




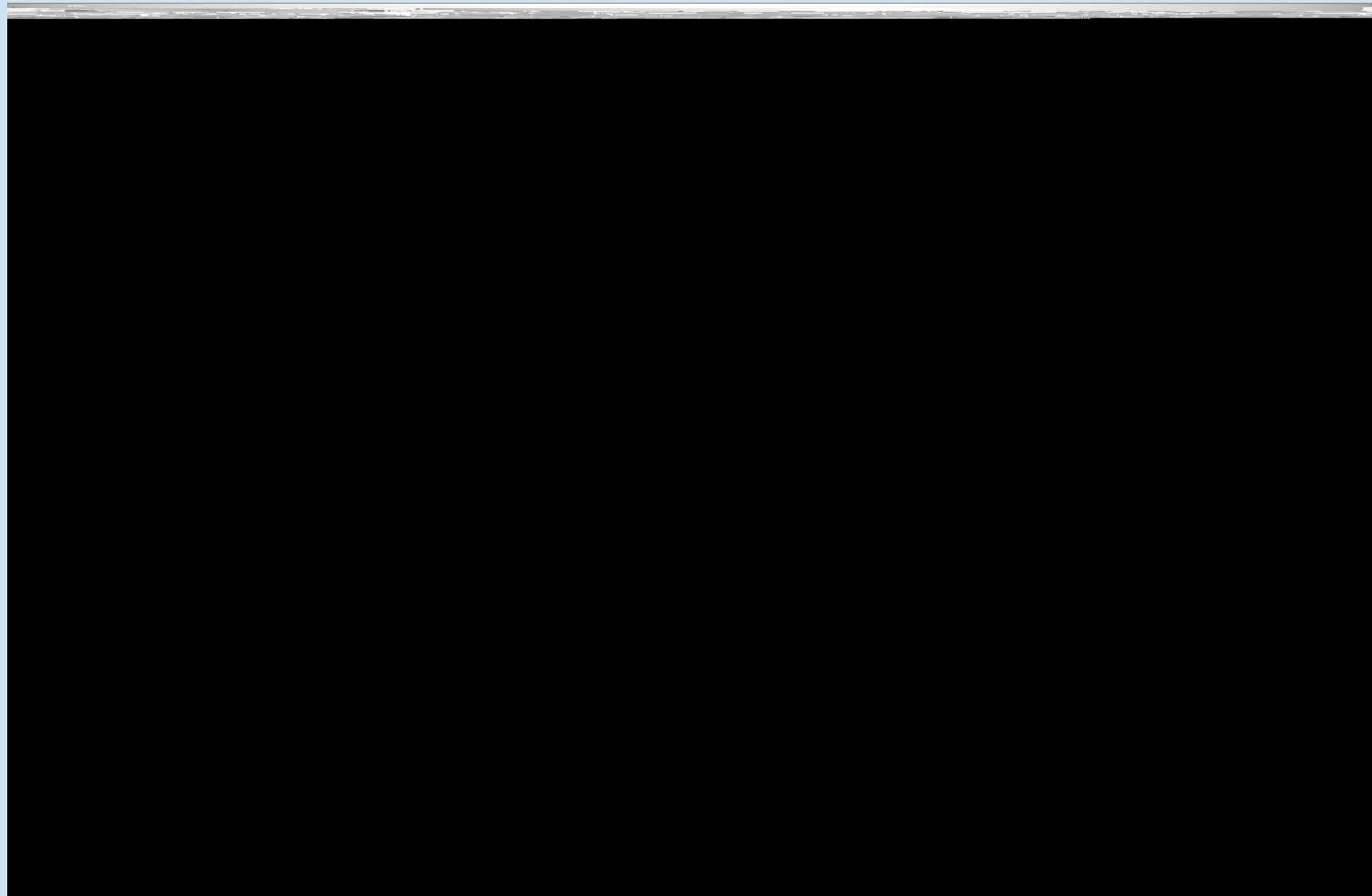
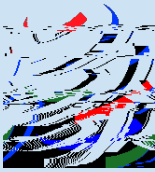
THE WTO AND REGIONAL TRADE AGREEMENTS

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What is an RTA in the WTO?

Concessions	Members	Examples	RTA?
Reciprocal	Selective	EU, NAFTA, Mercosur, EPAs	
Unilateral	Selective	Cotonou, AGOA	
Unilateral	Generalized	GSP	

Regional Trade Agreements and the Multilateral Trading System

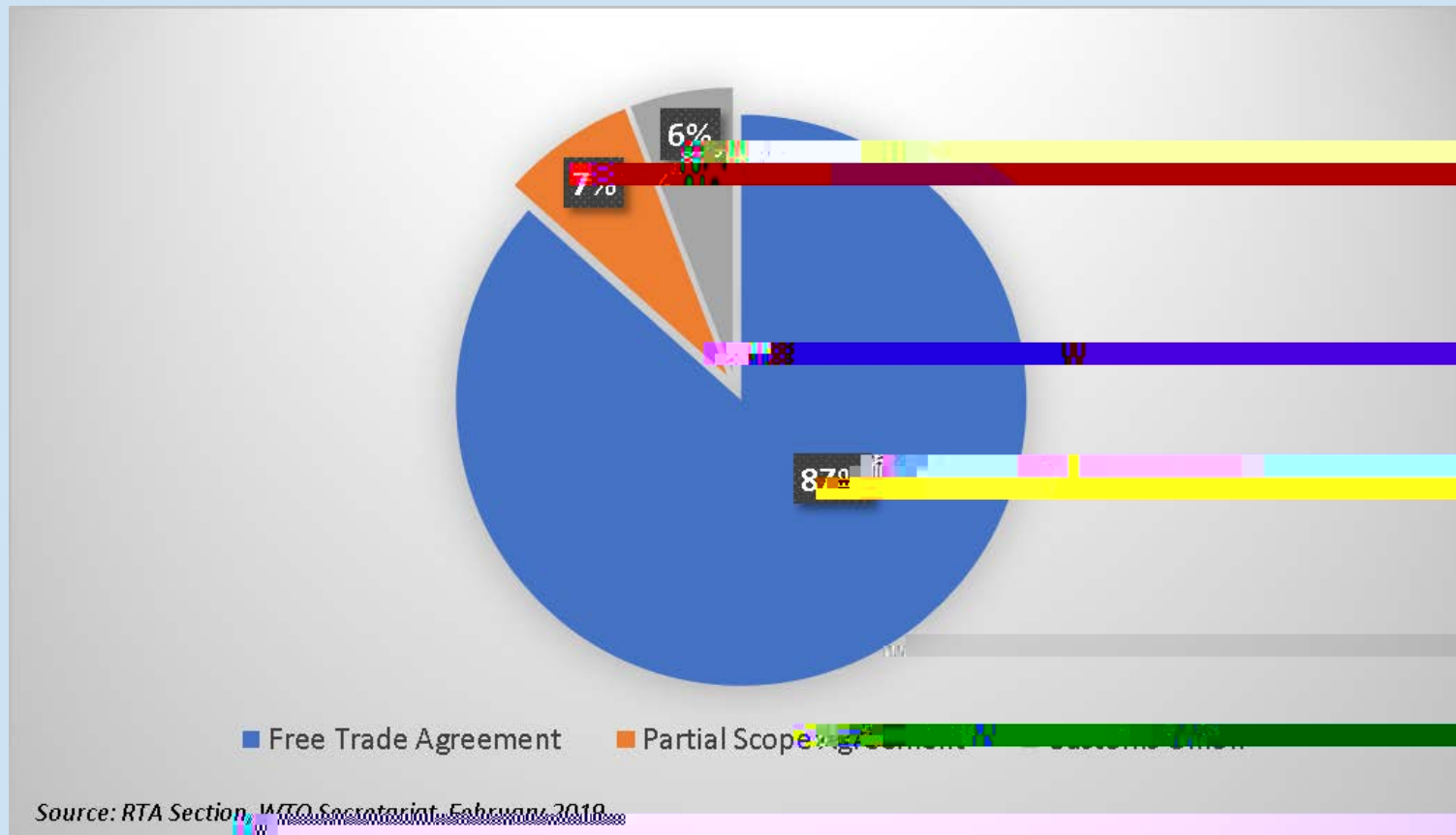


As of 7 February 2019, 292 RTAs had been notified to the WTO. These correspond to 469 notifications (goods, services, accessions) of RTAs that are currently in force.

Types of RTAs

- FTAs account for the great majority of RTAs notified and in force.

Notified RTAs in force



The global landscape of RTAs

Which Regions are most active?





THE MULTILATERAL RULES ON RTAs

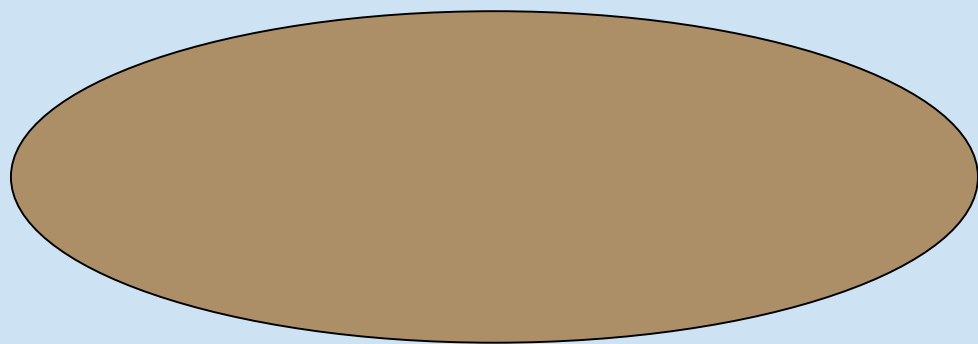
GATT Article XXIV, the Enabling Clause and
GATS Article V

Common Principles*



- The purpose of an RTA is to facilitate trade among the parties
- The attainment of internal trade liberalization must not entail placing barriers towards third parties higher than those existing before the formation of the RTA
- The RTA must provide for mutual/reciprocal trade concessions

*GATT Art. XXIV:4; “Enabling Clause” para. 3(a); GATS Art. V:4

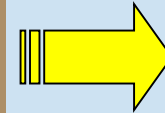


GATT Article XXIV & Understanding



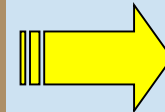
Establishes two fundamental conditions with which RTA parties must comply in order to benefit from the exception provided:

1. That the RTA qualifies as a customs union, a free-trade area, or leads to one or the other.



According to definitions in XXIV:8

2. That formation of the RTA does not imply the application of more restrictive trade measures *vis-à-vis* other, non-party WTO Members.



XXIV:5

GATT Article XXIV & Understanding



1. Under which criteria can an RTA be deemed to be:

A customs union?

A free-trade area?

Tariffs and other restrictive trade measures are eliminated on substantially all (originating) trade among the parties (Article XXIV:8)

Tariffs and other trade measures are substantially harmonized among the parties (Article XXIV:8(a)(ii))

Enabling Clause



Authorizes, **in its paragraph 2(c)**, WTO developing country Members to **depart from the MFN clause** (Article I), when concluding:

1. among themselves
2. preferential regional or global arrangements
3. containing mutual concessions
4. on (reduced or zero) tariffs
5. and non-tariff measures (subject to WTO guidelines, in principle).

Only additional criteria are contained in para. 3(a & b).

GATS Article V



The GATS permits Members to establish economic integration agreements and seek departures from MFN

“Economic integration agreements”

GATS Article V



BUT, Certain conditions apply:

1. Trade liberalization among the parties should cover a broad range of services activities.



V:1

2. No non-party WTO Member should encounter a higher overall level of barriers to its services trade as a result of the RTA.



V:4

Developing countries participating in an agreement are granted flexibility in terms of:

Overall and individual sectors and subsectors

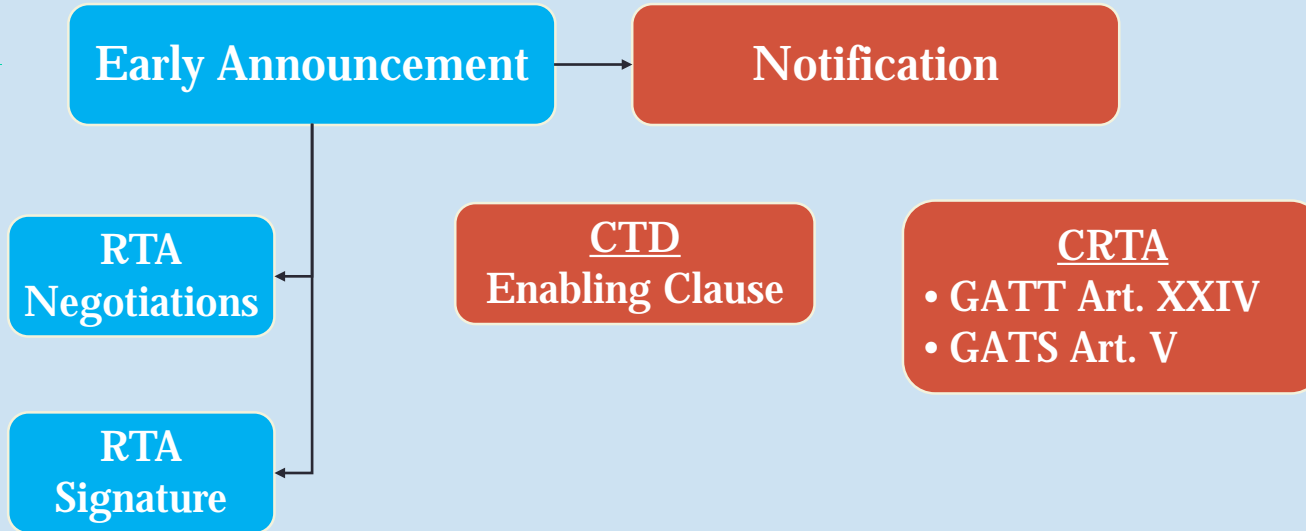
Summing-up



When entering an RTA, a WTO Member should invoke one of the following provisions, and comply with the relevant conditions:

	RTA parties		
	Developed only	Developing only	Developing & developed
Trade in goods	GATT XXIV	Enabling Clause	GATT XXIV
Trade in services	GATS V	GATS V	GATS V


Transparency Mechanism



Transparency Process

https://www.wto.org/english/tratop_e/region_e/trans_mecha_e.htm

WT/REG/16

 WORLD TRADE ORGANIZATION		WT/REG S/C/N						
		Date						
		Page: 1/1						
(00-0000)		Original:						
Committee on Regional Trade Agreements Council for Trade in Services								
NOTIFICATION OF REGIONAL TRADE AGREEMENT								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">1.</td> <td style="width: 85%;">Member(s) notifying: <input type="text"/></td> <td style="width: 10%;"></td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Date of notification: <input type="text"/></td> <td></td> </tr> </table>			1.	Member(s) notifying: <input type="text"/>		2.	Date of notification: <input type="text"/>	
1.	Member(s) notifying: <input type="text"/>							
2.	Date of notification: <input type="text"/>							
Notification pursuant to		3.						
<input type="checkbox"/> Article XXIV:7(a) of GATT 1994								
<input type="checkbox"/> Article V:7(a) of GATS								
<input type="checkbox"/> Paragraph 4(a) of the Enabling Clause								
Parties to the Agreement: <input type="text"/>		4.						
Date of signature: <input type="text"/>		5.						
Date(s) of entry into Force: <input type="text"/>		6.						
Brief description of the Agreement: <input type="text"/>		7.						
Text and related schedules, annexes and protocols are:		8.						
<input type="checkbox"/> submitted to the WTO Secretariat (electronic format)								
<input type="checkbox"/> available from the following official Internet link(s):								

A WTO Database on RTAs

- **Mandate – *(Para 21 of WT/L/671)***

The aim is to provide an RTA Information System (RTA-IS), to store, maintain, analyse and disseminate factual and analytical information on RTAs

- **Objectives**

Standardize, store, verify and maintain RTA-related textual information and RTA tariff and trade data

Provide statistical indicators for RTA analysis

Enhance the transparency and accessibility of information on RTAs through its dissemination on the WTO web site

- **Timeframe**

January 2009 available to the public (<http://rtais.wto.org>)

Long term goal to provide up to date information, including data on trade and tariffs covered by individual agreements.

THANK YOU

Rohini Acharya

RTA Section