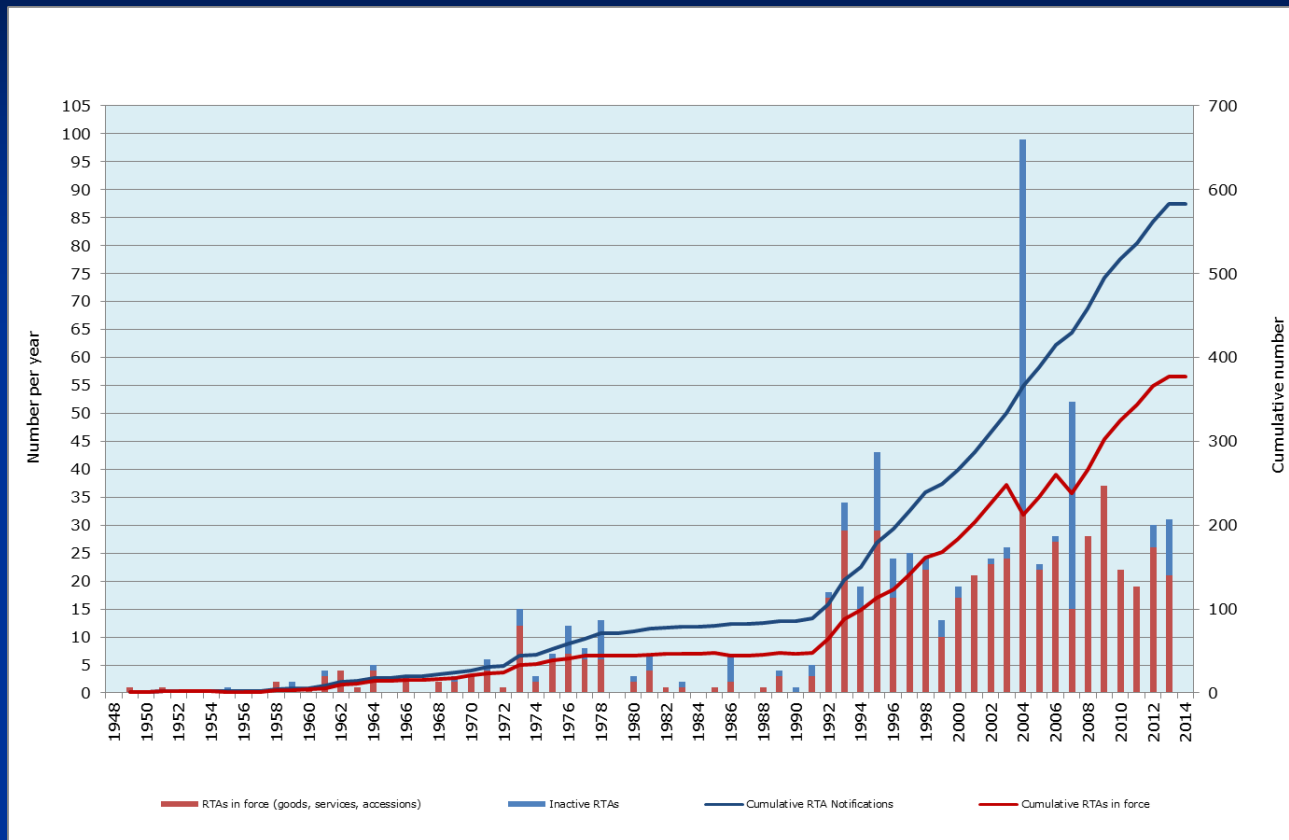
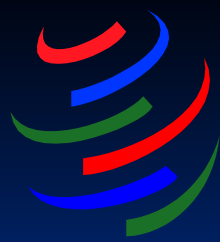


Regional Trade Agreements and the WTO

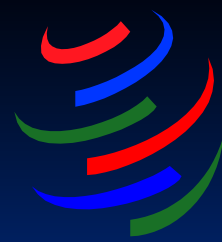
The future of trade multilateralism:
Governance of 21st Century Trade and
the role of the WTO

Bruegel, Brussels 14 July 2014

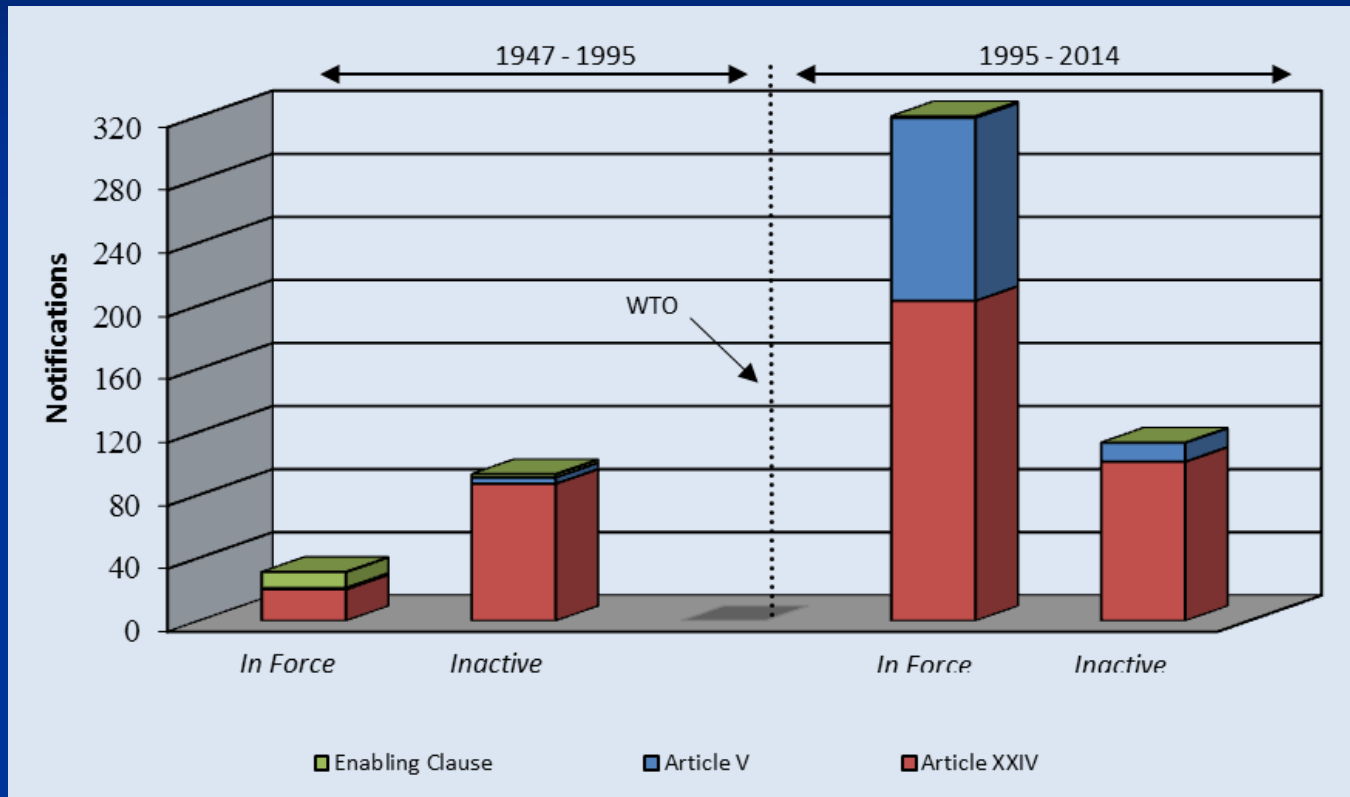
RTA trends & characteristics



- As of 1 July 2014, 385 notifications of RTAs have been made to the GATT/WTO and are currently in force. These correspond to 252 RTAs (counting goods, services and accessions together).
- Approximately 100 RTAs in the pipeline (signed, not yet in force/under negotiation) – Unaccounted number of RTAs in force but not yet notified.

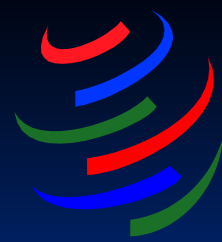


Quantifying the proliferation of RTAs



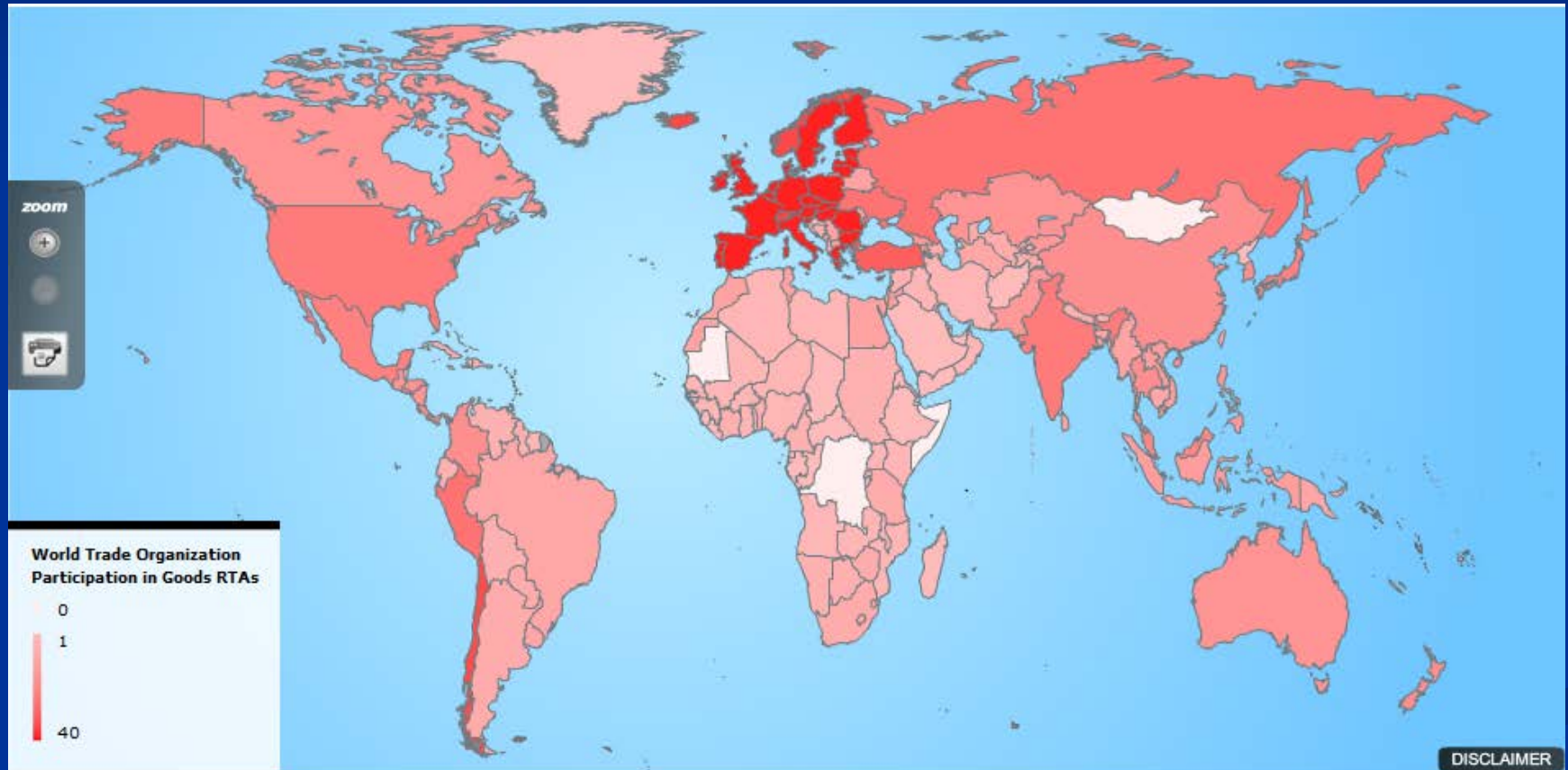
On average:

- 3 notifications on RTAs annually during the GATT years
- 24 RTA notifications annually to the WTO.

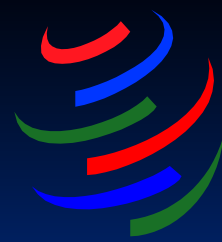


Global & regional developments

Participation in Goods RTAs (notified and in force) as of May 2014

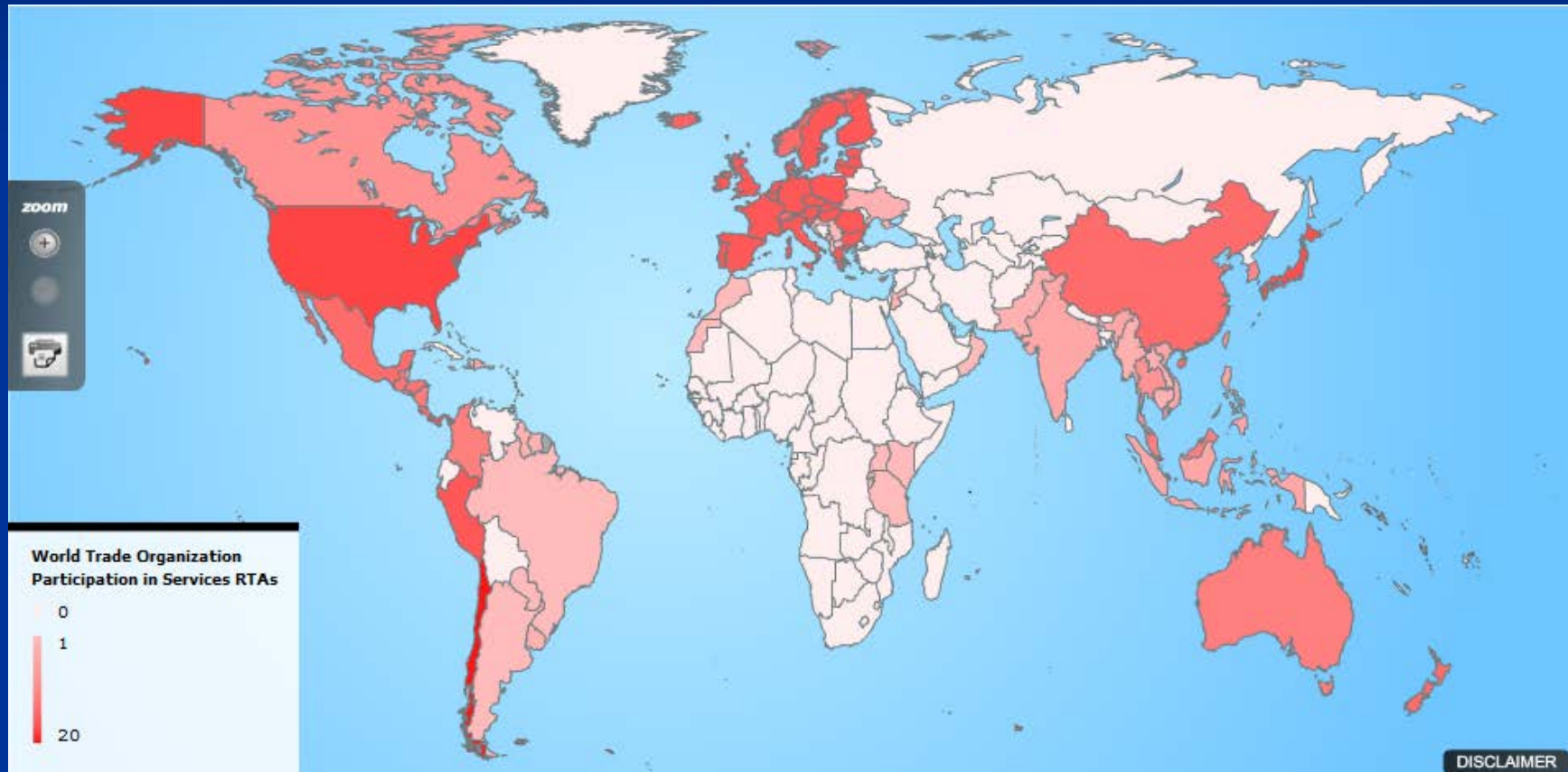


Source: RTA Database, <http://rtais.wto.org>

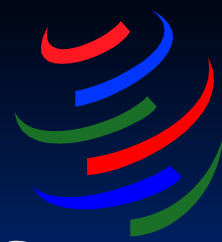


Global & regional developments

Participation in Services RTAs (notified and in force) as of May 2014

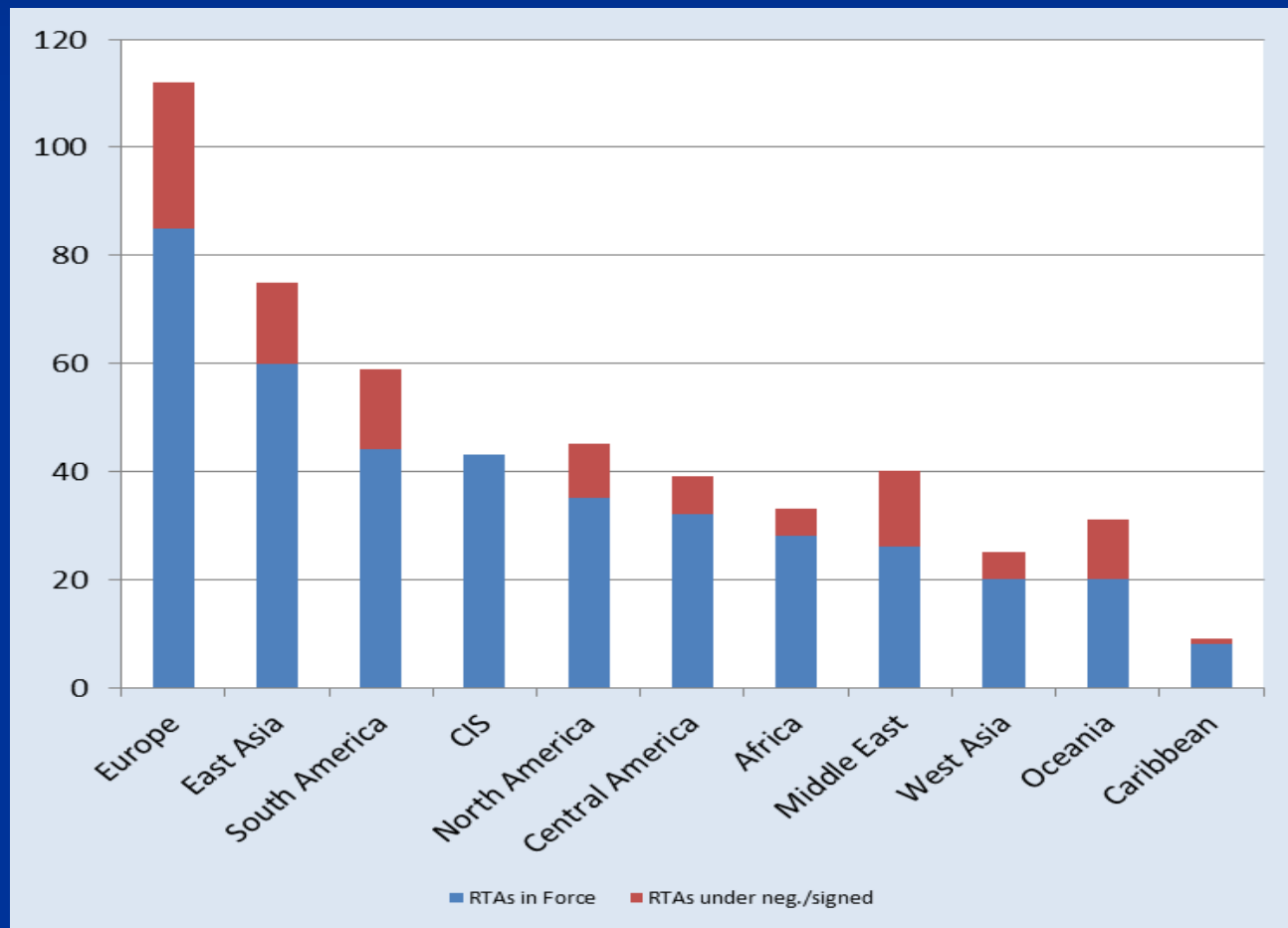


Source: RTA Database, <http://rtais.wto.org>



The global landscape of RTAs

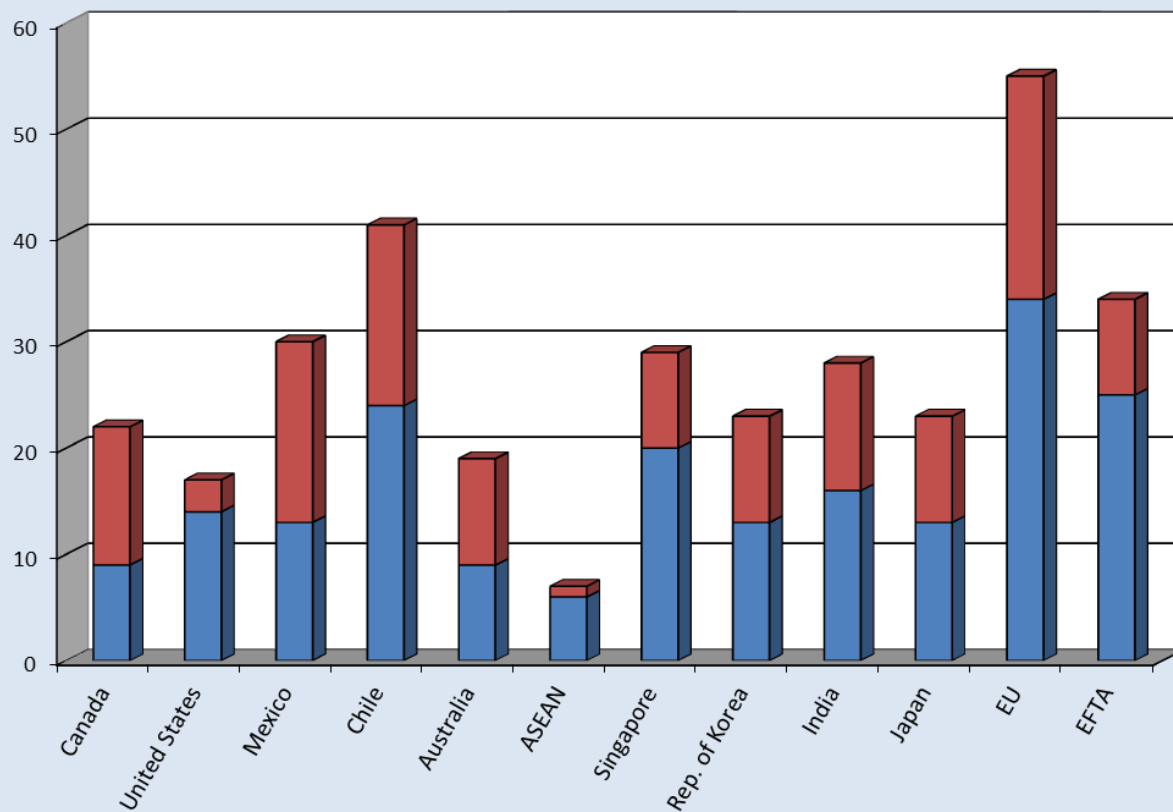
Which Regions are most active?





The global landscape of RTAs

Which Members are most active?



■ RTAs notified and in force as of April 2014

■ Forecast (RTAs not notified in force, currently under negotiation / signed)



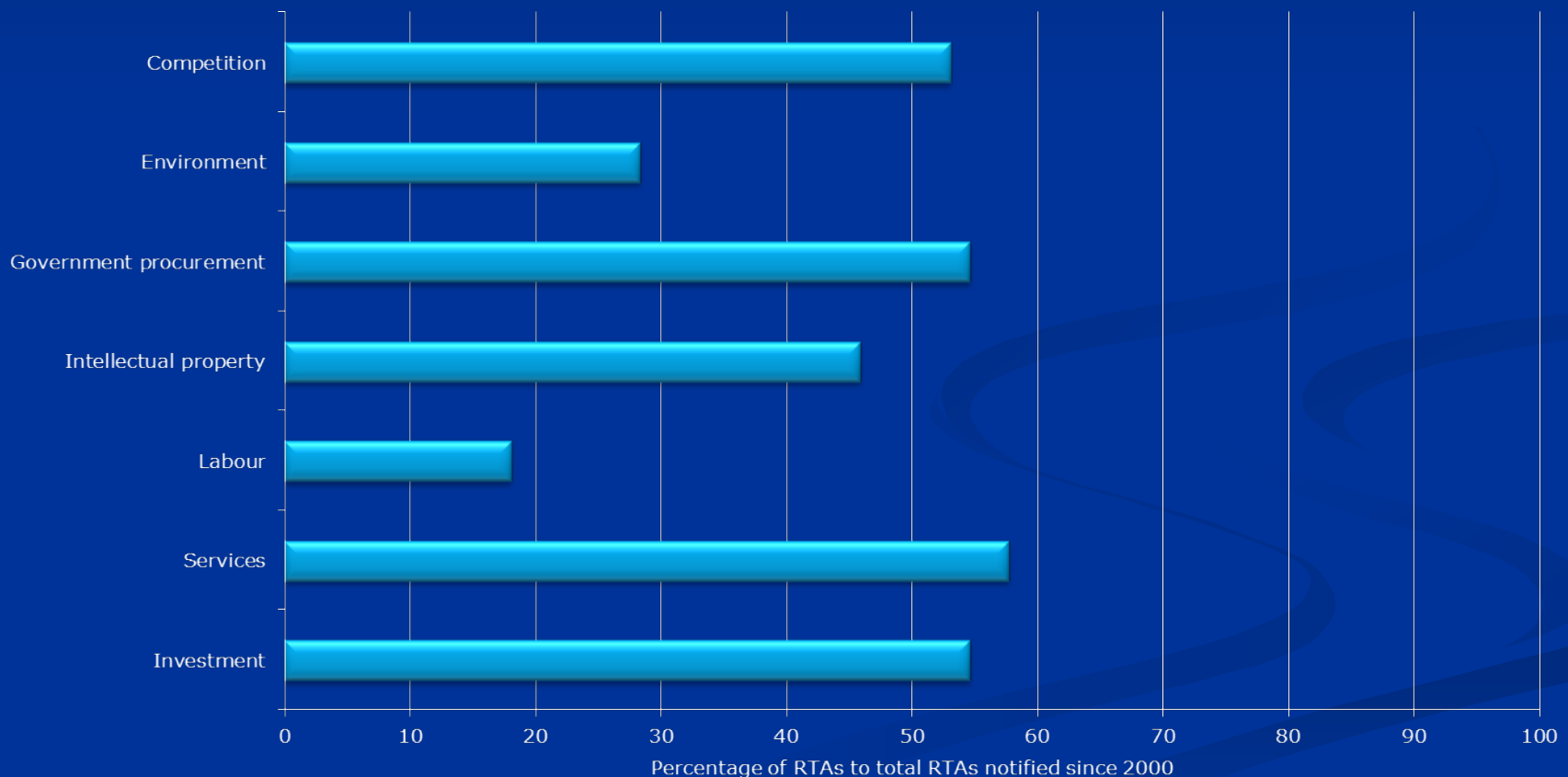
Key provisions of modern RTAs

- Market access in goods (tariffs are already very low and peaks are not significantly reduced by RTAs)
- Services: over 55% (62%) of RTAs in force notified to the WTO since 2000 (2005) include services but liberalization already exceeds commitments.
- Other issues: frequently included WTO issues such as SPS/TBT, trade remedies, intellectual property, government procurement
- But also non-WTO issues such as investment, competition policy, environment, labour etc.

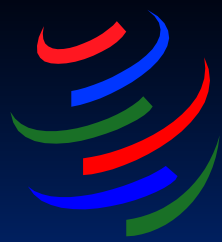
Key provisions of RTAs: beyond market access in goods



Topics covered by RTAs notified since 2000



New RTA dynamics and the MTS



- The Bali package
- New RTAs: “mega regionals”
 - TPP (12 partners)
 - RCEP (16 partners)
 - Pacific Alliance (4 partners)
 - Trade in services agreement (23 partners)
 - TTIP (2 or 29 partners)
 - Tripartite Agreement (26 partners)
- Will they lead to consolidation of old RTAs?

Major Traders: status of RTAs/negotiations



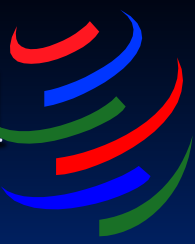
	EU	US	China	Japan	Korea	Singapore	Mexico	India	Brazil
EU	■	■	??	■	■	■	■	■	■
US	■	■	??	■	■	+ TPP	+ TPP	■	??
China	??	??	■	■	■	+ RCEP	??	■	??
Japan	■	■	■	■	■	■	+ TPP	RCEP	??
Korea	■	■	■	■	■	■	■	RCEP	■
Singapore	■	+ TPP	+ RCEP	■	■	■	■	+ RCEP	■
Mexico	■	+ TPP	??	+ TPP	■	■	■	■	LAIA
India	■	??	■	RCEP	RCEP	+ RCEP	■	■	■
Brazil	■	??	??	??	■	■	LAIA	■	■



■ Agreements in force

■ Agreements under negotiation/signed but not in force

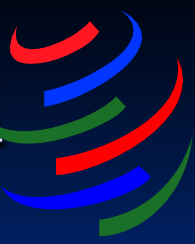
Interaction between RTAs and the MTS



Potential synergies

- Deep regulatory integration may be non-discriminatory: eg. IPRs, competition policy etc.
- Support for further integration with non-parties
 - Enlargement to third parties (eg. TPP)
 - Non-party MFN clauses

Interaction between RTAs and the MTS



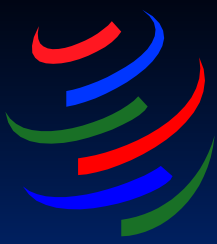
Potential systemic risks

- Certain provisions (such as trade remedies) may reinforce discrimination
- Impact of preference erosion on willingness to negotiate multilaterally
- Regulatory divergence

RTAs and the multilateral system



- From co-existence to coherence?
 - Critical mass to reduce market access barriers: move from regional to plurilateral (eg ITA, GPA, Environmental goods, TISA?)
 - Some RTA provisions are multilateralized *de facto* (eg competition policy) and others such as intellectual property rights must be multilateralized.
 - Certain issues can only be dealt with multilaterally (eg. Subsidies)



Thank you

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