

**REPORT (2001) OF THE
COMMITTEE ON REGIONAL TRADE AGREEMENTS
TO THE GENERAL COUNCIL**

Chairperson: Mrs. Laurence Dubois Destrizais (France)

I. INTRODUCTION

1. The terms of reference of the Committee on Regional Trade Agreements (CRTA) are:
 - "(a) to carry out the examination of agreements in accordance with the procedures and terms of reference adopted by the Council for Trade in Goods, the Council for Trade in Services or the Committee on Trade and Development, as the case may be, and thereafter present its report to the relevant body for appropriate action;
 - (b) to consider how the required reporting on the operation of such agreements should be carried out and make appropriate recommendations to the relevant body;
 - (c) to develop, as appropriate, procedures to facilitate and improve the examination process;
 - (d) to consider the systemic implications of such agreements and regional initiatives for the multilateral trading system and the relationship between them, and make appropriate recommendations to the General Council; and
 - (e) to carry out any additional functions assigned to it by the General Council."¹
2. At its first meeting in 2001, the CRTA elected Mrs. Laurence Dubois Destrizais (France) as Chairperson of the Committee. Ms. Margaret Liang (Singapore) and Mr. Alberto J. Dumont (Argentina) were elected as Vice-Chairpersons at the Twenty-Ninth Session of the CRTA. Dr. Vassili Notis (Greece) retained his position as Vice-Chairman.
3. During 2001, the Committee held three sessions (in February, July and September). The minutes of those meetings are listed in Attachment 1. Informal consultations have also been held, in an effort to reach convergence on the Committee's reporting on the examination of agreements. The Committee plans to hold three meetings in 2002.

II. OBSERVER STATUS

4. The Committee agreed to grant observer status in the CRTA to the Latin American Integration Association (LAIA), on an *ad hoc* basis. Definitive decisions on the requests for observer

¹ Document WT/L/127, paragraph 1. The footnote attached to that paragraph is not reproduced here.

status listed in document WT/REG/W/11/Add.3 will be made in accordance with the guidelines to be defined by the General Council.

III. EXAMINATION OF REGIONAL TRADE AGREEMENTS

5. To date, 239 RTAs have been notified to the GATT/WTO.² Of these, 206 agreements were notified under GATT Article XXIV, of which 124 are still in force today; 18 agreements were notified under the Enabling Clause;³ and 15 were under GATS Article V.

6. The Committee has currently under examination a total of 110 agreements.⁴ The examination of 96 of these agreements has been referred to the Committee by the Council for Trade in Goods, and 13 by the Council for Trade in Services and one by the Committee on Trade and Development.

7. Examinations of individual RTAs represented a substantive amount of the Committee's work during 2001. For 23 RTAs, the Committee has not yet started the factual examination. 18 RTAs are currently undergoing factual examination. The remaining 69 RTAs have already completed factual examination and the draft examination reports are in various stages of consultation and finalization (see Attachment 2).

8. In the attempt to finalize the five model draft reports currently under consideration by the CRTA, a new format for these reports was employed as from February 2001. In spite of some progress made through informal, bilateral and multilateral consultations, Members remained divided on the conclusions to be reached on the results of the examination. In July 2001, the Chairperson reported to the General Council on the persistently deadlocked situation in the Committee; the General Council urged the Committee to continue its efforts to make progress in its work.⁵

IV. REPORTING ON THE OPERATION OF AGREEMENTS

9. At the Twenty-Eighth Session of the CRTA, it was noted that all RTAs for which reports were due in 1999 were included in the Schedule for the Submission of Biennial Report for 2001, with the exception of three agreements which had been superseded by more recent ones and which were currently under examination within the Committee.⁶

10. At that same Session, the importance of the biennial reporting process as an element of transparency was reiterated and all Members were urged to ensure that reports were submitted according to schedule in order to have the documents distributed in time for their discussion during the Autumn session.

11. At its Thirtieth Session, the Committee considered five reports on the operation of agreements. Four of these had been submitted to the WTO in accordance with the schedule for the submission of biennial reports on RTAs for the year 2001. The additional report fell under the 1999 schedule, but had not been reviewed during the year 2000, and was thus referred for consideration to the Committee meeting in Autumn 2001 (see Attachment 3).

² This figure corresponds to notifications of new RTAs, as well as of accessions to existing RTAs.

³ *Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries*, Decision of 28 November 1979.

⁴ Two RTAs notified under GATS Article V have not yet been transmitted to the Committee for examination.

⁵ See document WT/GC/M/66, issue 13(a) on the agenda for a detailed account of the deliberations at that meeting.

⁶ See document WT/REG/W/42.

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

12. On the basis of a document (WT/REG/W/38) entitled *Further Work on Systemic Issues*, presented by the former Chairman of the CRTA,⁷ in July 2000 the Secretariat had been instructed to prepare horizontal, thematic surveys on the treatment of various policy provisions or measures in RTAs, the first of which would address internal trade liberalization in RTAs.⁸

13. At the Committee's Twenty-Eighth Session, many delegations stressed the importance they attached to such horizontal surveys as a means to enhancing the understanding of the impact of RTAs on the multilateral trading system and agreed that the two crosscutting surveys being prepared by the Secretariat on coverage and exceptions, and rules of origins regimes should be the focal point for the Committee's further work on systemic issues. At its Twenty-Ninth Session, a representative of the Secretariat gave an update on progress on the two surveys, indicating that they would be circulated in time for the Committee's September Session. The two background surveys were distributed in mid-September 2001 and were subject of a preliminary discussion at the Committee's Thirtieth Session. Consideration of these surveys by the Committee will be included in the agenda of the next session.

14. At its Twenty-Ninth Session, the Committee considered the proposal of the representative of Hong Kong, China to organize an educational seminar on the relationship between RTAs and the multilateral trading system for later this year or early 2002. At the Committee's Thirtieth Session, the Secretariat indicated that it was working on the date and modalities of the seminar.

VI. FINAL REMARKS

15. The Committee has pursued its examination work and succeeded in concluding the factual examination of a number of RTAs, but has been unable to finalize reports on any of the examinations before it. As noted in paragraph 8 above, the Committee has discussed the practical difficulties and broader issues preventing progress and the General Council has been informed of this state of affairs.

⁷ Document WT/REG/W/38 was circulated under the Chairman's sole responsibility, but the consultations held on it had showed a great degree of support for the approach it set.

⁸ That includes coverage and exceptions, rules of origin régimes and denial-of-benefits rules, as well as the liberalization processes and transitional provisions.

ATTACHMENT 1

Minutes of the Meetings held in 2001

Twenty-Eighth Session – 22 February 2001

WT/REG/M/28	(	Accession of the Kyrgyz Republic to the Customs Union
	(	Kyrgyz Republic and the Russian Federation
	(	Kyrgyz Republic and Ukraine
WT/REG/GEN/M/6	(	Kyrgyz Republic and Uzbekistan
	(	Kyrgyz Republic and Moldova
	(	Kyrgyz Republic and Kazakhstan
	(	Kyrgyz Republic and Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, Russian Federation, Ukraine, Uzbekistan, Tajikistan
WT/REG108/M/1		Estonia and Ukraine
WT/REG69/M/4		EC and Tunisia (Euro-Mediterranean)
WT/REG91/M/2		EFTA and Morocco
WT/REG83/M/2		Hungary and Lithuania
WT/REG84/M/2		Hungary and Latvia
WT/REG80/M/2		Poland and Latvia

Twenty-Ninth Session – 2-3 July 2001

WT/REG/M/29	(	Accession of the Kyrgyz Republic to the Customs Union
	(	Kyrgyz Republic and the Russian Federation
	(	Kyrgyz Republic and Ukraine
WT/REG/GEN/M/7	(	Kyrgyz Republic and Uzbekistan
	(	Kyrgyz Republic and Moldova
	(	Kyrgyz Republic and Kazakhstan
	(	Kyrgyz Republic and Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, Russian Federation, Ukraine, Uzbekistan, Tajikistan
WT/REG108/M/2		Estonia and Ukraine
WT/REG83/M/3		Hungary and Lithuania
WT/REG84/M/3		Hungary and Latvia
WT/REG80/M/3		Poland and Latvia
WT/REG64/M/2		Estonia and the Faroe Islands (Government of Denmark)
WT/REG78/M/1		Poland and the Faroe Islands (Government of Denmark)
WT/REG69/M/5		EC and Tunisia (Euro-Mediterranean)
WT/REG91/M/3		EFTA and Morocco
WT/REG107/M/1		Turkey and Poland

Thirtieth Session – 26-27 September 2001

WT/REG/M/30

WT/REG78/M/2	Poland and the Faroe Islands (Government of Denmark)
WT/REG64/M/3	Estonia and the Faroe Islands (Government of Denmark)
WT/REG108/M/3	Estonia and Ukraine
WT/REG107/M/2	Turkey and Poland
WT/REG116/M/1	Turkey and Latvia
WT/REG115/M/1	Turkey and FYROM
WT/REG117/M/1	EFTA and FYROM
WT/REG109/M/1	EC and Mexico

ATTACHMENT 2

List of RTAs Under Examination⁹

RTAs for which factual examinations have been completed and the draft examination reports are in various stages of consultation and finalization (69):

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

⁹ Unless otherwise indicated, the examinations of RTAs listed below refer to trade in goods only.

RTAs under factual examination (18):

EC-Faroe Islands	Kyrgyz Republic-Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, Russian Federation, Ukraine, Uzbekistan and Tajikistan	Kyrgyz Republic-Uzbekistan
EC-Mexico	Kyrgyz Republic-Kazakhstan	MERCOSUR
EC-Turkey	Kyrgyz Republic-Moldova	Poland-Faroe Islands
EFTA-FYROM	Kyrgyz Republic-Russian Federation	Turkey-FYROM
Estonia-Faroe Islands	Kyrgyz Republic-Russian Federation, Belarus, Kazakhstan and Tajikistan	Turkey-Latvia
European Union (services)	Kyrgyz Republic-Ukraine	

RTAs for which factual examination has not yet commenced (23):

Canada-Chile (services)	EC-South Africa	Georgia-Turkmenistan
Chile-Mexico (goods and services)	European Economic Area (services)	Georgia-Ukraine
EC-Bulgaria (services)	EFTA-Palestinian Authority	Hungary-Estonia
EC-Czech Republic (services)	EFTA-Mexico	Kyrgyz Republic-Armenia
EC-Israel	Georgia-Armenia	Mexico-Israel
EC-Morocco	Georgia-Azerbaijan	New Zealand-Singapore
EC-Palestinian Authority	Georgia-Kazakhstan	
EC-Romania (services)	Georgia-Russian Federation	

ATTACHMENT 3

2001 Schedule for the Submission of Biennial Reports on RTAs

Reports submitted and considered by the CRTA (5)

European Free Trade Association (EFTA)
EFTA/Czech Rep.
EFTA/Slovak Rep.
EFTA/Turkey
Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)¹⁰

Reports not submitted to the WTO (16)

ANZCERTA
Australia-Papua New Guinea Agreement (PATCRA)
Caribbean Community and Common Market (CARICOM)
Central American Common Market (CACM)
Czech/Slovak Customs Union
European Communities (EC)/Algeria
EC/Cyprus
EC/Egypt
EC/Iceland
EC/Jordan
EC/Lebanon
EC/Malta
EC/Norway
EC/Certain Non-European Countries and Territories II
EC/Syria
EC/Switzerland and Liechtenstein
United States/Israel

¹⁰ Report submitted under the 1999 schedule for the submission of biennial reports on RTAs