governing digital trade, the full potential of its surging growth may not be realized. Policymakers in the region face a difficult task of designing regulatory frameworks that encourage growth and innovation while protecting privacy and security. At present, these frameworks are still in flux, providing an opening for regional rules and principles to help shape the region’s approach to digital trade.

The Path Forward: Findings and Recommendations

ASPI Trade Forum members continue to believe that further economic integration in the region is critical and note that Asia-Pacific economies, eager to reap the gains of trade, are continuing to actively pursue free trade deals among themselves. Regional actors are encouraged to conclude high-standard and inclusive deals to chart the best path forward to liberalize trade, raise standards, and promote broad reforms. In that spirit, Trade Forum members welcome the November 2017 announcement that TPP member countries reached an agreement on the “core elements” of the CPTPP. At the same time, ASPI Trade Forum members suggest that the United States step up its economic engagement in the region and augment its focus on reshaping existing agreements with initiatives to open new markets. With these objectives in mind, Trade Forum members offer the following findings and recommendations:

1. To reap the well-documented benefits of the CPTPP, member countries should reach final agreement on, bring into force, and implement the deal without delay.

- CPTPP members should be prepared to conclude the agreement without all 11 partners if necessary.
- Additional countries should be encouraged to join the agreement as soon as is practicable, particularly those that had expressed interest in the original TPP, such as South Korea. Non-APEC members, such as the United Kingdom and Colombia, are also worthy of consideration.
- Member countries of the CPTPP should establish transparent and clear accession provisions and procedures to better facilitate future expansion of the agreement.
- The United States, a member of the original Trans-Pacific Partnership, will hopefully reconsider joining the agreement at the appropriate time.

2. RCEP is nearing completion, and members should use the momentum from the conclusion of CPTPP to push for the successful negotiation of a high-standard RCEP agreement.

- RCEP members should work to increase the level of ambition in market access commitments and agree to high-standard rules in line with the principles and objectives they established at the outset of the negotiations.
- Those RCEP members that already have high-quality market access offers on the table are encouraged to move quickly to conclude the agreement with the understanding that others will eventually be able to match the standard of the agreement.
3. Regional trade agreements offer the best path forward to liberalize trade, raise standards, and promote broad reforms. However, bilateral agreements have merit as well.

- Should Asia-Pacific economies pursue bilateral agreements, they should aim for high standards and consistency.
- Bilateral trade agreements should be consistent to avoid the “noodle bowl” of conflicting and overlapping trade agreements, promote FTA utilization, and leave the door open for integration among agreements in the future.
- Before officially entering into bilateral trade negotiations, countries should hold consultations to ensure a clear understanding of each economy’s expectations and constraints so there are reasonable prospects for a successful negotiation.

4. Regional actors should consider pursuing the negotiation of a stand-alone regional agreement on an issue-specific basis, such as digital trade.

- The digital sector and related regulatory frameworks are still evolving, providing a unique opportunity to policymakers to establish a flexible regulatory framework for regional digital commerce that encourages trade, growth, and innovation while protecting privacy and security.
- Digital technologies play an increasingly vital role in enabling broader trade in manufactured and agricultural goods, as well as services. By significantly lowering barriers to entry, they make it easier for SMEs in particular to participate in, and benefit from, regional commerce.

5. Should countries wish to reshape existing agreements, the resulting renegotiations or amendments should focus on updating rules and improving market access, rather than weakening previous commitments.

- Asia-Pacific economies, and indeed the rest of the world, are closely watching the NAFTA renegotiations and the KORUS amendment process to gain a better sense of U.S. negotiating priorities and approaches. Developments in these negotiations will inevitably weigh into countries’ considerations of entering into future trade negotiations with the United States.

6. Policymakers in the region and around the world must increase efforts to build support for trade.

- Now is the time to explore other methods to protect foreign investments that are effective but less polarizing. Certain long-standing provisions of trade agreements, specifically ISDS, are worthy of reconsideration, particularly if doing so would help rebuild support for trade.
- Countries should focus on the positive elements and benefits of trade and encourage countries to reduce the rhetoric surrounding trade by not labeling others as protectionist and unfair traders, recognizing that no country has a perfect record on trade.
At the same time, countries should forthrightly acknowledge that while trade’s positive impacts are extensive and broadly shared, not everyone benefits from a globalized economy. Countries should pursue both regional solutions and domestic policies to address such concerns.

Conclusion
As 2017 began, the course of trade and investment in the region was at a crossroads. By following one road, Asia-Pacific economies could work to promote high standards and inclusiveness in trade agreements, drive forward regional economic integration, and build support for trade agreements. Or, on the other, they could capitulate to forces calling for greater protectionism and isolationism, becoming less open and integrated, upsetting the regional economic and security balance.

Now, at the start of 2018, it is clear that the Asia-Pacific region has chosen the first path, albeit without the United States. Should the region continue to liberalize and prosper through regional economic integration, the United States may wish to step up its engagement and become a leader once again. ASPI Trade Forum members would strongly welcome that outcome.

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ENDNOTES

1 This March 2017 report was authored by the ASPI Independent Commission on Trade, composed of Wendy Cutler (chair), Choi Seokyoung, Gregory Domingo, Peter Grey, Shotaro Oshima, Mari Elka Pangestu, and Wang Yong. The ASPI Trade Forum members are appreciative of their efforts to lay the foundation for this issue paper.

2 The remaining TPP countries are: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

3 The members of RCEP are: Australia, Brunei Darussalam, Cambodia, China (PRC), India, Indonesia, Japan, Republic of Korea, Lao PDR, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Thailand, and Vietnam.

4 The members of the Pacific Alliance are: Chile, Colombia, Mexico, and Peru.


8 Ibid.


18 The five additional economies mentioned in this study as potential “TPP-16” members are: Indonesia, Korea, the Philippines, Taiwan, and Thailand.


21 Using ISDS, foreign investors can sue host governments through an international arbitration panel if they believe that their rights under the agreement have been violated.
