

# Determinants of the Rules of Origin in Regional Trade Agreements in Asia

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**Abstract:** In regional trade agreements (RTAs), member countries choose a common rule of origin (RoO) for each product. Therefore, RoOs should reflect the bargaining power of RTA member countries. This study examines the factors that influence RoOs in four ASEAN-plus-one RTAs, which are agreements between ASEAN and four individual countries. One unique feature is that ASEAN as a whole negotiates with a plus-one country, which may dilute the interests of individual ASEAN countries at large. Our findings are summarized as follows. First, the more restrictive RoOs are set in the products where plus-one countries are less competitive against most ASEAN countries. Second, the more restrictive RoOs are likely to be imposed in products that plus-one countries protect with higher most favored nation tariffs. These two results indicate that plus-one's preference influences RoOs more strongly. Third, we find contrasting results between intermediate and final products. RoOs are likely to be less restrictive in intermediate products and more restrictive in final products when plus-one countries have higher export competitiveness or when the majority of ASEAN countries have higher MFN tariffs.

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