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Committee on Regional Trade Agreements Hundred and Ninth Session

FREE TRADE AGREEMENT BETWEEN JAPAN AND THE MEMBER STATES OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN), SERVICES

NOTE ON THE MEETING OF 8 APRIL 2024

Chair: Ambassador H.E. Ms. Clare KELLY (New Zealand)

- 1.1. The 109th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram <u>WTO/AIR/RTA/34/Rev.1</u> dated 28 March 2024.
- 1.2. Under Agenda Item 8.2, the CRTA considered the Agreement establishing a Free Trade Agreement between Japan and the Member States of the Association of Southeast Asian Nations (ASEAN), services, (hereinafter "the Agreement"). The goods aspects of the Agreement had been considered by the Committee in July 2020. The <u>Chair</u> stated that the Factual Presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document <u>WT/L/671</u>).
- 1.3. The Agreement had entered into force between 1 August 2020 and 1 February 2022, depending on the Party. It had been notified to the WTO by the Parties on 11 November 2022 under Article V:7(a) of the GATS (document $\frac{S/C/N/1117}{MT/REG277/4}$), and questions and replies, documents $\frac{WT/REG277/5}{MT/REG277/5}$ and $\frac{RD/RTA/64}{MT/REG277/5}$, had been distributed.
- 1.4. The representative of <u>Thailand on behalf of the Parties</u> extended its sincere appreciation to the WTO Secretariat for the preparation of the comprehensive factual presentation focusing on the services aspect of the Agreement.
- 1.5. Following the implementation of the Agreement in 2008, ASEAN and Japan had continued to intensify their joint efforts aimed at enhancing trade and economic cooperation. In 2019, all the Parties had signed the First Protocol to Amend the Agreement, thereby extending the scope of the Agreement, initially covering only trade in goods, to encompass trade in services, the movement of natural persons, and investment. The Protocol had come into effect for all Parties in February 2022.
- 1.6. The Protocol contained the schedules of specific commitments for all 11 Parties with a varied degree of liberalization by sector, as well as rules building on those under the GATS, such as MFN, transparency, market access, domestic regulation, and national treatment. The Parties were, in addition, committed to facilitating the movement of natural persons falling within the categories outlined in the Protocol. Lastly, while the Protocol did not address liberalization, it contained investment provisions on protection, promotion, and facilitation.
- 1.7. The Parties firmly believed that the Protocol would engender greater cross-border flow of investment and services between all Parties. According to the ASEAN statistics database, FDI flows from Japan to ASEAN reached USD 27.2 million in 2022, reflecting an increase of 28.9% from the preceding year. ASEAN and Japan, hence, remained committed to working closely together to further liberalize and strengthen their economic ties, notably through dialogues under the work programme and review mechanisms set out in the Agreement.

- 1.8. In conclusion, they thanked WTO Members for their keen interest in the Agreement. They acknowledged the written questions from a Member to which Japan had circulated its answers. They also hoped to be able to circulate ASEAN's answers soon. They looked forward to a productive meeting while welcoming any further comments and questions from Members.
- 1.9. The representative of the <u>European Union</u> thanked Thailand on behalf of the Parties and wished them success in the implementation of the Agreement.
- 1.10. The representative of the <u>United States</u> wished Thailand and the Parties the same and thanked them for submitting the notification.
- 1.11. The <u>Chair</u> noted the consideration of the services aspect of the Free Trade Agreement between Japan and the Member States of ASEAN, had allowed the Committee to clarify a number of questions and conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. Any delegations wishing to ask follow-up questions were invited to forward submissions in writing to the Secretariat by 15 April 2024 and the Parties were asked to submit replies in writing by no later than 29 April 2024. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as minutes of the meeting would be circulated promptly, in all WTO official languages, and made available in the WTO database on RTAs.
- 1.12. The Committee took note of the comments made.