

Multi-year Expert Meeting on

TRADE, SERVICES AND DEVELOPMENT

Geneva, 15-17 April 2014

SESSION 3:

**INFRASTRUCTURE SERVICES UNDER
REGIONAL TRADE AGREEMENTS**

Ms. Jiangning Wang

Director

**Department of International Economic and
Trade Relations**

Ministry of Commerce, China

Infrastructure Services under China's FTAs



UNCTAD Geneva

16 April 2014

WANG Jiangning

Ministry of Commerce, China

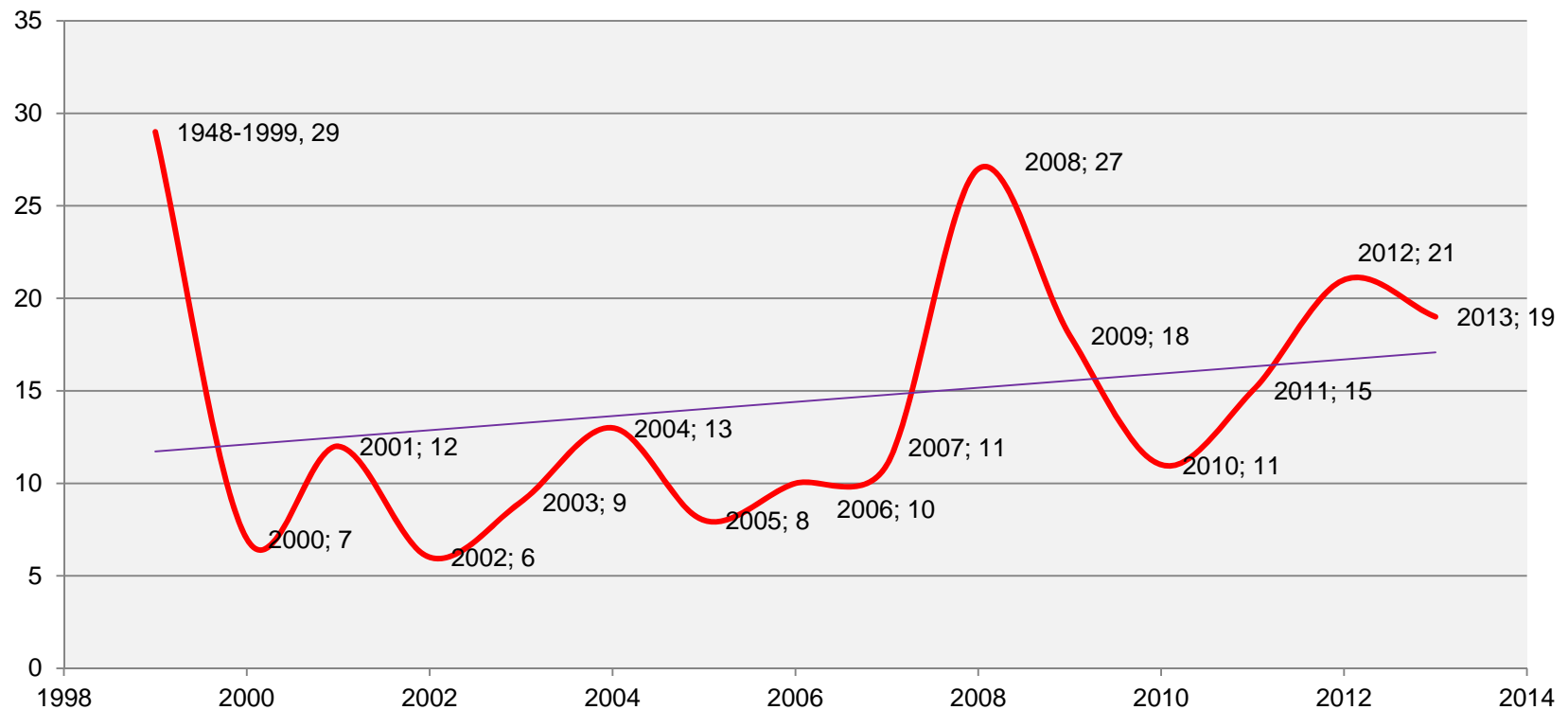
Infrastructure Services under China's FTAs

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I Global FTA Development Trend

1948-2014 Global FTA Development



I Global FTA Development Trend

FTA Mode

Mode	Quantity
bilateral FTAs	150
plurilateral FTAs	67
cross-regional FTAs	109
intra-regional FTAs	108
developed-developed FTAs	17
developed-developing FTAs	90
developing-developing FTAs	110

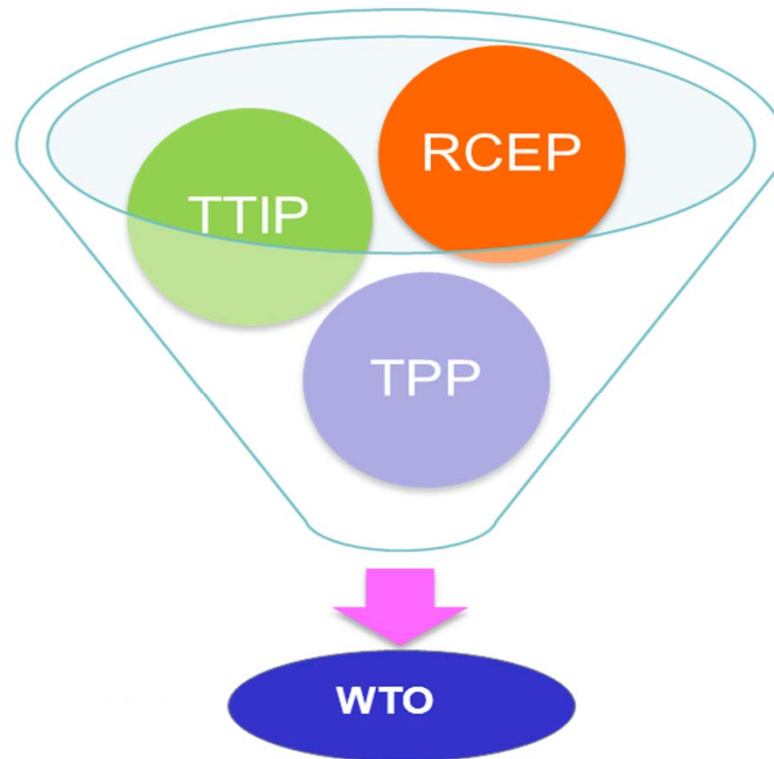
I Global FTA Development Trend

FTA situation of main areas

	North America	Latin America	East Asia	South Asia	Europe	Soviet Union	Middle East	Oceania	Africa
North America	1	-	-	-	-	-	-	-	-
Latin America	10	22	-	-	-	-	-	-	-
East Asia	2	17	15	-	-	-	-	-	-
South Asia	0	0	7	4	-	-	-	-	-
Europe	1	10	5	0	19	-	-	-	-
Soviet Union	0	0	0	0	4	35	-	-	-
Middle East	7	2	2	0	23	0	8	-	-
Oceania	1	2	11	0	1	0	0	3	-
Africa	0	0	0	0	5	0	1	0	1

I Global FTA Development Trend

Mega FTAs change the world



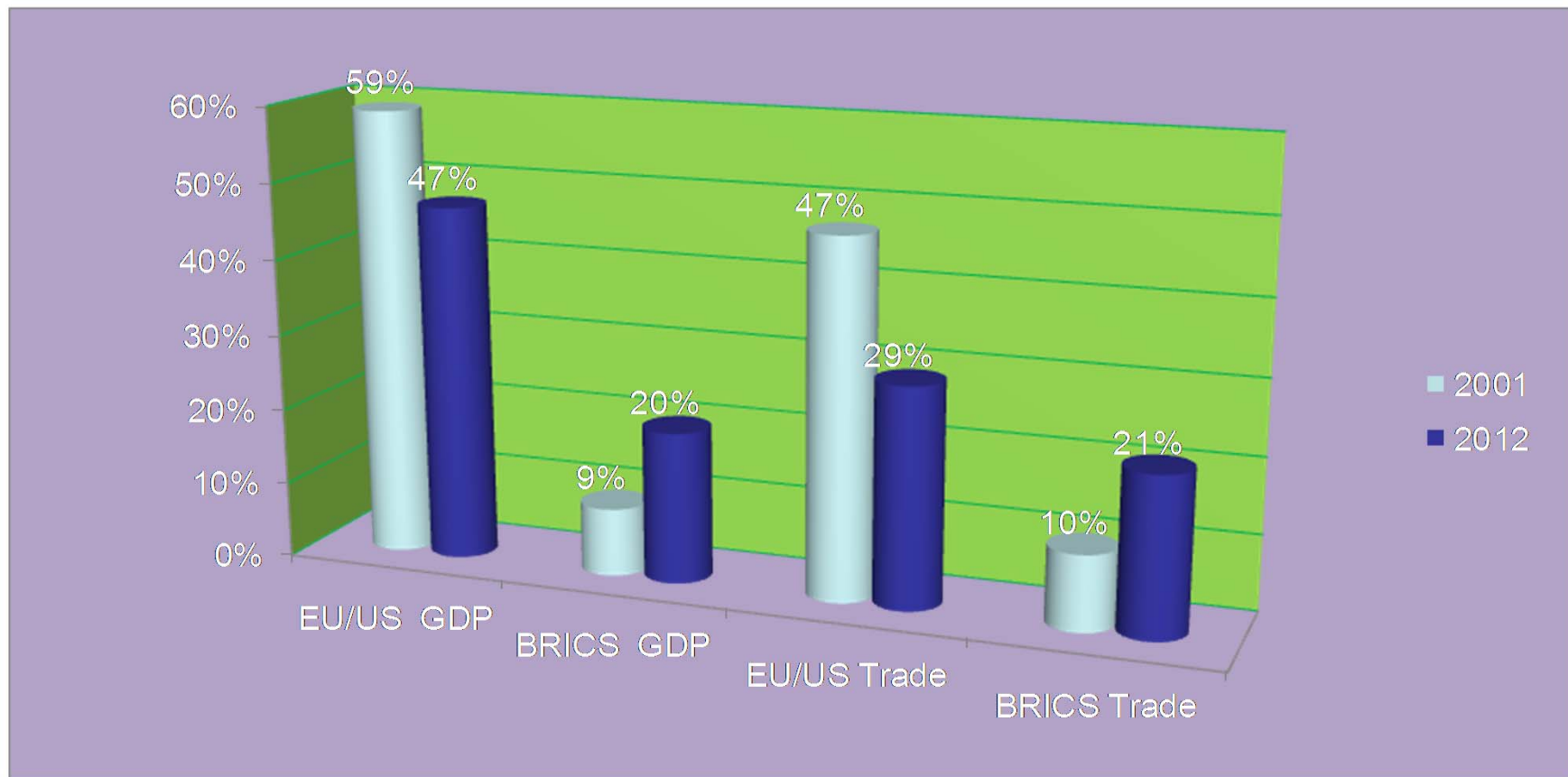
I Global FTA Development Trend

Economic indicators of large-scale FTAs

Member	Population (100 million)	%	GDP	%	Foreign Trade				Foreign Investment Attraction			
					Export	%	Import	%	Flow		Stock	
									Amount	%	Amount	%
World	70.8	100	71.9	100	18.4	100	18.6	100	1.4	100	22.8	100
TPP (12)	8.0	11.3	27.5	38.2	4.4	23.6	5.2	27.9	0.4	30.0	7.0	30.5
RCEP (16)	34.0	48.0	21.3	29.6	5.2	28.5	5.2	28.1	0.3	24.4	3.4	15.0
TTIP (29)	8.3	11.7	32.3	44.9	7.3	39.9	8.3	44.5	0.4	31.6	11.8	51.6
CJK	15.3	30.8	15.4	21.4	3.4	18.5	3.2	17.3	0.1	9.8	1.2	5.2
NAFTA (3)	4.8	6.8	18.7	26.0	2.4	12.9	3.2	17.2	0.2	16.7	4.9	21.4

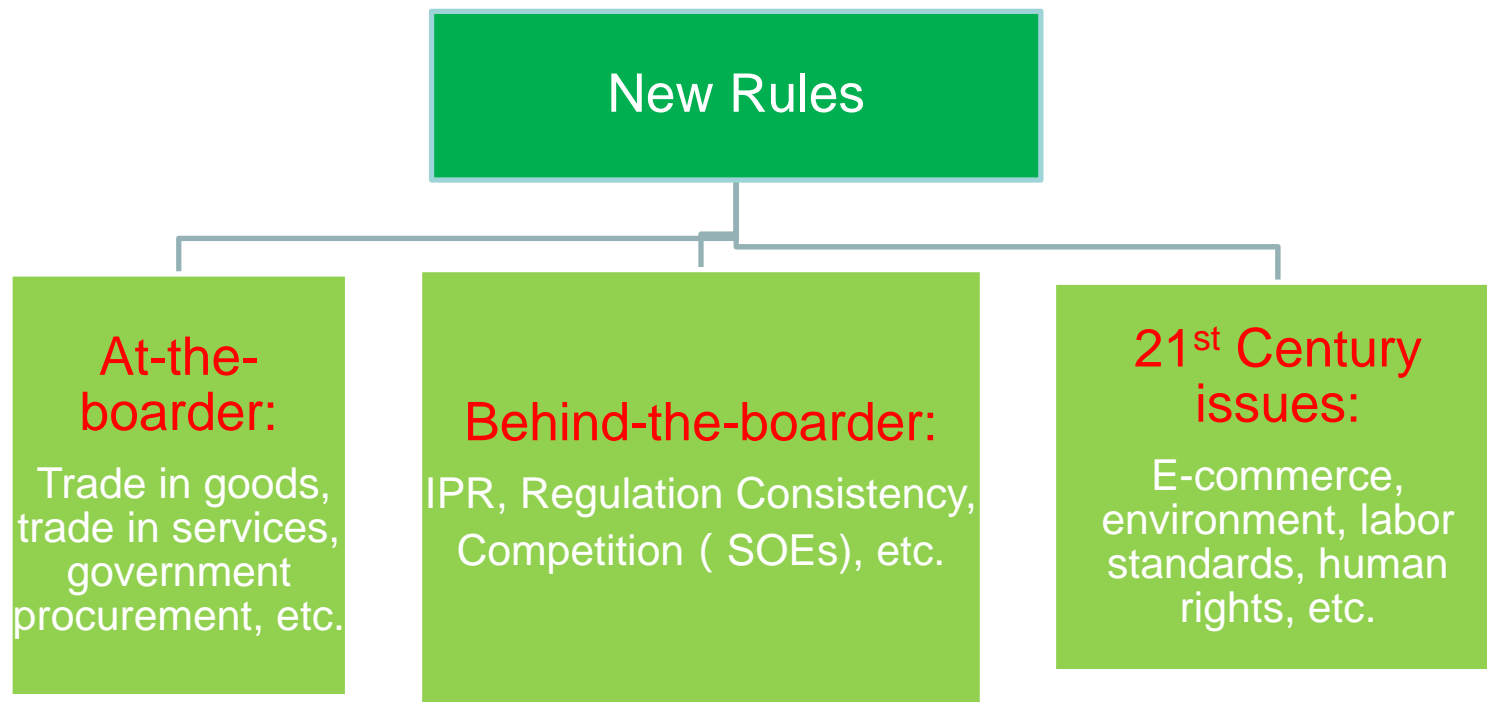
I Global FTA Development Trend

2001-2012 EU/US V.S. BRICS GDP and Trade Proportion Comparison



I Global FTA Development Trend

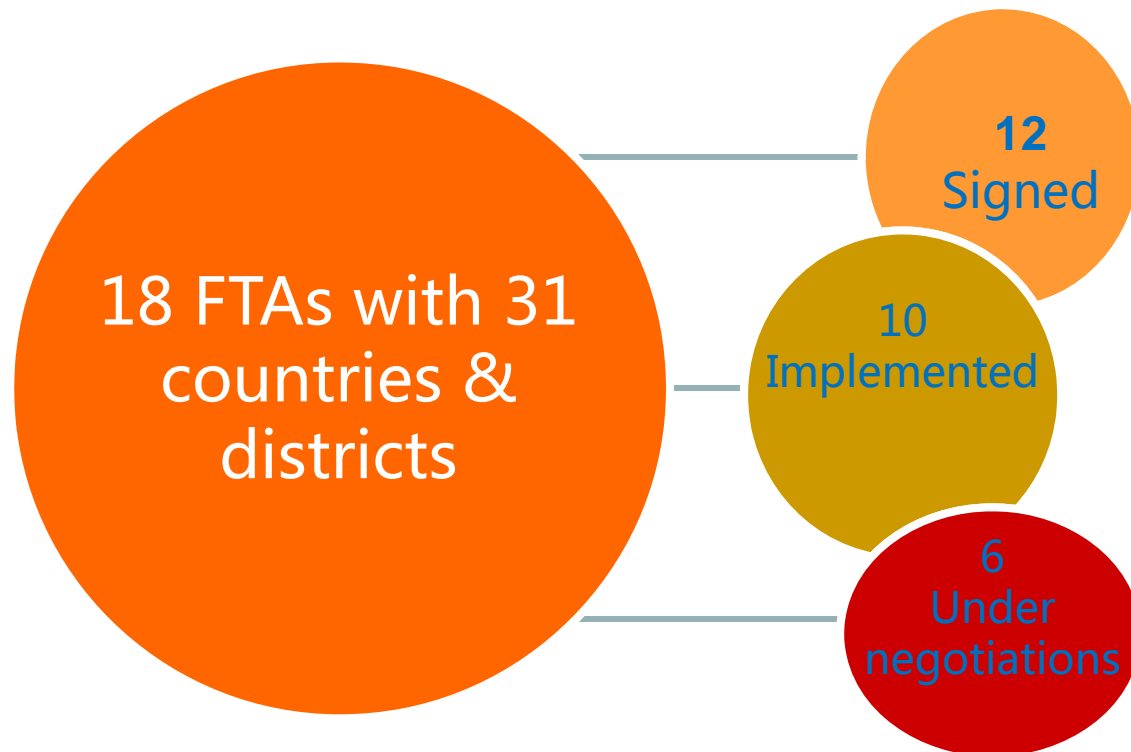
Global economic and trade rules reconstruction



II Introduction of China's FTA



II Introduction of China's FTA



**Finished JFS with India and Sri Lanka,
undertake JFS with Colombia and Israel.**

II Introduction of China's FTA

China's Signed FTA Overview

Agreement	Entry into Effect	Tariff eliminated from the date entry into force %	Tariff eliminated after a transition period %			Trade in Services	Investment	Other rules
			Tariff	Import	Duration			
China-ASEAN	2005	8.4%	94.3%	93.2%	10 years	Most = DDA commitments	Pre-establishment NT & negative list are not involved.	Few involved.
China-Chile	2006	37.2%	97.2%	90.6%	10 years			
China-Pakistan	2007	8.4%	35.5%	40%	5 years			
China-New Zealand	2008	24.1%	97.2%	96.3%	12 years			
China-Singapore	2009	9%	94.3%	97%	10 years			
China-Peru	2010	61.2%	94.6%	99%	17 years			
China-Costa Rica	2011	65.3%	96.7%	99%	10 years			
China-Iceland	N/A	95.6%	96%	100%	10 years			
China-Switzerland	N/A	22.8%	92.1%	84.2%	15 years			

II Introduction of China's FTA

Trade between China and FTA Partners (excl. Taiwan, Hong Kong, Macao)



II Introduction of China's FTA

2005-2012 ASEAN's Foreign Trade

Year	Export		Import		Total	
	2005	2012	2005	2012	2005	2012
China	7.4%	11.3%	9.3%	14.5%	8.35%	12.9%
U.S.	14.2%	8.6 %	12%	7.5%	13.1%	8.1%
E.U.	13.2%	10.0%	11.3%	9.6%	12.25%	9.8%
Japan	12.3%	10.1%	15.8%	11.2%	14.05%	10.6%
Korea	3.8%	4.4 %	4.5%	6.2%	4.15%	5.3%%

ISS under China's FTAs

• **China-ASEAN FTA**

- Agreement on Trade in Services implemented from July 2007. Parties' WTO plus commitments on ISS:
- **China**-construction and road transport services; **Singapore**-transport services; **Malaysia**-telecom, construction and transportation; **Indonesia**-construction and energy services; **Thailand**-maritime and movement of natural persons; the **Philippines**-energy services; Brunei-transportation.
- Agreement on Investment signed on August 2009.
- Working Group on Economic Cooperation set up under the Implementation of CAFTA
- China and ASEAN are consulting a **“upgraded CAFTA”** possibly cover China-ASEAN connectivity.

ISS under China's FTAs

• **China-Chile FTA**

- On April 2008, China and Chile signed the Supplementary Agreement of China-Chilean Free Trade Agreement on Trade in Service
- **China** made further commitments to Chile on 23 sectors and sub-sectors, including computers, management consultation, mining, environment, sports, **air transportation**
- **Chile** made further commitments to China on 37 sectors and sub-sectors, including legal services, **construction**, engineering, R&D, **real estate**, advertising, management consultation, **mining**, **manufacturing**, leasing, distribution, education, environment, tourism, sports and **air transportation**.
- .

ISS under China's FTAs

- **China- New Zealand FTA**

Both parties signed the FTA on April 2008.

China: made more liberalized commitments to New Zealand in 4 sectors(15 sub sectors) compared with its WTO commitments, including business services, environment, sports, and **transportation**.

New Zealand: made more liberalized commitments to China in 4 sectors(16 sub sectors) than to WTO, including business services, **construction**, environment and education.

Both sides will grant MFN treatment to each other in 7 areas (environment, **construction**, agriculture and forestry, engineering, integrated engineering, computer, tourism) so as to ensure that the services or service suppliers of the other Party could enjoy no less treatment as a Third Party on like services

ISS under China's FTAs

- **China- New Zealand FTA**

Movement of Natural Persons

New Zealand will provide 800 work permits to 5 professions including Traditional Chinese Medicine practitioners, Chinese chefs, Chinese teachers, Wu Shu Coaches, Chinese tourism guides, and recognize the diplomas and working experiences; 1000 work permits for 20 professionals including turners, boiler makers, electricians, plumbers, computer engineers, auditors. 1000 young Chinese every year will get working visas under the Working Holiday Scheme.

up to date, more than 6000 Chinese to be granted a working visas to get entry to New Zealand under China-New Zealand FTA.

ISS under China's FTAs

- **China- Singapore FTA**

Financial Services

Both Parties signed the Agreement in 2008.

In 2012, both parties signed an arrangement on Banking Services under the CSFTA.

- A bank license with Qualifying Full Bank privileges in Singapore shall be granted by the relevant Party to each of 2 eligible Chinese banks;
- One Chinese bank with QFB privileges in Singapore shall be authorized by the relevant Party as a clearing bank for Renminbi in Singapore as soon as reasonably practicable after the granting of the bank licence with QFB privileges to both of the 2 eligible Chinese banks.

ISS under China's FTAs

RCEP

- Launched negotiation in 2012, and 4 rounds of negotiations concluded.
- TNC, and working groups on TIG, TIS, Investment, Economic and Technical Cooperation, IPR, Competition, Dispute Settlement have been set up.
- ASEAN's centrality
- ASEAN & AFP
- Open and Progressive
- On the base of 5 ASEAN Plus One FTAs

IV A Few Thinking

ISS' s role in China's FTAA



ISS have become a major feature of 21st century FTAs that are oriented towards deeper and comprehensive integration with a strong regulatory focus, especially to the improvement of global value chains

ISS Effects on FTA

Economy of Scale



FTAs to get rid of the existing market barriers, gain economies of scale and a stable market.

ISS Effects on FTA

Promotion of Competition



Market competition could help companies improve production efficiency.



According to EU's experience,
1% increase of economic openness = 0.6% increase of
productivity.

ISS Effects on FTA

Investment Effect



Eliminating barriers to goods, services, capital and other factors could inspire investments among regional members.



Elimination of tariff and non-tariff barriers could also help attract investment from countries out of the region and expand exports to other members.

Website of China's FTA Network



China FTA Network

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China's Free Trade Agreements

- China-ASEAN FTA
- China-Pakistan FTA
- China-Chile FTA
- China-New Zealand FTA
- China-Singapore FTA
- China-Peru FTA
- Mainland and Hong Kong Closer Economic and Partnership Arrangement
- Mainland and Macau Closer Economic and Partnership Arrangement
- China-Costa Rica FTA

Free Trade Agreements under Negotiation

- China-GCC(Gulf Cooperation Council) FTA



The Chinese Government deems Free Trade Agreements (FTAs) as a new platform to further opening up to the outside and speeding up domestic reforms, an effective approach to integrate into global economy and strengthen economic cooperation with other economies, as well as particularly an important supplement to the multilateral trading system. Currently, China has 14 FTA partners comprising of 31 economies, among which 8 Agreements have been signed already.

FTA News Release

[more>>](#)

- Fourth Round Negotiation on China-Switzerland FTA Held in Beijing 2012/02/28
- China and Switzerland signed the 2nd Round Package of Specific Arrangements under the Agreement on Trade in Services (ATS) 2011/11/28
- China and Switzerland held the 3rd-Round Negotiation on Free Trade Zone 2011/11/14
- China-Costa Rica FTA entered into force on August 1 2011/08/03

<http://fta.mofcom.gov.cn>

感谢 *thanks*