

REGIONAL TRADE AGREEMENTS AND THE MULTILATERAL TRADING SYSTEM

The book contains a collection of studies examining trade-related issues negotiated in regional trade agreements (RTAs) and how RTAs are related to the WTO's rules. While previous work has focused on subsets of RTAs, these studies are based on what is probably the largest dataset used to date, and highlight key issues that have been negotiated in all RTAs notified to the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). New rules within RTAs are compared to rules agreed upon by WTO members. The extent of their divergences and the potential implications for parties to RTAs, as well as for WTO members that are not parties to RTAs, are examined. This volume makes an important contribution to the current debate on the role of the WTO in regulating international trade and how WTO rules relate to new rules being developed by RTAs.

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Edited by
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FOREWORD BY ROBERTO AZEVEDO

The multilateral trading system and regional trade agreements have a long history of coexistence. Indeed the GATT was the result of a desire to consolidate bilateral preferences existing at the time. Throughout the history of the GATT and the creation of the WTO, there are examples of RTAs and the multilateral system “borrowing” ideas from each other and other international treaties and building further on them. The WTO’s TRIPS Agreement, for example, was an effort to synthesize existing international conventions on intellectual property rights. Similarly, most RTAs today base their provisions on existing WTO provisions, in some cases incorporating the WTO provision directly into the RTA text or expanding further on existing WTO provisions.

While this coexistence is undeniable, so is the spectacular growth in regional trade agreements, especially since the early 1990s. From an average of three RTAs notified per year during the GATT era, the number has risen to twenty-five during the WTO years. Moreover, RTAs today cover a wide range of WTO members, be they developed, developing or least-developed. There are over 260 RTAs in force that have been notified to the WTO, and negotiations continue on many others, including large plurilateral initiatives such as the Regional Comprehensive Economic Partnership Agreement in the Asia-Pacific, the Trans-Atlantic Trade and Investment Partnership Agreement and the Tripartite Agreement in Africa. In addition, negotiations were recently concluded on the Trans-Pacific Partnership Agreement.

While the rising numbers of RTAs clearly tell a story, less work has been done to determine what the RTAs are about, and even less to evaluate what their potential impact on the multilateral trading system might be. The goal of modern RTAs is to provide preferential market access but also increasingly to go behind the borders to address other potential barriers to trade. This book is the result of research carried out by WTO Secretariat Staff and collaborators, in an attempt to understand better the content, evolution and objectives of various provisions in RTAs. It is a first step

to improve our understanding about the evolving relationship between WTO and RTA rules and commitments to see how much further, if at all, the latter have gone.

Each of the chapters is based on information gathered on all RTAs notified to the GATT and WTO and currently in force. They do not try to distinguish “big” from “small” or bilateral from plurilateral agreements, as some previous studies have done. They are therefore truly representative of the range and diversity of the WTO membership and its trade policy goals and challenges. They look at issues for which the WTO has existing rules but which RTAs may be deepening. They include not only issues dealing with market access, such as tariffs and rules of origin, but also standards such as sanitary and phytosanitary measures and technical barriers to trade, and other provisions that affect international trade such as trade facilitation, trade defence, services rules, intellectual property rights and dispute settlement. The goal of each is to identify on which of these issues RTA rules are deepening and going beyond the existing WTO rules. Earlier versions of many of the chapters were presented at a seminar held at the WTO for its members in September 2014. I would like to thank the participants at the seminar for their thoughtful insights and comments which have provided much food for thought for the authors.

Much of the information that has been gathered to produce the book originates in the WTO’s transparency mechanism for RTAs which, as its name suggests, aims to make RTAs more transparent through information gathering and analysis by the WTO Secretariat. The information collected for individual RTAs is made available to the public through the WTO’s RTA database. These tools have enabled us to keep better track of developments in RTAs and will help WTO members to make better and more informed decisions regarding their trade policies. It is a precious resource and its continued improvement is crucial for us to better understand RTAs and more importantly their interaction with the multilateral trading system.

Roberto Azevêdo
WTO Director-General

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The opinions expressed in the book are those of the authors and not of the WTO Secretariat nor of its members. Any errors are the responsibility of the authors.