

**REPORT (2007) OF THE
COMMITTEE ON REGIONAL TRADE AGREEMENTS
TO THE GENERAL COUNCIL**

Chairman: Mr. Julian Metcalfe (United Kingdom)

I. INTRODUCTION

1. At its first meeting in March 2007, the Committee on Regional Trade Agreements (CRTA) elected Mr. Julian Metcalfe (United Kingdom) as Chairman of the CRTA.
2. During 2007, the Committee held four sessions (in March, May, September and November). The minutes of those meetings are listed in Attachment 1. Four sessions are foreseen in 2008.

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 definition of guidelines by the General Council.

III. CONSIDERATION OF REGIONAL TRADE AGREEMENTS

4. As of 1 November 2007, 385 regional trade agreements (RTAs) have been notified to the GATT or WTO, 197 of which are currently in force.¹ Of the agreements in force, 125 were notified under GATT Article XXIV; 22 under the Enabling Clause², and 50 under GATS Article V.
5. On 14 December 2006, the General Council established on a provisional basis a new transparency mechanism (TM) for all RTAs. The main features of the mechanism, agreed upon in the Negotiating Group on Rules, include the early announcement of any RTA; guidelines regarding the notification of RTAs; the preparation by the Secretariat, on its own responsibility and in full consultation with the parties, of a factual presentation of RTAs to assist Members in their consideration of a notified RTA; timeframes associated with the consideration of RTAs; provisions regarding subsequent notification and reporting of notified RTAs; technical support for developing countries; and the distribution of work between the CRTA – entrusted to implement the mechanism *vis-à-vis* RTAs falling under Article XXIV of GATT 1994 and Article V of the GATS – and the Committee on Trade and Development, entrusted to do the same for RTAs falling under the Enabling Clause. Given its provisional basis, the Decision foresees that Members are to review, and if necessary modify, the decision, and replace it by a permanent mechanism adopted as part of the overall results of the Doha Round.

¹ These figures correspond 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 the GATT CONTRACTING PARTIES of 28 November 1979.

6. Prior to the adoption of the TM, the Committee had completed the factual examination of a total of 67 agreements, of which 46 in the area of trade in goods and 21 in trade in services. During 2007, the Secretariat distributed factual presentations of 13 RTAs, 11 of which were used as the basis for RTAs' consideration in the CRTA during 2007.³ Seventeen RTAs are scheduled for consideration in the next Session of the CRTA; factual presentations of these RTAs are currently under preparation. There is a remaining backlog of 64 RTAs, comprised of 36 RTAs for which the factual presentation is still to be done and 28 RTAs (mostly with non-WTO Members) for which the factual presentation is on hold (see Attachment 2).

7. According to paragraph 22 of the TM, the Secretariat is to prepare a factual abstract for those RTAs for which the CRTA had concluded the factual examination by 31 December 2006 and for RTAs notified to the WTO under the Enabling Clause. Eight factual abstracts have been prepared and placed on the WTO website; 30 are still awaiting comments from the parties, and the remaining 39 are under preparation (see Attachment 3).

8. At the time of the adoption of the Decision on the Transparency Mechanism for Regional Trade Agreements in December 2006, the Chair of the General Council had noted that Members intended to conduct an initial review of the Mechanism within one year. In this context, the Chair of the CRTA, in concert with the Chair of the Negotiating Group on Rules, reported that Members considered that there was not yet enough experience for the review.

IV. EARLY ANNOUNCEMENT

9. Paragraph 1 of the TM provides for Members participating in new negotiations and parties to a newly signed RTA to provide information to the Secretariat, to be posted on the WTO website. As of 16 November 2007, a total of 31 early announcements have been received from Members, 22 for RTAs under negotiation and nine for newly signed RTAs (see Attachment 4).

V. SUBSEQUENT NOTIFICATION AND REPORTING

10. Paragraph 14 of the TM provides for changes affecting the implementation of an RTA, or the operation of an already implemented RTA to be notified as soon as possible after such changes occur. Such communications are to be made available on the WTO website. As of 1 November 2007, two notifications have been received and posted on the WTO website.⁴

11. Paragraph 15 of the TM provides for parties to an RTA to submit a short written report on the realization of the liberalization commitments in the RTA as originally notified at the end of the RTA's implementation period. No such reports were submitted during 2007.

VI. DATABASE ON RTAS

12. Paragraph 21 of the TM provides for the Secretariat to establish and maintain an updated electronic database on individual RTAs. At the Committee's 46th Session, a representative of the Secretariat made a short presentation on the development of the database. Work on its establishment is in progress.

VII. PROCEDURES TO IMPROVE AND FACILITATE THE EXAMINATION PROCESS

13. No formal discussions took place under this specific agenda item, although Members continued to provide input to the Secretariat on how to improve CRTA procedures.

³ The US-Morocco FTA will be considered in the next Session of the CRTA. The factual presentation of the Chile-Korea FTA was distributed in 2005.

⁴ Japan-Singapore and Japan-Mexico FTAs.

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

14. No discussion took place on this item.

IX. OTHER

15. The notification format for new RTAs which the Committee agreed at its 44th Session to recommend to the Council for Trade in Goods, the Council for Trade in Services and the Committee on Trade and Development was adopted by the CTG on 19 March 2007, by the CTS on 6 November 2007, and by the CTD on 6 March 2007.⁵

X. FINAL REMARKS

16. Although a number of factual presentations have been prepared by the Secretariat and used as the basis for the consideration of RTAs in the CRTA, the Committee has experienced some difficulties in adhering to the work programme established in March 2007. This is due to several factors including delays in the receipt of statistical data from parties, data discrepancies in Members' submissions, and delays in the receipt of comments from parties. This has resulted in a postponement of the consideration of several RTAs. Some developing Members have faced particular technical difficulties as recognized in the Transparency Mechanism.

⁵ These have been circulated in documents G/L/834, S/L/310 and WT/COMTD/63, respectively.

ATTACHMENT 1

Minutes of the Meetings held in 2007

Forty-Fifth Session – 14 March 2007

WT/REG/M/45

Forty-Sixth Session – 14 and 15 May 2007

WT/REG/M/46

| | |
|---------------|--|
| WT/REG185/M/1 | Thailand – Australia, Goods and Services |
| WT/REG207/M/1 | Thailand – New Zealand, Goods |
| WT/REG176/M/1 | Southern African Development Community (SADC), Goods |
| WT/REG173/M/1 | Armenia – Moldova, Goods |

Forty-Seventh Session – 13 September 2007

WT/REG/M/47

| | |
|---------------|---|
| WT/REG179/M/1 | EFTA States – Chile, Goods and Services |
| WT/REG184/M/1 | United States – Australia, Goods and Services |

Forty-Eighth Session – 29-30 November 2007

WT/REG/M/48

| | |
|---------------|--|
| WT/REG164/M/4 | European Communities - Chile, Services |
| WT/REG209/M/1 | Turkey – Morocco, Goods |

ATTACHMENT 2

A. RTAs for which the factual examination has been completed (67):

| | | |
|------------------------------|----------------------------|-------------------------------|
| ANZCERTA (S) | EC-FYROM (G) | Iceland-Faroe Isl. (G) |
| Canada-Chile (G&S) | EC-Israel (G) | Japan-Singapore (G&S) |
| Canada-Costa Rica (G) | EC-Jordan (G) | Kyrgyz Rep.-Armenia (G) |
| Canada-Israel (G) | EC-Mexico (G) | Kyrgyz Rep.-Moldova (G) |
| CARICOM (S) | EC-Morocco (G) | MERCOSUR (G) |
| Chile-Costa Rica (G&S) | EC-Tunisia (G) | Mexico-Israel (G) |
| Chile-El Salvador (G&S) | EC-Turkey (G) | NAFTA (G&S) |
| Chile-Mexico (G&S) | EFTA (S) | New Zealand-Singapore (G&S) |
| Chile- Korea (G&S) | EFTA-Croatia (G) | Norway-Faroe Isl. (G) |
| China-Hong Kong, China (G&S) | EFTA-FYROM (G) | Singapore-Australia (G&S) |
| China-Macao, China (G&S) | EFTA-Israel (G) | Switzerland-Faroe Isl. (G) |
| EC (Treaty of Rome) (S) | EFTA-Jordan (G) | Turkey-Croatia (G) |
| EC-P. of Andorra (G) | EFTA-Mexico (G) | Turkey-FYROM (G) |
| EC-Chile (G) | EFTA-Morocco (G) | Turkey-Israel (G) |
| EC-Croatia (G) | EFTA-Singapore (G&S) | United States-Chile (G&S) |
| EC Enlargement (15) (G&S) | European Economic Area (S) | United States-Jordan (G&S) |
| EC Enlargement (25) (G)* | Georgia-Armenia (G) | United States-Singapore (G&S) |

B. RTAs for which a factual presentation has been distributed (14):

| | | |
|--------------------------|--------------------------|--------------------|
| Armenia-Moldova (G) | EFTA-Chile (G&S) | US-Australia (G&S) |
| Australia-Thailand (G&S) | SADC (G) | US-Morocco (G&S) |
| Chile-Korea (G) | Thailand-New Zealand (G) | |
| EC-Chile (S) | Turkey-Morocco (G) | |

C. RTAs for which a factual presentation is under preparation (15):

| | | |
|-----------------------|--------------------------|-------------------------|
| EC 25 (S) | Japan-Mexico (G&S) | Trans-Pacific SEP (G&S) |
| EC-Albania (G) | MERCOSUR (S) | Turkey-Tunisia (G) |
| EFTA-Tunisia (G) | Panama-El Salvador (G&S) | |
| India-Singapore (G&S) | Panama-Singapore (G&S) | |

D. RTAs for which a factual presentation is to be done (36):

| | | |
|---|--------------------------|-----------------------------|
| CEFTA-Accession of Croatia (G) | EFTA-Egypt (G) | Japan-Thailand (G&S) |
| CEFTA Enlargement (G) | EFTA-Korea (G&S) | Jordan-Singapore(G&S) |
| Chile-China (G) | Egypt-Turkey (G) | Korea-Singapore (G&S) |
| Chile-Japan (G&S) | El Salvador-Mexico (G&S) | Mexico-Nicaragua (G&S) |
| Costa Rica-Mexico (G&S) | GCC (G) | SACU (G) |
| Dominican Republic-Central America-United States (CAFTA-DR) (G&S) | Guatemala-Mexico (G&S) | United States-Bahrain (G&S) |
| EC 27 (G&S) | Honduras-Mexico (G&S) | |
| EC-Egypt (G) | Japan-Malaysia(G&S) | |

E. RTAs for which the factual presentation is on hold (28):¹

| | | |
|--------------------------------|--------------------------------|--|
| Armenia-Kazakhstan (G) | EC-Palestinian Authority (G) | Kyrgyz Republic-Russian Federation (G) |
| Armenia-Russian Federation (G) | EFTA-Lebanon (G) | Kyrgyz Republic-Ukraine (G) |
| Armenia-Turkmenistan (G) | EFTA-Mexico (S) | Kyrgyz Republic-Uzbekistan (G) |
| Armenia-Ukraine (G) | EFTA-Palestinian Authority (G) | Pan-Arab Free Trade Area (G) |
| CIS (G) | Georgia- Azerbaijan (G) | Thailand-New Zealand (S) |
| EAEC (G) | Georgia-Kazakhstan (G) | Turkey-Bosnia and Herzegovina (G) |
| EC-Algeria (G) | Georgia-Russian Federation (G) | Turkey-Palestinian Authority (G) |
| EC-Faroe Islands (G) | Georgia-Turkmenistan (G) | Turkey-Syria (G) |
| EC-Lebanon (G) | Georgia-Ukraine (G) | |
| EC-Mexico (S) | Kyrgyz Republic-Kazakhstan (G) | |

* Once a satisfactory resolution of outstanding issues is reached, the factual examination of this agreement will be deemed concluded.

¹ Includes RTAs with non-Members and RTAs covering trade in services for which specific commitments have yet to be agreed between the parties.

ATTACHMENT 3**A. RTAs for which a factual abstract has been completed (8):**

| | | |
|-----------------------|---------------------|-------------------------------|
| Canada-Costa Rica (G) | EC-Jordan (G) | Switzerland-Faroe Islands (G) |
| Canada-Israel (G) | EC-Mexico (G) | US-Jordan (G) |
| EC-Israel (G) | Japan-Singapore (G) | |

B. RTAs for which a factual abstract has been sent for comments (30):

| | | |
|----------------------------|---------------------------|-----------------------------|
| Chile-Mexico(G) | EC-Turkey (G) | Israel-Mexico (G) |
| China-Hong Kong, China (G) | EFTA-Croatia (G) | Kyrgyz Republic-Armenia (G) |
| China-Macao, China (G) | EFTA-FYROM (G) | Kyrgyz Republic-Moldova (G) |
| EAC (G) | EFTA-Israel (G) | New Zealand-Singapore (G) |
| EC 15 (G) | EFTA-Jordan (G) | Singapore-Australia (G) |
| EC-Andorra (G) | EFTA- Morocco(G) | Turkey-Croatia (G) |
| EC-Croatia (G) | EFTA-Singapore (G) | Turkey-FYROM (G) |
| EC-FYROM (G) | Faroe Islands-Iceland (G) | Turkey- Israel (G) |
| EC-Morocco (G) | Faroe Islands-Norway (G) | United States-Chile (G) |
| EC-Tunisia (G) | Georgia-Armenia (G) | United States-Singapore (G) |

C. RTAs for which a factual abstract is in preparation (39):

| | | |
|----------------------------|-------------------------|-----------------------------|
| APTA-Accession of China(G) | China-Macao, China (S) | Japan-Singapore (S) |
| ASEAN-China (G) | COMESA (G) | Korea-Chile (S) |
| Canada-Chile (G) | EC (Treaty of Rome) (S) | MERCOSUR (G) |
| Canada-Chile (S) | EC 15 (S) | MSG (G) |
| CARICOM (S) | EC 25 (G) | NAFTA (G) |
| CEMAC (G) | EC-Chile (G) | NAFTA(S) |
| CER (S) | EC-South Africa (G) | New Zealand-Singapore (S) |
| Chile-Costa Rica (G) | ECOWAS (G) | SAPTA (G) |
| Chile-Costa Rica (S) | EEA (S) | Singapore-Australia (S) |
| Chile-El Salvador (G) | EFTA (S) | United States-Chile (S) |
| Chile-El Salvador (S) | EFTA-Mexico (G) | United States-Jordan (S) |
| Chile-Mexico (S) | EFTA-Singapore (S) | United States-Singapore (S) |
| China-Hong Kong, China (S) | India-Sri Lanka (G) | WAEMU/UEMOA (G) |

ATTACHMENT 4

Early Announcements received during 2007

| Agreement | Subsequently Notified | Neg/Sign Date | Website |
|---|-------------------------|---------------|--|
| Signed | | | |
| US-Peru Trade Promotion Agreement | | 12-Apr-07 | http://www.ustr.gov/Trade_Agreements/Bilateral/Peru_TPA/Final_Texts/Section_Index.html http://www.tlcperu-eeuu.gob.pe/index.php?ncategoria1=209&ncategoria2=215 |
| US-Panama | | 28-Jun-07 | http://www.ustr.gov/Trade_Agreements/Bilateral/Panama_FTA/Draft_Text/Section_Index.html http://www.mici.gob.pa/Tpc/Texto%20del%20tlc.php |
| US-Oman | | 19-Jan-06 | http://www.ustr.gov/Trade_Agreements/Bilateral/Oman_FTA/Final_Text/Section_Index.html |
| Korea-US | | 30-Jul-07 | http://www.mofat.go.kr/mofat/fta/eng_0707/eng_list.htm http://www.ustr.gov/Trade_Agreements/Bilateral/Republic_of_Korea_FTA/Draft_Text/Section_Index.html |
| Japan-Philippines | | 09-Sep-06 | http://www.mofa.go.jp/region/asia-paci/philippine/epa0609/index.html |
| Japan-Thailand | WT/REG235/N/1 S/C/N/419 | 03-Apr-07 | http://www.mofa.go.jp/region/asia-paci/thailand/epa0704/index.html |
| Japan-Chile | WT/REG234/N/1 S/C/N/398 | 27-Mar-07 | http://www.mofa.go.jp/policy/economy/fta/chile.html |
| Japan-Brunei Darussalam | | 18-Jun-07 | http://www.mofa.go.jp/region/asia-paci/brunei/epa0706/index.html |
| EFTA-Egypt | WT/REG232/N/1 | 27-Jan-07 | http://secretariat.efta.int/Web/ExternalRelations/PartnerCountries/EG |
| Under Negotiation | | | |
| EU-India | | 28-Jun-07 | http://ec.europa.eu/trade/issues/bilateral/countries/india/index_en.htm http://commerce.nic.in EU-India Joint Statement |
| Canada-EFTA | | 07-Jun-07 | |
| Canada-CARICOM | | 19-Jul-07 | |
| Canada-Dominican Republic | | 07-Jun-07 | |
| Canada-Colombia-Peru | | 07-Jun-07 | |
| Canada-El Salvador-Guatemala-Honduras-Nicaragua | | 21-Nov-01 | |
| Canada-Singapore | | 21-Oct-01 | |
| Korea-Mexico | | 07-Feb-06 | |
| Korea-India | | 07-Feb-06 | |
| Korea-EU | | 06-May-07 | http://www.fta.go.kr/user/fta_korea/info.asp?country_idx=21 http://ec.europa.eu/trade/issues/bilateral/countries/korea/index_en.htm |
| Korea-Canada | | 15-Jul-05 | |
| Korea-ASEAN | | 30-Nov-04 | |
| Japan-Vietnam | | Jan-07 | |
| Japan-Korea | | Sep-03 | |
| Japan-Indonesia | | Jul-05 | |
| Japan-India | | Jan-07 | |
| Japan-GCC | | Sep-06 | |
| Japan-Australia | | Apr-07 | |
| Japan-ASEAN | | Apr-05 | |
| EFTA-Colombia | | 04-Jun-07 | |
| EFTA-Peru | | 04-Jun-07 | |
| Japan-Switzerland | | 14-May-07 | |