

Future Global Trade Regime Seminar

Toward Future Global Trade Regimes

Session 2: Economic and Geography

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Geographic/geopolitical implication of TPP

- TPP is a “rules-based” pluriateral trade/investment regime.
- TPP promotes economic development by enhancing legal and regulatory predictability governing trade and investment in the region.
- It is an important contributor to the rule of law in the international economic arena.
- TPP will, by buttressing the rule of law, contribute to global governance and strengthening the international system as a whole.

- TPP is limited in geographical coverage, but only for now.
- It compensates this limitation by enhancing the existing rules-based multilateral trading system, which is the WTO.
- TPP adds on to the WTO with its deeper and broader substantive coverage.
 - (1) Elaboration of rules already in the WTO (WTO-plus);
and
 - (2) Introduction of rules in new areas not covered by the WTO, such as international investment and digital economy (WTO-extra).
- TPP, as a living agreement, leaves ample room to expand its membership as well as to incorporate further rules in new areas in order to keep up with the fast-paced transformation of the global economy.

- Rules-based system, in order to be effective, needs an enforcing mechanism.
- TPP has the Dispute Settlement system which adds to the WTO DS in areas WTO-plus and WTO-extra.
- TPP also has the Investor-State Dispute Settlement system, in addition to the DS, and strengthens its investment regime.
- Through these mechanisms, international jurisprudence in trade and investment will be developed, helping other rules-based systems including the WTO.

- Today, we witness, unfortunately, serious challenges to the rule of law in various corners of the world.
- TPP will demonstrate to the whole world that, at the end of the day, the rule of law economically benefits all stakeholders in the international community.
- Moreover, the rule of law will ensure all people their inherent right to pursue liberty and wellbeing.

- In other words, only with the rule-of-law based governance, both nationally and internationally, there can be a truly inclusive economy, which is critical to promoting growth with fairness.
- TPP will show the way by moving ahead from the rules-based international economic system comprising the WTO and the Bretton-Woods institutions.