

The Implications of the UK's Accession to the CPTPP

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After the UK's referendum on June 23, 2016, approving Brexit, the UK engaged in post-Brexit economic and trade negotiations with the European Union while actively pursuing the establishment of free trade agreements (FTAs) with other nations. A focal point in this endeavor was the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). After formally submitting its accession application on February 1, 2021, the UK successfully signed the 'Accession Protocol of the UK to the CPTPP' with CPTPP members on July 16, 2023. This marks the UK as the first new member to join the CPTPP after the expansion negotiations.

The content of the 'Accession Protocol of the UK to the CPTPP' indicates that the UK has largely accepted the norms outlined in the CPTPP, with negotiations focused on specific provisions within certain chapters. Regarding the highly scrutinized principle of tariff reduction, existing members have the prerogative to choose between a regular or accelerated tariff reduction for new members. The longer the delay in negotiations for new members, the shorter the buffering period for industries affected. As for the UK's market access commitment to existing CPTPP members, it is set at a high standard, with a final rate of 98.98% for all UK products reducing to zero tariffs, and the longest tariff reduction period spanning 21 years.

Further examination of the market access of British industrial products reveals that upon the implementation of the CPTPP, 94.31% of industrial products in the UK will immediately eliminate to zero tariffs. The only exception is the transportation equipment category, with a lower immediate zero-tariff rate (77.69%) compared to the overall average. Additionally, except for agricultural products, the UK has implemented differentiated tariff reductions for general chemicals (such as proteins) with Australia and transportation equipment (such as tractors and buses) with Japan. This underscores the CPTPP's stance on

new members, emphasizing a ‘full and fast’ approach, where the vast majority of products must have zero tariffs in place at the effective date, and the items eligible for phased tariff reductions are relatively limited.

The negotiation outcomes from the UK indicate that the government has implemented the commitments outlined in the ‘UK Accession to CPTPP: The UK’s Strategic Approach,’ published in June 2021. This includes the assurance that CPTPP will align with UK legal standards and arrangements, while excluding sensitive issues related to the National Health Service (NHS). The accession to CPTPP is expected to assist the UK in reducing trade barriers within the CPTPP region, creating additional market opportunities for British companies. This move aligns with market trends, fostering the development of supply chains and value chains for trade and investment.

Taiwan officially submitted its application to join the CPTPP on September 22, 2021. Understanding the process of the UK’s accession to the CPTPP, as well as the post-accession market access conditions, can provide valuable insights for Taiwan as it considers and advances its own application to join the CPTPP.

From the aforementioned analysis, it is evident that the CPTPP is a large-scale FTA characterized by high quality and stringent standards. If Taiwan successfully progresses to the negotiation stage of the CPTPP, Taiwan not only needs to prepare for ‘immediate liberalization with almost no exceptions’ but must also recognize that the CPTPP has become a battleground in the geopolitical competition between Taiwan and Mainland China.

Despite Taiwan's favorable economic and trade conditions, the strong opposition from Mainland China to Taiwan's accession has prevented Taiwan from receiving official support from CPTPP member states. The road for Taiwan to join the CPTPP in the future is expected to be more challenging and protracted compared to the UK's experience, and it will require concerted efforts from the entire population.