

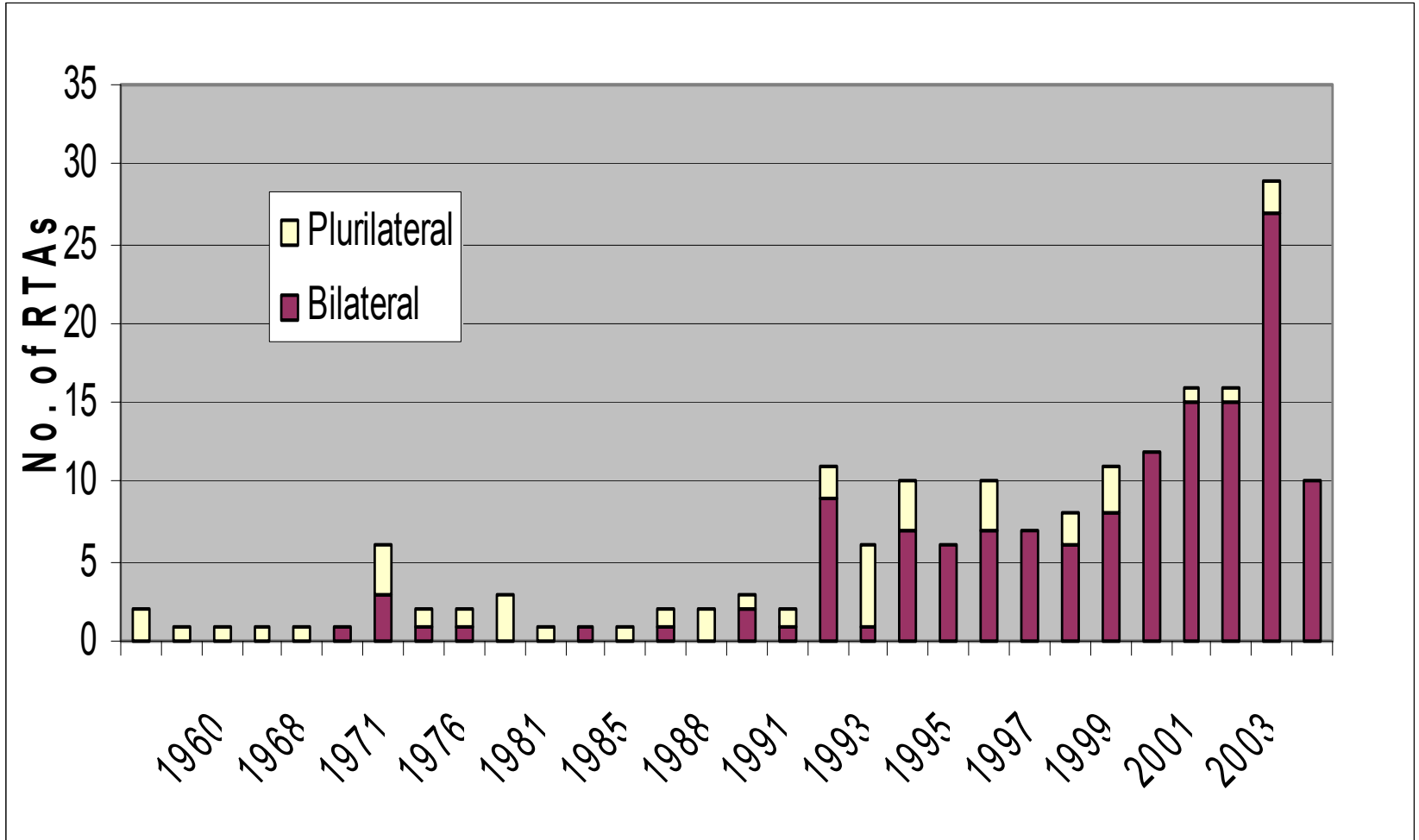
A light blue world map is centered in the background of the slide. The map shows the continents in a darker shade of blue. A white rectangular box with a thin black border is superimposed over the center of the map, containing the title text.

The Treatment of Asymmetries in Regional Trade Agreements

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Changes in regionalism – growing diversity

- A growing share of trade
- An alternative to the MTS?
- With a focus beyond tariffs
- & growing emphasis on bilateral deals
 - Between countries far apart
 - And at different stages of development



Dealing regionally with asymmetries – Is there a pattern?

- 2 sets of (SDT) provision
 - Financial & technical assistance
 - Flexibilities
- S-S plurilaterals provide for both
- N-S agreements provide for cooperation but less so for flexibilities
 - Legal vs. economic effects
 - DR-CAFTA an exception – a model?

Is there a pattern? (continued)

- Asymmetric obligations are more common:
 - With goals for deeper integration
 - With geographic proximity

Dealing regionally with asymmetries – WTO-plus?

- Determining eligibility
- Asymmetric liberalisation commitments
- Flexibility in rules of origin

Preference in Rules of Origin

RTA	Regional content requirement	
	SDT-receiving members	SDT-granting members
ALADI	50%	60%
MERCOSUR	40% until 2008 50% up to 2014 60% as of 2014	60%
CARICOM	50%	60%
	20%	35%
AC	40%.	50%
SAFTA	50%	60%
SADC	One-stage tariff change for five years	Two-stage transformation, or double tariff change

WTO-plus (continued)

- A wider net
 - Investment
 - Competition
 - Environment
- Financial assistance
- WTO-plus does not necessarily mean better

How effective is regional cooperation?

- Having provisions does not guarantee action
 - The need for outside help
- The absence of provisions does not preclude action

How effective are asymmetric obligations?

- Flexibilities are two-edged
- Dealing with complexity

