

Online Workshop on Understanding Trade in Professional Services and Developing Mutual Recognition Arrangements (MRAs) between ASEAN and Hong Kong

The Department of Trade and Industry (DTI), through the Bureau of International Trade Relations (BITR) and the Philippine Trade and Investment Center (PTIC) Jakarta, organized the Workshop on Understanding Trade in Professional Services and Developing Mutual Recognition Arrangements (MRAs) between ASEAN and Hong Kong, China which was held virtually on 17 February 2022.

The Workshop, which was implemented through the Economic and Technical Cooperation component under the ASEAN-Hong Kong, China FTA (AHKFTA), was held to exchange views among AHKFTA Parties on facilitating trade in services, given the possible benefits of improving the mobility and temporary cross-border movement of skilled professionals across the region.

More than 250 participants from various government agencies and regulatory bodies in ASEAN member states (AMS) and Hong Kong, China joined the discussions among key experts, as well as international organizations on the prospects and challenges on trade in professional services and negotiating possible frameworks for MRAs between ASEAN and Hong Kong, China.

DTI Secretary Ramon M. Lopez highlighted the potential of trade in services between ASEAN and Hong Kong, China in facilitating post-pandemic economic recovery and emphasized the role of MRAs in elevating the quality of professionals in the region through collaborative training and education programs resulting to higher quality of service providers in the region.

According to Secretary Lopez: “With the region’s shared commitment to keep markets open and facilitate trade, ASEAN continues to pursue economic cooperation initiatives with external partners. As ASEAN seeks to facilitate growth and economic recovery from the COVID-19 pandemic, it is important that ASEAN seek ways to deepen economic engagements with key trading partners such as Hong Kong, China.”

“It cannot be denied that the services sector remains to be a strong niche of both ASEAN and Hong Kong. Since 2010, services accounted for a significant portion of both parties’ economy, making up 48.7% of ASEAN’s regional GDP, and 90.1% of Hong Kong’s GDP. Recognizing that the potential of services trade in the region remains promising, it is critical to better understand trade in professional services and how developing MRAs can serve as an avenue to facilitate greater mobility and temporary movement of skilled professionals across countries,” the PH trade chief added.

For his part, Chairman Teofilo Pilando Jr. of the Professional Regulation Commission (PRC) of the Philippines stressed that MRAs are key elements of ASEAN integration as it facilitates movement of professionals through the recognition of qualifications of professionals across the region. Opportunities for Enhancing Collaboration in Professional Services and Mutual Recognition Arrangements

The workshop was divided into three sessions focusing on different aspects of professional services and MRAs. During Session 1, panelists from the WTO, OECD, and ITC provided a background on multilateral undertakings, latest practices, prospects and challenges in developing a framework for MRAs among regulatory agencies.

M Pamela Apaza, Legal Affairs Officer of the WTO Trade in Services Division, presented the regulatory issues faced by professional services and how sectoral commitments and negotiations on Domestic Regulation under the General Agreement on Trade in Services (GATS) can complement recognition of qualifications and facilitate mobility in the region.

John Drummond of the OECD Trade in Services Division highlighted how the COVID-19 pandemic accelerated the digital transformation that also benefitted professionals who could continue providing services across borders even with limited in-person travel. He highlighted that efforts to ease barriers to trade in services could yield substantial benefits in reducing trade costs for firms that provide professional services across borders. This is evident in the calculation of the OECD through the Services Trade Restrictiveness Index where it was projected that global services trade costs could decline by 6% to 18% in the medium term if countries closed the irregularity gap by 50% vis-à-vis best-performing countries in the STRI. “MRAs provide a means to acknowledge that the skills, knowledge or

qualifications obtained abroad meet the expectations or minimum standards at home. Lowering barriers in other areas, such as visa requirements, competition issues, or lack of regulatory transparency, would also be essential complements to MRAs,” said Drummond.

The prospects of pursuing MRAs in support of regional integration initiatives were also shared by Rajesh Aggarwal, Director for Division of Market Development of the ITC, who highlighted that MRAs complement regional integration process, particularly among countries and regions with a similar level of development, including in specific services sectors. He also echoed how MRAs facilitate market access of professional service suppliers and enhance the quality of services trade.

Session 2 of the workshop focused on the current practices of ASEAN and Hong Kong, China in facilitating greater mobility and temporary cross-border movement of skilled professionals in the region. As the current Chairperson of the ASEAN Coordinating Committee on Services, Wan Wadrina Wan Abdul Wahab of the Ministry of International Trade and Industry (MITI), Malaysia, shared updates on existing MRAs in Professional Services implemented by ASEAN as an effort that supports regional integration efforts and the potential to expand the arrangements in light of the FTAs signed by the region with key trading partners. Wahab was joined by pioneers in the architecture sector, namely: Architect Ng Lye Hock, Larry, Registrar from the Board of Architects of Singapore and Mr. Benny Chan, Chairman of the Architects Registration Board of Hong Kong, China, who shared their experiences in negotiating ASEAN MRAs for architects as well as information on the current practice of regulating architectural services in Hong Kong.

Architect Larry Ng shared the key benefits the services sector could gain. “MRAs help facilitate greater trade in professional services, and help to even out the standard practices within ASEAN. It is important for us to level our standard upwards so that there is more to gain especially when we talk about mobility of architects. MRAs also help to facilitate collaborations between universities, collaborations among the professionals within ASEAN. Going forward, it would be great if the MRA could be extended to include Hong Kong, China or alternatively a separate MRA on ASEAN-HKC.” The last session of the workshop covered the experiences of industry experts and the business sector in forging collaborations and utilizing MRAs. In this session, Dr. Intan Murnira Ramli of ERIA, Architect Robert S. Sac of the PRC Professional Regulatory Board of Architecture, and Executive Director Doris Gacho of the Philippine Overseas Construction Board participated and shared their insights on the need for collaboration between the government, the private sector and academe to derive from the opportunities of enhancing MRAs, including between ASEAN and Hong Kong, China, among others.

At the open forum moderated by DTI Assistant Secretary Allan Gepty, participants were given the opportunity to raise their questions on the topic. As a key takeaway, the panelists recognized the importance and the need to balance policies to facilitate greater movement of professionals in the region as the same falls under the front and centre of ASEAN’s trade in services agenda, and in the context of the COVID-19 pandemic.

DOLE Assistant Secretary Rubia-Tutay closed the workshop and noted that while ASEAN already has several MRAs, its implementation is rather slow given differences in educational system, legal framework, institutional mechanisms, and socioeconomic conditions. Asst. Secretary Rubia-Tutay welcomed ASEAN's commitment to strengthening the ties that bind ASEAN economies and forging economic partnerships and cooperation with key trading partners such as Hong Kong, China.

The outcomes of the Workshop will be reported to the AHKFTA Joint Committee to consider possible next steps, including convening similar initiatives to facilitate trade in services in the region.

Source: <https://www.dti.gov.ph/archives/news-archives/dti-spearheads-asean-hong-kong-china-online-workshop/>
