

# **RCEP : An Unjust Deal and Added Burden in the Time of a Pandemic**

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## ***Trade Justice Pilipinas statement on the signing of the Regional Comprehensive Economic Partnership (RCEP) agreement, posted by Focus on the Global South :***

In the midst of a global pandemic and despite strong peoples' opposition, governments are set to sign today the Regional Comprehensive Economic Partnership Agreement (RCEP) at the sidelines of the 37<sup>th</sup> ASEAN Summit In Hanoi Vietnam.

Trade Justice Pilipinas joins the chorus of condemnation of this ambitious trade and investment agreement. Over years of following these negotiations - engaging actively in stakeholder processes, debating with trade negotiators from the Philippines and the region, facilitating public discussions and mobilizing protest actions against the agreement - we have consistently raised our concerns over the negative implications of RCEP on the Philippine economy.

That the agreement will be signed in the time of an unprecedented health and economic emergency that has exacted a heavy toll on public health systems and the economies across the region, is unconscionable. RCEP will not allow sufficient policy space for governments to adopt timely and adequate measures to address the Covid-19 pandemic and will further expose countries to costly legal challenges before a panel of private judges under an investor-state dispute settlement (ISDS) mechanism. RCEP will further prop up a broken economic model that we need to radically transform in favor of one that is more resilient.

The Covid-19 pandemic and the global economic slowdown should have prompted a pause in these negotiations instead of the acceleration that happened. States should be made accountable for committing to new obligations under this agreement that would be detrimental to the public interest.

This is an agreement that will be forged by governments without the consent of the people. Issues over lack of transparency and meaningful participation have hounded these negotiations from day one. As a civil society report found, the RCEP negotiations failed the transparency and public participation test with no or little publicly available information on the state of negotiations, draft texts or key government positions ; limited or token/ad hoc stakeholder engagement forums ; limited ability for Congress or other public institutions to impact or influence the process ; and on the other hand privileged role and access to information have been given to special interests and corporate/business groups.

By signing on to RCEP, governments in ASEAN will go against guidelines they themselves have set, in particular giving due recognition to "the different levels of development of the participating countries" and the need to include "appropriate forms of flexibility including provision for special and differential treatment, plus additional flexibility to the least-developed Asean Member States." RCEP exposes the asymmetries that exist among the parties to the negotiations and could lead to

further widening these gaps between the richer nations on the one hand and the poor and most vulnerable countries in the region. Not only is there an asymmetry in terms of GDPs and national incomes, but in the capacities as well of States to absorb new and sustained opening up of their economies.

A new report finds that most Asean nations will see rising imports and declining exports in the wake of RCEP. For the Philippines, we would see the cost of imports rise by as much as US\$908 million, with sharp increases in imports from South Korea, China, and Vietnam. On the other hand, the value of exports to RCEP countries is only expected to increase by around US\$4.4 million. Trade balance with RCEP countries will worsen by US\$904 million per year.

RCEP's agenda is skewed in favor of corporate interest. The agreement will in all likelihood already contain provisions or open the door for future measures that would prohibit the use of performance requirements that should be required of foreign investors, that would expose States to corporate attacks against public policies and regulations, that would strictly enforce intellectual property rights that could hinder access to affordable medicines and farmers' right to seeds.

RCEP will only deepen inequalities that already exist and were exacerbated further by the pandemic. It will further undermine the livelihoods of farmers, fishers, indigenous peoples and rural women, and threaten jobs for workers.

Trade Justice Pilipinas stands in solidarity with people's movements across the region in expressing our condemnation over the signing of this unjust deal.

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