



WTO OMC

WTO regulation of RTAs through the RTA Transparency Mechanism

67th GSDM Platform Seminar
“Global Trade Order after the TPP:
Opportunities and Challenges for Japan”

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Why was the RTA Transparency Mechanism negotiated?

- In late 1990s, proliferation of RTAs
- Failure by WTO Members to comply with notification obligations (often late, or not at all)
- When notified, lack of standardized data and statistics
- Institutional deadlock: impossible to achieve consensus on compatibility of RTAs with WTO rules
- No effective surveillance mechanism for RTAs

The WTO Transparency Mechanism for RTAs

- Decision by the WTO General Council in December 2006 (WT/L/671)
- Applies to all RTAs notified to the WTO (265 in force as of December 2015)
- The Mechanism is subject to review by WTO Members and is to be made permanent at the end of the Doha Round

Objectives of the RTA Transparency Mechanism:

- Increase information available on RTAs
- Clarify and strengthen notification obligations of WTO Members regarding their RTAs

The focus is transparency, not compatibility assessment.

Principal Elements of the RTA TM

- The Annex to the TM specifies the standardized tariff and trade data to be submitted by RTA parties
- Foresees the preparation of a factual presentation (or summary) for all notified RTAs
- The factual presentation is prepared by the WTO Secretariat, under its own responsibility and in full consultation with the RTA parties
- The goal is to assist WTO Members in the consideration of the RTA in the relevant WTO committee
- The factual presentation is not to be used as the basis for dispute settlement procedures

Structure of the Factual Presentation

- **Trade Environment**
 - Merchandise trade flows and commodity structure of trade
 - Trade in services and investment
- **Detailed analysis of tariff liberalization scheduled to take place**
 - Breakdown of tariff elimination commitments for each RTA party
 - Analysis of tariff lines remaining dutiable
- **Comparison of the RTA parties' GATS services commitments with RTA commitments**
 - Analysis on a sector/subsector basis.
- **Summary of the RTA's regulatory provisions**

The factual presentation facilitates WTO Members' task in analyzing RTAs as RTA legal texts are voluminous (TPP is 5,000+ pages)

Achievements thus far

- As of December 2015, 119 RTAs have been considered under the Mechanism
- Around 80 RTAs still to be considered (but it's a moving target)
- The RTA database (<http://rtais.wto.org/>) provides public access to RTA texts, all WTO documents on RTAs, and detailed tariff and trade data
- The RTA database also contains details of RTAs under negotiation

Current Challenges

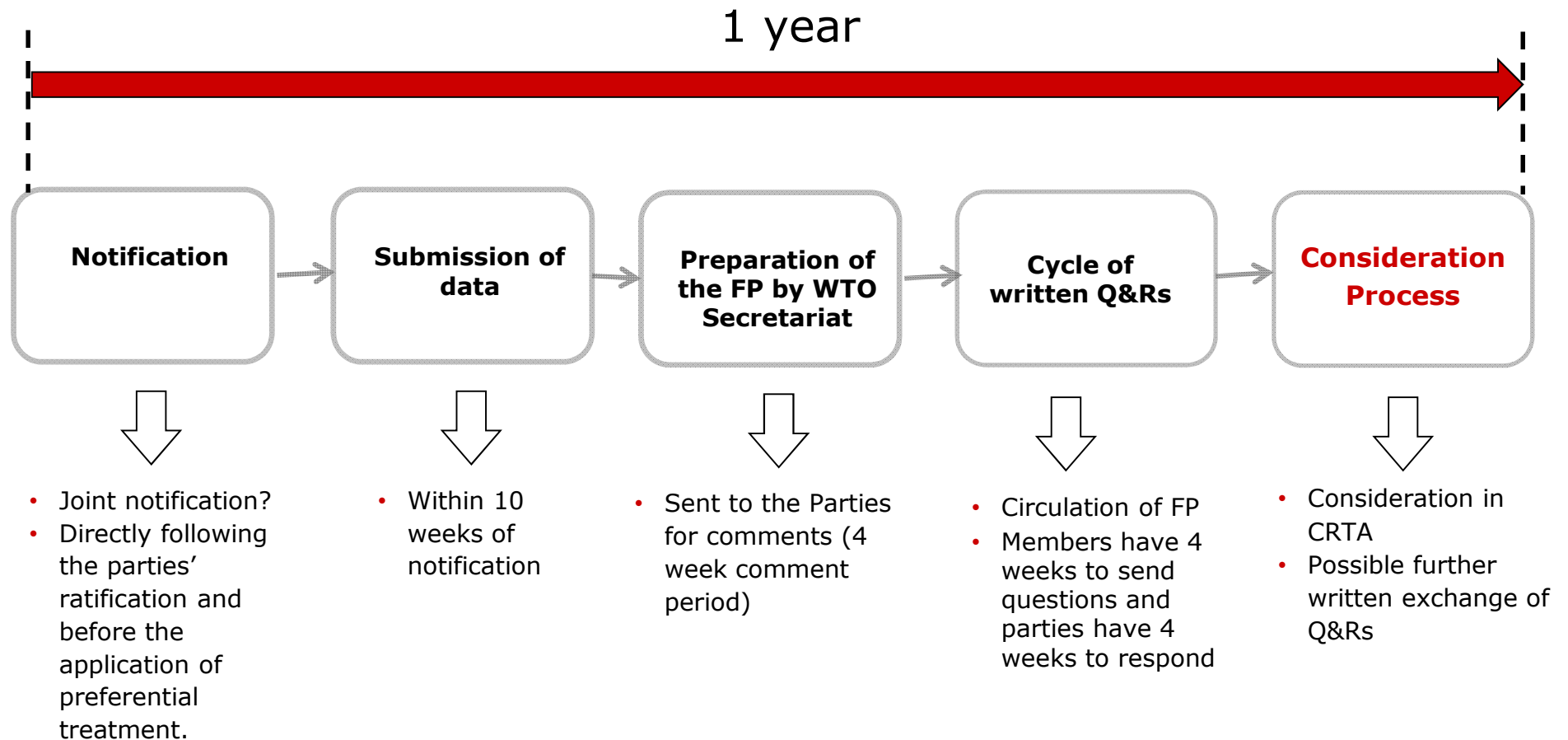
- How to encourage notification of non-notified RTAs (notification is the trigger).
- Improving the process. Currently experiencing delays in the receipt of data and comments on factual presentations sent to the parties
- Lack of implementation reports (para. 15 of TM)
- Review of the Mechanism is on hold (3 RTAs have been notified under two legal provisions)

Spillovers of the RTA TM

- Series of WTO Staff Working Papers looking at horizontal issues in RTAs
 - Market access
 - Services rules
 - IP rights
 - Anti-dumping
 - Rules of origin
 - Dispute settlement mechanisms
 - Safeguards
 - Trade facilitation
 - TBT
 - SPS

- Available from the WTO website
(https://www.wto.org/english/res_e/reser_e/wpaps_e.htm)

TPP – next steps in the WTO



THANK YOU

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