

Report of the EABC-CII RCEP Business Stakeholder Workshop
July 25, 2017
Hyderabad, India

Following the success of the EABC RCEP Business Stakeholder Workshop held in Tangerang, Indonesia from December 4-5, 2016, the EABC with the support from the Confederation of Indian Industries (CII) once again organised the workshop in Hyderabad, India along the side lines of the 19th RCEP TNC meetings on July 25, 2017 focusing on specific topics. The full programme is attached as per Annex I.

The workshop aimed to provide a unique opportunity for RCEP negotiators to hear directly from businesses what are the potential rewards that could be derived from the outcomes negotiated.

The workshop comprised three sessions namely: MSMEs, Trade Facilitation and eCommerce; Services; and Goods Market Access and Non-Tariff Measures.

Session I: MSMEs, Trade Facilitation and eCommerce

It is very clear that these three chapters are very important, inter correlated and should be given a holistic approach. Some of the common recommendations we heard from the speakers are:

- i. We need business friendly, transparent and consistent rules on Customs procedures and data storage and cross border data flows
- ii. Customs bureaucracy is a huge problem for MSMEs, efficient procedures, such as the advance ruling on HS codes and transparent permit requirements are essential
- iii. A harmonised label to identify products across the RCEP region such as the GS1 labels, can expedite clearance especially for small parcels below the de minimis limit
- iv. Negotiators should have a look at the key areas proposed in the WTO Trade Facilitation Agreement clauses 8.1-8.5, the Bali Agreement and WCO declaration and clearance chapter
- v. Cyber security, secure payment and data and consumer protection is important for businesses as well as consumers
- vi. Access to information is important, there should be no blockage on data flows with no split off on types of data flows and countries should avoid data localisation requirements
- vii. Standardisation is important, for example standardisation of database building rules, standardisation on unsolicited contact rules and there needs to be harmonisation with international standards wherever possible
- viii. MSMEs should be included in implementation discussions to ensure that RCEP continues to meet the needs of smaller firms
- ix. Governments should disclose and update information on rulings on a timely and consistent manner so businesses can stay abreast on the developments

Session II: Services (Movement of People, Financial Transactions Etc)

We have listened from several businesses and research institutions on the services chapter:

- i. In order to have a successful flow of services, free movement of data, people, intellectual property and capital is needed
- ii. The ASEAN Plus FTAs so far has not provided for commercially meaningful opening in the services sector, some examples that the negotiators should consider include: Opening up Mode 1, no local presence requirements, clear timelines and guidelines on subsectors, limits on performance requirements and carve outs, licensing and qualifications to be listed in the texts and allow sufficient transition period for the implementation of new regulations. Members of ASEAN are encouraged to address challenges in the area of service trades, which may also offer them opportunities. This will help push forward negotiations in the RCEP context.
- iii. Ensure that licensing and qualifications do not become unfair barriers to trade and allow sufficient time before new rules take effect
- iv. There is no clarity and subjective discretionary elements in mode 4: there are quotas, increasing visa cost, police verification and other restrictive regulatory barriers
- v. Propose that salary threshold to be defined by countries to safeguard against undercutting of local workers and counter local unions apprehension; No other conditions (caps, quotas, ambiguous definition, levies, charges, etc.); No onerous measures such as certifications from end-consumer (secondary displacement, outplacement measures); No contribution required to the host social security regime if applicant shows proof of continuing association with home country regime
- vi. In order to realise free movement of people, there needs to be a totalisation agreement, skills mapping arrangement
- vii. Introduce common cards; one to support short term travel and another for long term travel, set specific standard requirements for both cards across member states with benefits like faster access/clearance at airports through a pre-clearance mechanism. We can look at the APEC Business Travel Card as a successful business visa for the APEC region and customise an RCEP visa from there

Session III: Goods Market Access and Non-Tariff Measures (Tariff Negotiations And Regulatory Measures such as Standards And Technical Barriers To Trade)

As for the market access chapter, Non- Tariff Barriers seems to be the major issue and sectoral annexes or mutual recognition agreements should be provided for in the RCEP. Representatives from the Indian industries also expressed their concerns on opening the Indian market in the textile, milk, iron and steel, automobile, chemicals and petrochemical sectors among others.

The Chairman of the EABC working Group for RCEP, Mr Phairush Burapachaisri who is also the vice chairman of the Thai Chamber of Commerce delivered the closing remarks and the summary of the sessions at the workshop.



Confederation of Indian Industry



East Asia Business Council

**CII–EABC RCEP Business Stakeholders’ Consultations
&**

Dialogue with the RCEP Trade Negotiating Committee

25 July 2017: 0900Hrs - 1550Hrs: Ballroom, Novotel Hyderabad Convention Centre:
Hyderabad

0900 Hrs	Registration	
0930 Hrs	Welcome Remarks	Mr V Rajanna Chairman, CII Telangana
0935 Hrs	Remarks By Session Co-Chairs	Mr Deep Kapuria Chairman, CII Trade Policy Committee Ms Louise McGrath EABC Working Group for RCEP Member
0955 Hrs	Session I: MSME, eCommerce and Trade Facilitation	
<i>Each Speaker to get 10 minutes to speak</i>	<p>Outcomes of the eCommerce survey by Mr Tetsuo Ono, EABC Japan, Senior Project Manager, Int’l Div., The Japan Chamber of Commerce and Industry</p> <p>Outcomes of survey on Business Beyond Broadband by Ms Louise McGrath, National Manager, Australian Industry Group</p> <p>Dr Deborah Elms, Executive Director, Asian Trade Centre</p> <p>Ms Jane Melville-Allen, CEO, Demand Generator, New Zealand</p> <p>Ms Shanti Shamdasani, Senior Director, Public Policy – Southeast Asia, DHL</p> <p>Mr Patrik Jonasson, Director Public Policy International, GS1 Global</p>	
1100 Hrs	Networking Tea & Coffee Break	
1115 Hrs	Session II: Services (Movement Of People, Financial Transactions Etc)	
<i>Each Speaker to get 10 minutes to speak</i>	<p>Mr Rajesh Puttaswamaiah, Associate Director, Pricewaterhousecoopers Private Limited</p> <p>Mr Ameet Nivsarkar, Vice President, TATA Consultancy Services</p>	

	<p>Mr Gagan Sabarwal, Director, NASSCOM</p> <p>Dr Thaweelap Rittapirom, The Thai Bankers' Association</p> <p>Dr Deborah Elms, Executive Director, Asian Trade Centre</p>
1230 Hrs	Lunch
1330 Hrs	Session III: Goods Market Access And Non-Tariff Measures (Tariff Negotiations And Regulatory Measures Such As Standards And Technical Barriers To Trade)
<i>Each Speaker to get 5-6 minutes to speak</i>	<p>Mr Rakesh Bamzai, CEO & MD (President - India And Emerging Markets), Mylan Laboratories Ltd</p> <p>Dr Ajit Ranade, Chief Economist, Aditya Birla Group</p> <p>Dr Siddhartha Roy, Chief Economist, Tata Sons</p> <p>Mr Siddhartha Mitra, President, Reliance Industries Ltd</p> <p>Mr Anil Rajvanshi, Senior Executive Vice President, Reliance Industries Ltd</p> <p>Mr Sugato Sen, Deputy Director General, Society Of Indian Automobile Manufacturers</p> <p>Mr Naishadh Parikh, Chairman & Managing Director, Equinox Solutions Ltd</p> <p>Mr Anil Mathew, President, Hindalco Industries Ltd</p> <p>Mr Sunil Gulpadia, SRVP(F&A), SRF Ltd</p> <p>Mr Ketan Doshi, Vice President - NBD & EA To MD, Mahindra & Mahindra Ltd</p> <p>Mr Koustuv Kakati, Head Regulatory Affairs (Trade & Economy), Tata Steel Ltd</p> <p>Mr Pankaj Gupta, Vice President-External Affairs & CSR, Volkswagen India Private Ltd.</p> <p>Mr Nabarun Kar, AGM, Grasim Industries Ltd</p> <p>Mr Harendra Kumar Rajora, Vice President – Marketing, HPCL Mittal Energy Ltd</p> <p>Mr Goutam Mukherjee, Advisor – Commercial, Materials Chemicals And Performance Intermediaries Private Limited</p>

	<p>Mr Kaushik Dutta, General Manager - Corporate Planning, Chemicals & Petrochemicals MFRS Association</p> <p>Ms Shobana Kumar, APEDA</p> <p>Representative From Australia Chamber Of Commerce And Industry (TBC)</p>
1530 Hrs	Closing Remarks
	<p>Mr Phairush Burapachaisri, EABC Working Group for RCEP Chair</p> <p>Mr Deep Kapuria</p>
1550 Hrs	Close of Workshop
1630 Hrs	Interaction with Trade Negotiating Committee (TNC)*
1800 Hrs	End of Interaction
1900 Hrs	Reception & Dinner

***TNC members comprises of Chief Negotiators of all the 16 RCEP Countries**