

Trade agreement between 15 Asian nations, including China

On 11 November 2020, the Ministers of 15 countries belonging to the Regional Global Economic Partnership signed a trade agreement, the negotiations of which began almost 8 years ago.

The agreement includes Japan, China, South Korea, Australia, New Zealand and all members of the Association of Southeast Asian Nations (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma, Cambodia). It represents Japan's first free trade agreement with China and South Korea, crucial countries in its trade relations.

The agreement aims to create the largest free trade area on the Asian continent, accounting for almost one third of global gross domestic product and trade. In practical terms, the RCEP will formulate provisions covering 20 different topics, from cross-border data flows to the reduction of tariffs between the participating countries. With regard to tariffs on agricultural and fishery products, the provisions of the Trans-Pacific Partnership and the Japan-EU Agreement, which do not currently cover the many food exporters in the RCEP bloc, will remain in force. However, RCEP will be able to eliminate duties on 61% of such imports from Australia, New Zealand and members of the Association of Southeast Asian Nations, as well as on 49% of products from South Korea and on 56% of Chinese products.

As far as products exported from Japan are concerned, the agreement eliminates:

- duties imposed by China on certain types of scallops (in the eleventh year after entry into force);
- tariffs imposed by South Korea on candies (in the tenth year);
- tariffs requested by Indonesia on certain beef (immediately after entry into force);
- duties on Japanese sake and spirits (gradually deleted).

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Japan, which has already eliminated 82% of import tariffs on agricultural and fish products thanks to the TPP and the agreement with the European Union, confirms its intention to continue to apply duties for the import of politically sensitive products, divided into five macro-categories: rice, wheat, beef and pork, dairy and sugar.

A final consideration concerns the entry of other countries into the partnership: when the 2013 summits began, India was also involved, but despite the unanimous efforts of the other nations, it seems that it has not signed the agreement. However, the members of the RCEP have drawn up a separate document to allow the Indian government to retrace its steps at any time and join the agreement even after its entry into force, which is not allowed in any other country.

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