

# RCEP THINK TANK NETWORK



## NEWSLETTER

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### **Thematic Seminar on “The Future Trend of Global Free Trade and RCEP’s Role”**

#### **Summary of Experts’ Views (1)**

On the morning of April 16, 2025, the RCEP Think Tank Network (RCEPTTN) convened a thematic seminar titled “The Future Trend of Global Free Trade and RCEP’s Role” in a hybrid format. Experts, scholars, and members of the RCEPTTN from all 15 RCEP member countries participated in in-depth discussions on key topics such as RCEP’s role in promoting free trade, advancing regional free trade arrangements with a focus on Asia, and addressing the challenges, opportunities, and pragmatic strategies facing the RCEP. The summary of experts’ views are as follows:

### **Resolutely Advance RCEP with Free Trade as the Main Theme**

**Chi Fulin**

**President, China Institute for Reform and Development (CIRD)**

At present, against the backdrop of the U.S. challenging the global free trade order with its “tariff stick”, free trade constitutes a vital driver for stimulating market vitality and fostering economic growth; free trade based on open markets and inclusive rules is the RCEP’s greatest strength; steadfastly advancing RCEP with free trade at its core serves as a key lever to promote regional economic integration and counter the U.S. trade war.

**1. Jointly Building the Largest, Most Equitable, and Most Dynamic Free Trade Area.** As the world’s largest, most equitable, and most dynamic free trade area, RCEP with free trade as the main theme serves as a key driver of regional economic

growth, and also serves as a critical lever for member states to advance free trade amid global transformations. Confronting the U.S.-led backlash against economic globalization and the increasing barriers to accessing the U.S. market, the strategic imperative lies in leveraging RCEP's integrated market to steadfastly pursue free trade. This approach will forge a unified regional framework to counter U.S. trade war tactics while spearheading progress in both regional and global free trade governance.

## **2. RCEP Is Well-Positioned to Become a Key Driver of Global Free Trade.**

Firstly, signing the China-ASEAN Free Trade Agreement 3.0. China-ASEAN relations represent the most successful and dynamic model of regional cooperation in the Asia-Pacific, the growing complementarity between China and ASEAN economies remains a major trend. Secondly, Achieving major breakthroughs in China-Japan-Korea FTA negotiations. To achieve major breakthroughs in regional free trade at an "RCEP+" level, particularly in trade in services, institutional openness, and industrial chain cooperation. Thirdly, China's orderly expansion of voluntary and unilateral opening-up will provide key momentum for high-level RCEP free trade. Fourthly, Upholding ASEAN's Centrality in RCEP, from the broader perspective of promoting regional free trade, accelerating membership expansion is particularly crucial.

**3. Jointly Building RCEP to a Higher-Level.** Firstly, forming an important driving force for RCEP free trade through higher-level market opening-up. For examples, accelerate the implementation of RCEP's "zero tariffs"; Unleash the policy effects of "Cumulation of Rules of Origin" to promote diversified layouts of regional industrial and supply chains; Build a high-level network for services and investment liberalization. Second, Expanding new space for free trade under RCEP. under the framework of RCEP's e-commerce rules, efforts should be made to jointly establish cross-border "Digital Free Trade Zones" and "Digital Economy Cooperation Parks", collaboration should be deepened to refine RCEP's e-commerce rules, and actively participate in shaping international digital trade rules. Thirdly, Improving RCEP's Governance Mechanisms. To meet RCEP's developmental needs, establish an RCEP Secretariat at an appropriate time.

# **RCEP Expansion and Upgrading Will Help Elevate Regional Trade Liberalization**

**Naoyuki Haraoka**

**Executive Managing Director, Japan Economic Foundation**

Free trade plays a highly important role in driving economic growth and development. It is also instrumental in narrowing income gaps and mitigating income inequality among Asian countries. Global supply chains need to be well protected by free trade. Against the backdrop of rapidly rising protectionism, free trade areas, especially traditional free trade mechanisms are expected to play an

important role in stabilizing and maintaining supply chains.

RCEP members are highly diverse, and their stages of economic development vary. RCEP plays an extremely important role in achieving inclusive economic growth in the region. At a time when the multilateral mechanism of the WTO is weakening, RCEP is assuming a similar function by promoting domestic reform from the perspective of equality, so as to better meet the demands of globalization. The expansion and upgrading of RCEP will help enhance the level of regional trade liberalization and push regional cooperation to higher level.

Current protectionist policies will not make a country great, but get into decline. The true trade liberalization is the only path for a country to achieve prosperity. Asia-Pacific economies should, like APEC, promote competitive trade liberalization to revitalize the WTO. RCEP is an important lever for advancing global free trade and will serve as a significant steppingstone.

## **RCEP Needs Comprehensive Upgrading to a Higher Level of Trade Liberalization**

**AHN Choong Yong**

**Distinguished Professor, Graduate School of International Studies, Chung-Ang University**

### **1. Trump's policies have led to "America Last" rather than "America First".**

The current U.S. President Donald Trump has virtually ended the free trade era prevailed post-World War II. Mr. Trump views international relations on a transactional basis, putting "America First" when he deals with the U.S. international relation. Under the U.S. proclaimed protectionist doctrine, East Asian economies, for that matter, the rest of the World, is facing unprecedented challenges due to the unpredictable trade-inhibiting high tariffs and thus further aggravating geoeconomic fragmentation already underway. With these negative outcomes, many critics of the Trump's high tariff policy argue that it will benefit other countries, promoting "America last" rather than "America First".

### **2. East Asian countries want to see China and the U.S. to settle down the differences by searching through a compromised middle ground especially on high-tech competition and achieve peaceful coexistence.**

Against Trump's reciprocal tariff policy, responded with tit-for-tat, the outcome would be even worse for the U.S. as well as its trading partners. Given the East Asian economies are also deeply intertwined with China and definitely to be affected by the China's sluggish exports to the U.S., mixed with active compromise for multilateralism is most desirable. To avoid the immediate reciprocal tariff charges from the U.S., those targeted trade surplus economies might take some timely actions to trim down one way or another one-sided trade surplus against the U.S. Includes: increasing strategic imports from the U.S.; reducing the export to the U.S.; making significant FDI commitments to the U.S following Trump's reshoring policy.

**3. Asian economies need to diversify their export markets.** In this context, the effectuations of CPTTP and RCEP in sequence have provided welcome momentum for regional free trade spirits. By fully implementing the two mega deals, East Asian economies must achieve collectively dynamic regional growth. Whichever direction of the U.S.-China trade war unfolds, East Asian economies would need to invoke “East Asian identity” to mitigate external shocks by taking some concrete collective and coordinated efforts on the spirits of free trade principles.

**4. Implement self-help measures to strengthen the “East Asian identity”.** First, the quality of RCEP needs to be upgraded all round to the level of the CPTPP to make it a significant free trade club for eventual amalgamation of two largest free trade deals. Second, a revival of the stalled CJK FTA negotiations that embraces an “RCEP plus” framework would be a key to mitigating the harmful impacts of unabated geo-economic fragmentation. Third, likeminded middle powers in the East Asia should align each other in many of multifaceted and multilayered minilateral architectures. For example, minilateral digital trade agreements are highly encouraged. Fourth, cross-border FDIs need to be well protected by providing “aftercare service system”. Lastly, also must be avoided both high-tech trade bans and “weaponization” of strategic materials like rare earth by purely political motivations under the security-trade nexus frame.

## **Realizing the Full Potential of RCEP through Expansion and Upgrading**

**Dandy Rafitrandi**

**Researcher, Centre for Strategic and International Studies, Indonesia**

**1. Certainty in Uncertainty.** We are now witnessing a new phase in global economic uncertainty. Trade tensions continue to cast a long shadow over global growth. The impact of ongoing trade wars will be devastating not only for the immediate parties involved but also for the global economy at large. Rising tariffs, disrupted supply chains, and increased volatility are already eroding the predictability that businesses and governments need to plan, invest, and grow. However, amidst this uncertainty, our region, Asia, stands out as a beacon of resilience. Our region has maintained a robust trading system, built on the strength of regional value chains and an increasingly diversified network of partners.

**2. RCEP offers a powerful and practical platform for responding to external shocks.** RCEP is not just another free trade agreement—it is a strategic tool for economic stability, inclusiveness, and long-term growth. To fully realize its potential, ASEAN must take an active role in engaging our key partners-China, Japan, South Korea, Australia, and New Zealand. ASEAN should lead efforts to promote coordinated responses—including production transparency mechanisms, early warning systems for import surges, and region-wide cooperation to manage excess supply. We also need structured dialogue with major economic powers.

**3. Seize historical opportunities to promote the expansion and upgrading of the RCEP.** This includes expanding the scope of RCEP to encompass new areas of economic cooperation—such as the digital economy, blue economy, and critical minerals, activate and operationalize the economic and technical cooperation chapter of RCEP. This should include the establishment of a dedicated RCEP Support Unit to boost utilization. Moreover, we urge the speedy finalization of the accession process for interested economies, such as Hong Kong, Sri Lanka and Chile to join RCEP. Meanwhile, it's imperative that we align our trade strategies with our environmental commitments.

## **RCEP Should Jointly Oppose Unilateral Bullying**

**Wu Shicun**

**Chairman, Huayang Center for Maritime Cooperation and Ocean Governance**

**1. Opportunities Facing RCEP.** Against the backdrop of slow recovery of the world economy, China and other RCEP members are making efforts to reduce tariffs and non-tariff barriers to boost confidence in the regional market and hedge against the impact of the tariff war from the United States. First, China's opening-up unlocks new market potential for RCEP nations. First, China's opening-up unlocks new market potential for RCEP nations. Secondly, the outcome of the China-Japan-South Korea talks has brought opportunities to accelerate the RCEP process. Lastly, the U.S. Trump administration's tariff war policy has increased the need for greater regional cooperation among RCEP countries, at least in the short term and in theory.

**2. The challenges brought by the U.S. tariff war to RCEP.** The challenge brought by the U.S. tariff war to RCEP is systemic, weakening the global free trade system, inhibiting the exports of member countries to the U.S.. It will weaken the supply chain and industrial chain established among member countries, and even lead to the reconstruction of regional industrial chain and supply chain. First, the risk of economic downturn in RCEP member countries will intensify, and regional cooperation will inevitably be disrupted. Secondly, some member countries choose to yield to the U.S., resulting in the risk of weakening the supply chain and industry chain within the RCEP. Economic and trade cooperation between China, Japan and the Republic of Korea is also facing serious disruptions.

**3. What should we do?** While some RCEP members may choose to compromise in the short term by opening negotiations with the U.S. and signing reciprocal trade agreements with the U.S., these are tantamount to quenching their thirst with poison. China and Vietnam, as well as other RCEP members, are beneficiaries of economic globalization, and should strengthen their strategic strength, jointly oppose unilateral bullying, and safeguard the global free trade system and the stability of the industrial and supply chains. In order to meet the challenges in Asia, we need to work together to deepen cooperation, unite and collaborate in order to safeguard common development of the region, and to show the world: "Only when we are in the same

boat will we be able to move steadily and make great progress”.

## **Continue to Promoting Regional Economic Integration through RCEP**

**Rommel Banlaoi**

**President, Philippine Society for International Security Studies**

**1. The RCEP continues to promote regional economic cooperation and integration.** The arbitrary and destructive unilateral actions taken by the Trump administration have triggered a continuous tariff crisis. This not only intensifies global trade tensions but also raises concerns about the end of globalization. The RCEP, through free, open and inclusive trade, continuously deepens and expands economic cooperation and integration among its members.

**2. The benefits that RCEP brings to the Philippines in the new trade environment.** Includes: First, wider and expanded market access; Second, greater foreign direct investment opportunities; Third, deeper supply chain integration; Fourth, innovative trade standards and streamlined customs regulations; Fifth, sustainable development and inclusive growth.

**3. The challenges faced by the Philippines.** The first major challenge is agricultural vulnerabilities. The second challenge is the provision of effective safety nets in order to protect local industries from a highly competitive regional trade environment. The third challenge is the ability to ensure that the benefits of new trade practices are equitably distributed among its population, particularly those marginalized and vulnerable ones. The fourth challenge is the security problem from transnational crimes taking advantage of trade liberalization. It is imperative for the RCEP to have a strong security agenda when promoting trade liberalization. Fifth, in current context, RCEP needs to build the capacity of members to achieve sustainable development.

## **RCEP Member Countries Should Work Together to Meet Challenges**

**Chheng Kimlong**

**President, Asian Vision Institute, Cambodia**

**1. Trade restriction measures accelerate the development space of RCEP.** The trade restrictions imposed by “Trump 2.0” have affected not only targeted countries but also the U.S. itself. This creates even more opportunity for all others. The WTO

now is in a coma — perhaps even in the ICU, and is incapable to address the trade challenges and issues faced by WTO member countries. This has left rooms for RCEP to grow even faster. The WTO may prove short-lived, and a new trade architecture can be established.

The RCEP is currently facing the challenges in terms of the coordination of regulatory rules at the technical level, complex rules of origin, lack of trade-supporting infrastructure, and insufficient economic vitality among RCEP member countries. It is necessary to promote coordination of relevant regulations among RCEP members, resolve technical obstacles in utilizing rules of origin, and strengthen regional connectivity construction.

**2. RCEP member states should join hands to meet the challenges.** The closer economic and political relations among RCEP member countries have created situation has taken that China, Japan, and Korea has forged closer trade, economic security cooperation. This has created more space for regional cooperation, and RCEP has huge potential. China, Korea and Japan should now work together to address global geopolitical challenges. They should look to Southeast Asia, and look to a greater integration and economic cooperation with ASEAN member states, and include other Pacific countries, including Australia and New Zealand.

**3. RCEP will play a key role in promoting global multilateralism and can serve as a model for how large regional trade arrangements respond to global crises.** Two suggestions are proposed. First, maybe it is time for RCEP member countries to organize a high-level summit, which could be held in Malaysia, China or any other RCEP member countries. Second, RCEP should promote RCEP roadshow in response to current global challenges. Third, a Track 1.5 RCEP roadshow should be carried out jointly by governments and think tank organizations.

## **Accelerating the Upgrading of RCEP**

**Ong Chongyi**

**Executive Director, Belt and Road Initiative Caucus for Asia Pacific, Malaysia**

**1. The rise of new regionalism is increasingly prominent, becoming a significant feature of the evolving international economic and trade landscape.** Against the backdrop of growing global economic uncertainties, regional integration mechanisms represented by RCEP have become particularly crucial. By reducing intra-regional tariffs, harmonizing rules of origin, and facilitating seamless cross-border supply chains, RCEP offers a built-in buffer against external shocks. To achieve this, the region must simultaneously pursue long-term structural strategies to ensure sustained competitiveness and economic resilience.

**2. Accelerate the upgrading of the RCEP.** Internally, this would require RCEP members to further streamline customs and financial procedures to enable smoother movement of goods and capital. Accelerating the removal of both tariff and

non-tariff barriers is essential. Equally important is prioritizing the use of regionally produced substitutes to reduce reliance on external imports. In parallel, the region should enhance joint investments in technology, expand digital infrastructure and last-mile logistics, and foster a vibrant ecosystem for e-commerce.

**3. Expand the RCEP as soon as possible.** Externally, efforts should also be made to expedite the inclusion of Chile, Sri Lanka and Hong Kong as member states and perhaps, re-engage India in dialogue amid tariff turbulence. Meanwhile, the RCEP bloc should actively deepen economic engagement with emerging regions—including the Global South, the Middle East, and Africa—while also working constructively with less confrontational economic powers like the European Union, Canada, and Mexico.

By aligning with actors who share a commitment to a fair, rules-based international order, RCEP members can better protect themselves from the disruptive impacts of unilateralism.

(Compiled by **Wang Yuehong, Jin Ye, Lin You, Lin Fen, Zhang Yiru**)