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2024 MARITIME SILK ROAD PORT INTERNATIONAL COOPERATION FORUM

Updates on the Regional Comprehensive Economic Partnership (RCEP) Agreement



KEY FACTS



Signed
15 November 2020



Effective Date
1 January 2022



Population Covered
2.3 Billion People



GDP Covered
USD 25.8 trillion
(about 30% of global GDP)



Foreign Direct Investment (FDI)
31%
of Global FDI Inflows



Largest Free Trade Agreement

RCEP is the world's largest free trade agreement, encompassing 15 countries in the Asia-Pacific region, including ASEAN members and key partners like China, Japan, South Korea, Australia, and New Zealand.



Economic Integration

RCEP aims to strengthen economic integration by reducing tariffs, eliminating trade barriers, and simplifying customs procedures to facilitate smoother and more efficient trade across member countries.



Broad Coverage

The agreement covers a wide range of areas including trade in goods and services, investment, intellectual property, dispute settlement, e-commerce, and economic and technical cooperation.



Significant Market Impact

RCEP represents nearly a third of the global population and GDP, providing vast opportunities for businesses to access new markets, promote regional supply chains, and enhance economic growth and development in the region.



Market Access Expansion

Provides businesses with access to a vast market of 15 countries, including major economies such as China, Japan, South Korea, Australia, and New Zealand. This opens up opportunities businesses to expand their reach and tap into new customer bases.



Tariff Reductions

Eliminates tariffs on a significant percentage of goods traded between member countries. This reduction in tariffs makes member countries' products more competitive in the RCEP markets and reduces the cost of imported goods, benefiting both exporters and importers.



Simplified Trade Procedures

Simplifies customs procedures and trade facilitation measures, making it easier and more efficient for businesses to export and import goods. This includes streamlined processes for customs clearance and standardized regulations across member countries.



Enhanced Supply Chain Connectivity

Promotes greater integration of regional supply chains by reducing barriers to trade in goods, services, and investment. Businesses can benefit from improved connectivity and efficiency in regional supply chains, enhancing their competitiveness.



Investment Opportunities

Enhances investment protection and liberalization, providing a more stable and predictable environment for investors in the region. This encourages investment flows and the establishment of regional operations.



Services Sector Growth

Opens up access to various services sectors, such as financial services, telecommunications, and professional services. Service providers can expand their presence in RCEP markets and take advantage of new business opportunities.



Intellectual Property Protection

Strengthens intellectual property rights protection and enforcement, benefiting businesses involved in innovation and creative industries. This helps safeguard their intellectual property and promotes a fair competitive environment.



Support for SMEs

Includes provisions aimed at supporting small and medium-sized enterprises (SMEs) by providing greater access to information, reducing compliance costs, and promoting e-commerce. This helps SMEs expand their market reach and participate more effectively in regional



Harmonised Rules of Origin

Establishes common rules of origin, making it easier for businesses to determine the origin of their products and qualify for preferential tariff treatment. This reduces complexity and costs associated with navigating different rules of origin across multiple trade agreements.



Economic Integration and Stability

Promotes deeper economic integration and cooperation among member countries, contributing to regional economic stability and growth. This provides a more favorable environment for businesses to operate and expand.



Geopolitical Significance

- RCEP is seen as a significant development in regional economic integration and a counterbalance to other regional trade agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- It strengthens economic ties among some of the world's largest economies, including China, Japan, and South Korea, fostering regional stability and cooperation.



China's Role

- RCEP enhances China's influence in regional trade dynamics, as it is the largest economy within the partnership.
- The agreement supports China's Belt and Road Initiative (BRI) by promoting trade and infrastructure connectivity in the region.



ASEAN Centrality

- RCEP underscores the importance of ASEAN centrality in regional economic architecture, highlighting the bloc's role as a driver of regional integration.



Landmark Achievement

The RCEP represents a major milestone in regional economic cooperation, enhancing trade, investment, and economic integration in the Asia-Pacific region.



Potential Benefits

The agreement promises significant economic growth, improved market access, and better supply chain integration for member countries.



Implementation and Cooperation

Effective implementation and cooperation among member countries are crucial to fully realize the potential of this comprehensive trade agreement.



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