



## ***The Regional Comprehensive Economic Partnership (RCEP):***

### ***ASIA'S MEGA-REGIONAL FTA AND THE CORPORATE ATTACK ON QUALITY PUBLIC SERVICES***

***6-7 September 2017, Manila, Philippines***

The Regional Comprehensive Economic Partnership (RCEP) has been under negotiation since 2012 between sixteen governments in the Asia and Pacific region - the ten ASEAN countries (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) plus Australia, China, Japan, Korea, New Zealand and India. The 19th round of negotiations took place in Hyderabad, India from 18-28 July 2017 and will be followed by a Ministerial level meeting in Manila from 5-10 September.

If concluded, the RCEP would be the world's largest trading bloc, with its own set of rules on a broad spectrum of issues such as trade in goods, agriculture, services, investment, competition, intellectual property and other areas of economic and technical cooperation. Thus the extent of its coverage both in terms of the range of issues and the number of people's whose lives and livelihoods it impacts is unprecedented.

RCEP is an expansion of the existing free trade agreements (FTAs) that ASEAN has already signed, with the clear intent to further the extend of deregulation of laws and opening of markets to the private sector. However, there has been no assessment of the impacts these existing FTAs have had in the region, despite the evidence of negative impacts. Thus, without corrective measures, this new mega-regional FTA will further deepen the existing negative impacts.

Because of the excessive demands from developed countries such as Japan, Australia and New Zealand on key issues, the conclusion of the deal has been delayed repetitively. The RCEP Ministerial that will take place in Manila will take hard decisions with regard to the propositions on the table.

Some key concerns include:

- A major cause of concern has been the lack of public disclosure on what is on the negotiations table. Despite that the negotiations have been on for 5 years, no negotiating text has been made public. Countries positions are also kept secret, with only vague statement made to the press or to civil society representatives.
- RCEP will also impact availability of affordable medicines. Japan and other countries are demanding stronger intellectual property rights rules that will affect the production and commercialisation of medicines. India is known as the pharmacy of the developing world. Around 80% of HIV medicines for developing countries are

procured from India. The rules proposed in RCEP will make drugs unavailable and affordable, not only in India but also other developed and developing nations.

- Under RCEP, import duties are to be drastically decreased across all commodities. This will lead to foreign companies displacing local production in manufacturing. This will have a negative impacts on employment and promote the use of contract work as companies offset the competition by decreasing the cost of labour in the production process.
- Lower import duties for agricultural produce will lead farmers to face lower market prices for their produce, there by deepening the agrarian crisis in the region.
- Import duties are an important revenue of the government. Lesser government revenues will lead to further constraining already meagre budgets for essential services such as education, healthcare, water and electricity.
- The Investor-State Dispute Settlement Mechanism (ISDS) is also proposed as part of the negotiations. ISDS is a secret international tribunal where investors can make claims against governments. It puts investor's rights above people's rights and national courts and parliaments and no jurisdiction over these private tribunals.
- Corporations are regularly using ISDS courts to challenge range of policies fo public health, environment protection as well as to avoid paying their legitimate taxes. Tax breaks cost developing countries as much as \$138bn a year, money that is much needed for education, healthcare and other critical public services.
- RCEP will impact farmers freedom to save and share seeds. Japan and Korea are demanding higher levels of IP protection in line with the treaty on plant variety UPOV 1991. Traditional knowledge about locally adaptive varieties, very relevant with the climate crisis and frequent droughts, would be further marginalised.
- RCEP will also constrain the government's ability to regulate the private sector in the public interest, including in the provision of essential services such as education and healthcare. Thus, it will make it easier for the private sector to develop and expand at the cost of quality public services.

Several countries that were involved in the Trans-Pacific Partnership Agreement (TPP) are now involved in the RCEP negotiations. These are seen, mostly by developed countries (such as Australia, Japan and New Zealand) as complementary routes to a free trade area of the Asia–Pacific. These agreements undermine local and national government decision-making power and increase corporate access to public services resulting in the privatization of critical public services. PSI is working with global union federations, affiliated unions, and civil society allies who oppose these agreements in the Asia Pacific Region.

In this context, and in line with the *PSI Resolution to Oppose Regional Comprehensive Economic Partnership, RCEP* (Fukuoka, Japan, 12 October 2016), PSI will organise a Regional Workshop on "RCEP, Corporate Power and Public Services" in Manila from 6-7 September 2017 (10 am to 5.30pm). For more information, please contact the PSI Sub Regional Secretary in your region, or Susana Barria ([susana.barria@world-psi.org](mailto:susana.barria@world-psi.org), in India) and Hiroo Aoba ([hiroo.aoba@world-psi.org](mailto:hiroo.aoba@world-psi.org), in Japan).