

WORLD TRADE REPORT 2011

The WTO and PTAs: From Co-existence to Coherence

ROBERT TEH
WTO SECRETARIAT

Bangkok, 27 July 2011

KEY FINDINGS OF THE REPORT

- **Continuing proliferation and deepening of PTAs**
- **The amount of preferential trade and preferential margins are small**
- **New forms of organizing global production (e.g. international production networks) can explain deepening of PTAs**
- **Asia is at the leading edge of many of these changes**
- **New paradigms beyond trade-creation and trade diversion to analyse PTAs are needed**
- **Going beyond “building bloc-stumbling bloc”: the relationship between the WTO and PTAs**

OUTLINE OF THE PRESENTATION

A. PTAs: current trends

B. Causes and effects of PTAs: it is all about preferences?

C. Anatomy of PTAs

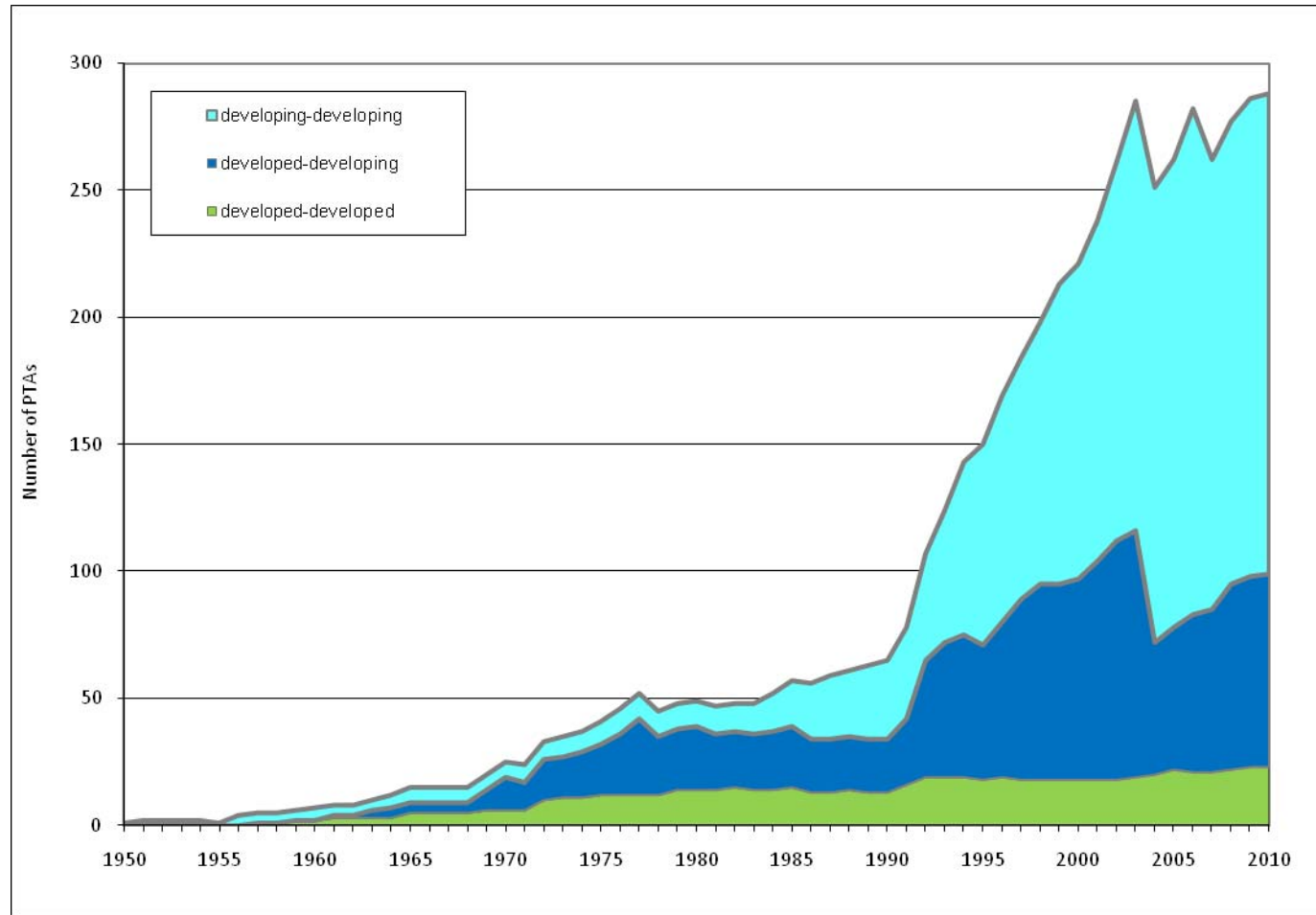
D. Increasing coherence between the WTO and PTAs

PTAs: current trends

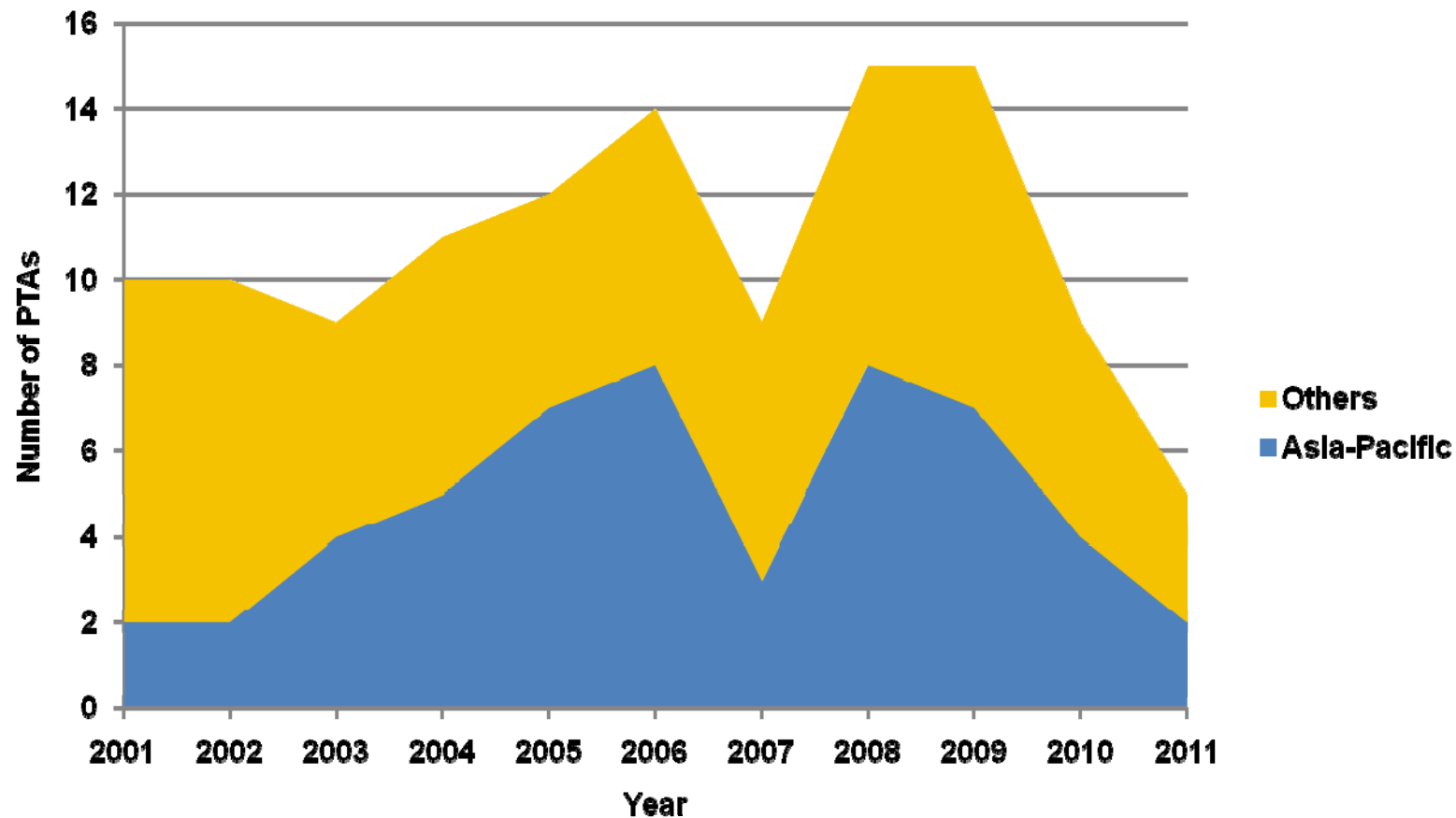
STYLIZED FACTS ABOUT PTAS

- **There has been a huge increase in PTA activity in recent years (Figure 1)**
- **Nearly half of all PTAs concluded in the last decade involved Asian countries (Figure 2)**
- **PTAs activity has become more widespread**
- **In 2010, there were about 300 PTAs in force; on average a WTO member is party to 13 PTAs**
- **The coverage of policy areas in PTAs has widened and deepened over time**

CUMULATIVE NUMBER OF PTAS IN FORCE, 1950-2010



NOTIFIED PTAS INVOLVING ASIA-PACIFIC MEMBERS





REFERENTIAL IS TRADE?

has not been matched by an expansion of preferential

ly, only 16% (30% including intra-EU trade) of global trade receives preferential treatment (Table 1)

preferential trade can be explained by

tion in tariff barriers since the end of WWII; average MFN half of global trade at zero MFN duties

ensitive" products from significant tariff reduction: about with tariffs of 15% or more have the same tariffs in PTAs t for other preferential exporters

87% of all trade (79% of all tariff lines) involved "competition-references that were no greater than 2% in absolute value