



### RTAs: Facts and Figures

WTO/ESCAP Regional Seminar on the WTO and Regional Trade Agreements (RTAs) for Asian Economies

Bangkok, Thailand 25-27 July2011

# Objectives of the Seminar

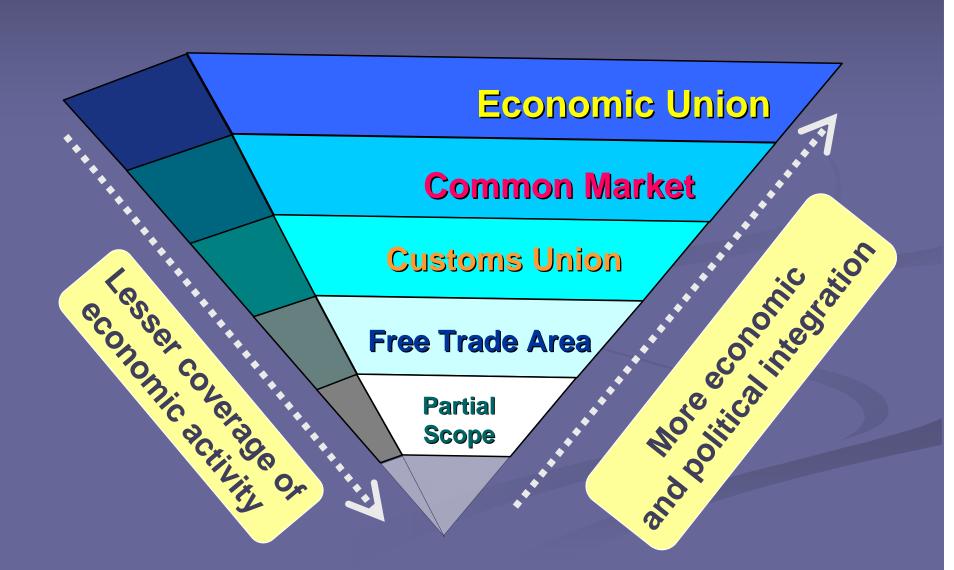
- Increase participants' awareness of RTA dynamics in the region and in global trade relations.
- Improve understanding of WTO rules and procedures on RTAs and status of the Doha Development Agenda (DDA) negotiations in this area.
- Provide a forum to explore and discuss RTArelated issues of particular relevance to the region.

## What is an RTA in the WTO?

Types of preferential trade liberalization:

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

# Types of RTAs



## Formation of a FTA

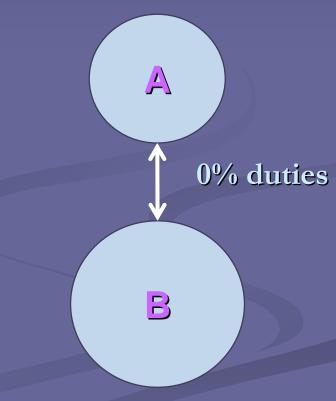
### Country A & B sign a FTA

- Tariffs are eliminated on most goods
- Each party maintains its tariff structure vis-à-vis third parties
- A rules of origin regime is put in place

#### Other common features

- Reciprocal concessions (possible asymmetrical implementation)
- Inclusion of other regulatory features beyond tariff concessions

Country A
Uniform MFN tariff of 6%



Country B
Variable MFN tariff 0–30 %

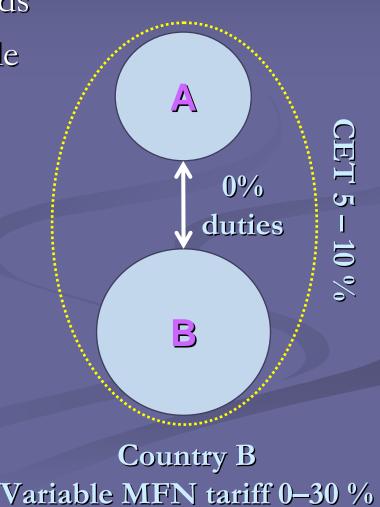
### Formation of a CU

### Country A & B sign a CU

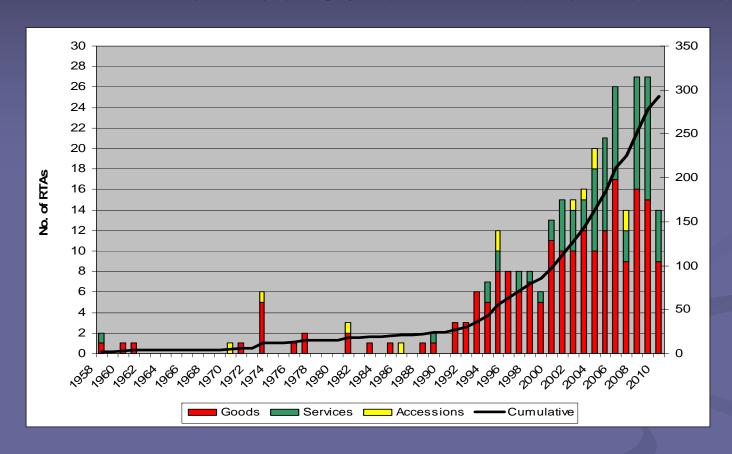
Uniform MFN tariff of 6%

Country A

- Tariffs are eliminated on most goods
- A common external tariff applicable to third countries is adopted
- A mechanism to share customs revenues is devised
- A temporary rules of origin regime may be put in place
- Compensation is paid to third countries if bound MFN rates are raised

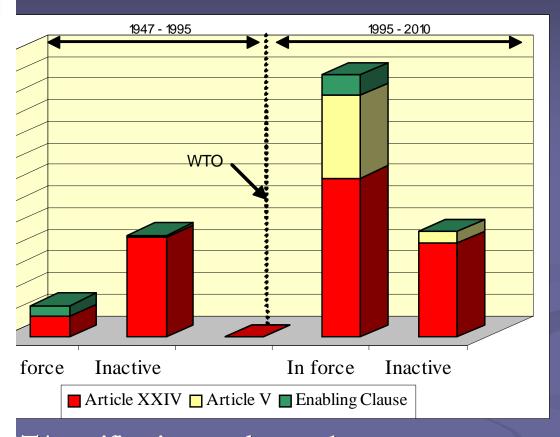


### RTA trends & characteristics



- As of June 2011, 296 notifications of RTAs have been received by the GATT/WTO and are currently in force
- Approximately 100 RTAs in the pipeline (signed, not yet in force/under negotiation) Unaccounted number of RTAs in force but not yet notified

## ing the proliferation of RTAs



TA notifications and annual averages: GATT years (29 still in force) – 3 RTAs annually (296 still in force) – 22 RTAs annually