

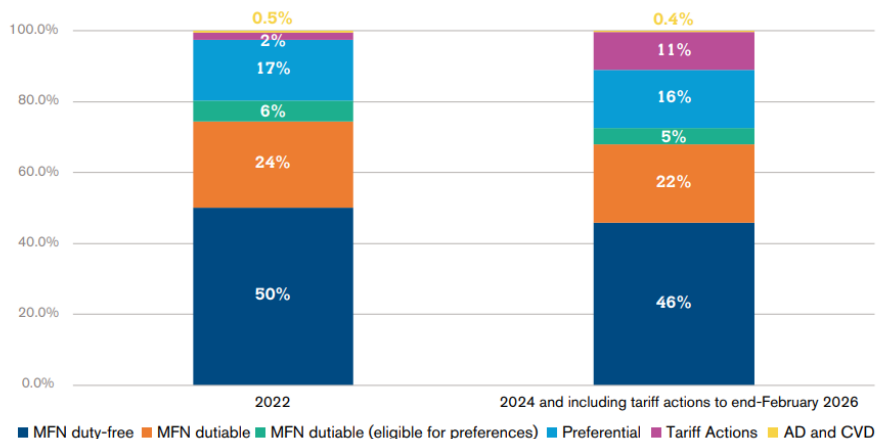
# Regional Trade Agreements (RTAs)

# Context

- Proliferation of regional initiatives
- Agreements between different regional trading blocs
- Trade creation?
- Trade diversion?

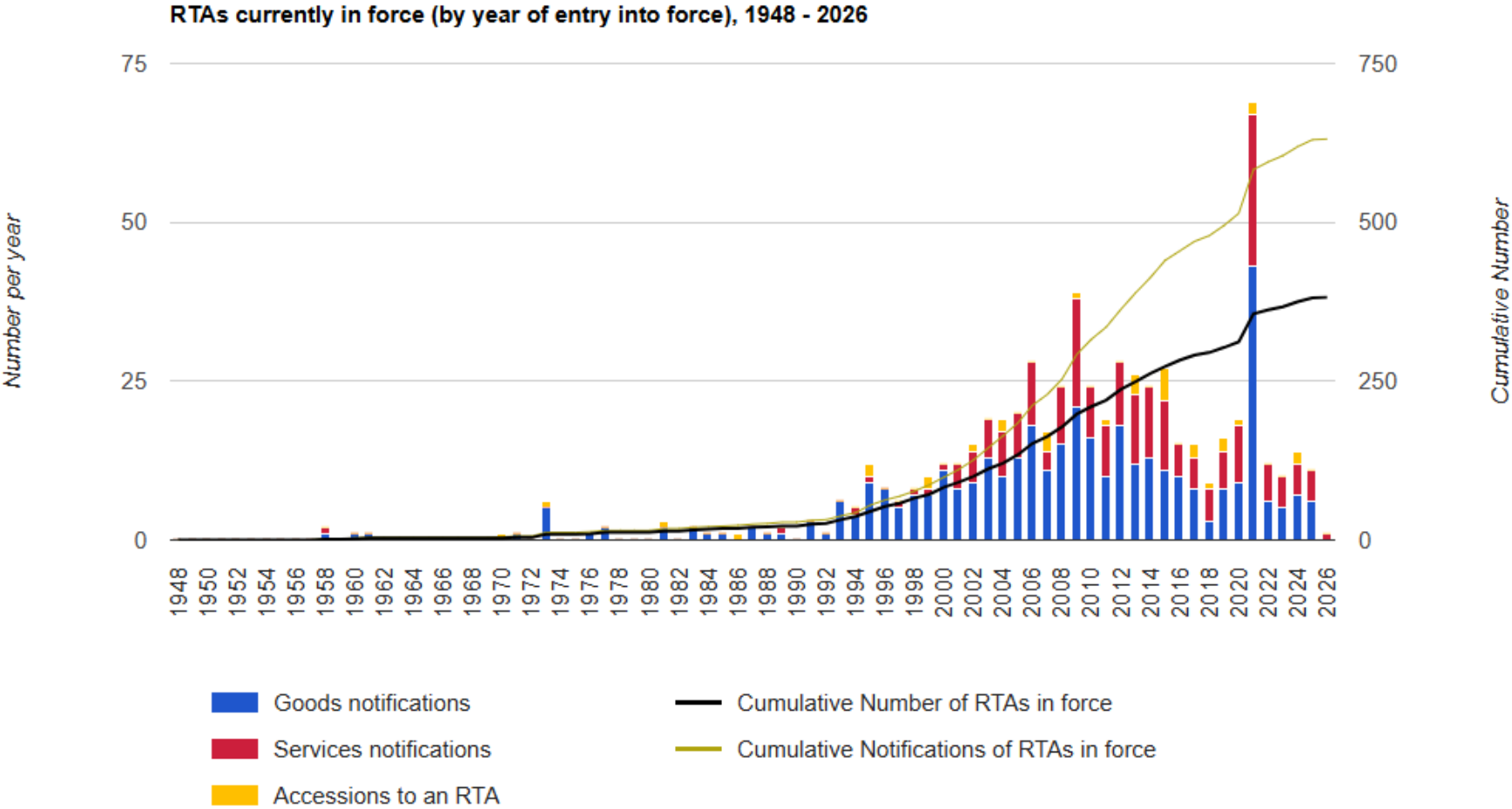
**Chart 21: Global merchandise imports by tariff treatment**

Percentage shares, 2022 and 2024 (including tariff actions until end-February 2026)\*



Global Trade Outlook and Statistics. WTO 2026

# Context



# An indirect definition of RTAs

## The Three Pillars of a Regional Trade Agreement



**No formal WTO definition**

### 1. Trade-Focused

Agreements explicitly designed to govern, facilitate, and expand trade between partners.

### 2. Preferential

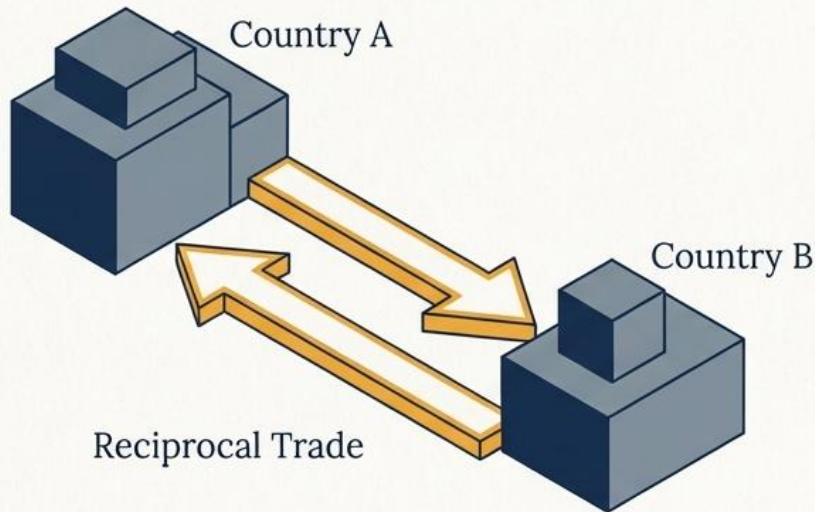
They establish a distinct, discriminatory regime. Market benefits are offered exclusively to the parties involved, intentionally excluding non-parties.

### 3. Reciprocal

Market access and economic concessions are a two-way street. Partners must offer mutual benefits to one another.

# Basic concepts

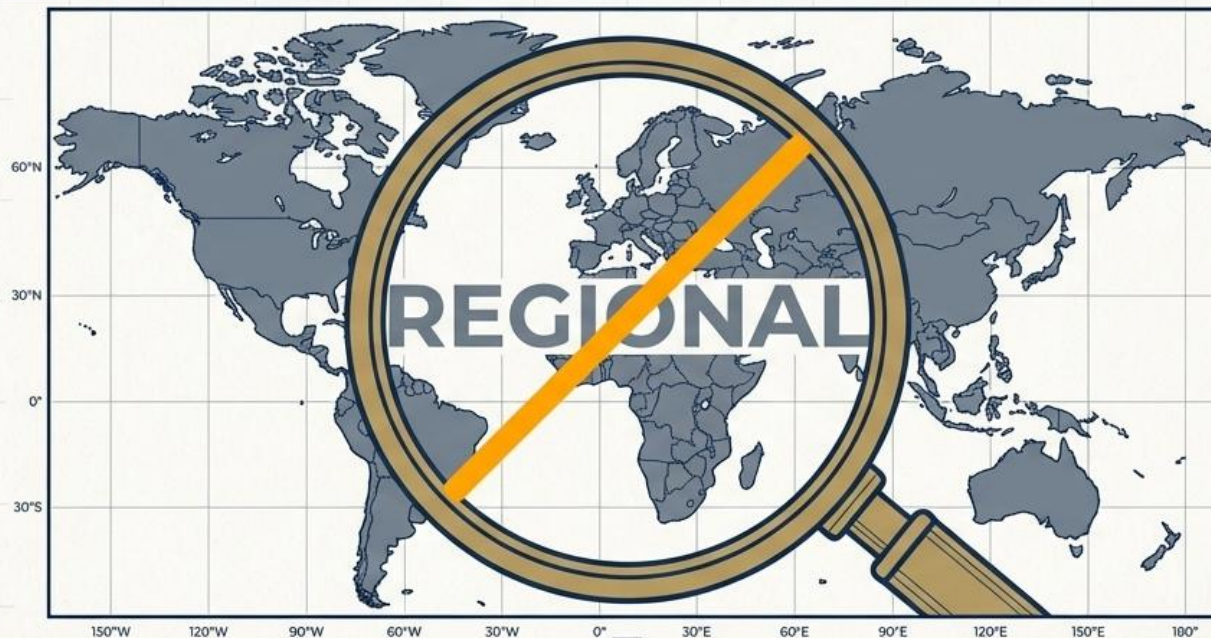
## The Engine of RTAs: Mutual Agreement



An RTA is fundamentally defined by reciprocal trade agreements between two or more partners. It is not a gift or a one-way grant. It is a binding commitment focused on mutual concessions and shared market access.

# Basic concepts

## The Geographic Misnomer



### Myth

Trade Agreements must occur between neighboring countries.

### Reality

The term "Regional" defines the scope of the agreement, not geographical coordinates. Partners do not necessarily need to be in the same geographical region.

**Takeaway: Two countries on opposite sides of the globe can form a valid RTA under WTO definitions.**

# Basic concepts

## The WTO Terminology Trap: RTAs ≠ PTAs

### RTA (Regional Trade Agreement)

Reciprocal, multi-party agreements requiring mutual concessions.



### PTA (Preferential Trade Arrangement)

At the WTO, this specific term describes unilateral preferential treatment granted by some members to others for certain products.

# Basic concepts

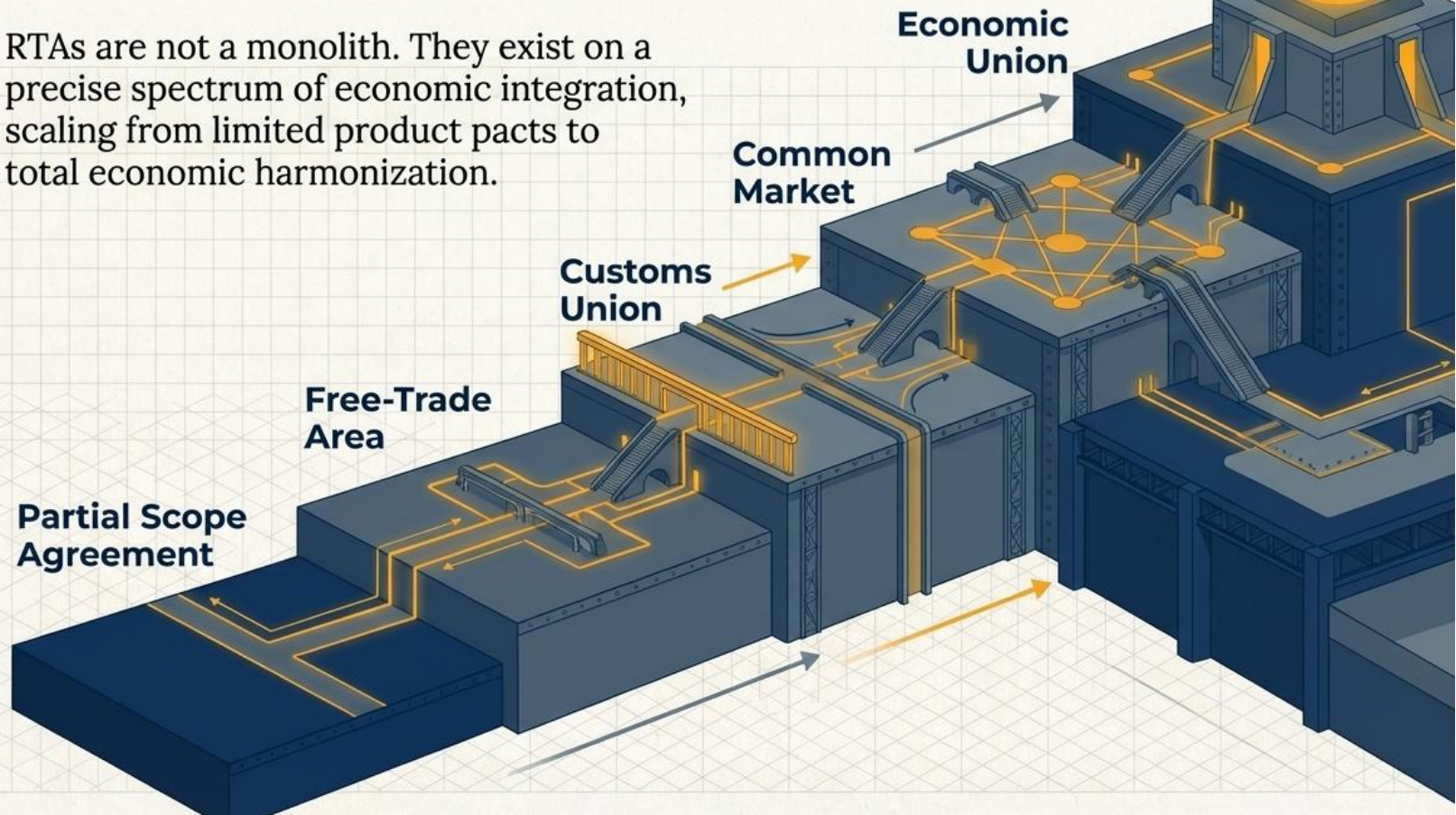
## Distinguishing the Frameworks

	RTA	PTA
Directionality	Reciprocal (Two-way concessions)	Unilateral (One-way grant)
WTO Definition	Negotiated, mutually binding trade agreements.	Preferential treatment granted unilaterally to certain products.
Common Examples	Free Trade Agreements (FTAs), Customs Unions.	Generalized System of Preferences (GSP) schemes, Least Developed Country (LDC) schemes.

# Levels of Integration

## The Five Levels of RTAs

RTAs are not a monolith. They exist on a precise spectrum of economic integration, scaling from limited product pacts to total economic harmonization.



# Levels of Integration

## LEVEL 1

### Partial Scope Agreement (PSA)



#### Partial Scope Agreement (PSA)

**Mechanism:** Reciprocal market access.

**Limitation:** Strictly limited to a specific, narrow number of products.

## LEVEL 2

### Free-Trade Area (FTA)



#### Free-Trade Area (FTA)

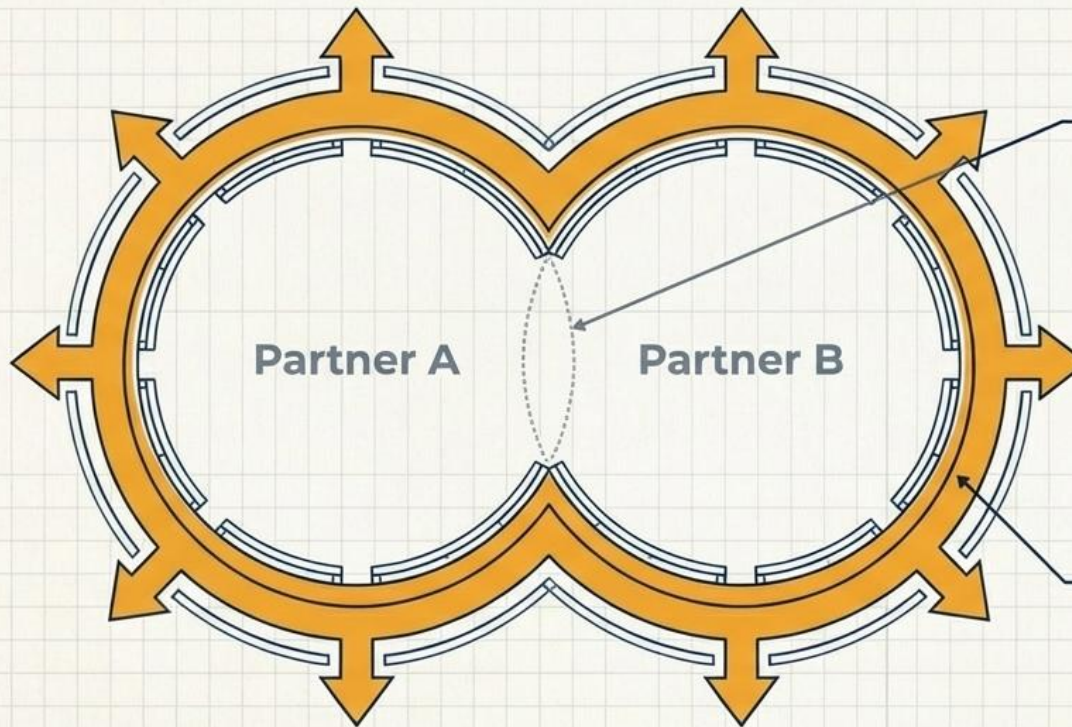
**Mechanism:** Reciprocal preferential market access.

**Scope:** Expansive. Applies to a wide range of products across sectors. The standard baseline for modern trade agreements.

# Levels of Integration

## LEVEL 3

### Customs Union



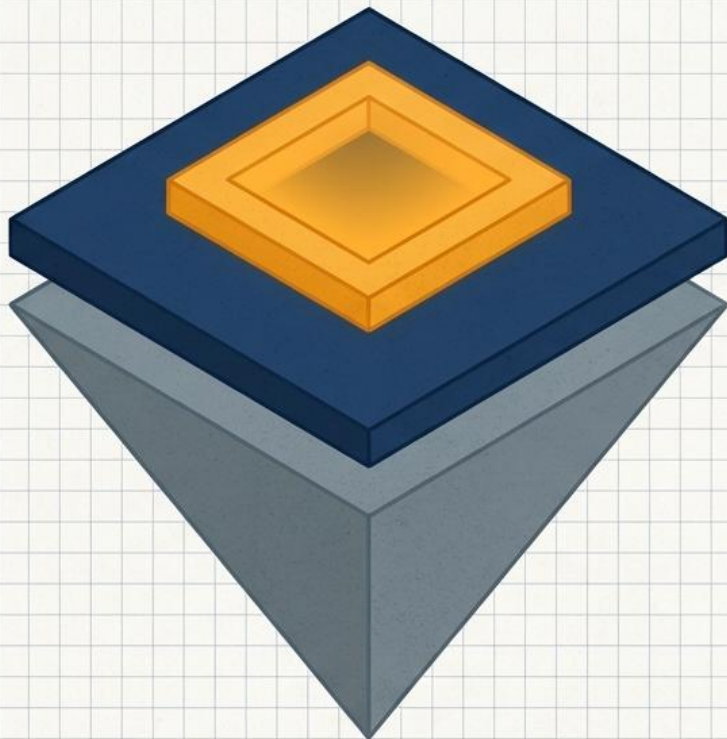
#### Internal Freedom

The virtual abolishment of border measures between the partner nations.

#### External Unity

A common external trade policy. The partners stop acting independently and operate as a single unified entity regarding trade with non-members.

# Levels of Integration



## Level 4: Common Market

Takes the baseline of a Customs Union (no borders + common external policy) and adds a supra-national framework to actively govern the shared market.

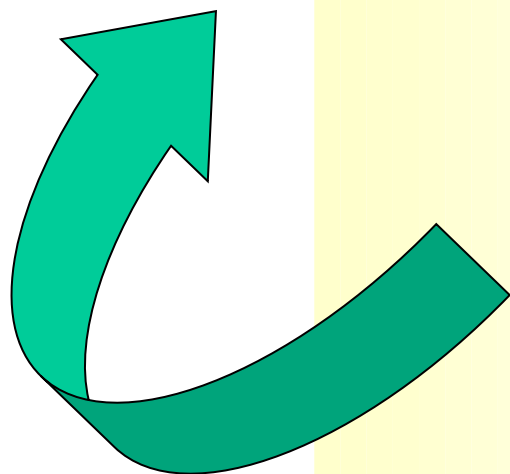
## Level 5: Economic Union

The ultimate form of integration. Combines all previous features and adds other common economic and social policies, effectively harmonizing the nations' broader domestic strategies.

# Integration levels criteria

	Reciprocal Access	Abolished Borders	Common External Policy	Supra-national Framework	Common Economic/Social Policy
Partial Scope Agreement	✓				
Free Trade Area	✓	✓			
Customs Union	✓	✓	✓		
Common Market	✓	✓	✓	✓	
Economic Union	✓	✓	✓	✓	✓

# Exceptions for certain regional initiatives



## The 4 "Duties"

1. **Observe** the most-favoured-nation (**MFN**) principle
2. **Neither maintain nor introduce** quantitative restrictions
3. **Observe** the bound rates contained in the **Schedules of concessions**
4. **Observe** the principle of national treatment

3

# Applicable Rules: GATT

- 1947: GATT (goods)
  - *Art. XXIV*: Customs unions and free-trade areas (as well as interim agreements leading to either of these forms of integration)
- 1979: Decision by the contracting parties (Tokyo Round)
  - “Enabling Clause” (Goods)

# Applicable Rules: WTO

- 1995: Marrakesh Agreement
  - Understanding on the Interpretation of the **GATT** Article XXIV (Goods)
  - Art. V of the **GATS** (Services)
  
- 2001: “Doha Programme”
  - Negotiating the “rules”
  - Early harvest “Transparency Mechanism”
  
- Waivers
  - Preferential Tariff Treatment for Least-Developed Countries (LDCs) - General Council Decisions 2009 (WT/L/759) and 2019 (WT/L/1069)
  - LDC Services waiver (WT/MIN(15)/48)

# GATT Art. XXIV

## *Customs Unions (CU)*

- Elimination of customs duties and other restrictive regulations of commerce between members of the CU “for a substantial part of the trade” between those members
- Customs duties and other regulations applied by all members of the CU to products from third countries are identical

# GATT Art. XXIV

## *Free-trade areas (FTA)*

- Elimination of customs duties et and other restrictive regulations of commerce between members of the FTA “for a substantial part of the trade” between those members

# GATT Art. XXIV

## *Principles*

- “deepening” of the process of economic integration
  - = elimination of barriers within the CU or FTA
  - = preferences
  - = violation of the MFN principle
  
- under certain conditions
  
- provided economic integration does not raise barriers for third countries

# Enabling Clause

## ***Generalized System of Preferences (GSP)***

- Preferential tariff treatment accorded by developed countries to products from developing countries
  
- Unilateral measures
  - = elimination or reduction of access barriers on products from developing countries
  - = preferences
  - = violation of the MFN principle

# Enabling clause

## ***Special and differential treatment with respect to non-tariff measures***

- Non-tariff preferences for products from developing countries
  
- Measures negotiated multilaterally
  - = elimination or reduction of barriers on products from developing countries
  - = preferences
  - = violation of the MFN principle

# Enabling clause

## ***Regional arrangements between developing countries***

- Tariff and/or non-tariff preferences for trade between developing countries (elimination or reduction)

- Plurilateral (regional) agreements outside the GATT

= elimination or reduction of access barriers on products from developing countries within the same region

= preferences

= violation of the MFN principle

# Enabling clause

## ***Special treatment for LDCs***

- Additional special and differential treatment for LDCs
  
- Measures negotiated multilaterally
  - = elimination or reduction of access barriers on products from the LDCs
  - = preferences
  - = violation of the MFN principle
  
- few specific provisions in the GATT

# GATS V

## ***(Regional) agreements liberalizing trade in services***

- Absence or elimination of substantially all discrimination between parties to the agreement
  - elimination of existing discriminatory measures
  - prohibition of new discriminatory measures

# Waivers

- **“Enhanced Enabling Clause” (2009 Decision)**
  - Temporary waiver
  - Preferential tariff treatment accorded by developing countries to products originating from LDCs
  - Unilateral measures
    - = elimination or reduction of access barriers on products from the LDCs
    - = preferences
    - = violation of the MFN principle

## ***Other waivers***

- e.g.: Cotonou Agreement
- e.g.: US - Caribbean Basin initiative

# Review Procedures

## □ **GATT XXIV + Understanding**

- Notification (Goods Council)
- Mandatory review (CRTA)

## □ **GATS V**

- Notification (GATS Council)
- Review on request (CRTA)

## □ **Enabling Clause**

- Notification (Committee on Trade and Development)
- Review on request (CRTA)

## **Waivers**

- General Council decisions

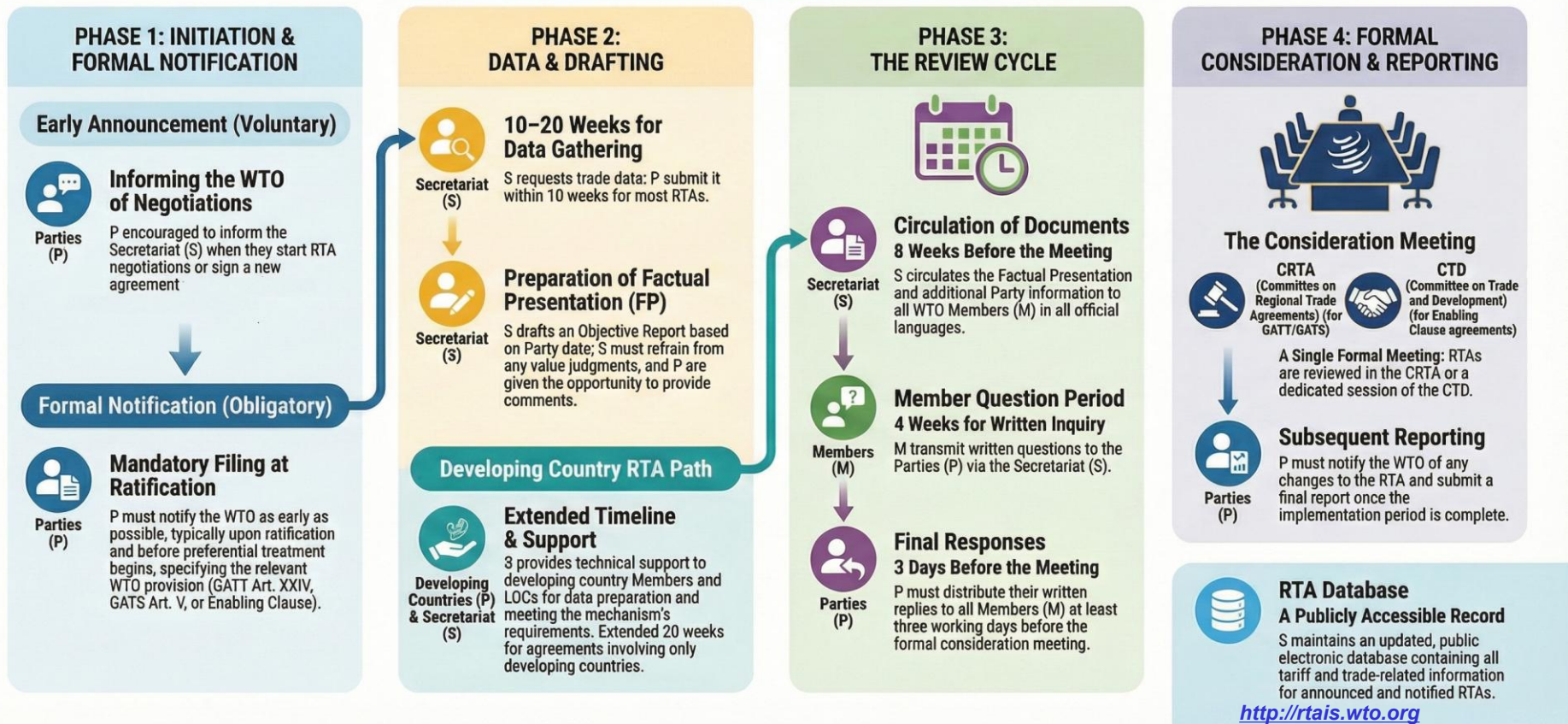
# NOT: Regional Trade Agreements (1)

- *2006 Transparency Mechanism for RTAs (WT/L/671)*
  - **Early announcement**
  - **Notification (WT/REG/16)**
  - **Factual presentation**
  - **Consideration by Members: Committee on RTAs (CRTA) or Committee on Trade and Development (CTD) or Council for Trade in Services (CTS)**
  - **Subsequent Notification and Reporting**

# NOT: Regional Trade Agreements (1)

## The Road to Transparency: Navigating the WTO RTA Review Process

Target: Conclude Process Within 1 Year of Notification



ANNEX

**NOTIFICATION OF REGIONAL TRADE AGREEMENT**

Newly concluded regional trade agreements (RTAs) are notified as follows:

- Council for Trade in Goods (CTG): customs unions, free-trade areas and interim agreements, notified under Article XXIV:7(a) of the GATT 1994;
- Council for Trade in Services (CTS): economic integration agreements, notified under Article V:7(a) of the GATS;
- Committee on Trade and Development (CTD): regional or global arrangements entered into amongst developing countries, notified under paragraph 4(a) of the Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (Enabling Clause).

<b>1. Member(s) notifying:</b>
<b>2. Date of notification:</b>
<b>3. Notification pursuant to:</b> <input type="checkbox"/> Article XXIV:7(a) of GATT 1994 <input type="checkbox"/> Article V:7(a) of GATS <input type="checkbox"/> Paragraph 4(a) of the Enabling Clause
<b>4. Parties to the Agreement:</b>
<b>5. Date of signature:</b>
<b>6. Date(s) of entry into Force:</b>
<b>7. Brief description of the Agreement:</b>
<b>8. Text and related schedules, annexes and protocols are:</b> <input type="checkbox"/> submitted to the WTO Secretariat (electronic format) <input type="checkbox"/> available from the following official Internet link(s):

\_\_\_\_\_

**Committee on Regional Trade Agreements**

**TEMPLATE FOR NOTIFYING CHANGES TO AN EXISTING RTA**

**PROPOSAL TO THE COUNCIL FOR TRADE IN GOODS, THE COUNCIL FOR TRADE IN SERVICES AND THE COMMITTEE ON TRADE AND DEVELOPMENT**

At its 89<sup>th</sup> Session, on 19 June 2018, the Committee on Regional Trade Agreements (CRTA) adopted the template reproduced in the Annex to this document, to be used for notifications of changes to all existing RTAs.

At that same Session, the CRTA agreed to recommend to the Council for Trade in Goods, the Council for Trade in Services and the Committee on Trade and Development the adoption of that same template.

The nature of this proposal is procedural and its implementation would not entail any change in Members' legal rights and obligations.

**ANNEX**

**NOTIFICATION OF CHANGES AFFECTING THE IMPLEMENTATION OF A REGIONAL TRADE AGREEMENT**

*Addendum*

The following communication, dated \_\_\_\_\_, has been received from the Delegation(s) of \_\_\_\_\_ and \_\_\_\_\_.

<b>1. Member(s) notifying:</b>
<b>2. Date of notification:</b>
<b>3. Notification pursuant to:</b> <input checked="" type="checkbox"/> Paragraph 14 of the Transparency Mechanism for Regional Trade Agreements (WT/L/671)
<b>4. Changes affect:</b> <input type="checkbox"/> goods <input type="checkbox"/> services <input type="checkbox"/> both
<b>5. Original RTA being modified:</b>
<b>6. WTO document reference of original notification of RTA:</b>
<b>7. Parties to the Agreement:</b>
<b>8. Date of adoption:</b>
<b>9. Date(s) of entry into Force/provisional application:</b>
<b>10. Brief description of changes:</b>
<b>11. Text and related schedules, annexes and protocols are:</b> <input type="checkbox"/> submitted to the WTO Secretariat (electronic format) <input type="checkbox"/> available from the following official Internet link(s):

# Review Procedures

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- Notification (GATS Council)
- Review on request (CRTA)

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## **Waivers**

- General Council decisions



## RTA Tracker

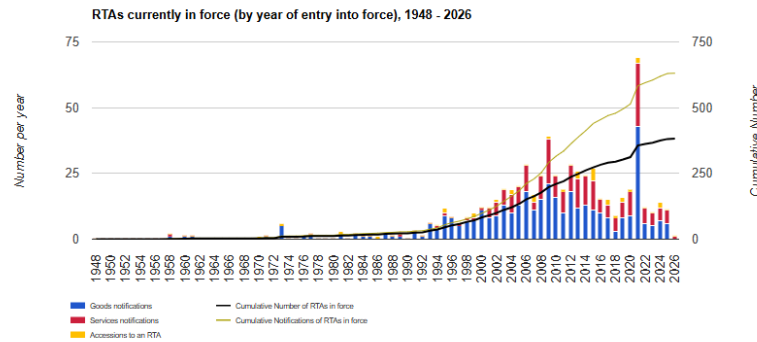
N° of RTAs notified and in force: [381](#)

Notifications made pursuant to:

- GATT Art XXIV: [347](#)
- GATS Art. V: [219](#)
- Enabling Clause: [64](#)

- ▣ [WTO Figures on RTAs](#)
- ▣ [RTAs by country/territory](#)

- ▣ [N° of RTAs in force which have not yet been notified: 67](#)



## Explore the data

- ▣ [Search RTAs](#)
- ▣ [RTAs in force](#)
- ▣ [RTAs in force, including accessions](#)
- ▣ [Inactive RTAs, including accessions](#)
- ▣ [Early Announcements](#)
- ▣ [Export all RTAs](#)

## Quick Links

- ▣ [WTO Database on RTAs \(Tutorials\)](#)
- ▣ [WTO RTA Webpages](#)
- ▣ [RTA Provisions \(Glossary\)](#)
- ▣ [User Guide](#)
- ▣ [How to notify a new RTA to the WTO](#)
- ▣ [How to notify changes to an existing RTA to the WTO](#)

## Recent RTA Notifications

RTA Name	Coverage	Date of notification	Date of entry into force
EFTA - India	Goods & Services	Mar 18 2026	Oct 1 2025
China - Belarus	Services	Jan 15 2026	Jan 1 2026
Trade in Services Agreement between Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, the Russian Federation, Tajikistan and Uzbekistan	Services	Dec 15 2025	Jun 5 2024
China - Maldives	Goods & Services	Dec 11 2025	Jan 1 2025
Australia - United Arab Emirates	Goods & Services	Nov 6 2025	Oct 1 2025

## Recent RTA Notifications of Changes

RTA Name	Coverage	Date of notification	Date of entry into force
EFTA - Jordan	Goods	Mar 10 2026	Feb 01 2026
Latin American Integration Association (LAIA)	Goods	Nov 06 2025	
EFTA - Georgia	Goods	Sep 12 2025	Dec 01 2023
EFTA - Peru	Goods	Jul 28 2025	Nov 01 2014
EFTA - Bosnia and Herzegovina	Goods	Apr 11 2025	Sep 01 2023

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