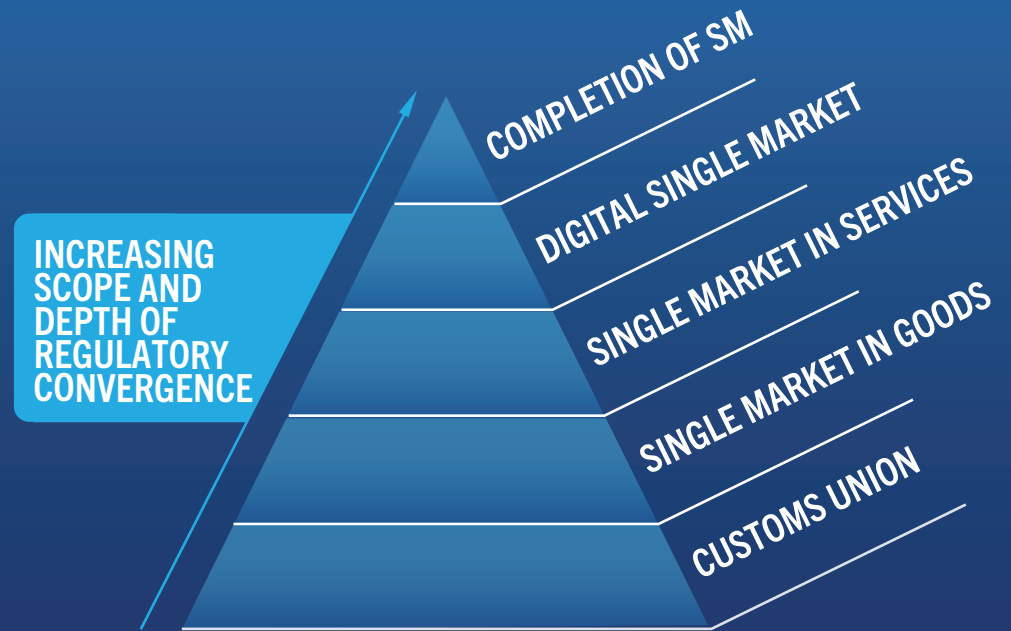


ALTERNATIVE APPROACHES TO FACILITATING GLOBAL TRADE



TRADE AGREEMENT APPROACH

- Outcome based approach
- Many ways to achieve outcome (i.e. competition in regulation)
- Downward pressure on tariffs and regulatory barriers
- Increasingly uses deemed equivalence and regulatory recognition, including of underlying product regulation, to facilitate goods and services trade
- Liberalising effect on rest of world



IDENTICAL REGULATION APPROACH

- Process based approach
- Structurally agnostic about nature of regulation
- Moving toward identical regulations across good and services within a bloc
- Upward pressure on tariffs and regulatory barriers from interest groups
- Agnostic about effect on rest of world