APTIAD BRIEFING NOTE

DECEMBER 2013

Asia-Pacific Trade Agreement: Promoting Trade, Investment and Business Linkages[1]

Introduction: Road from Bangkok Agreement to Asia Pacific Trade Agreement

The Asia-Pacific Trade Agreement (APTA)[2] was known as the Bangkok Agreement until November 2005 in accordance with the location of its signing in 1975. It is the oldest preferential trade agreement among developing countries of the Asia-Pacific region that aims at promoting South-South regional trade through exchange of mutually agreed concessions by member countries. APTA was signed before the agreement on Enabling Clause Decision of the GATT was agreed upon in 1979. The original Participating States were Bangladesh, India, Lao PDR, Philippines, Sri Lanka, Thailand and Republic of Korea. However, Philippines and Thailand refrained from ratifying the Agreement since during the same period they were involved in negotiating the Association of Southeast Asian Nations (ASEAN) Trade Arrangements which were signed in February 1977.[3]

The objectives of APTA, as stipulated in Article 2 of the revised text, "are to promote economic development through a continuous process of trade expansion among the developing member countries of ESCAP and to further international economic cooperation through the adoption of mutually beneficial trade liberalization measures consistent with their respective present and future development and trade needs". In order to achieve these objectives, the Participating State agreed to establish a trade expansion programme among their respective countries on a multilateral basis within the framework of the agreement.

By 2013, three full rounds of APTA negotiations have been completed. The first round of negotiations was concluded in 1975, leading to the signing of the original agreement by the Participating State. The second round of negotiations started in 1984 and concluded in 1990 while the third round of negotiations started in 2001 and concluded in 2003. During the third round, the agreement was revised and common rules of origin were adopted. This was a departure from the previous arrangements, where there were no common or harmonized rules of origin and each Member was free to adopt its own rules of origin to allow preferential imports. This caused some hardship to the exporters as they were to meet different obligations for getting preferences under the Agreement. The implementation of the third round concessions started only from 1 September 2006.

[1] This note was prepared by Jing Huang, Jun Ho Shin, Rajan Sudesh Ratna, and Joong-Wan Cho who are of the Trade and Investment Division, ESCAP. The views expressed in this paper are of authors and may not necessarily reflect the views of the United Nations and ESCAP and their members. Without implicating them, the authors are grateful to Ravi Ratnayake and Mia Mikic for their valuable inputs and to Teemu Alexander Puutio and Panit Buranawijarn for assistance in copy editing and formatting.
[2] ESCAP's Trade and Investment Division functions as APTA's Secretariat.
[3] Subsequently converted to ASEAN Common External Preferential Tariff (CEPT) Scheme on 28 January 1992.

The Membership of APTA is open to all the developing members of ESCAP and the members are officially known as ‘Participating States’. China acceded to APTA in 2001 and Mongolia finalized accession negotiation in October 2013.

APTA negotiation framework

The Ministerial Council is the highest decision-making body of APTA. It provides overall policy direction for the future negotiating agenda of the Agreement, as well as supervision and coordination of the implementation of the Agreement. The Council meets at least once every two years. The following Ministerial Council meetings have been held:

Table 1: Highlights of APTA Ministerial Council meetings

Ministerial Council	Date and Venue	Important decisions
First	2 November 2005 (Beijing, China)	i) To adopt the revised text of the Bangkok Agreement and renaming it as Asia Pacific Trade Agreement (APTA). ii) To approve the results of the third round negotiations on tariff concessions. iii) Adopted a common Rules of Origin for all the Participating States.
Second	26 October 2007 (Goa, India)	i) Adopted a common set of Operational Procedures for the Certification and Verification of the Origin of Goods under APTA. ii) Reviewed the implementation of the Third Round results. iii) Launched the Fourth Round of negotiations and directed the Standing Committee to further widen product coverage and deepen tariff cuts; iv) Agreed to discuss and negotiate agreements areas of non-tariff measures, trade facilitation, services and investment.
Third	15 December 2009 (Seoul, Republic of Korea)	i) Framework Agreements on Trade Facilitation and on Promotion, Protection and Liberalization of Investment were signed. ii) Commenced negotiations on sectoral agreements on rules of origin. iii) Facilitated the accession talks with Mongolia in order to expedite its accession in 2010.
Fourth	2014 (Tentative) (Bangkok, Thailand)	

The Standing Committee, consisting of the representatives of Participating States, is delegated with the responsibility of reviewing the application of APTA carrying out consultation making recommendations and taking decisions as required, and, in general, undertaking whatever measures may be required to ensure the adequate implementation of the objectives and provisions of APTA.

Preferences under APTA

APTA preferences are available if an export product complies with the Rules of Origin which prescribes for 45 per cent local value added content for developing Participating State and 35 per cent for a least developed country Participating State. There is also a provision of cumulation which prescribes that the aggregate content originating in the territory of the Participating State is not less than 60 per cent of its free on board (f.o.b) value (50 per cent for least developed country Participating State).

Developments after Third Round

In the three completed rounds of liberalization negotiations, Participating States have exchanged tariff concessions which lead to reduced rates for customs duties applied on identified import products. The first round of negotiations led to tariff concessions on a very limited number of items with a total of 104 products on the concession lists of the five Participating State. After the second round, concessions were offered on a total 1,271 products with the average margin of preference (MOP) [4] of 21.6 per cent. The least developed countries are granted concessions on a higher number of items with a better MOP. The third round covered concessions on 4,270 products with MOP of 26.8 per cent. Least developed country Participating States of APTA were granted concessions on additional 587 products with a higher MOP of 58.8 per cent.

As the items on which concessions are made available have increased progressed APTA has become more attractive for the business community. The next section also examines this aspect if the trade on concessional items have increased or remained static.

The second Ministerial Council which was held in Goa, India in 2007 announced the fourth round of negotiations and the efforts to expand the membership of APTA. The Participating States decided to follow a different modality than the conventional request and offer approach, which is usually followed in the PTA negotiations, and decided to instate a minimum level of product coverage as well as an average level of MOP.

The third Ministerial Council meeting was held in Seoul, Republic of Korea in 2009 where the Framework Agreements on Trade Facilitation and on Promotion, Protection and Liberalization of Investment were signed. Subsequently, in 2011 the Framework Agreements on Services was signed.

In 2012 for the fourth round of negotiations, the Participating States agreed to exchange their final offer with coverage of 28 per cent national tariff lines with an

---

[4] "Margin of preference" means the percentage difference between the Most-Favoured-Nation (MFN) rate of duty and the preferential rate of duty for the like product, and not the absolute difference between those rates. Thus,

$$\frac{\textit{MFN duty–tariff rate conceded under the Agreement)}}{\textit{MFN duty}} \times \textit{100 (per cent)} = \textit{Margin of preference}$$

average MOP of 33 per cent. Under this modality, more than 10000 products will be covered under tariff concessions with an average MOP of 33 per cent. This will have greater impact on the intra-APTA trade. As mentioned above, Bangladesh and Lao PDR have been benefiting from additional tariff concessions due to special and differential concession provisions under APTA as the only two least developed countries in APTA.

The Standing Committee of APTA at its forty-second session (26th October 2013) reached a consensus on welcoming Mongolia as the seventh Participating State of the agreement[5] and made progress in concluding the fourth round. In October 2013 the Participating State announced the completion of their internal ratification process on Framework Agreements on Services, Investments and Trade Facilitation. This now paves the way for initiating negotiations on these issues.

The negotiations on product specific rules are continuing whereby on a several products the criteria of Change in Tariff Heading (CTH) is likely to be accepted in addition to the value added content rule. This is expected to ease trade on items where the prescribed value added cannot be achieved.

The fourth Ministerial Council Meeting is scheduled to be held in Bangkok, Thailand in March 2014 where a decision on conclusion of fourth round negotiations and launching of negotiations on Services, Investments and Trade Facilitation will be taken. The Ministers will also formally vet Mongolia's accession to APTA, whereupon Mongolia will submit its instrument of accession to the ESCAP.

---

[5] See more details in News Number: G/54/2013, Incheon, Republic of Korea--ESCAP/SRO-ENEA available at http://www.unescap.org/news/apta-welcomes-mongolia-its-seventh-member

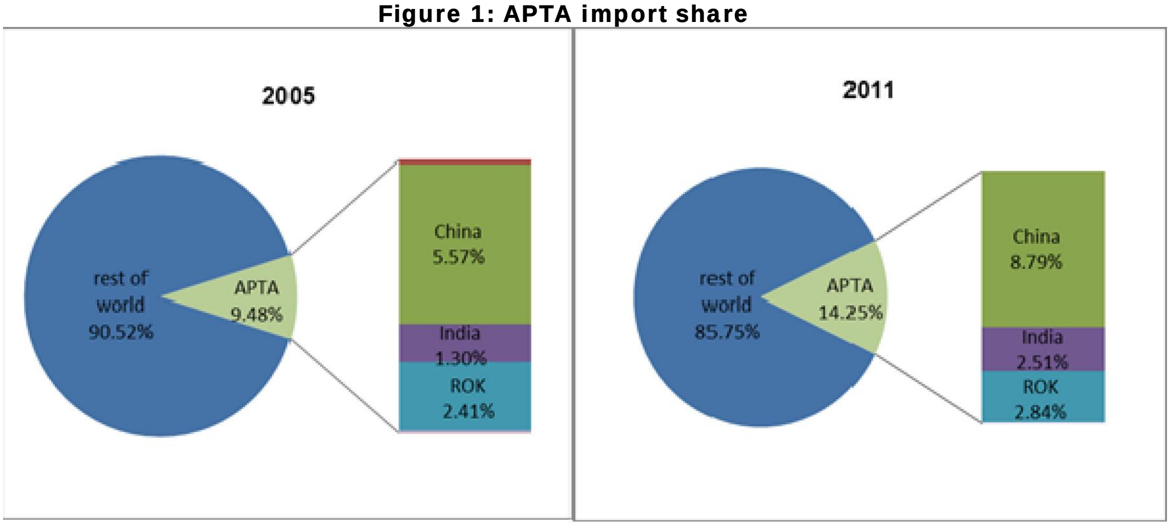
Table 2: APTA Tariff Concession – Comparing the concessions after second round or tariff liberalization

Concession Offering Country	After Second Round				After Third Round				Fourth Round HS2007			
	No. of Products	MOP (per cent)	No. of Products for LDCs	MOP for LDCs(per cent)	No. of Products	MOP (per cent)	No. of Products for LDCs	MOP for LDCs(per cent)	No. of Products	MOP (per cent)	No. of Products for LDCs	MOP for LDCs(per cent)
Bangladesh	129	14	-	-	209	14.1	-	-	577	21.89	4-LAOS	30
China	902	15.4	18	55.1	1,697	26.7	161	77.9	2113	33.05	161	77.9
India	188	52.6	33	32.2	570	23.9	48	39.7	3241	32.98	48	64.75
Rep of Korea	214	30.3	29	38.2	1,367	35.4	306	64.6	2774	33.35	938-BLD 928-LAOS	94.59-BLD 94.49-LAOS
Sri Lanka	288	17.8	32	14	427	14.0	72	12	Awaited			
Lao PDR	-	-	-	-	-	-	-	-	949	30.13	-	-
Mongolia	-	-	-	-	-	-	-	-	338	23.83	-	-
Total	**1,721**	**21.6**	**112**	**32.2**	**4,270**	**27.2**	**587**	**59.8**	**9,992**	**32.2**	**1151**	**89.74**

Trade among APTA Participating State is Increasing

An analysis of overall imports of APTA Participating States from the world and each other was done for the period 2005 and 2011 to examine the share of intra-APTA imports. It was found that intra-APTA imports share increased from 9 per cent to 14 per cent (from US $10290 billion to US $26273 billion respectively) from 2005 to 2011. This increase in share by 5 percentage points can be broken down into increased share by China (3 percentage points), and the Republic of Korea and India (both 1 percentage point) (figure 1).

Figure 1: APTA import share

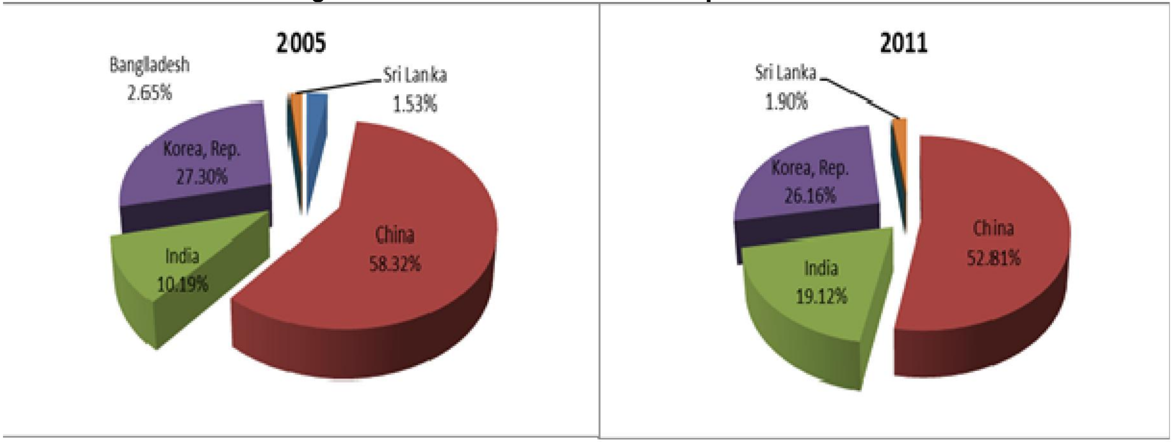


Source: Authors compilation on the basis of WITS database; the data for Lao PDR and Bangladesh were not available for 2011.

Examination of the import shares data from among the Participating States of APTA, it was observed that China's share as exporter to other APTA Participating States declined by 5 percentage points and the Republic of Korea by 1 percentage point whereas India's share increased by 9 percentage points[1].

[1] The increase in share of India can also be on a higher side as the data of Bangladesh and Lao PDR for 2011 were not available

Figure 2 Share of intra-APTA import share

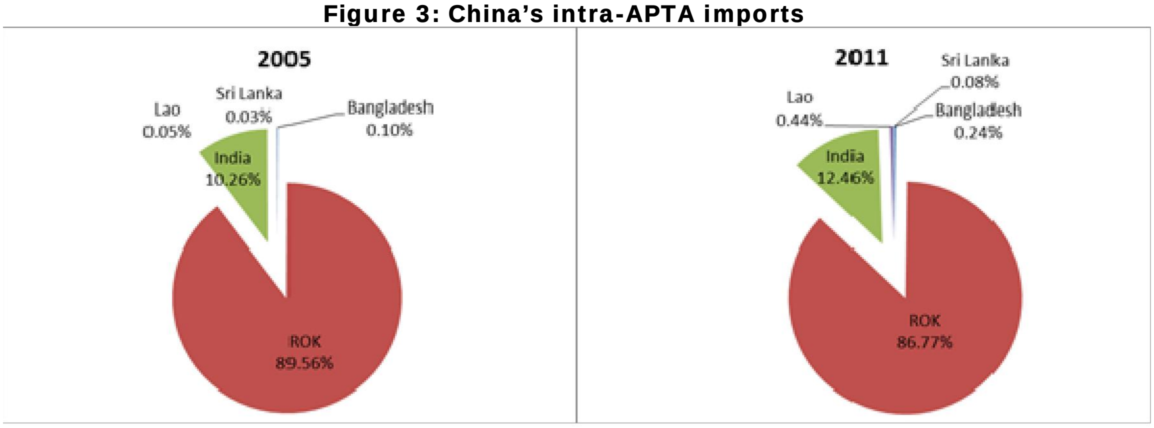


Source: Authors compilation on the basis of WITS database; the data for Lao PDR and Bangladesh were not available for 2011.

Since the total intra-APTA trade above is largely impacted by high value of trade of China, India and the Republic of Korea; an analysis of imports of individual countries was done to examine the total intra-APTA import patterns. The following was observed:

(i) China's import from APTA Participating States was 11.5 per cent of its total global import in 2011, a decline from a share of 14.3 per cent for year 2005. The data also shows that APTA Participating States were not able to expand their market in China as China's import growth from APTA Participating States was less (17per cent) than its global import growth of 22 per cent during 2005-2011. In 2011, the Republic of Korea was the largest exporter to China catering to 87 per cent of China's imports from APTA, however this was 3 percentage points lower than in 2005 and this loss in share of the Republic of Korea was gained by India.

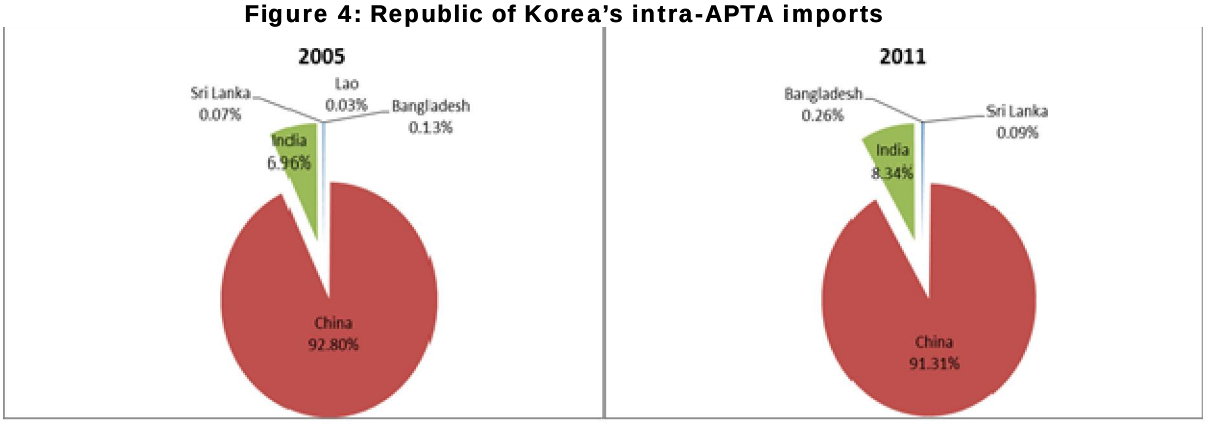
Figure 3: China's intra-APTA imports



Source: Authors compilation on the basis of WITS database; the data for Lao PDR and Bangladesh were not available for 2011.

(ii) Republic of Korea sourced 18 per cent of its global import from APTA in 2011 which was higher than its imports in 2005 (intra-APTA import share of 15.6 per cent). For the same period the Republic of Korea's import growth from APTA (18 per cent) was higher than its global imports growth of 15 per cent. China was the largest exporter to Republic of Korea, however, during the period 2005 to 2011 China's market share declined by 2 percentage points, which was gained by India.

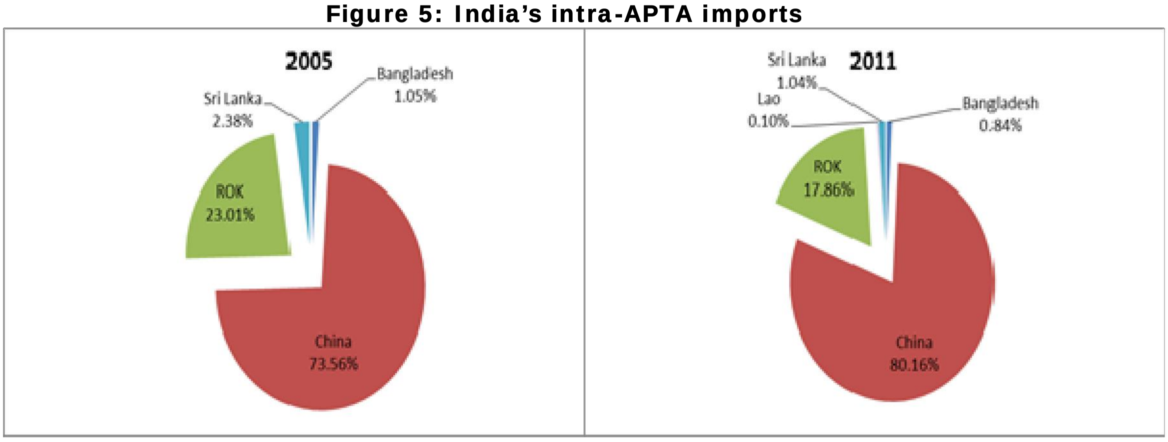
Figure 4: Republic of Korea's intra-APTA imports



Source: Authors compilation on the basis of WITS database; the data for Lao PDR and Bangladesh were not available for 2011.

(iii) India's import share from within APTA has seen an increase from 10.8 per cent to 15 per cent from 2005 to 2011. India's intra-APTA imports had also seen a higher growth of 35 per cent as against the global import growth of 27 per cent during the period 2005-2011. China remained the largest supplier to India within the APTA with an increase in its share by 6 percentage points, whereas the Republic of Korea and Sri Lanka saw their share decline by 5 and 1 percentage points respectively from 2005 to 2011.

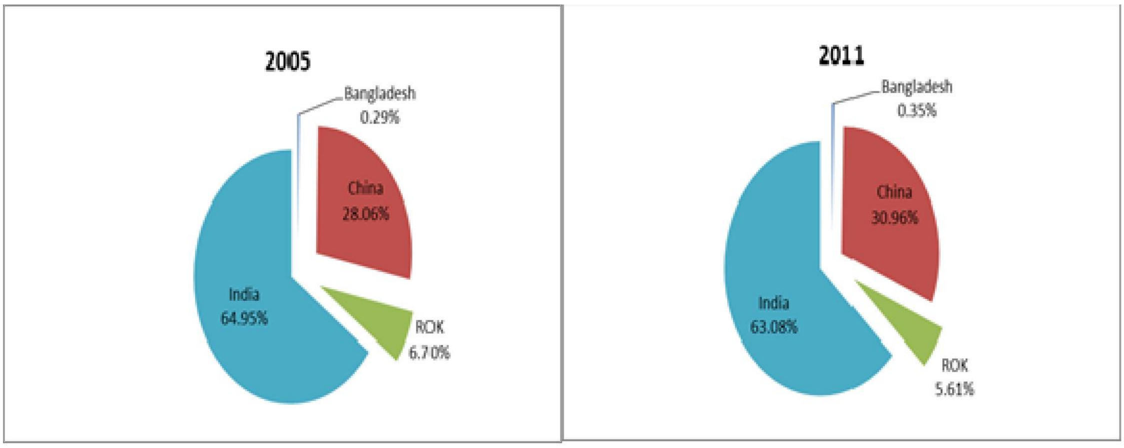
Figure 5: India's intra-APTA imports



Source: Authors compilation on the basis of WITS database; the data for Lao PDR was not available for 2011.

(iv) Sri Lanka's import share from APTA also saw a rise from 27.5 per cent in 2005 to 35 per cent in 2011. During the period, the intra-APTA import growth was higher (25 per cent) than its global import growth (19 per cent). India takes over half of Sri Lanka's imports from APTA Participating States however the share declined by 2 percentage points from 2005 to 2011 and China's share increased by 3 percentage points. It may also be worth noting that India and Sri Lanka have a bilateral free trade agreement and the possibility of higher share due to this agreement cannot be ruled out.

Figure 6: Sri Lanka's intra-APTA imports



Source: Authors compilation on the basis of WITS database; the data for Lao PDR and Bangladesh were not available for 2011.

Intra–APTA Imports under the Third Round

While the above section examines the intra-APTA total MFN trade, an analysis on imports on items which are included in each country's concession list is important, as this would provide how trade is taking place on APTA concession items. Since the fourth round negotiations have not been implemented, at present the tariff concessions are available only on the items from the third round. Import analysis of the items on which tariff concessions have been implemented was done for each APTA Participating State to see the trends. Participating States have given concessions on 6, 8 or 10 digit HS levels, however since the WITS data is only available at 6 digit HS level, this analysis takes import data at 6 digit HS level using HS 2002 and HS 2007. However this methodology has certain limitations: the data covers both the preferential and non-preferential imports (as the preferential data is not available separately), hence the analysis relates to total imports at 6 digit HS. At the same time, China and the Republic of Korea have given concessions at 8 and 10 digit HS levels. These items have also been converted to 6 digit HS lines and thus there is an exaggeration of the import data and therefore there could be a bias in the data analysis. This analysis only indicates the opportunities and coverage of trade under APTA in the scenario of full utilization of concessions under APTA. The detailed import figures of the APTA Participating States for the years 2005 and 2011 are at Annex – 1 (Annex Tables 1 to 4). The analysis revealed the following:

(i) China has given tariff concessions on 1,679 items (at 8 digit HS level) to all the Participating States. The total import from APTA Participating States was 15.7 per cent of China's global imports on these items during 2011 which has declined from 16.6 per cent in 2005 (which was due to a decline in share of the Republic of Korea in 2011). Among the APTA Participating States, the Republic of Korea is the biggest exporter to China having its exports on 1502 items (covering 97 per cent of China's imports under APTA concessions) in 2005. However, this declined to 96 per cent in 2011 (also with a reduction in number of items to 1423 under China's APTA concessions). For all other Participating States marginal increase was seen on both: the total number of items under APTA concessions as well as their share. On the items which are offered under concessions under APTA, China's global imports showed a growth of 16per cent from 2005 to 2011, however, the growth in imports on these items from APTA Participating States was higher; the highest from Lao (47 per cent) followed by Bangladesh (44 per cent) and Sri Lanka (32 per cent).

(ii) Republic of Korea has given tariff concession on 1,367 items at 10 digit HS level to all the Participating State. The total share of APTA in The Republic of Korea's global imports was 17.1 per cent in 2011 which was at the same level in 2005. China is the largest exporter to the Republic of Korea on APTA concession items covering 98 per cent in the Republic of Korea's imports from APTA Participating States (with exports on 1,329 items) with a marginal reduction in 2011. For other Participating States marginal increase was observed in their share as well as total items' exports. On these items while the global import growth was seen as 15 per cent (during 2005-2011), imports growth from Lao PDR was 106 per cent, Bangladesh was 29 per cent, Sri Lanka was 26 per cent, India was 21 per cent and China was 14 per cent.

(iii) India has given tariff concessions on 570 items at 6 digit HS level to all the Participating States. The share of APTA in India's global imports increased from 9.2 per cent in 2005 to 13.5 per cent in 2011, which was mainly due to increase in share of China on APTA concession items from 7.2 per cent to 11.3 per cent for 2005 and 2011 respectively. China is the largest exporter to India on these items covering intra-APTA share of 78 per cent in 2005 (with imports on 438 items), which increased to 84 per cent in 2011 (with a marginal increase on items to 445). The Republic of Korea was the second largest exporter and while the total number of items exported to India increased (from 319 to 387), its intra-APTA share declined (from 17 per cent to 12 per cent). Similarly Sri Lanka also saw an increase in export of number of items but a decline in its intra-APTA share was observed. Bangladesh and Lao PDR saw increase in exports: both in terms of value and number of items to India from 2005 to 2011. On APTA concession items, the global import growth during 2005-2011 was 26 per cent. On these items the growth in imports from Bangladesh was 52 per cent, China was 38 per cent and The Republic of Korea was 28 per cent. Sri Lanka was the only country which saw a lesser growth of 19 per cent.

(iv) Sri Lanka has given tariff concessions on 427 items (at 8 digit HS level). Sri Lanka's import on APTA concession items has increased from 30.1 per cent in 2005 to 38.2 per cent in 2011 which was due to increase in China's share from 8 per cent to 15 per cent. In 2005 among the APTA Participating State, India took the largest part of Sri Lanka's intra-APTA import taking over 58 per cent share (covering more than 338 items), however India's share declined to 11per cent in 2011. During this period, China saw its share increase from 29 per cent to 48 per cent as well as the Republic of Korea from 12 per cent to 40 per cent in years 2006 and 2011. On APTA concession items, the global import growth during 2005-2011 was 17 per cent, which is less than the import growth from all individual APTA Participating State. On these items the growth in imports from Bangladesh was highest (38 per cent) followed by China (33 per cent), the Republic of Korea (21 per cent) and India (18 per cent).

It is clear that the tariff concessions can enhance the market access opportunities within APTA which is apparent due to higher growth in imports on APTA concession items vis-à-vis global import growth on these items during 2005-2011. It is also worth noting in terms of value and number of items the total trade within APTA Participating States has seen a rise during 2005 to 2011; the APTA Participating

States' share (as a grouping) in China and the Republic of Korea global imports was stagnating, whereas in case of India and Sri Lanka the share of APTA in global imports has increased due to rise in shares of China and the Republic of Korea. Therefore, the chance of enhancing trade with inclusion of more items in the APTA tariff concession list is much higher. In view of these facts, it is expected that with the implementation of fourth round negotiations the intra-APTA trade will also increase as well as APTA's share to the global imports, which would be due to the fact that China and India are seeing high growth in imports in this region, even during the period of global economic recession.

The total exports of the least developed country Participating States on APTA concession items, not only in terms of number of items but the value as well has seen a rise during 2005 to 2011, which means that the product diversification has taken place and the supply side constraints are being addressed, although in a limited way. For example, Bangladesh exports saw new items being exported to APTA Participating States which included fish, yarn, cotton knitted and crocheted garments and made ups. Similarly some of the new items that Lao PDR was able to exports were coffee, wood, rubber, garments etc.

However, APTA still suffered from a low volume of trade which could be due to still a high value added criteria (in most of the PTAs in the region the value added in 40 per cent but APTA has 45 per cent value added content and for least developed countries it is 35 per cent) and low margin of preferences. Given the fact that most of the countries in APTA now have lowered their MFN duties, the tariff concessions in terms of lower MOP are not meaningful to promote concessional trade.

The Way Forward

APTA is the only operational RTA linking China and India, two locomotives of economic growth with a consumer base of 2.4 billion people. After the conclusion of fourth round negotiations the list of items on which tariff concessions will be expanded to cover more than 10,000 items with a deeper MOP. The Rules of Origin are simpler and easier to operate compared to other RTAs in the region. APTA is now expanding to include other important areas such as Services, Trade Facilitation, and Investments. As it is spanning East, Southeast and South Asia, APTA has the potential to extend to other sub-regions of ESCAP (such as North/Central Asia and the Pacific). Asia and the Pacific is the world's most dynamic trading region and has shown a greater resilience even during the recent global economic recession. APTIR (2011) observed that while world was struggling for a full recovery, trade in Asia and the Pacific already returned to the pre-crisis level, which was due to the demand in imports from China and India. Unfortunately these finding were somewhat reversed in 2012 and 2013 and as APTIR 2013 shows it was mostly China which remained as a dynamic and growing trader in the region.

The Ministers in the second Ministerial Council meeting in October 2007, Goa, India adopted the following:

> *"In particular, we reaffirm our commitment on a priority basis to expand the membership of the Agreement to evolve it into a truly pan-Asia-Pacific Trade Agreement. In this regard we direct the Standing Committee to consider and facilitate the accession of new members which are ESCAP developing member*

countries including members which are countries with economies in transition, and accord particular attention to members which have been confirmed by the Standing Committee as priority countries. We look forward to welcoming at least a few new members when we meet again in two years time."

The Ministerial Declaration further adopted:

"While we remain fully committed to a successful conclusion of the Doha round of multilateral trade negotiations, we recognize that the conclusion of bilateral and regional trade agreements as building blocs of the multilateral trading system remains an important mechanism to advance our trade interests. We will therefore further strive towards coordinating our commitments under APTA with various other regional and bilateral trade agreements and instruct the secretariat to analyze other regional trade agreements with a view to identify commonalities between them and APTA so as to facilitate this coordination process."

Despite this background, APTA faces certain challenges. Some of the issues that would need to be addressed would require taking steps in the following directions:

a) **Highest Level Political Engagement**: Given the fact that most trade agreements in the region are initiatives that come from the 'new geopolitical order' of East Asia and the road map for future engagements are decided at the highest political level. A regular Summit Level talks are being held where the political guidance are given by setting up the goals. One of the greater challenges that APTA faces is a lack of strong political commitment at highest level as well as not having a member driven secretariat, like other fast moving PTAs in the region. There is a need to enhance the political dialogue in APTA. Having meetings of Heads of Nations/Governments from time to time may be a useful tool to provide future road map of APTA.

b) **Expansion of Membership**: A key challenge that APTA faces relates to its limited membership. Despite being the largest market in the region and having more than 15 per cent of the world trade with a larger population, APTA has not been able to generate enough enthusiasm in other developing countries of ESCAP. At the same time APTA is also lagging behind the other RTAs in the region in several accounts which involve stronger political commitments, much deeper concessions, addressing issues relating to non-tariff measures and disputes in a more faster way, developing and working on various areas of cooperation going beyond trade and also inclusion of services, investments and other issues in the agreements. Despite the Ministerial declaration in 2007, only one country – Mongolia - acceded to APTA. APTA is open only to the developing ESCAP members. While efforts are on to disseminate the benefits of APTA to Central Asia and Pacific Island Countries, to invigorate APTA it would be essential to allow expansion of membership even to the developed members of ESCAP. In this regard, efforts to include Australia, Japan, New Zealand and the Russian Federation would be needed as most PTAs in the region have Australia, Japan and New Zealand as members, including bilateral efforts with ASEAN, China, India and the Republic of Korea. It is also important that APTA allows expansion in membership which goes beyond the developing countries, while retaining the essential features of special and differential treatment. Such expansion of APTA will also address the issue of Asia-Pacific being a fragmented region which will not bring development to all and therefore as suggested by ESCAP (2012) there is a need for consolidation of various agreements that are in the region. One of the models that it has suggested relate to the “New Asia-Pacific Trade Agreement (APTA II)” – an agreement open to all countries in the ESCAP region.

c) **APTA to APFTA**: At present APTA is a preferential trade agreement which follows a positive list approach and the expansion in coverage of concessional lists take place when a new round of negotiations are launched. As is evident from the previous section, conclusion of fourth round had taken many years. At the same time with the decline in MFN duties, the effective rate of concessions due to present MOP is not significant for exporters to avail APTA concessions. Therefore, it needs to be examined of this agreement can be considered to be converted to Asia-Pacific Free Trade Agreement. If it gets converted to FTA, the issue of lesser MOP and delay in expansion of concessional items would be resolved. In any case, the three major economies China, India and the Republic of Korea are either concluded or negotiating the bilateral CECAs and also part of mega trade block RCEP.

d) **Early Conclusion of Negotiations in Services, Investments and Trade Facilitation**: The Framework Agreements have been signed by APTA members to negotiate these issues long ago. However, the actual negotiations have not started as yet. Given the importance of services in their GDP and role of investments in linking the industries and foster a regional supply chain an early conclusion of the negotiations would be essential. With a high trade cost in this region, the Agreement on Trade Facilitation will further ease doing business in APTA.

e) **Database:** One of the difficulties in examining the success or failure of any preferential trade relates to availability of preferential trade data. This is an issue which is lacking in most of the PTAs in this region, including APTA. In SAARC under SAFTA there is mechanism to exchange information on issuance of Certificate of Origin to the SAARC Secretariat. The exchange of data is useful for many purposes including assessing the impacts of preferences on trade. Though work has been initiated in APTA on this issue, including electronic exchange of Certificates of Origin (CoO), much is needed to be done in this area. Till such time the electronic exchange does not take place, exchanging information of CoO will be useful not only for statistical purposes but also reducing the trade disputes that emanate for determining the origin of product by the importing Participating State.

The next Ministerial Council meeting of APTA is scheduled for March 2014 and hence a forward looking declaration paving the way on these issues would be important for future of APTA.

References:

United Nations, Economic and Social Commission for Asia and the Pacific (2011). *Asia-Pacific Trade and Investment Report: Post-crisis Trade and Investment Opportunities*. Available from http://www.unescap.org/tid/ti_report2011/home.asp

_______ (2012)). *Growing Together: Economic Integration for an Inclusive and Sustainable Asia-Pacific Century.* Available from http://www.unescap.org/pdd/publications/themestudy2012/themestudy2012-full.pdf

_______ (2013). News Number: G/54/2013, Incheon, Republic of Korea--ESCAP/SRO-ENEA available at http://www.unescap.org/news/apta-welcomes-mongolia-its-seventh-member

_______ (2013) *Asia-Pacific Trade and Investment Report, Turning the tide: Towards Inclusive Trade and Investment*. Available from http://www.unescap.org/tid/ti_report2013/home.asp

Databases:

WITS available at http://wits.worldbank.org/wits

Annex – I

Table 1: China total imports on APTA Third Round Concession items

Concession Offering Country	2005		2011	
	No. of Products	Intra-APTA share (per cent)	No. of Products	Intra-APTA share (per cent)
Bangladesh	172	0.030	322	0.106
Republic of Korea	1,502	97.286	1423	96.102
India	1,034	2.638	1158	3.717
Lao PDR	62	0.009	116	0.022
Sri Lanka	262	0.037	360	0.053
Total APTA Concessions	1,697 (161)	100	1,697 (161)	100

Source: WITS, accessed 29 March 2013. The figures in parenthesis indicate concessions to LDCs.

Table 2: Republic of Korea total imports on APTA Third Round Concession items

Concession Offering Country	2005		2011	
	No. of Products	Intra-APTA share (per cent)	No. of Products	Intra-APTA share (per cent)
Bangladesh	164	0.059	264	0.243
China	1,329	98.243	1,306	97.764
India	880	1.672	983	1.949
Lao PDR	18	0	58	0.003
Sri Lanka	31	0.026	40	0.041
Total APTA Concessions	1367(306)	100	1367(306)	100

Source: WITS, accessed 29 March 2013. The figures in parenthesis indicate concessions to LDCs.

Table 3: India's total imports on APTA Third Round Concession items

Concession Offering Country	2005		2011	
	No. of Products	Intra-APTA share (per cent)	No. of Products	Intra-APTA share (per cent)
Bangladesh	50	0.748	79	1.297
China	436	78.309	445	84.198
Republic of Korea	319	17.268	387	12.630
Lao PDR	0	0	2	0.004
Sri Lanka	149	3.675	225	1.872
Total APTA Concessions	570(48)	100	570(48)	100

Source: WITS, accessed 29 March 2013. The figures in parenthesis indicate concessions to LDCs.

Table 4: Sri Lanka's imports on APTA Third Round Concession items

Concession Offering Country	2005		2011	
	No. of Products	Intra-APTA share (per cent)	No. of Products	Intra-APTA share (per cent)
Bangladesh	18	0.248	26	0.44
China	319	29.108	331	47.99
Republic of Korea	213	12.353	203	40.54
India	338	58.291	336	11.02
Lao PDR	0	0	0	0
Total APTA Concessions	427(72)	100	427(72)	100

Source: WITS, accessed 29 March 2013. The figures in parenthesis indicate concessions to LDCs.

About APTIAD –

YOUR GATEWAY TO INFORMATION ON PREFERENTIAL TRADE AGREEMENTS IN ASIA AND THE PACIFIC

In order to provide a useful tool for observers and stakeholders (government, researchers and policy analysts) to monitor and analyze the development of trade agreements in this new environment, Trade Policy Section of Trade and Investment Division (TID) of ESCAP launched an online database, known as **Asia-Pacific Trade and Investment Agreements Database** or **APTIAD** and available at http://www.unescap.org/tid/aptiad. It comprises three platforms: Trade Agreements Database (TAD); Interactive Trade Indicators (ITI) and Glossary.

Trade Agreements Database platform provides detailed descriptive and updated information on the provisions of regional trade agreements (RTAs) / bilateral trade agreements (BTAs) involving one or more members from the Asia-Pacific region that are either signed, in force or under negotiations. By December 2013 there were 223 such agreements, including those agreements that have not been notified to the WTO but for which there is official information readily available, and also those agreements under negotiation for which there has been at least a first formal negotiation round.

The online database allows searches in two ways. One relates to the **agreements** themselves where users could search by titles, members, key terms, types and scopes of agreements and their status. Another one is the possibility to search **publications** relevant to regional integration and trade agreements. For easier use of the database, users can download a **Glossary** of related terms. There are also links to national **trade statistics** of each country. The database is continuously updated and expanded to include statistics on trade flows between countries that are members of individual agreements. Furthermore indicators to monitor performance of trade agreements are developed and calculated for individual economies and trade agreements in the region. Some of the indicators are: export propensity, trade dependence, trade shares, export-import coverage, normalized trade balance, and trade shares.

Furthermore an Interactive Trade Indicators platform allows for a calculation of a number of other indicators including export growth rates, trade complementarity, revealed comparative advantage, or intra-industry trade. These indicators allow for quick and easy monitoring of developments in trade patterns and trade flows at single economy and trade agreements levels.

APTIAD Secretariat:
Trade Policy Section, Trade and Investment Division, ESCAP
e-mail: unescap-aptiad@un.org ;
Tel: +66-2-2881410
www.unescap.org/tid/aptiad;