

**REPORT (2004) OF THE  
COMMITTEE ON REGIONAL TRADE AGREEMENTS  
TO THE GENERAL COUNCIL**

Chairman: Mr. R. Saborío Soto (Costa Rica)

**I. INTRODUCTION**

1. At the first meeting on 29-30 March 2004, the Committee on Regional Trade Agreements (hereinafter, the Committee or CRTA) elected Mr. Ronaldo Saborío Soto (Costa Rica) as Chairman of the Committee. Dr. Vassili Notis (Greece), Mr. B. Weston (Trinidad and Tobago) and Mr. S. Dalela (India) retained their positions as Vice-Chairmen.

2. During 2004, the Committee held three sessions (in March, October and November). The minutes of those meetings are listed in Attachment 1. The Committee plans to hold three meetings in 2005.

**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. EXAMINATION OF REGIONAL TRADE AGREEMENTS**

4. As of 31 October 2004, 300 RTAs have been notified to the GATT/WTO.<sup>1</sup> Of these, 247 agreements were notified under GATT Article XXIV; 19 under the Enabling Clause;<sup>2</sup> and 34 under GATS Article V. Of the notified agreements, 150 are currently in force. Of these RTAs, 105 are GATT Article XXIV agreements; 19 are Enabling Clause agreements; and 26 are GATS Article V agreements.<sup>3</sup>

5. The Committee has currently under examination a total of 110 agreements,<sup>4</sup> of which 84 in the area of trade in goods and 26 in trade in services.<sup>5</sup> Thirty-eight RTAs are currently undergoing

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<sup>1</sup> This figure corresponds to notifications of new RTAs, as well as accessions to existing RTAs.

<sup>2</sup> *Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries*, Decision of the GATT CONTRACTING PARTIES of 28 November 1979.

<sup>3</sup> The trade-related aspects of a considerable number of RTAs previously in force were abrogated in 2004 as a consequence of the enlargement of the European Union to include ten new Member States on 1 May 2004 (see paragraph 8).

<sup>4</sup> Two additional agreements notified under GATT Article XXIV have been sent to the Council for Trade in Goods' meeting in November for the adoption of the Terms of Reference for their examination.

<sup>5</sup> RTAs terminated at the occasion of the enlargement of the European Union are excluded from figures contained in this paragraph (see paragraph 8, and Attachment 3).

factual examination, while for 32 RTAs, the Committee has not yet started the factual examination. For the remaining 40 RTAs the factual examination has concluded (see Attachment 2); no progress was made, however, on the completion of the corresponding examination reports.

6. During 2004, informal consultations were organized to deal with the CRTA backlog, in particular regarding (a) RTAs on which the factual examination process had not advanced in the last few years, either because necessary information was lacking or because the parties had requested a delay; (b) services agreements without defined specific commitments transmitted to the CRTA for examination; (c) RTAs superseded or modified at the occasion of the recent enlargement of the European Union; and (d) RTAs involving non-Members.

7. At its Thirty-Sixth Session, the Committee agreed on a way forward regarding points (a) and (b) above. Long-standing factual examinations would in principle be concluded by March 2005, subject to the distribution of pending information. As for services agreements without defined specific commitments, the factual examination would start once the CRTA would have been informed by the parties that such specific commitments had been agreed upon.

8. Regarding point (c), the Committee was informed that 65 RTAs previously in force and notified to the GATT/WTO had been terminated as a consequence of the enlargement of the European Union to include ten new Member States on 1 May 2004 (see Attachment 3).<sup>6</sup> In addition, these ten acceding countries have become, or are in the process of becoming, parties to existing EC's free trade agreements and customs unions with third parties. At its Thirty-Eighth Session, the Committee agreed to terminate the examination process for these agreements.

9. Regarding point (d), the Secretariat was requested to draft an informal background note on the drafting history of paragraph 10 of Article XXIV. On the basis of this note, informal consultations were held but divergent views remain on whether the examination of RTAs involving non-Members should be deferred until these countries become a WTO Member. At its Thirty-Seventh Session, the Committee agreed that informal consultations on this matter would continue.

#### **IV. REPORTING ON THE OPERATION OF AGREEMENTS**

10. At its Thirty-Seventh Session, the Committee considered seven reports on the operation of agreements, in accordance with the 2004 Schedule for Submission of Reports, circulated as WT/REG/W/48. Twelve biennial reports due in 2004 are still outstanding (see Attachment 4).

#### **V. PROCEDURES TO IMPROVE AND FACILITATE THE EXAMINATION PROCESS**

11. At its Thirty-Eighth Session, the Committee discussed a suggested modification in the Chairman's Guidelines on Procedures to Improve and Facilitate the Examination Process,<sup>7</sup> whereby a new option (a factual presentation by the Secretariat) would be added, on an experimental basis, for the provision of initial information on RTAs to be examined. The objective of the proposed change was to assist the Negotiating Group on Rules in its discussions on "Transparency of RTAs", and would take into account the parameters defined by delegations (see document WT/REG/M/37). The Committee took note of the corresponding revision to Section II of the Chairman's Guidelines.<sup>8</sup>

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<sup>6</sup> See documents WT/REG/GEN/N/2 and WT/REG/GEN/N/3.

<sup>7</sup> Document WT/REG/W/15, dated 6 May 1997.

<sup>8</sup> Document WT/REG/W/15/Add.1, dated 16 November 2004.

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

12. No discussion took place on this item.

**VII. OTHER**

13. As agreed at the Committee's Thirty-Second Session, the Secretariat provided the Committee with information regarding RTA-related technical assistance implemented from January to October 2004 and those scheduled for the rest of the year and for 2005.

**VIII. FINAL REMARKS**

14. The Committee has pursued its factual examination work, but has been unable to finalize reports on any of the examinations before it.

## ATTACHMENT 1

### Minutes of the Meetings held in 2004

#### Thirty-Sixth Session – 29-30 March 2004

WT/REG/M/36

WT/REG142/M/1	European Community – Croatia Interim Agreement
WT/REG141/M/1	European Communities – Jordan Euro-Mediterranean Agreement
WT/REG134/M/1	United States and Jordan, Goods and Services
WT/REG126/M/2	EFTA States and Mexico
WT/REG125/M/2	Chile and Mexico, Goods and Services
WT/REG124/M/2	Israel and Mexico
WT/REG1/M/4	European Communities – Bulgaria Europe Agreement, Services
WT/REG139/M/2	European Communities – Czech Republic Europe Agreement, Services
WT/REG2/M/4	European Communities – Romania Europe Agreement, Services

#### Thirty-Seventh Session – 7-8 October 2004

WT/REG/M/37

WT/REG147/M/1	Canada – Costa Rica
WT/REG148/M/1	EFTA States – Singapore, Goods and Services
WT/REG155/M/1	CARICOM, Services
WT/REG156/M/1	Turkey – Croatia
WT/REG158/M/1	Singapore – Australia, Goods and Services
WT/REG132/M/2	EFTA States – Croatia
WT/REG133/M/2	EFTA States – Jordan
WT/REG136/M/2	Chile – Costa Rica, Goods and Services
WT/REG140/M/2	Japan – Singapore, Goods and Services
WT/REG154/M/2	EFTA States, Services
WT/REG127/M/3	New Zealand – Singapore, Services
WT/REG138/M/3	European Economic Area, Services

#### Thirty-Eighth Session – 11 November 2004

WT/REG/M/38

## ATTACHMENT 2

### List of RTAs Under Examination<sup>9,10</sup>

#### A. RTAs for which factual examination has been completed (40):

ANZCERTA (S)	EC-Tunisia	Mexico-Israel
Bulgaria-FYROM	EFTA (S)	NAFTA (G&S)
Canada-Chile (G&S)	EFTA-Bulgaria	New Zealand-Singapore (G&S)
Canada-Israel	EFTA-FYROM	Norway-Faroe Isl.
CEFTA <sup>11</sup>	EFTA-Israel	Romania-Moldova
Chile-Mexico (G&S)	EFTA-Mexico	Switzerland-Faroe Isl.
Chile-Costa Rica (G&S)	EFTA-Morocco	Turkey-Bulgaria
EC-P. of Andorra	EFTA-Romania	Turkey-FYROM
EC-Bulgaria	European Economic Area (S)	Turkey-Israel
EC Enlargement (15) (G&S)	Iceland-Faroe Isl.	Turkey-Romania
EC-Israel	Japan-Singapore (S)	
EC-Romania	Kyrgyz Rep.-Moldova	

#### B. RTAs under factual examination (38):

CARICOM (S)	EFTA-Croatia	Kyrgyz Rep.-Kazakhstan <sup>13</sup>
Canada-Costa Rica	EFTA-Jordan	Kyrgyz Rep.-Russian Fed. <sup>13</sup>
EC-Bulgaria (S)	EFTA-Mexico (S) <sup>12</sup>	Kyrgyz Rep.-Ukraine <sup>13</sup>
EC-Croatia	EFTA-Singapore (G&S)	Kyrgyz Rep.-Armenia
EC-Faroe Islands <sup>13</sup>	Georgia-Armenia	Kyrgyz Rep.-Uzbekistan <sup>13</sup>
EC-FYROM	Georgia-Azerbaijan <sup>14</sup>	Kyrgyz Rep.-Russian Fed., Belarus, Kazakhstan and Tajikistan <sup>13</sup>
EC-Jordan	Georgia-Kazakhstan <sup>13</sup>	MERCOSUR <sup>12</sup>
EC-Mexico (G&S) <sup>15</sup>	Georgia-Russian Fed. <sup>13</sup>	Singapore-Australia (G&S)
EC-Morocco	Georgia-Turkmenistan <sup>13</sup>	Turkey-Croatia
EC-Romania (S)	Georgia-Ukraine <sup>13</sup>	United States-Jordan (G&S)
EC-Turkey <sup>12</sup>	Japan-Singapore	
European Union (S) <sup>12</sup>	Commonwealth of Independent States <sup>13</sup>	

#### C. RTAs for which factual examination has not yet commenced (32):

Albania-Bulgaria	Chile-El Salvador (G&S)	EFTA-Palestinian Authority <sup>13</sup>
Albania-UNMIK <sup>13</sup>	China-Hong Kong, China (G&S)	EU Enlargement (G&S)
Armenia-Kazakhstan <sup>13</sup>	China-Macao, China (G&S)	Rep. of Korea-Chile (G&S)
Armenia-Moldova	Croatia-Albania	SADC
Armenia-Russian Federation <sup>13</sup>	Croatia-Bosnia and Herzegovina <sup>13</sup>	Turkey- Bosnia and Herzegovina <sup>13</sup>
Armenia-Turkmenistan <sup>13</sup>	EC-Chile	United States-Chile (G&S)
Armenia-Ukraine <sup>13</sup>	EC-Lebanon <sup>13</sup>	United States-Singapore (G&S)
Bulgaria-Israel	EC-Palestinian Authority <sup>13</sup>	
CEFTA-Accession Croatia	EC-South Africa	

<sup>9</sup> Examinations of RTAs refer to trade in goods only, unless indicated otherwise: trade in services only (S), or trade in both goods and services (G&S)

<sup>10</sup> Excluding RTAs terminated at the occasion of the enlargement of the European Union.

<sup>11</sup> Accessions of Bulgaria and Romania.

<sup>12</sup> "To do" list; see paragraph 7, point (b).

<sup>13</sup> Long-standing examination; see paragraph 7, point (a).

<sup>14</sup> Agreement with non-WTO Member(s); see paragraph 9.

<sup>15</sup> For the examination of the services aspects of the agreement, in "to do" list; see paragraph 7, point (b).

### ATTACHMENT 3

#### RTAs Terminated Following the May 2004 Enlargement of the European Union

#### **A. RTAs Previously under the Purview of the CRTA (60)**

##### (a) Factual examinations completed (50)<sup>16</sup>

Czech Rep.-Estonia	EFTA-Lithuania	Poland-Israel
Czech Rep.-Latvia	EFTA-Poland	Poland-Turkey
Czech Rep.-Lithuania	EFTA-Slovenia	Slovak Rep.-Estonia
Czech Rep.-Israel	Estonia-Turkey	Slovak Rep.-Latvia
Czech Rep.-Turkey	Estonia-Faroe Isl.	Slovak Rep.-Lithuania
EC-Czech Rep	Estonia-Latvia-Lithuania	Slovak Rep.-Israel
EC-Estonia	Estonia-Ukraine	Slovak Rep.-Turkey
EC-Hungary (G&S)	Hungary-Latvia	Slovenia-Croatia
EC-Latvia	Hungary-Lithuania	Slovenia-Estonia
EC- Lithuania	Hungary-Israel	Slovenia-Israel
EC-Poland (G&S)	Hungary-Turkey	Slovenia-Turkey
EC-Slovak Rep. (G&S)	Latvia-Turkey	Slovenia-FYROM
EC-Slovenia	Lithuania-Turkey	Slovenia-Latvia
EFTA-Estonia	Poland-Faroe Isl.	Slovenia-Lithuania
EFTA-Hungary	Poland-Latvia	CEFTA accession of Slovenia
EFTA-Latvia	Poland-Lithuania	

##### (b) Under factual examination (6)

EC-Czech Rep. (S)	EC-Latvia (S)	EC-Slovenia (S)
EC-Estonia (S)	EC-Lithuania (S)	Hungary-Estonia

##### (c) Factual examination not commenced (4)

Bulgaria-Estonia	Bulgaria-Lithuania
Bulgaria-Latvia	Slovenia-Bosnia and Herzegovina

#### **B. RTAs With GATT 1947 Examination Reports Adopted (5)**

EC-Cyprus	EFTA- Czech Rep	Czech Rep.-Slovak Rep.
EC-Malta	EFTA- Slovak Rep	

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<sup>16</sup> In addition, Czech Republic, Hungary, Poland, and Slovak Republic have withdrawn from CEFTA. The agreement establishing the accession of Slovenia to CEFTA is also abrogated (*see table*).

## ATTACHMENT 4

### Schedule for the Submission of Biennial Reports on RTAs

**A. Reports submitted and considered by the CRTA under the 2004 schedule (7)**

European Free Trade Association (EFTA)  
EFTA/Turkey  
European Communities (EC) - Switzerland  
EC - Iceland  
EC - Norway  
Association of Certain Overseas Countries and Territories with the EC  
Central American Common Market (CACM)

**B. Reports not submitted under the 2004 schedule (12)**

Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)  
Australia-Papua New Guinea Agreement (PATCRA)  
Caribbean Community and Common Market (CARICOM)  
Czech/Slovak Customs Union  
European Communities (EC) - Algeria  
EC - Cyprus  
EC - Egypt  
EC - Malta  
EC - Syria  
EFTA - Czech Republic  
EFTA - Slovak Republic  
United States - Israel

**C. Reports not submitted under the 2001 schedule (5)**

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

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