

TRADE LIBERALISATION IN ASIA: WHY INTRA-ASIAN FREE TRADE AGREEMENTS ARE NOT UTILISED BY THE BUSINESS COMMUNITY

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ABSTRACT

While the growth of RTAs and the increase of per capita GDP growth in the Asia region occurred at the same time, this Article aims to point out that contrary to the general understanding, the contribution of RTAs to the liberalization of trade between Asian countries have been overstated and exaggerated. Through further reasoning, the Author points out two factors that have caused RTAs to be not that effective in liberalizing trade—first, Asian countries focused too much on the liberalization of trade in goods to the exclusion of other issues; and second, there is a low level of ambition in trade liberalization. In its conclusion, the Author suggests that governments have to set clear aims and objectives before entering into RTA negotiations. After all, RTAs should provide tangible economic benefits through meaningful

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preferential benefits in goods and other sectors, not negatively effect trade through complex and costly administrative procedures.

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