

**REPORT (2002) OF THE
COMMITTEE ON REGIONAL TRADE AGREEMENTS
TO THE GENERAL COUNCIL**

Chairman: Mr. Boniface Guwa Chidyausiku (Zimbabwe)

I. INTRODUCTION

1. At its first meeting in 2002, the Committee on Regional Trade Agreements (CRTA) elected Mr. Boniface Guwa Chidyausiku (Zimbabwe) as Chairman of the Committee. Ms. Margaret Liang (Singapore), Mr. Alberto J. Dumont (Argentina), and Dr. Vassili Notis (Greece) retained their positions as Vice-Chairpersons of the CRTA. Ms. Margaret Liang and Mr. Alberto J. Dumont resigned their posts later in the year.

2. During 2002, the Committee held three sessions (in February, June and November). The minutes of those meetings are listed in Attachment 1. The Committee plans to hold two meetings in 2003.

II. OBSERVER STATUS

3. The Committee agreed to continue the granting of observer status in the CRTA to the Latin American Integration Association (LAIA), on an *ad hoc* basis. No decision was taken with respect to the requests for observer status listed in document WT/REG/W/11/Add.3, pending the guidelines to be defined by the General Council.

III. EXAMINATION OF REGIONAL TRADE AGREEMENTS

4. As of October 2002, 255 RTAs have been notified to the GATT/WTO.¹ Of these, 213 agreements were notified under GATT Article XXIV, of which 131 are still in force today; 20 agreements were notified under the Enabling Clause;² and 22 under GATS Article V.

5. The Committee has currently under examination a total of 125 agreements. The examination of 102 of these agreements has been referred to the Committee by the Council for Trade in Goods, 22 by the Council for Trade in Services and one by the Committee on Trade and Development. For 22 RTAs, the Committee has not yet started the factual examination. Twenty-seven RTAs are currently undergoing factual examination. For the remaining 76 RTAs the factual examination is already complete (see Attachment 2). No progress was made, however, on the completion of the examination reports.

¹ This figure corresponds to notifications of new RTAs, as well as accessions to existing RTAs.

² *Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries*, Decision of 28 November 1979.

IV. REPORTING ON THE OPERATION OF AGREEMENTS

6. At its Thirty-Third Session, the Committee considered 11 biennial reports on the operation of agreements out of the 17 scheduled (see Attachment 3). It was noted that all of these reports were included in the Schedule for the Submission of Biennial Reports for 2001 and due to be considered by the Committee during that year.³ Their deferral to 2002 was due to their late submission to the WTO by the parties concerned, with the exception of four reports which had been submitted in accordance with the agreed timetable.

7. The Committee reiterated the importance of the regular reporting obligation and invited all Members concerned to ensure compliance with it and meet the submission deadlines, to ensure that RTAs continue to operate in a transparent manner *vis-à-vis* WTO Members.

8. At that same Session, the Committee decided to shift of one year, to 2004, the next submission of biennial reports, in particular to take into account the 2003 workload due to preparations for the Ministerial Conference in Cancún.

V. PROCEDURES TO IMPROVE AND FACILITATE THE EXAMINATION PROCESS

9. At the Thirty-Second Session of the CRTA, the Chairman noted the existence of a gap between the number of agreements notified to the WTO and those actually in force. He recalled the increasing emphasis given to the question of transparency in terms of the future work and role of the Committee and urged Members to place considerable effort in ensuring compliance with their notification obligations.

10. At that same Session, the Chairman drew Members' attention to the recurrent delays in the submission of the documentation required for the examination of agreements and to the bearing that had on the organization of meetings of the Committee. He referred in particular to the difficulties in planning the duration of the Sessions, to the costs incurred by the Organization on unused resources such as interpretation services, and to the appearance of a considerable time-lag for the first round of examination of an increasing number of RTAs. He invited Members to make sure that the required documentation be made available in accordance with the deadlines established for the meetings.

VI. SYSTEMIC IMPLICATIONS OF REGIONAL TRADE AGREEMENTS AND INITIATIVES FOR THE MULTILATERAL TRADING SYSTEM AND THE RELATIONSHIP BETWEEN THEM

11. On the basis of a document entitled *Further Work on Systemic Issues* (WT/REG/W/38), in July 2000 the Secretariat had been instructed to prepare horizontal, thematic surveys on the treatment of various policy provisions or measures in RTAs.

12. The first two background surveys were distributed in mid-September 2001 and were subject of a preliminary discussion at the Committee's Thirtieth Session.⁴ They received further consideration at the Committee's Thirty-First Session, where they were discussed at length. At that Session, many delegations stressed the importance of the crosscutting surveys as a means to enhancing the understanding of the impact of RTAs on the multilateral trading system, and agreed that the two surveys constituted a solid base for the Committee's further work on systemic issues. It was

³ See document WT/REG/W/42.

⁴ *Rules of Origin Regimes in RTAs, and Coverage, Liberalization Process and Transitional Provisions in RTAs.*

suggested that the surveys might undergo regular reviews and that periodical updates be issued. At the same time it was agreed that the two surveys should be revised in light of the factual comments made by delegations before being issued as formal documents.⁵

VII. OTHER

13. At its Thirty-Second Session, the Committee was presented with a summary of the proceedings of the WTO Seminar on *Regionalism and the WTO* which was held in April and touched upon many of the systemic issues dealt with by the Committee (see Attachment 4). Many delegations found the seminar useful in raising awareness on RTAs' systemic issues and in providing a better understanding of their implications on the functioning of the multilateral trading system. Some delegations encouraged the Secretariat to organize a seminar of a similar nature in the not too distant future.

14. At that same Session, the Committee was also given an account of the technical assistance activities carried out by the CRTA Secretariat in 2001-2002.⁶ Upon suggestion of the Chairman, it was agreed that the Secretariat should provide the Committee with this kind of information on a regular basis under "Other Business" so as to monitor technical assistance activities and to provide adequate feedback to the Secretariat in this area.

VIII. FINAL REMARKS

15. The Committee has pursued its examination work and completed the factual examination of a number of RTAs, but has been unable to finalize reports on any of the examinations before it.

⁵ *Rules of Origin Regimes in RTAs, and Coverage, Liberalization Process and Transitional Provisions in RTAs* were circulated as documents WT/REG/W/45 and WT/REG/W/46 respectively. On request of the CRTA Chairman, the two documents underwent early derestriction in September 2002.

⁶ This report aimed at fulfilling the requirements of paragraph 41 of the Doha Ministerial declaration instructing the Director-General to report to the Fifth Ministerial Conference on the adequacy and implementation of technical assistance/capacity building commitments contained therein, with an interim report to be provided to the General Council in December 2002.

ATTACHMENT 1

Minutes of the Meetings held in 2002

Thirty-First Session – 19-20 February 2002

WT/REG/M/31

WT/REG115/M/2	Turkey and Former Yugoslav Republic of Macedonia
WT/REG116/M/2	Turkey and Latvia
WT/REG109/M/2	EC and Mexico
WT/REG110/M/1	EC and Israel (Euro-Mediterranean)
WT/REG112/M/1	EC and Morocco (Euro-Mediterranean)
WT/REG117/M/2	EFTA and the Former Yugoslav Republic of Macedonia

Thirty-Second Session – 3-4 June 2002

WT/REG/M/32

WT/REG38/M/4	Canada and Chile (Services Agreement)
WT/REG110/M/2	EC and Israel (Euro-Mediterranean)
WT/REG112/M/2	EC and Morocco (Euro-Mediterranean)
WT/REG76/M/1	Kyrgyz Republic and Moldova
WT/REG114/M/1	Kyrgyz Republic and Armenia
	(Georgia and Russian Federation
	(Georgia and Armenia
WT/REG/GEN/M/8	(Georgia and Azerbaijan
	(Georgia and Ukraine
	(Georgia and Turkmenistan
	(Georgia and Kazakhstan

Thirty-Third Session – 12-13 November 2002

WT/REG/M/33

WT/REG129/M/1	EC and FYROM
WT/REG139/M/1	EC and Czech Republic (Services Agreement)
WT/REG2/M/3	EC and Romania (services Agreement)
WT/REG1/M/3	EC and Bulgaria (Services Agreement)
WT/REG138/M/1	European Economic Area (Services Agreement)
WT/REG127/M/1	New Zealand and Singapore (Goods and Services)
WT/REG78/M/2	Poland and the Faroe Islands
WT/REG64/M/3	Estonia and the Faroe Islands

ATTACHMENT 2

List of RTAs Under Examination⁷

RTAs for which factual examinations have been completed and the draft examination reports are in various stages of consultation and finalization (76):

ANZCERTA (services)	EFTA-Bulgaria	Norway-Faroe Islands
Bulgaria-FYROM	EFTA-Estonia	Poland-Faroe Islands
Canada-Chile	EFTA-FYROM	Poland-Latvia
Canada-Israel	EFTA-Hungary	Poland-Lithuania
CEFTA ⁸	EFTA-Israel	Romania-Moldova
Czech Republic-Estonia	EFTA-Latvia	Slovak Republic-Estonia
Czech Republic-Latvia	EFTA-Lithuania	Slovak Republic-Latvia
Czech Republic-Lithuania	EFTA-Morocco	Slovak Republic-Lithuania
Czech Republic-Turkey	EFTA-Poland	Slovak Republic-Turkey
EC-P. of Andorra	EFTA-Romania	Slovenia-Croatia
EC-Bulgaria	EFTA-Slovenia	Slovenia-Estonia
EC-Czech Republic	Estonia-Faroe Islands	Slovenia-FYROM
EC-Enlargement (goods and services)	Estonia-Latvia-Lithuania	Slovenia-Latvia
EC-Estonia	Estonia-Ukraine	Slovenia-Lithuania
EC-Hungary (goods and services)	Hungary-Latvia	Switzerland-Faroe Islands
EC-Israel	Hungary-Lithuania	Turkey-Bulgaria
EC-Latvia	Kyrgyz Republic-Moldova	Turkey-Estonia
EC-Lithuania	Iceland-Faroe Islands	Turkey-FYROM
EC-Poland (goods and services)	Israel-Czech Republic	Turkey-Hungary
EC-Romania	Israel-Hungary	Turkey-Israel
EC-Slovak Republic (goods and services)	Israel-Poland	Turkey-Latvia
EC-Slovenia	Israel-Slovak Republic	Turkey-Lithuania
EC-Tunisia	Israel-Slovenia	Turkey-Poland
	NAFTA (goods and services)	Turkey-Romania

⁷ Unless otherwise indicated, the examinations of RTAs listed below refer to trade in goods only.

⁸ Including accession of Bulgaria, Romania, and Slovenia.

RTAs under factual examination (27):

Canada-Chile (services)	European Union (services)	Kyrgyz Republic-Kazakhstan
EC-Bulgaria (services)	European Economic Area (services)	Kyrgyz Republic-Russian Federation
EC-Czech Republic (services)	Georgia-Armenia	Kyrgyz Republic-Russian Federation, Belarus, Kazakhstan and Tajikistan
EC-Faroe Islands	Georgia-Azerbaijan	Kyrgyz Republic-Ukraine
EC-FYROM	Georgia-Kazakhstan	Kyrgyz Republic-Armenia
EC-Mexico	Georgia-Russian Federation	Kyrgyz Republic-Uzbekistan
EC-Morocco	Georgia-Turkmenistan	MERCOSUR
EC-Romania (services)	Georgia-Ukraine	New Zealand-Singapore (goods and services)
EC-Turkey	Commonwealth of Independent States (CIS)	

RTAs for which factual examination has not yet commenced (22):

Chile-Costa Rica (goods and services)	EC-Palestinian Authority	EFTA-Mexico (goods and services)
Chile-Mexico (goods and services)	EC-Slovenia (services)	Hungary-Estonia
EC-Estonia (services)	EC-South Africa	Slovenia-Bosnia and Herzegovina
EC-Latvia (services)	EFTA-Croatia	Mexico-Israel
EC-Lithuania (services)	EFTA-Jordan	Turkey-Slovenia
EC-Mexico (services)	EFTA-Palestinian Authority	United States-Jordan (goods and services)

ATTACHMENT 3

2001 Schedule for the Submission of Biennial Reports on RTAs

Reports submitted and considered by the CRTA in 2001 (4)

European Free Trade Association (EFTA)
EFTA-Czech Republic
EFTA-Slovak Republic
EFTA-Turkey

Reports submitted and considered by the CRTA in 2002 (11)⁹

Australia and New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)
Czech Republic-Slovak Republic Customs Union
European Communities (EC)-Switzerland Agreement
EC-Iceland Agreement
EC-Egypt Cooperation Agreement
EC-Jordan Cooperation Agreement
EC-Lebanon Cooperation Agreement
EC-Syria Cooperation Agreement
EC-Algeria Cooperation Agreement
EC-Association of Certain Overseas Countries and Territories (OCTs)
EC-Norway Agreement

Reports not submitted to the WTO (6)

Australia-Papua New Guinea Agreement (PATCRA)
Caribbean Community and Common Market (CARICOM)
Central American Common Market (CACM)
EC-Cyprus
EC-Malta Association Agreement
United States/Israel

⁹ Reports submitted under the 2001 schedule for the submission of biennial reports on RTAs.

ATTACHMENT 4

Seminar on Regionalism and the WTO¹⁰

PROGRAMME

Friday, 26 April 2002

Council Room I – Centre William Rappard

- 09:00-09:15** **WELCOMING WORDS**
- 09:15-09:45** **SESSION ONE**
THE CHANGING LANDSCAPE OF THE GLOBAL TRADING SYSTEM
 New developments in the WTO and in RTAs
- 09:45-10:00** *COFFEE BREAK*
- 10:00-12:30** **SESSION TWO**
RTA MARKET ACCESS AND REGULATORY PROVISIONS
 Frontiers of trade liberalization in RTAs: the treatment of "sensitive" products and the role of origin rules
 Significance of standards, technical regulations and SPS provisions in RTAs
 Contingency provisions in RTAs
 Economic integration in trade in services
 Other regulatory provisions in RTAs (investment, competition, trade facilitation)
- 12:30-14:00** *LUNCH BREAK*
- 14:00-16:30** **ROUNDTABLE**
WHAT RELATIONSHIP BETWEEN THE MULTILATERAL TRADING SYSTEM AND RTAS?
- 16:30-17:00** *COFFEE BREAK*
- 17:00-18:00** **GENERAL DEBATE**
- 18:00** **CONCLUDING REMARKS**
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¹⁰ Papers presented at the Seminar can be downloaded at the following address:
http://www.wto.org/english/tratop_e/region_e/sem_april02_e/sem_april02_e.htm