

Workshop on “Reglobalisation: Changing patterns” (Focus on International Trade 2021/2022)

OeNB/WKÖ/SUERF, 24/06/2022

Webex meeting

The Regional Comprehensive Economic
Partnership agreement and its economic
implications

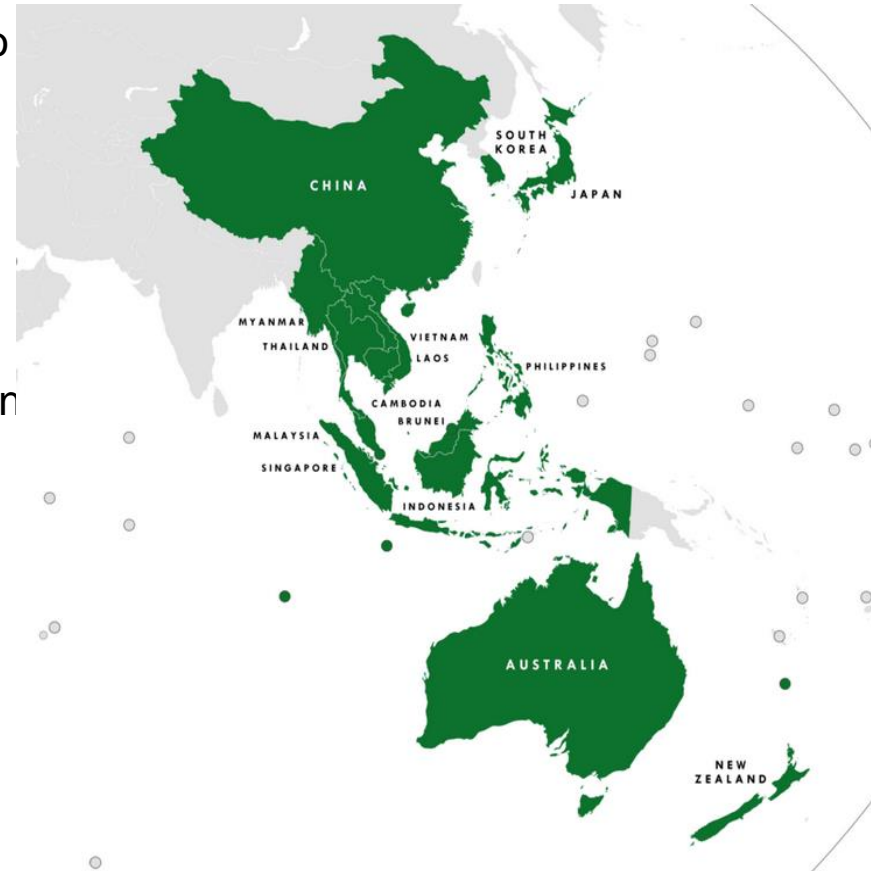
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Regional Comprehensive Economic Partnership – RCEP:

- Multilateral FTA signed in Nov. 2020, came into force in Jan 2022.
- It encompasses 15 Indo-Pacific countries: ASEAN, China, South Korea, Japan, New Zealand, and Australia
- Gradual tariff reduction over the 20-year horizon on 90% of goods.
- The biggest trade block in history (30% of the global population and GDP)
- RCEP members differ in size, economic development, trade policy, and trade structure.
- Strong overlaps with already existing agreements (ASEAN, CPTPP)

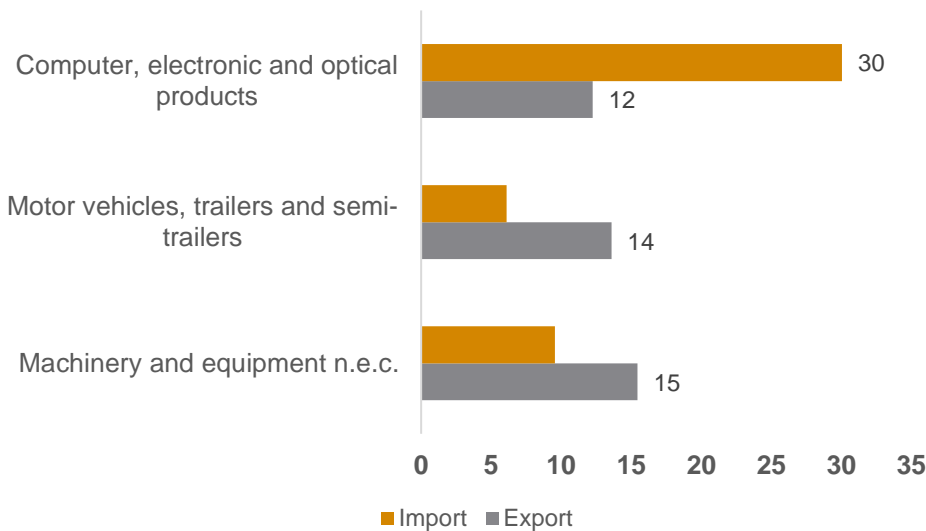




EU27 trade shares with RCEP countries (goods trade)

	Import share (in %)			Export share (in %)		
	2000	2019	Difference	2000	2019	Difference
RCEP	10.4	14.6	+4.2	5.5	8.5	+ 3
China	2.8	8.5	+5.7	1.0	4.0	+ 3.0
Japan	3.6	1.7	-1.9	1.7	1.2	-0.5
Korea	1.0	1.1	0.1	0.6	0.9	0.3
Australia	0.3	0.2	-0.1	0.5	0.6	0.1
New Zealand	0.1	0.1	0.0	0.1	0.1	0.0
ASEAN	2.7	3.1	0.4	1.5	1.7	0.2

However... EU trades a lot more high-tech products



Modelling indicates large trade creation effect within RCEP (30%). The export from the EU will decline by about 1% and to non-RCEP members by 0.1% (small trade distortion effect)

- Geopolitic/economic shift towards Asia
- Strengthening of multilateral trade policy (WTO)
- Importance of presence via FDI

Thank you for your attention!

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