



APTA

ASIA PACIFIC TRADE AGREEMENT



UNITED NATIONS
ESCAP

Economic and Social Commission for Asia and the Pacific

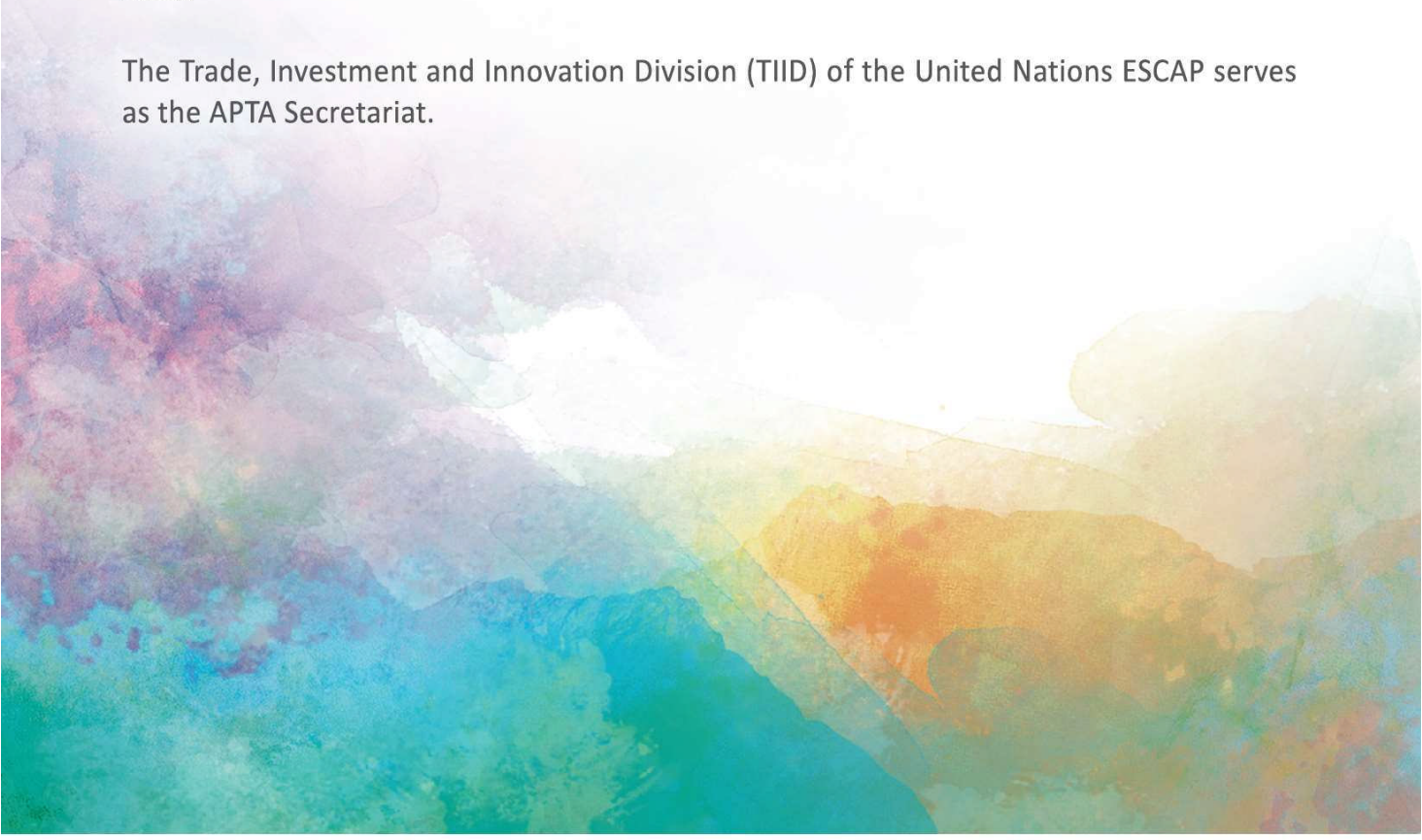
OVERVIEW: APTA IN BRIEF

The [Asia-Pacific Trade Agreement](#) (APTA), formerly known as the Bangkok Agreement (1975-2005), is a preferential regional trade agreement among developing countries in Asia and the Pacific region. APTA aims to promote economic development through the adoption of mutually beneficial trade liberalization measures that contribute to intraregional trade expansion and economic cooperation.

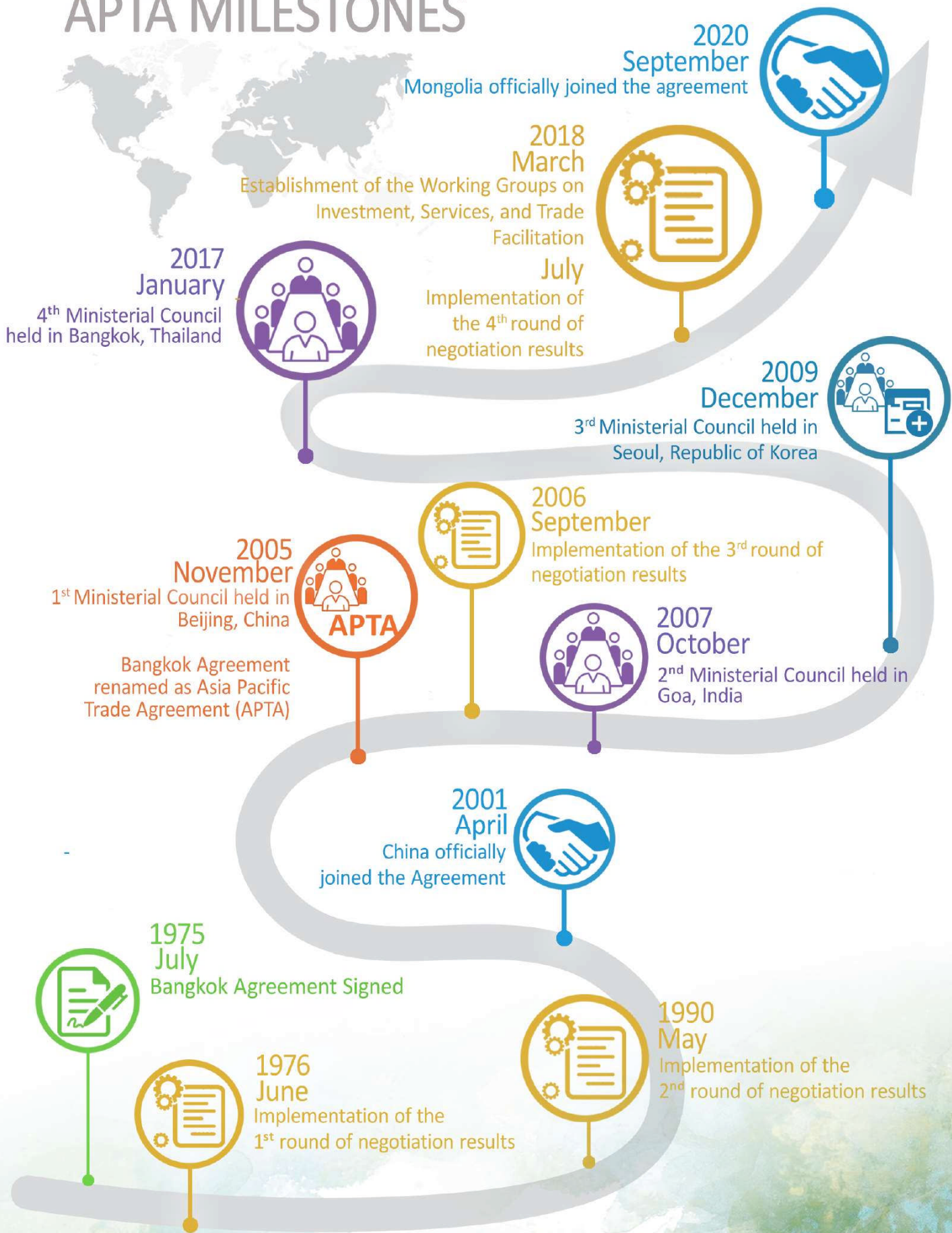
Before the first amendment to the Bangkok Agreement in 2005, the Agreement was focused on enlarging tariff concessions in trade in goods among the Participating States. This amendment also established the Ministerial Council. The four sessions of the Ministerial Council since 2005 have expanded the scope of APTA negotiations and delivered several significant outcomes, including a revision of the Rules of Origin (RoO); adoption of a common set of operational procedures for the certification and verification of the origin of a good under APTA; and, the signing of the framework agreements on trade facilitation; protection, promotion and liberalization of investment; and promotion and liberalization of trade in services. The latter two outcomes both meaningfully expanded APTA's areas of cooperation beyond trade in goods. The most recent session of the Ministerial Council resulted in the adoption of a future roadmap for APTA. This roadmap envisions converting APTA from a positive list based preferential trade agreement into a negative list based free trade agreement, which would enable it to cover more sectoral areas, and subsequently transitioning it gradually towards a more comprehensive regional partnership agreement.

APTA's current members, known as Participating States, are Bangladesh, China, India, Lao PDR, Mongolia, Republic of Korea, and Sri Lanka. Mongolia acceded to APTA in September 2020.

The Trade, Investment and Innovation Division (TIID) of the United Nations ESCAP serves as the APTA Secretariat.



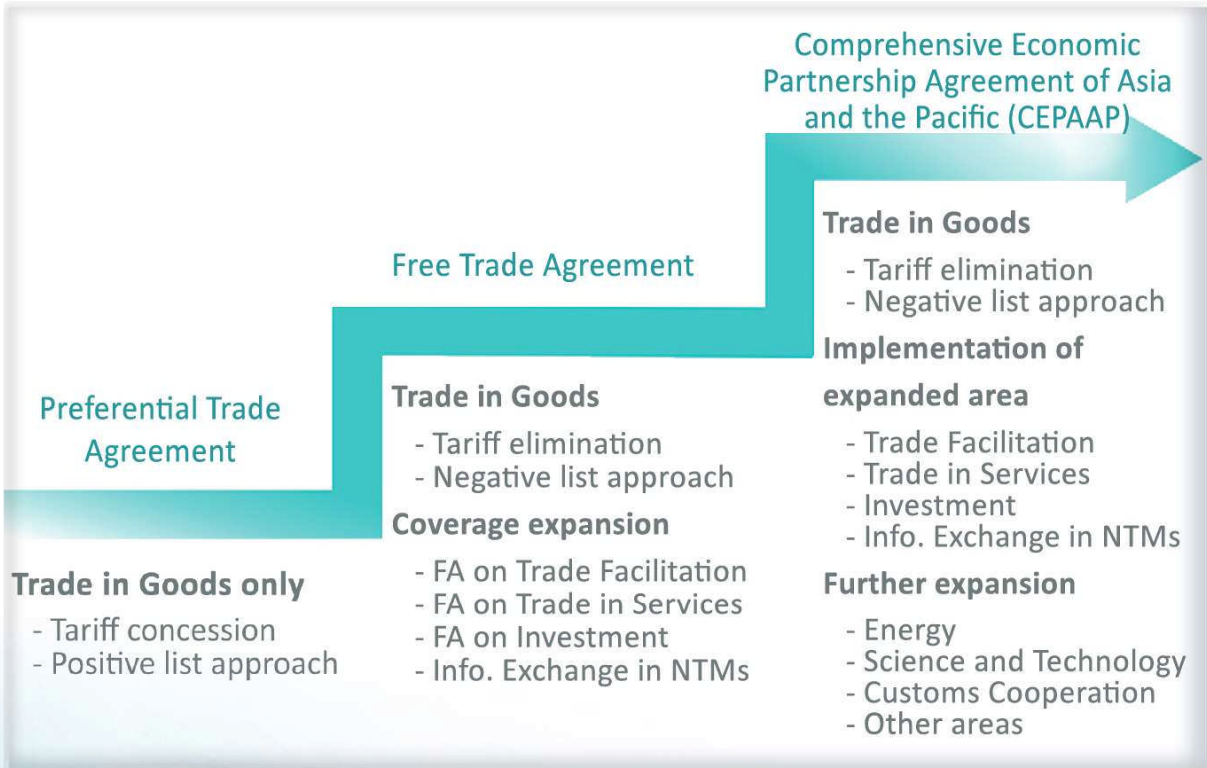
APTA MILESTONES



APTA AS A VEHICLE FOR REGIONAL INTEGRATION

APTA aims to be an effective pan-regional comprehensive economic cooperation agreement. Until the 4th round of negotiations, however APTA only covered trade in goods. Through continuous negotiation, the Participating States agreed at the Ministerial Council held in 2017 to continue expanding APTA's covered areas beyond the traditional tariff concessions to include trade facilitation, trade in services, investment, and non-tariff measures (NTMs).

Future roadmap of APTA



Further expanding APTA to include provisions in other areas such as energy; science, technology and innovation; information exchange, customs cooperation, enhanced transparency, and capacity building, etc. would provide an opportunity for widening and deepening the Agreement. Comprehensively deepening trade cooperation and integration among the Participating States would move APTA closer to achieving its aim of becoming a Comprehensive Economic Partnership Agreement of Asia and the Pacific (CEPAAP).

APTA'S DISTINGUISHING FEATURES

Open to all ESCAP developing member States

APTA is already a region-wide trade agreement spanning across East and South Asia, and it is open to expansion to countries from other subregions, including Central Asia and the Pacific. It, therefore, provides a unique opportunity to promote South-South trade and investment, in particular given the large size of the economy of some of its Participating States.

Longest effective implementation period in the Asia-Pacific region with large-market bases

Since APTA was signed in 1975, it has been one of the longest operational trade agreements in the Asia and the Pacific region. It has enormous potential to expand trade within the region through linking China and India with a consumer base of 2.7 billion, as well as other major markets, such as the Republic of Korea.

Simple and common Rules of Origin (RoO) and special treatment for LDCs

APTA is the first preferential plurilateral agreement among developing countries in Asia and the Pacific to adopt common operational procedures for certification and verification of the origin of goods. For least developed countries (LDCs), APTA allows flexibility of 10 percentage points lower minimum local value addition (or 10 percentage points for use of higher non-originating inputs).

Rules of Origin for APTA:

A product qualifies for tariff preferences if it fulfills one of:

Rule 2	Rule 3	Rule 4	Rule 3(b)
Wholly produced or obtained	Not wholly produced or obtained	Cumulative Rules of Origin	Change in Tariff Heading (CTH*)
100% produced or wholly produced in APTA country	Up to 55% value of imported contents (Rule 10 - 65% for LDCs)	Minimum of 60% of originating contents in APTA countries (Rule 10 - 50% for LDCs)	156 items (at 4-digit HS code)

Source: Annex II of the amendment to the Bangkok agreement and the Second Amendment to the APTA

*CTH has been newly added in the Second Amendment to the APTA.

The Second Amendment to the APTA widened the scope of RoO. Sometimes meeting the value-added content criteria may be difficult. So, an alternative change in tariff heading (CTH) criterion was introduced and specific products (156 items) can be accepted as originating products when their tariff heading change from non-originating inputs to export products in APTA exporting country. And if they do not satisfy CTH criterion, the general rule of value addition criteria (rule 3 or rule 4) will be applied. The widening of scope is expected to reduce existing barriers, create possibilities for new value chains, and contribute to the removal of NTMs, which would stimulate more intraregional trade among the Participating States.

INSTITUTIONAL ARRANGEMENTS

APTA is composed of the following institutional bodies: Ministerial Council, Standing Committee, and four Working Groups on Trade Facilitation, Trade in Services, Investment and Rules of Origin* and the APTA Secretariat.

Ministerial Council

The Ministerial Council represents the highest decision-making authority. It provides supervision, policy direction for the negotiation agenda, expansion of membership, as well as the coordination of APTA implementation.



Standing Committee

The Standing Committee is responsible for the overall administration of the APTA, which is done through regular meetings, at least once a year. Its duties include reviewing implementation; carrying out consultations; making recommendations and taking decisions as required; and undertaking any measures needed to ensure the adequate implementation of the objectives and provisions of the APTA.

APTA Secretariat

The Trade, Investment and Innovation Division (TIID) of ESCAP functions as the APTA Secretariat. TIID is dedicated to facilitating the deepening and widening of the Agreement and provides the necessary support to backstop its activities. As the regional development arm of the United Nations for Asia and the Pacific region, ESCAP is the most comprehensive multilateral platform for promoting cooperation among its member States to achieve inclusive and sustainable economic and social development in Asia and the Pacific.



Working Groups

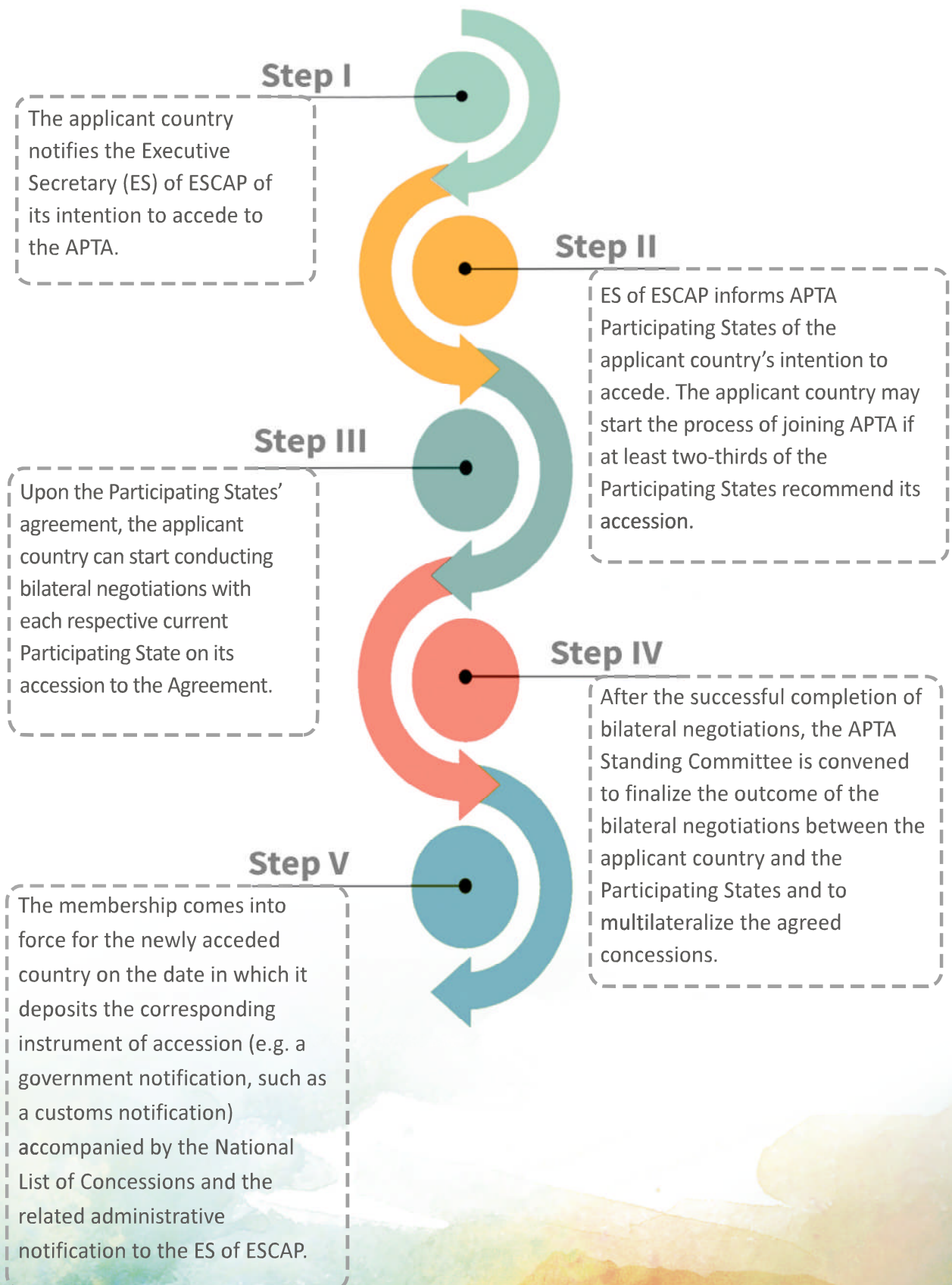
Three Working Groups on Trade Facilitation, Investment and Trade in Services were formed in accordance with the decision of the 4th Ministerial Council. They negotiate commitments in the Framework Agreements on Trade Facilitation; the Promotion, Protection and Liberalization of Investment; and the Promotion and Liberalization of Trade in Services.

*The Working Group on Rules of Origin has been in operation since the establishment of the Bangkok Agreement.

5 STEPS TO JOINING APTA

Which countries are eligible to accede?

All ESCAP developing member States are eligible to join the APTA.



*APTA has a potential to connect
all subregions of Asia and the Pacific through
expansion of trade and investment opportunities*

Further Information

Contact information:

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The brochure was prepared by the APTA Secretariat team under the overall supervision of Mia Mikic, Director, TIID. Ms. Youn Kyung Lee, intern, TIID, ESCAP helped in designing the brochure.