

**Trade and Food Security
in the Asia-Pacific:
The Contribution of FTAs**

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A World of FTAs

The “New Normal”?

- **Conventional Wisdom**
 - **WTO the only effective venue for liberalising and facilitating agricultural trade**
- **Today’s Reality**
 - **WTO paralysed**
 - **FTAs in practice the main vehicle for international agreements to liberalise trade – “by default”**
- **How effective are FTAs in liberalising agricultural trade?**

FTA's and the Imperatives of Modern Agricultural Trade

- **“21st Century” / “next generation” trade issues are critically import for trade in food as in other products**
- **To be relevant, FTAs must address these issues in food trade as well as other trade**

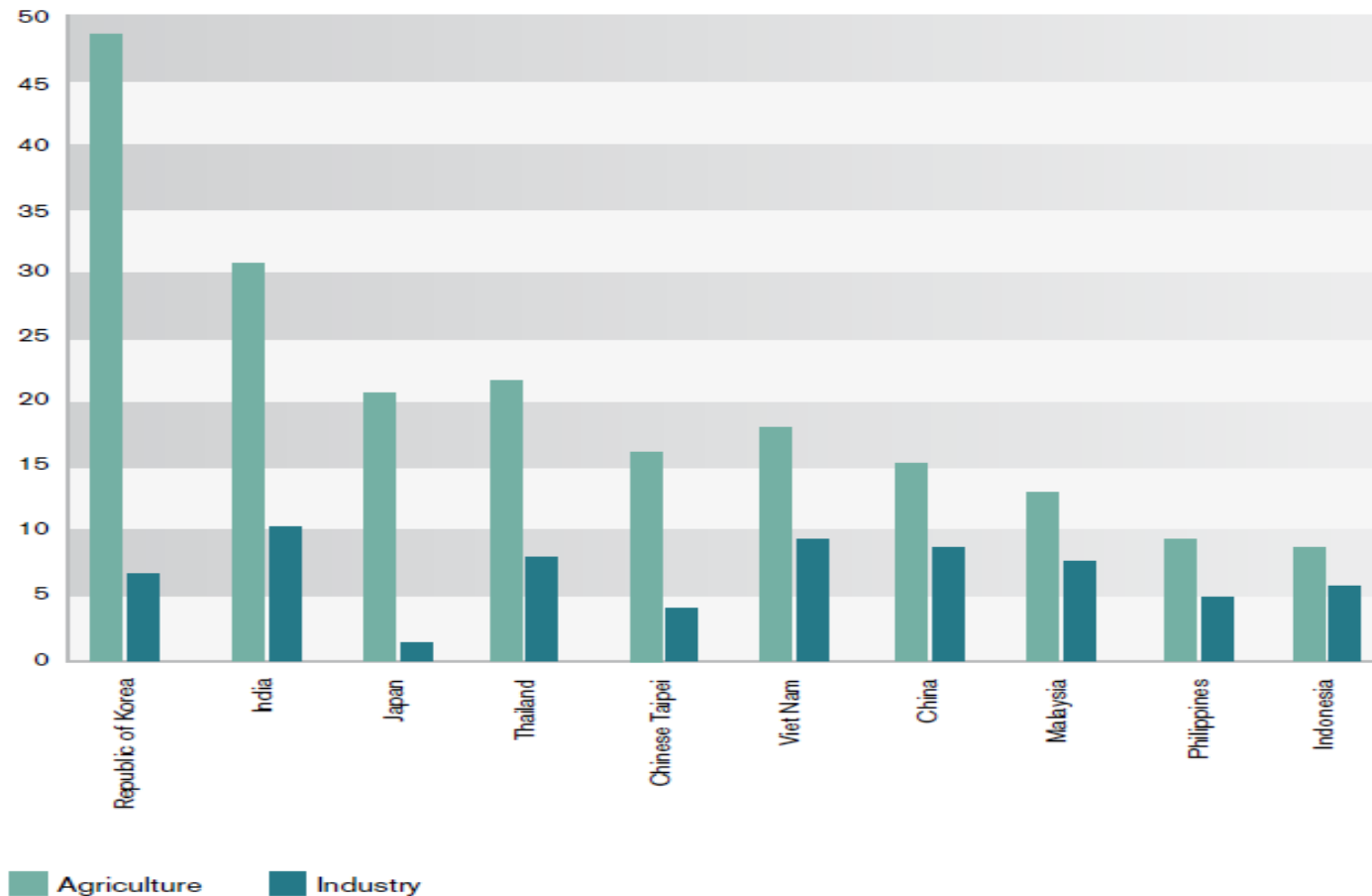
But

- **Declaring victory over tariffs and other formal barriers is premature**
- **Barriers to trade in food remain extensive and pervasive**
 - **and often explicitly designed to be prohibitive**

→the “traditional business” remains relevant and important for trade in food

Average agricultural tariffs are still high (..... and peak tariffs are even higher)

e.g. evidence from 2011 WTO/IDE-JETRO Study



FTAs and Food Trade

Strengths and Weaknesses

- **FTAs directly address applied tariffs**
 - **typically reducing them to zero over time**

But

- **Scope for exclusions may be concentrated in agriculture**
- **TRQs and SSG measures widely used**
 - **may be viewed as trade facilitative in some circumstances**
- **Variable record in addressing regulatory issues e.g. SPS**
- **“Next generation” issues only now beginning to be addressed**

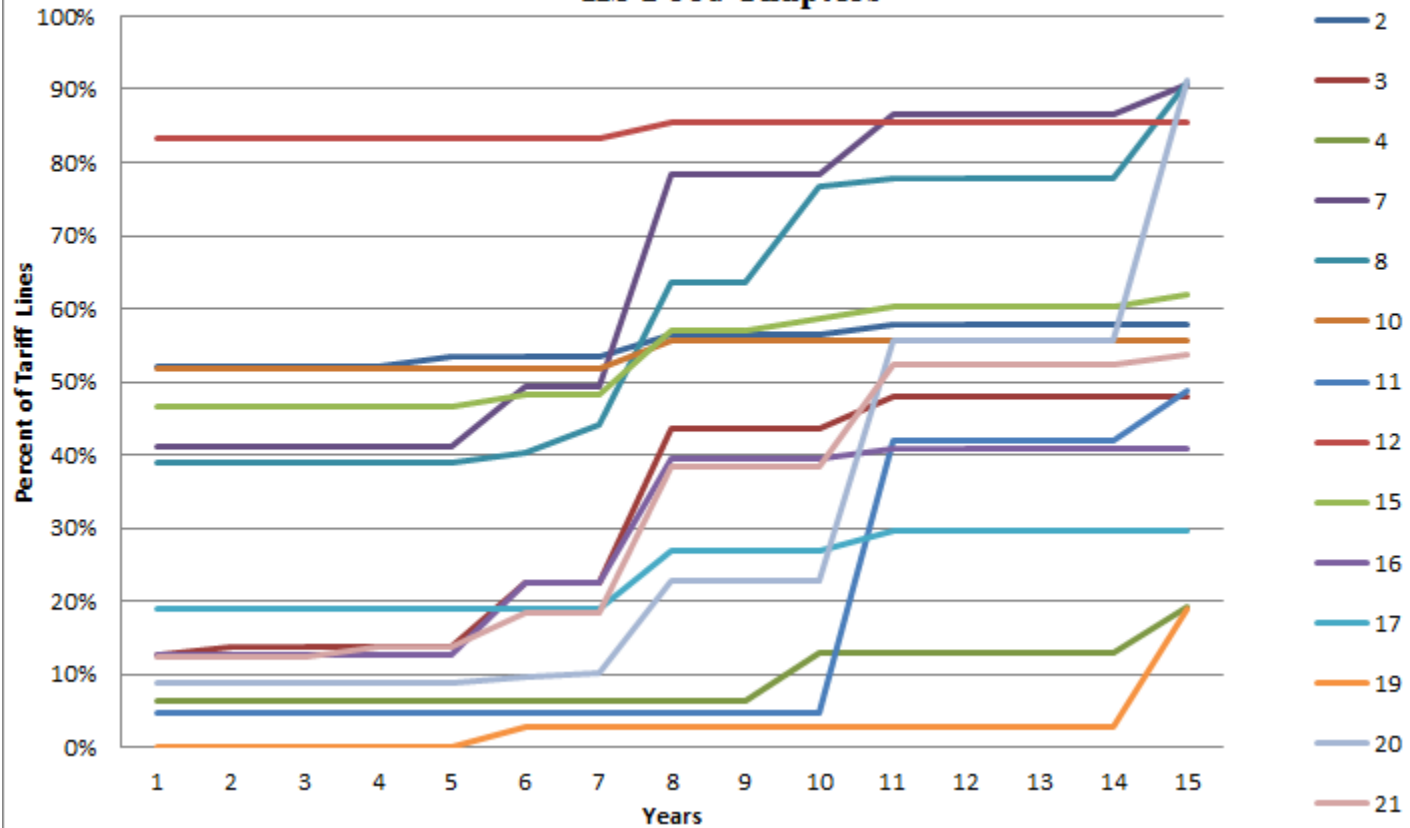
FTAs and Opening Regional Food Markets

The Record To Date

- **chapter-by-chapter, agreement-by-agreement analysis of individual country commitments**
 - **wide variations in speed and coverage of liberalisation**
 - **Example: Japan-Thailand FTA**
- **agreement-by-agreement analysis of individual country commitments on HS chapters containing key products for food security**
 - **commitments often cautious and partial**
 - **almost no liberalisation in some cases**
 - **Examples: NE Asian Commitments on HS11 (cereals), HS02 (meat)**
- **provisions often appear designed to minimise impact on sensitive food sectors**

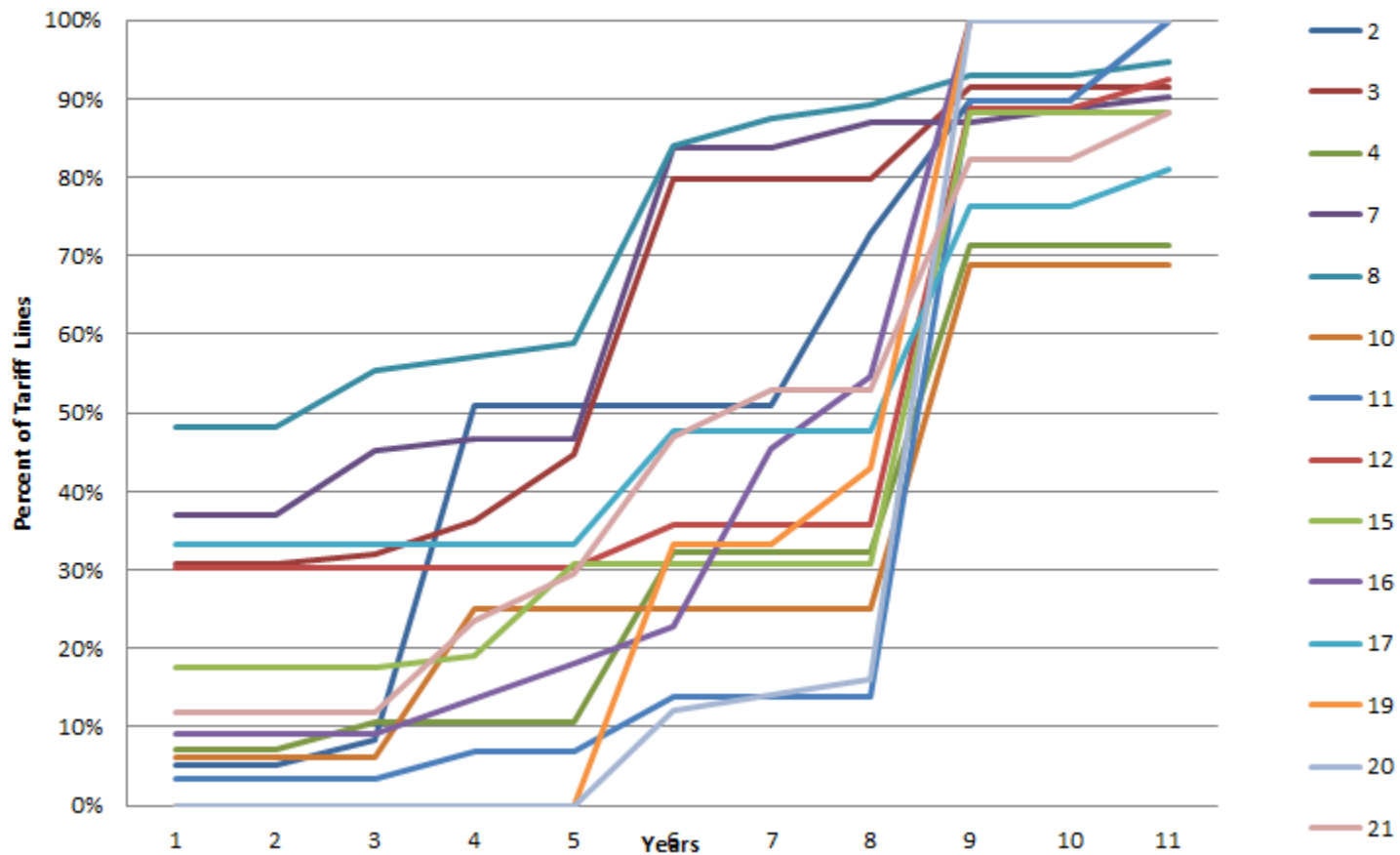
Japan-Thailand FTA: Japan Commitments Percentage of Tariff Lines Reducing to Zero Duty Over Time HS Food Chapters

HS
Chapters:



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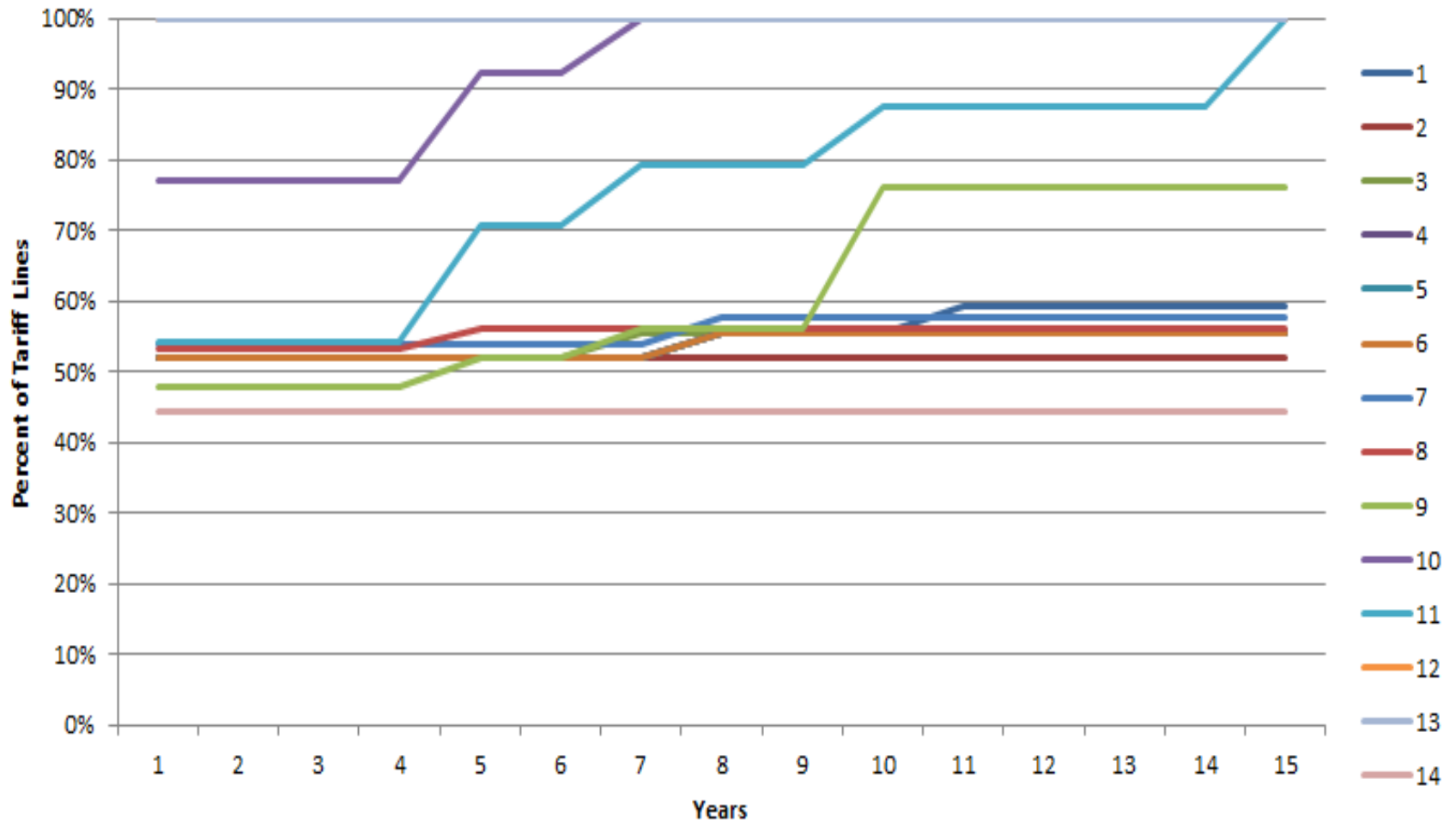
HS chapter:



HS Chapter 10 - Cereals

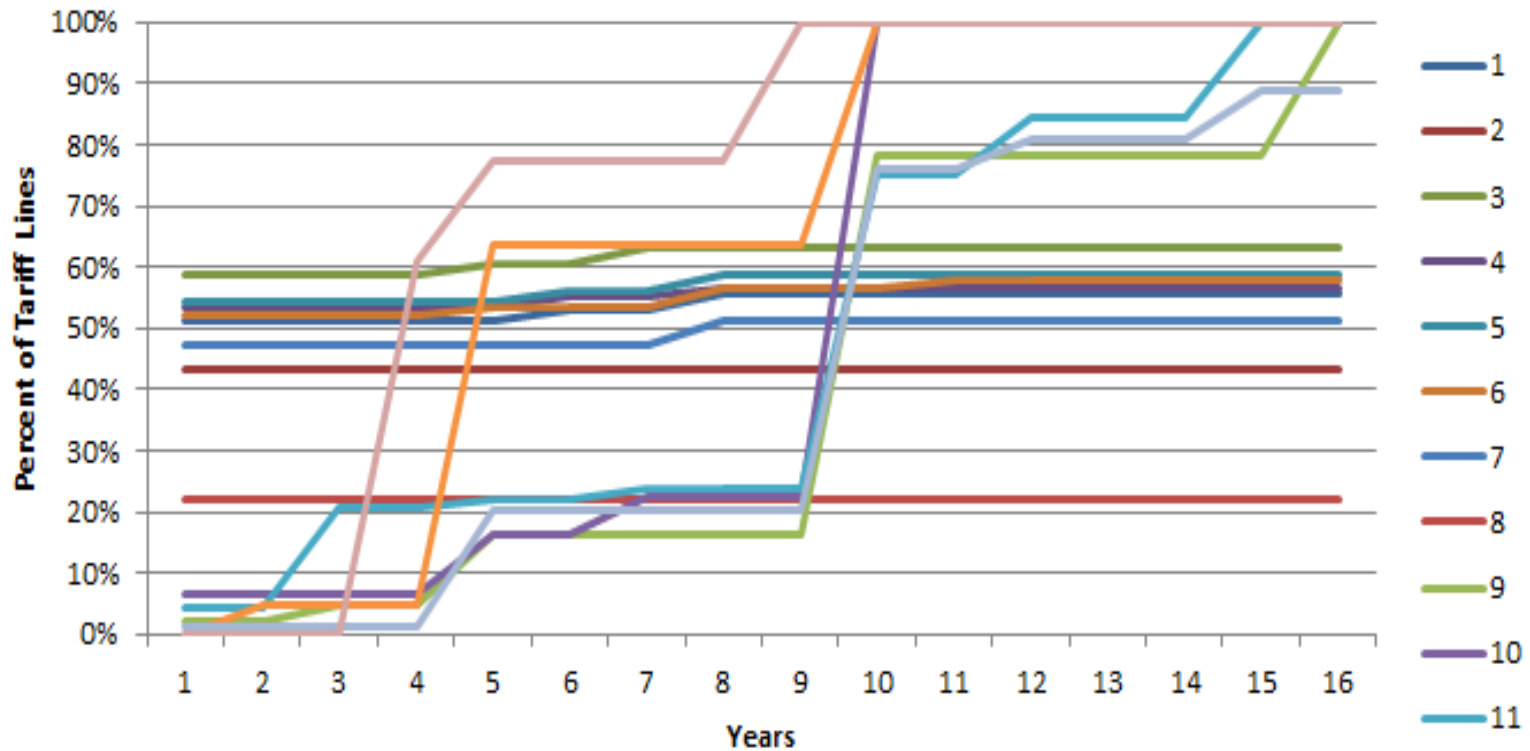
Commitments by NE Asian Economies to Zero Duty Over Time

Selected FTAs; % of Tariff Lines in Chapter



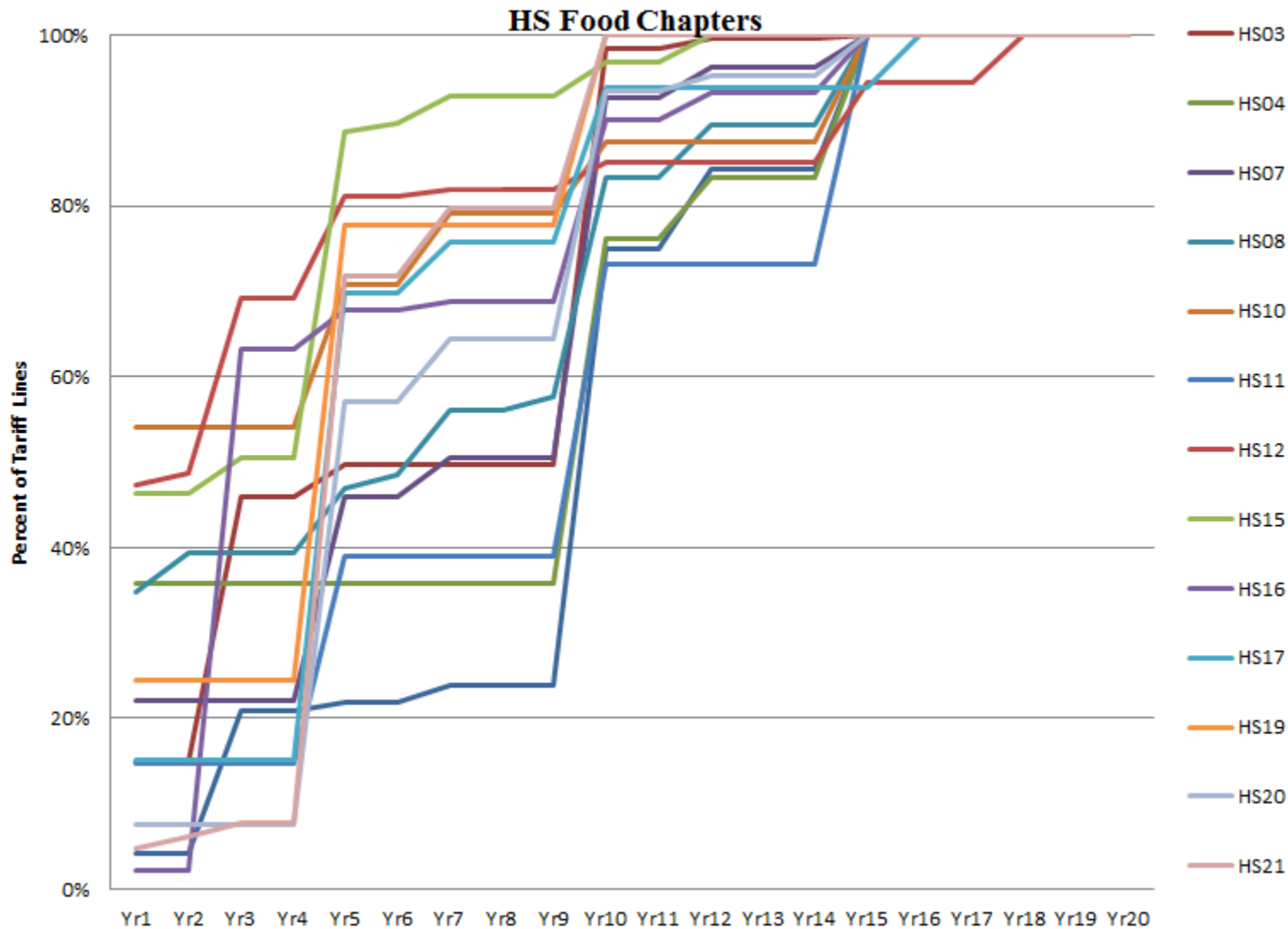
HS Chapter 2 - Meat

Commitments by NE Asian Economies to Zero Duty Over Time Selected FTAs; % of Tariff Lines in Chapter



KORUS FTA: KoreaCommitments

Percentage of Tariff Lines Reducing to Zero Duty Over Time



Outlook

- **“circuit breakers” needed**
 - **KORUS FTA significant?**
- **potential advantages or region-wide agreements if based on “progressive models”**
 - **TPP can exert pressure for more comprehensive liberalisation within and beyond its membership**
 - **exploit the region’s potential for competitive supply of all regional food needs, including food security**
 - **reduced scope for inefficient trade diversion in progressive region-wide agreements**
- **some existing agreements show what can be achieved with political will, patience, persistence combined with flexibility, and a constructive approach**