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Emerging Economies

BRICSAM and the Non-WTO

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JOHN WHALLEY

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BRICSAM

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BRICSAM and the Non-WTO*

Agata Antkiewicz
John Whalley

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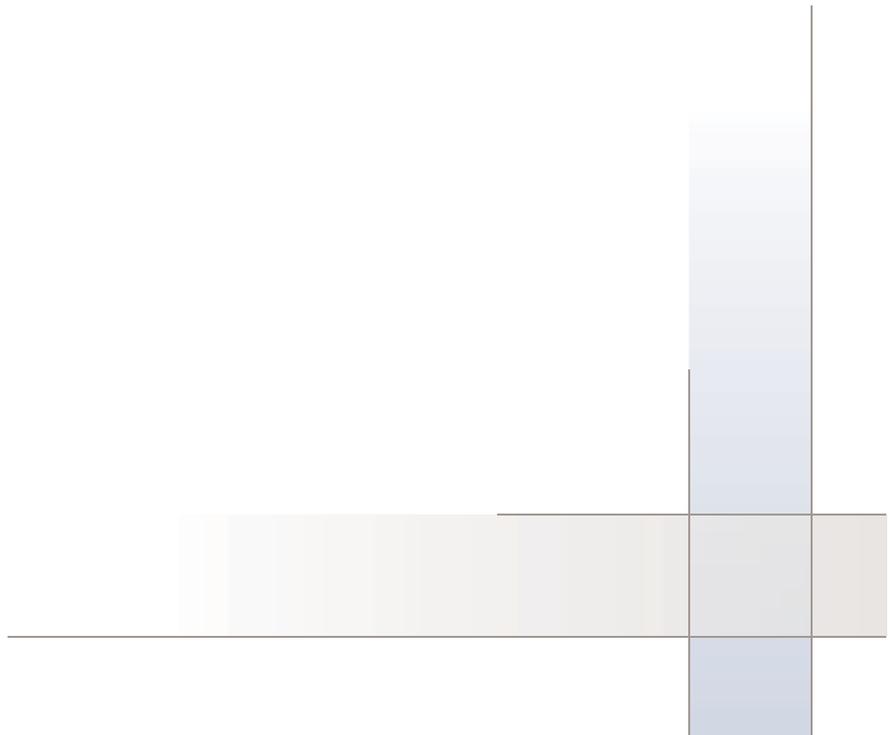
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Abstract

We discuss recent regional trade and economic partnership agreements involving the large population, rapidly growing economies (BRICSAM: Brazil, Russia, China, India, South Africa, ASEAN, and Mexico). Perhaps 50 out of 300 agreements that exist worldwide involve BRICSAM countries; most are recently concluded and will be implemented over the next few years. Along with extensive bilateral investment treaties, mutual recognition agreements, and other country to country (or region) arrangements they are part of what we term the non-WTO. This paper aims to document and characterize the agreements and analyze their possible impacts. Agreements differ in specificity, coverage and content. In some treaties there are detailed and specific commitments, but these also co-exist with seemingly vague commitments and (at times) opaque dispute settlement and enforcement mechanisms. Whether these represent a partial replacement of the World Trade Organization (WTO) process for newly negotiated reciprocity based on global trade liberalization or largely represent diplomatic protocol alongside significant WTO disciplines is the subject of this paper.

1. Introduction

Global trade policy debate still largely centres on the World Trade Organization (WTO) and prospects for eventual completion of the Doha Round. This is despite both considerable pessimism concerning the likelihood of a significant outcome from the Round, and clear evidence of the continued growth and proliferation of regional trade and other arrangements involving a growing number of countries.¹ As of October 2004, roughly 300 regional trade, economic partnership, and wider economic co-operation agreements of various forms had been notified to the GATT/WTO (General Agreements on Tariffs and Trade), 150 of which are currently in force.² A number of further agreements are in active negotiation around the world. World Bank estimates are that regional trade agreements (RTAs) currently cover approximately 40 per cent of world trade and it is expected that this will increase to more than 50 per cent in 2005.³

In analyzing recent regional trade arrangements involving the large-population and rapidly growing non-OECD (Organisation for Economic Co-operation and Development) economies (with Mexico being the exception), our aim is to document their content and provide an assessment of their significance for the global trading system. The economies considered we term the BRICSAM, and include Brazil, Russia, India, China, South Africa, the Association of Southeast Asian Nations (ASEAN), and Mexico. These economies jointly comprise more than 50 per cent of the world's population, and their collective average growth rate in recent years is approximately six to seven per cent. Currently, intra-BRICSAM trade is small and joint interest lies more in trade and investment flows to and from the OECD.

¹ See Antkiewicz and Whalley, *China's New Regional Trade Agreements*. (2004) Cambridge, MA: National Bureau of Economic Research NBER Working Paper 10992 for a discussion of China's new regional trade agreements.

² See the WTO Report of the Committee on Regional Trade Agreements to the General Council, WT/REG/14, 29 November 2004 online at <<http://www.wto.org>>.

³ See *Global Economic Prospects 2005. Trade, Regionalism, and Development*. Washington: World Bank; *Regionalism and the Multilateral Trading System*. OECD (2003); *Policy Briefs and The Changing Landscape of RTAs*. Prepared for the Seminar on Regional Trade Agreements and the WTO, November 2003. Geneva: WTO Secretariat.

While the scope and content of individual BRICSAM country bilateral agreements vary, each country is involved in regional negotiations and future talks. We provide an overview of the emerging regional treaty structure for this bloc of countries. We also assess whether these bilaterals and plurilaterals could, in the future, provide the basis for a new non-OECD trade bloc, or whether their coverage and structure is simply too limited, vague, or diverse for this to be credible.

These arrangements are best understood as conventional trade agreements covering goods and services, to which disciplines covering a series of further issues have been appended, such as competition policy, intellectual property, investment, movement of persons, mutual recognition, and wider economic co-operation. This is evidenced by the fact that terminology for these agreements has moved rapidly beyond free trade agreements (FTAs) to various terms denoting economic partnership (the recent Japan-Singapore country agreement, for instance, is a New Age Economic Partnership). But they also vary widely in form, coverage, and content.

Many agreements are relatively new, with a considerable number scheduled to be fully implemented over the next five or so years. Older agreements tend to be simple tariff-based arrangements, with more recent agreements containing commitments to a wider range of considerations listed above. Broad range bilateral agreements also co-exist with separate issue-specific, non-trade, bilateral agreements on investment, mutual recognition, and others, which we do not cover in this discussion.

We suggest that this regional treaty network among countries embodies three broad types of agreements. First, it encompasses the large OECD entities—the European Union (EU), the United States, (US), and Japan; Second, those with small entities in their region; and third, agreements with other BRICSAM countries. It is the latter and third type that are the most recent, and to be implemented over the next five years. These arrangements vary widely, both across BRICSAM (and partner) countries and across partner countries or regions within each country's portfolio of arrangements. Some are tariff based FTAs; some include services; some are wider with mutual recognition, competition policy and formal co-operation agreements; others contain new investment provisions or are accompanied by separate bilateral investment treaties; while others have specific

add-on commitments (airline arrangements, bilateral educational exchanges, or bilateral trade promotion).

We label this set of arrangements non-WTO (country to country arrangements negotiated outside the WTO even if notified to the WTO, and often covering non-WTO issues), which we suggest will grow in the future (perhaps somewhat chaotically). Given the relative lack of progress multilaterally in the Doha Round, this evolving set of agreements could, in our view, potentially displace the WTO as the leading edge of global reciprocity-based negotiated trade liberalization for the next few decades. We offer our attempted synthesis as a first step toward a better understanding and eventual assessment of their impact and significance.

We were able to find little literature which attempted both to summarize the content of these agreements and assess their implications for the evolution of a wider world-trading system. One position we discuss is that many are relatively light in content, cover small bilateral trade flows, and have limited enforcement mechanisms. Therefore, they should be viewed as largely diplomatic and providing only a thin layer of additional disciplines on the use of trade-restricting measures on top of existing multilateral disciplines in the WTO system. An alternative is that this patchwork quilt of country-specific arrangements increasingly defines significant new disciplines in the system, and both provides coverage of issues beyond what is in the WTO and establishes a potentially new system of global trade management parallel to that in the WTO.⁴ Given the seemingly slow progress in the WTO on the new Round and a poisoned atmosphere over WTO dispute settlement and wider process, our view is that their significance merits evaluation. Issues for the BRICSAM countries include their degree of similarity, whether they

⁴ For discussion on the “new regionalism,” North-South, South-South economic cooperation, and RTAs’ impact on the world trading system see L.A. Majluf, *Swimming in the Spaghetti Bowl: Challenges for Developing Countries under the “New Regionalism.”* (2004) United Nations: Policy Issues in International Trade and Commodities. Study Series No. 27; L. Cernat, *Assessing Regional trade Arrangements: Are South-South RTAs More Trade Diverting?* (2001) United Nations: Policy Issues in International Trade and Commodities, Study Series No. 16; A. Cosbey, Lim, Tay, and Walls, *The Rush to Regionalism: Sustainable Development and Regional/ Bilateral Approaches to Trade and Investment Liberalization.* (2004) International Institute for Sustainable Development; J. Crawford and Laird, *Regional Trade Agreements and the WTO.* (2000) University of Nottingham, UK: CREDIT Research Paper No.00/3; and *Trade Blocks. Policy Research Report.* (2000) World Bank: Oxford University Press, August.

reflect the emergence of a potential new trade bloc, and even whether these countries would negotiate collectively.

2. Broad Overview of Regional Agreements in BRICSAM

Regional agreements involving the BRICSAM countries⁵ differ, sometimes substantially, in scope and specificity. All are bilateral agreements which aim to gradually reduce and/or eliminate tariff barriers, and are typically accompanied by Rules of Origin (ROO) and safeguard measures. Sometimes, agreements provide for special transitional arrangements in tariffs, such as the Early Harvest Programme (EHP) (for example, the ASEAN-China) which list goods subject to earlier tariff concessions and/or normal and sensitive Tracks which itemize goods for normal and slower tariff elimination (for example, ASEAN-India). Some agreements also include sectoral arrangements, provisions for the protection of infant industries, for example, the Southern Africa Development Community (SADC), or customs co-operation. Some, typically older, are relatively simple and are restricted to the tariff-based arrangements covering trade in goods.

The more extensive recent agreements involving BRICSAM countries also cover services trade, investment, intellectual property, competition policy, movement of persons, mutual recognition, and other issues. These usually provide for regional scheduling of GATS-like service commitments (General Agreement on Trade in Services), and in some cases detailed sectoral arrangements, for example, in banking, insurance, and telecommunications as in the China-Hong Kong/Macao Closer Economic Partnership Arrangements (CEPAs). Some cover mutual recognition of

⁵ Several definitional issues arise when considering what constitutes a BRICSAM regional agreement. For the purposes of the discussion, we also do not include separate issue specific treaties (bilateral investment or mutual recognition treaties). For discussion of Bilateral Investment Treaties see L.E. Peterson, *Bilateral Investment Treaties and Development Policy-Making*. (2004) International Institute for Sustainable Development. November. In the case of ASEAN, we consider only agreements negotiated by ASEAN as a single entity. This treatment excludes ASEAN country regional agreements (such as Singapore, or Thailand). For discussion of these see O.G. Dayaratna Banda and Whalley, *Beyond Goods and Services: Competition Policy, Investment, Mutual Recognition, Movement of Persons, and Broader Cooperation Provisions of Recent FTAs involving ASEAN Countries*. Cambridge, MA. (2005) National Bureau of Economic Research, NBER Working Paper 11232. We also consider concluded agreements in more detail when discussing country arrangements, rather than those in negotiation as no text of agreements is available for the latter.

professional qualifications (CEPAs, ASEAN-India), co-operation in tourism (Chinese agreements), intellectual property rights, government procurement (Mexican agreements), co-operation involving small - and medium-sized enterprises promotion, and investment facilitation. Some agreements also include industrial co-operation through commitments to joint investments in industrial projects, technical and technological co-operation, co-operation of Chambers of Commerce and other bodies.

Most of these regional arrangements have their own separate dispute settlement arrangements, which also vary from agreement to agreement. Provisions for dispute settlement mechanisms are often negotiated separately from the main agreement, sometimes taking the form of an annex (Mercosur-India) or a separate agreement (China-ASEAN). Some rely on bilateral consultations as a first step to resolving disputes, and then provide for a panel of experts, or tribunal's decision and/or binding arbitration. A few appoint a decision body (typically a council) as the dispute resolution of last resort. Since most agreements with dispute settlement arrangements are recent, there is no established record of resolution, and the potentially weak enforcement of these agreements is widely considered a problem.

Appendix 1 of this paper provides summary tables setting out the main elements of each BRICSAM country's regional trade arrangements. We list partners, dates of signature, length, number of annexes, a brief description of contents, and an indication of both dispute settlement and institutional arrangements which underpin the agreement.

Table 1. BRICSAM regional agreements before and after 2000 by country/region

Country	Number of Agreements			Total by country
	Concluded before 2000	Concluded after 2000	Currently in negotiation	
Brazil*	5	5	1	11
Russia	3	4	4	11
India	6	7	8	21
China	0	7	3	10
South Africa	2	2	7	11
ASEAN	0	5	2	7
Mexico	7	5	6	18
Total	23	35	31	89

* Including those negotiated jointly with other Mercosur countries

What is striking in these tables is both the number and diverse forms of these agreements, with considerable variation by country. Some countries (such as India) have older and long standing regional arrangements with smaller South Asian entities, most of which are tariff-based, while newer agreements with larger entities cover more than tariffs. Still others are broader in country coverage. India, Brazil, and South Africa, for instance, are currently involved in negotiating the establishment of a trilateral commission (IBSA) which will include an explicitly three-country arrangement.

Table 1 indicates that BRICSAM countries have concluded 58 agreements (23 before 2000, 35 after 2000), and have 31 other in negotiation.⁶ The majority of these were signed within the last five years. The 23 agreements signed before 2000 are mostly simple tariff-based arrangements with small entities in the region (exceptions being NAFTA, Mercosur, and EU agreements with Russia, Mexico, and South Africa). The 35 more recent agreements signed after 2000 are more comprehensive, and are aimed at broader economic partnerships covering not only goods trade, but also services, investment and economic co-operation.

Judged solely by the number of agreements, Mexico and India seem the most active negotiators among the BRICSAM countries. The number of agreements in place or still in negotiation does not, however, reflect the significance of particular trade negotiations. Examples here are Brazil and Russia. While Brazil has signed only one regional agreement so far (Mercosur), it is a major and significant agreement. As a key part of Mercosur, Brazil has also signed RTAs with nine countries/groups of countries. Brazil is also centrally involved in negotiations on the Free Trade Agreement of the Americas (FTAA) which would cover more than 30 countries in Northern, Central, and Southern America. Russia has few formal agreements, mostly with former Commonwealth of Independent States (CIS), but is also currently involved in WTO accession negotiations and has concluded a number of bilateral agreements with members of the WTO working party on accession. Russia has also completed a partnership agreement with the EU.

China has been active in exploring regional options after WTO accession in 2002; and seems not to use a template trade agreement for negotiations, but rather

⁶ ASEAN countries, such as Singapore, Thailand, and Malaysia who have individually concluded regional agreements are not included in the data reported in Table 1.

tailors agreements to the inclinations of partners.⁷ Elsewhere in Asia, ASEAN seems to be taking an opposite approach. While currently only framework agreements, ASEAN's arrangements are similar to each other and reflect an approach to negotiations which involves a precise plan of what is to be negotiated later. ASEAN, like China, is also negotiating sequentially, subsequently expanding initial framework agreements.⁸ South Africa's efforts on expanding trade and economic cooperation ties have, until recently, been focused on the Southern African region and the EU. Currently, however, South Africa is in negotiation with the US, Mercosur, Israel, India, Japan, and China, and the European Free Trade Association (EFTA).

3. Country Specific Summaries of Agreements

This section provides an overview of regional agreements by BRICSAM country.⁹ We proceed from more active to less active negotiating countries.

India

India is a BRICSAM country currently extremely active in regional negotiation; 13 agreements have already been signed, and negotiations are ongoing with eight countries (or groups of countries). Of the 13 concluded agreements, 11 are with smaller countries in the region, and two are with other BRICSAM (non-OECD countries). They range from tariff-based to more extensive arrangements.

It is only recently that India has been active in negotiating comprehensive regional trade agreements. Earlier trade agreements were limited in scope and were with countries within the region: Ceylon (1961), Bangladesh (signed in 1980 and valid till 2001), and the Maldives (1981). These agreements were general, and short (no more than four pages of text). None contained annexes or additional protocols. In each agreement, India and its respective partner agreed to grant each other no less favourable treatment than they would give to any third country, but then qualified this commitment in various ways.

⁷ See Antkiewicz and Whalley (2004).

⁸ See two new ASEAN-China framework agreements signed in November 2004 containing more details on ROO and setting out a Dispute Settlement Mechanism online at the Association of South East Asian Nations <[http:// www.aseansec.org](http://www.aseansec.org)>.

⁹ We could alternatively group by area (BRICSAM agreements and their treatment of goods trade, services, competition policy, etc.) as well as considering agreements with types of partners (EU, US, small neighbouring countries, or other BRICSAM countries).

These early agreements were expanded upon in the 1990s. The 1991 trade treaty with Nepal is short (four pages of text), but contains five annexes specifying the terms of reduction of tariffs and quantitative restrictions between the two countries, ROO, and goods subject to preferential treatment. In 1995, India signed a first FTA with Bhutan, but again with vague language. Article 1, for instance, contains commitments to free trade and commerce between India and Bhutan, but allows Bhutan to protect its industries through non-tariff restrictions if necessary. There is no list of goods covered by the agreement, nor any ROO. In 1998, Sri Lanka and India signed a bilateral tariff based FTA (10 pages of text and three annexes) which sets out detailed concessions by both sides with detailed ROO (Annex C). Currently, India and Sri Lanka are negotiating a Comprehensive Economic Partnership Agreement that is to be an extension of this FTA more in keeping with current agreements.

Only since 2003 has India been more active in negotiation outside South Asia. Preferential trade agreements have been concluded with Afghanistan (2003) and Mercosur (2004). The India-Afghanistan agreement is six pages long and contains three annexes, covering trade in goods, tariff reductions (with lists of goods from each country), detailed ROO, exemption and safeguard clauses, dispute settlement provisions and an institutional framework. The preferential trade agreement (PTA) with Mercosur, signed at the beginning of 2004, contains 13 pages of text and five annexes (which are still being negotiated) and replaces an initial framework agreement signed a year earlier.

The later agreement sets out tariff liberalization (Annexes 1 and 2 present lists of goods), exemptions, ROO (Annex 3), safeguard measures (Annex 4), and an institutional framework. Broad dispute settlement provisions are set out in Annex 5 with details still under negotiation. India is also currently negotiating a tariff-based PTA with Egypt, covering trade in goods only (tariff reduction and ROO).

India also took part in the negotiations toward a South Asian Association for Regional Co-operation (SAARC) in 2004. Through this, India concluded a FTA with other SAARC member countries, covering goods trade liberalization through tariff-, para-tariff- and non-tariff-restriction reduction/ elimination. There are also sensitive Tracks and exemptions, dispute settlement, safeguard, and institutional arrangements. ROO for the agreement are still being negotiated. The agreement is

14 pages long and with no annexes, but these will be attached when negotiations are complete.

India has recently completed four other framework agreements with both FTA elements and comprehensive economic co-operation commitments. Three of these are between India and regional groups of countries for example, ASEAN (2003), BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation, 2004)¹⁰, Gulf Co-operation Council (2004), and one is with Thailand. These agreements go beyond trade in goods and also cover services, investment, and economic co-operation.

The ASEAN agreement is 10 pages in length and has three annexes. The agreement is for the two countries to negotiate an ASEAN-India Regional Trade and Investment Area. This will involve progressive tariff and non-tariff barrier elimination in goods and services, establishment of a liberal and competitive investment regime, trade and investment facilitation measures, and an expansion of broader economic co-operation. This agreement also specifies a normal and a sensitive Track for goods trade, but details such as lists of goods, ROO, and safeguards remain to be finalized. To speed up the implementation of the agreement, the two parties have also agreed on an EHP. Three annexes detail both the goods covered by the Programme and other areas of co-operation. A dispute settlement mechanism has not yet been established, but a Negotiating Committee for this has been created.

The BIMSTEC agreement is similar to the one India has concluded with ASEAN. In goods trade the two parties agree to a fast and normal Track for tariff elimination with exclusion of goods to be detailed in a Negative List (details of the list are yet to be announced). ROO, safeguards, elimination of non-tariff barriers, and dispute settlement mechanisms are yet to be negotiated. This agreement also sets out areas of economic co-operation: mutual recognition arrangements, customs co-operation, trade finance, e-commerce, visa, and travel facilitation. There is no EHP specified in the BIMSTEC agreement, but institutional arrangements for this have been agreed and details will follow.

¹⁰ Formerly known as the Bangladesh, India, Myanmar, Sri Lanka, and Thailand Technical and Economic Co-operation or BIMST-EC.

A further framework agreement, though not as detailed, is with the Gulf Co-operation Council (GCC) signed in 2004. It is only four pages long and has no annexes, but sets out a broad framework for further negotiations. The agreement is for the two parties to initiate discussions on the feasibility of a FTA between India and the GCC and commits the parties to economic co-operation in various areas, establishing a Joint Committee as a means of facilitating further co-operation and negotiation.

The last of these recently concluded framework agreements is the India-Thailand Framework Agreement for Establishing the FTA, which was signed in 2004. It contains nine pages of text and one annex and is similar in scope to the ASEAN agreement. The two countries agree to negotiate a FTA through progressive elimination of barriers to goods trade, liberalization of services trade, establishment of an open investment regime, and economic co-operation in other areas. In goods trade, the two countries also agree to a normal and sensitive Track, as well as an Early Harvest Scheme (list of goods are contained in Annex 1). ROO, non-tariff barriers, safeguard and anti-dumping measures, and a dispute settlement mechanism are to be further negotiated. Liberalization of services trade and investment facilitation measures are not detailed in the agreement but are to follow. Economic co-operation commitments are similar to those in the ASEAN agreement. India and Thailand have also established a Trade Negotiating Committee to co-ordinate these activities.

India has also been involved in regional negotiations with other countries (and groups of countries). The list includes Chile (FTA), China (Joint Study Group on feasibility of comprehensive trade and economic co-operation), Egypt (PTA), IBSA (trilateral commission between India, Brazil and South Africa), Mauritius (Joint Study Group on a comprehensive agreement), Korea and Japan (Joint Study Groups on a comprehensive economic partnership), Singapore (comprehensive agreement in negotiation), and SACU, the South African Customs Union (PTA). No agreements with those countries have yet been signed.

Mexico

Among BRICSAM countries, Mexico has signed the most FTAs; five of these are with other OECD countries either alone (Japan, Israel) or with a regional bloc (US and Canada in the North American Free Trade Agreement or NAFTA, the EU, and with the EFTA). The remaining seven are with smaller entities in the region.

Between 1990 and 2004, Mexico signed 12 FTAs (chronologically) with the following: Chile, Group of Three (Colombia, Venezuela), Nicaragua, NAFTA, Costa Rica, Bolivia, EU, Israel, Northern Triangle (Honduras, Guatemala, El Salvador), EFTA, Uruguay, and Japan. Mexican FTAs are similar in coverage. They focus on tariff-based provisions without specific commitments in services and investment. They provide for dispute settlement with enforcement measures (suspension of benefits). Some of the FTAs are also accompanied by other agreements (for example, Environmental and Labour Cooperation Agreements in NAFTA).¹¹

Most of these Mexican FTAs have texts of more than 150 pages and have many annexes to specific chapters and/or articles, the exceptions being the EU and EFTA agreements which are shorter (33 and 49 pages respectively), but annexes to these agreements are long and detailed.

The FTAs cover tariff elimination in goods trade, prohibition of non-tariff restrictions on exports/imports, safeguards and standards-related measures including sanitary and phytosanitary provisions. They also contain detailed ROO, provide for customs co-operation, competition policy co-operation and intellectual property protection. The annexes detail lists of goods subject to tariff reduction/elimination, quantitative restrictions in cross-border services, and exceptions.

In the services and investment areas, Mexican FTAs do not include specific commitments, but instead contain non-discrimination provisions (for example, national treatment, most-favoured-nation treatment, prohibition of performance requirements, expropriation, and compensation, etc.) and dispute settlement mechanism for investors. In services, Mexico and respective partners go beyond the GATS in providing for equal treatment of foreign investors, agreement on licensing and certification arrangements, and professional qualification mutual recognition. The agreements also contain a broad commitment to further liberalize trade in services. These agreements exclude air transportation services as these are covered by other bilateral arrangements, but rules of access to and use of public telecommunications transport networks and services are specified. Mexican FTAs also contain arrangements for temporary entry for business persons.

¹¹ For more discussion of Mexican trade agreements see A. Ibarra-Yunez, *Mexico and Its Quest to Sign Multiple Free Trade Agreements: Spaghetti Regionalism Or Strategic Foreign Trade?* (2001) EGADE, ITESM-Monterrey, April.

Mexican FTAs also include provisions on government procurement and prohibitions of unfair trade distorting practices, for example, export subsidies, and mechanisms of investigation and compensation. They provide for bilateral institutional arrangements, establishing joint administrative commissions, Secretariats, working groups and/or sub-committees. Disputes between parties are to be resolved by bilateral consultation or mediation through a joint commission. If no solution is found, an Arbitral Panel or Tribunal may be set up (the arbitration body may ask a panel of experts for assistance). The complaining party may suspend the application of benefits to the party complained against until implementation of the Panel's final report. Parties are encouraged to seek resolution of their dispute through arbitration.

The Chile agreement was the first of the Mexican FTAs to be implemented. When initially signed in 1992 it was an Economic Cooperation Agreement, which reduced tariffs on most goods trade (exceptions being petroleum, gasoline, wheat, flour, certain milk and seafood products, sugar, and cigarettes). With amendments in 1998 covering services, investment, and economic co-operation it became a full FTA. The text is over 150 pages long (with annexes to specific chapters included in the text) and has six annexes. It schedules bilateral tariff liberalization within six years, making this the only Mexican FTA with an implementation period shorter than 10 years.

In 1994 Mexico, Canada, and the US concluded the NAFTA agreement which has nearly 400 pages of text and seven annexes (plus annexes to specific chapters within the main text), making it one of the longest FTAs. It has special arrangements in automotive, petrochemical, textile, and agricultural sectors. The ROO detailed in NAFTA are considered some of the most complex in the world.¹² NAFTA's implementation period of 15 years is the longest among all Mexican agreements. It was the first Mexican FTA with large OECD entities. FTAs with the EU (1995), Israel (2000), and the EFTA (2000) followed. An agreement with Japan was signed in 2004 with an enforcement date of April 2005. Like the FTAs with smaller entities, these agreements focus on goods trade, leaving investment and services provisions for future negotiation.

¹² See A. Estevadeordal, and Suominen, "Rules of Origin: A World Map and Trade Effects," in *The Origin of Goods: Rules of Origin in Preferential Trade Agreements*, Eds. A. Estevadeordal, O. Cadot, A. Suwa-Eisenmann, and T. Verdier. (2004) Washington: Inter-American Development Bank.

Mexico has also signed a number of agreements with member countries of The Latin American Integration Association (ALADI). These are termed Economic Complementation Agreements (ECAs) which extend ALADI commitments and Partial Scope Agreements (PSAs) which apply to specific areas. They vary in coverage: ECA no. 54 with Mercosur is a framework agreement aimed at the creation of a FTA; another ECA no. 55 with Mercosur covers liberalization of trade in the automotive industry. Other ECAs and PSAs are preferential trade agreements with bilateral sectoral concessions and/or economic co-operation arrangements. They are perhaps best seen as initial steps towards negotiating FTAs. Uruguay is an example of such partner negotiations: ECA no. 5 signed in 1999 was expanded into a full FTA in 2003 (ECA no. 60). The only Mexican agreement with another BRICSAM entity is ECA no. 53 with Brazil. This is a preferential trade agreement, covering bilateral tariff concessions on goods listed in annexes, ROO, safeguards, prohibition of unfair trade practices, economic co-operation, and institutional arrangements. This agreement, together with ECAs with Mercosur, may serve as framework for future Mexico-Mercosur FTAs. Mexico is currently negotiating FTAs with Peru, Panama, Ecuador, Trinidad and Tobago, and a closer economic partnership with New Zealand. Mexico is also involved in the Free Trade Area of the Americas (FTAA) talks along with Brazil.

South Africa

South Africa currently has four RTAs signed, one establishing a customs union, two FTAs, and one framework arrangement aimed at the creation of a FTA. South Africa is currently also involved in regional negotiation with seven other countries.¹³

The agreement establishing the South African Customs Union (SACU) was initially signed in 1969¹⁴ and covers South Africa, Botswana, Namibia, Lesotho, and Swaziland, but in 2002 this was replaced by a new treaty. The text is 15 pages long and creates a Common Customs Area across the member countries, provides for free flow of goods and freedom of transit, and changes the Revenue Sharing Formula for distribution of the Common Revenue Pool between SACU countries

¹³ For more discussion on trade in South Africa and SADC see J.D. Lewis, *Reform and Opportunity: The Changing Role and Patterns of Trade in South Africa and SADC. A Synthesis of World Bank Research.* (2001) World Bank: Africa Region Working Paper Series No. 14. March.

¹⁴ SACU agreement signed in 1969 replaced the 1909 Union of South Africa agreement.

in the earlier SACU¹⁵. The activities of the Union are to be overseen by a Council of the Ministers and a Customs Union Commission and Tariff Board. Disputes arising under SACU are to be solved by consultation and/or a majority vote in an ad hoc Tribunal created for each dispute. The text has no annexes.

Existing South African FTAs are with groups of countries rather than single countries. One is with the Southern African Development Community member countries (SADC – Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, and Zimbabwe) and the other with the European Community.

The first, signed in 1996, has 16 pages of text and seven annexes. Under the agreement, SADC member countries agree to form a free trade area within eight years, covering elimination of tariff and non-tariff barriers to goods trade. ROO, co-operation in customs matters, and trade laws concerning safeguards, sanitary and phytosanitary measures, standards and technical regulations, antidumping measures (in accordance with WTO rules), subsidies, protection of infant industries and intellectual property rights, and other matters are all set out. The agreement also details dispute settlement procedures with suspension of concessions as the enforcement device. For trade in services, SADC members are to jointly adopt policies in accordance with their WTO GATS obligations. Investment and economic development co-operation are mentioned in the agreement, without specific commitments. The agreement also sets out an institutional framework for the FTA involving a Council of Ministers of Trade, a Trade Negotiating Forum, Committee of Senior Officials, and Sector Coordinating Units.

A further South African FTA was signed in 1999 with the EU. The text is 31 pages with 10 annexes (over 250 pages in total) which detail specific trade commitments for both parties. The agreement provides for free trade between the EU and South Africa within 10-12 years (10 for the EU, 12 for South Africa) and covers gradual tariff elimination for industrial and agricultural goods, safeguards, antidumping, ROO, and exceptions. For services, parties confirm their GATS obligations but also agree to expand services trade liberalization in the future so that discrimination in the services sectors will eventually be eliminated. The agreement also covers free capital flows for direct investment in South Africa,

¹⁵ See R. Kirk and Stern, *The New Southern African Customs Union Agreement*. (2003) World Bank: Africa Region Working Paper Series No. 57.

competition policy, public aid, intellectual property rights, co-operation in standardization, customs, and statistics.

The EU commits itself to development co-operation through studies, technical assistance, training services, evaluation and monitoring audits, and missions¹⁶. South Africa-EU joint economic co-operation is to be achieved through investment promotion and protection, trade development, promotion of small - and medium-sized enterprise, and industry co-operation in other areas, for example, telecommunications, information technology, energy, mining, transport, tourism, agriculture, and others. South Africa and the EU will also co-operate in other areas including culture, science and technology, environment, social issues, human resources, health, and the fight against drugs and money laundering.

The agreement establishes a Cooperation Council as a forum for mutual consultation, oversight of the functioning and implementation of the agreement, and dispute resolution. If a dispute cannot be settled by the Council's decision, then it is to be solved by three arbitrator's majority vote.

The last of the South African agreements is a framework agreement with Mercosur signed in 2000. It is short, with only four pages of text, no annexes, and is an initial agreement providing for the subsequent creation of a FTA. The parties agree to identify possible reciprocal tariff reductions and to start negotiations. The agreement is general, creating a Negotiating Committee as a forum for future discussion and exchanges of information. The parties agree to encourage trade promotion, implementation of co-operation projects, and co-operate in the service sector. Negotiations are expected to be completed soon, and a South Africa-Mercosur FTA is seen as a part of the activities under the IBSA.

South Africa is also involved in ongoing trade negotiations with China, Nigeria, the US, Israel, and Egypt. Talks are also in progress with the EFTA with an economic and commercial co-operation agreement expected in 2005.

¹⁶ Article 68 of the South Africa-EU agreement online at <http://www.cibresearch.tuck.dartmouth.edu/trade_agreements_db/index.php>.

China

China's regional trade and economic co-operation agreements are all subsequent to China's accession to the WTO in 2002.¹⁷ China has signed six agreements, two with OECD countries (Australia and New Zealand), two are with small regional entities (Macao and Hong Kong), one with a BRICSAM entity (ASEAN), and one with Pakistan. China is currently negotiating four more trade agreements with India, the GCC, Chile, and South Africa.

The first agreement signed by China was with ASEAN in November 2002. It contains 21 pages of text and four annexes, covering trade and investment co-operation, progressive liberalization of trade in goods and services, creation of a liberal and transparent investment regime, and closer economic integration within the region. Under the agreement, the parties agree to work towards the establishment of a Free Trade Area between China and ASEAN within 10 years. ASEAN and China plan joint elimination of tariff and non-tariff barriers in goods trade, liberalization of services trade, and promotion of bilateral investment under the future FTA. In goods trade the agreement sets out rules and a timeframe for an EHP, mostly covering agricultural products, as well as lists of goods itemized under a normal and sensitive Track. All negotiations and consultations are to take place within a Trade Negotiation Committee.

In November 2004, the first China-ASEAN agreement was broadened with the signing of two new agreements: one covers goods trade with detailed ROO and a further tariff reduction/ elimination schedule, and the other covers dispute settlement. Under the agreement on goods trade, ASEAN also grants China market economy status. All disputes under a China-ASEAN FTA are to be settled by consultation and mediation. Should this fail, the dispute settlement mechanism provides for a Arbitration Tribunal which will investigate complaints in a closed session and present its rulings and recommendations to the parties. The agreement provides for compensation and suspensions of benefits and/or concessions as enforcement.

Closer Economic Partnership Arrangements (CEPAs) with Hong Kong and Macao were signed in 2003. The Hong Kong agreement was first, but the texts are

¹⁷ Antkiewicz and Whalley (2004).

almost identical in length and scope, 13 pages long with six annexes. They call for progressive bilateral reduction or elimination of tariff and non-tariff barriers for goods trade, reduction of bilateral restrictions on service trade, and various steps to further promote bilateral trade and investment. Full elimination of bilateral tariffs will occur no later than January 1, 2006.

The agreements set out ROO, lists of services sectors with specific bilateral commitments (advertising, accounting, telecommunications, legal services, banking, and insurance, among others), and a definition of a new services entity, “a Hong Kong (Macao) service supplier.” This new entity (or rather its definition) opens the door to Chinese markets for international companies who can meet the requirements.¹⁸

Both CEPAs provide for co-operation in tourism and mutual recognition of professional qualifications. They also contain trade and investment facilitation provisions under which China and Hong Kong/Macao (respectively) agree on seven areas of co-operation (including trade and investment promotion, customs and clearance facilitation, and small- and medium-sized enterprises co-operation). Both agreements also establish Joint Steering Committees to oversee the implementation and coordination of the agreement. Joint Committees will also resolve disputes, draft amendments and additions, and supervise the working groups.

Two subsequent Chinese agreements are with OECD countries, Australia (2003) and New Zealand (2004), and differ from those signed with Hong Kong/Macao and ASEAN. They are similar to each other, being brief (only three pages of main text and two annexes) and set out a framework for further negotiation. The parties state their interest in seeking comprehensive trade and investment facilitation and liberalization through economic and trade co-operation. They indicate specific areas where they will promote strategic co-operation and seek to create favourable conditions for trade and investment. These areas include energy and mining, science and technology, agriculture and quarantine inspection, textiles and clothing, information and communication technology, environmental protection and others.

¹⁸ For more details, see Antkiewicz and Whalley (2004).

The major difference between the two Framework Agreements is that New Zealand immediately recognizes China as a market economy while in the agreement with Australia it is only under consideration. Currently, both Australia and New Zealand have completed feasibility studies with China towards negotiating future FTAs.

China and Pakistan officially announced their plans for a FTA in early 2005. To provide a basis for the establishment of the FTA, the two countries agreed to negotiate an agreement on the EHP. The agreement was signed in April 2005 after the two countries finalized their lists of products subject to zero tariffs under the EHP. The first phase of tariff reductions is set to begin in January 2006, followed by the second phase two years later. The lists currently contain: home textiles, blended and synthetic fabrics, fruit (namely mango, oranges, and dates), marble tiles, surgical goods, sports goods, industrial machinery, chemical raw materials, medicines, and others. The lists are to be subsequently expanded to cover more goods. The two countries also decided to keep preferential tariffs on other products. The negotiations on the ROO for the future FTA are to be completed by September 2005.

At the same time, China and Pakistan signed a Memorandum of Understanding on the creation of the FTA in which Pakistan agreed not to apply the anti-dumping rules contained in Articles 15 and 16 of China's Protocol of Accession to the WTO and Paragraph 242 of the Report of the Working Party on the Accession of China to the WTO, recognizing China as a market economy.

While formal agreements involving China are limited to those described above, several others are in process, with negotiations planned. These include: India, with a Joint Study Group, already exploring the potential for expanded bilateral trade and co-operation; Chile, with a feasibility study for a possible FTA; South Africa, with FTA negotiations to be launched soon; and the GCC, with an initial framework agreement already in place and a Joint Committee working to expand bilateral ties and create a consultation mechanism for future FTA negotiations. Singapore and China started consultation on a possible FTA after China concluded the ASEAN agreement.

ASEAN

ASEAN regional agreements are more recent than those of other BRICSAM

countries and have been signed within the last two years. ASEAN has concluded three formal agreements on comprehensive economic co-operation, signed two initial framework arrangements for subsequent FTAs and is negotiating two more. All provide frameworks for further negotiation towards closer economic partnerships and/or FTAs with other Asian countries.

The first framework arrangement was signed jointly with Australia and New Zealand in September 2002. It is short (three pages of text and one annex) and not specific. It sets out plans for eventual trade and investment facilitation and liberalization, as well as economic co-operation. More details are in recent Guiding Principles, signed in November 2004. According to these, the FTA between ASEAN and Australia and New Zealand is to be fully implemented within the next 10 years, and negotiations are to be completed in 2007. The FTA will be comprehensive, covering goods, services, and investment, and consistent with WTO disciplines. It is to be flexible and adjusted to the different levels of economic development in the ASEAN countries.

A second broad framework arrangement is with the Republic of Korea. It was signed in November 2004 and is labelled a Comprehensive Cooperation Partnership. It is an initial agreement toward a FTA and is the result of the recommendations of a Joint Study Group. Zero-tariff trade for at least 80 per cent of products is to be achieved by 2009. The FTA will cover goods, services, and investment. Also, the parties state their wish to enhance both political co-operation and economic relations between themselves, and in regional and international forums, and work toward narrowing the development gap between ASEAN and Korea. They also aim to encourage co-operation in other fields (for example, tourism, education, science, and technology).

ASEAN's agreement with Japan was signed in 2003. It represents an initial arrangement toward trade liberalization in goods and services, and investment co-operation. The text is 10 pages long with no annexes. It creates a forum for consultation—the Committee on Comprehensive Economic Partnership. An FTA between ASEAN and Japan is to be completed by 2012, with an additional five-year phase-in for the newer ASEAN countries.

ASEAN has signed more detailed framework agreements with China and India, the agreement with China being discussed earlier.¹⁹ The agreement between ASEAN and India is similar to that with China, so that it appears that the China agreement was used as a template for the negotiations with India. The agreement with India was signed in October 2003, and contains 10 pages of text and three annexes. As with the China agreement, it covers goods liberalization under both a normal and sensitive Track, has an EHP, aims to eliminate restrictions in services trade, and promote investment. Given the supplemental agreements with China on goods trade and a dispute settlement mechanism, similar additional arrangements with India may follow.

ASEAN is also involved in negotiations with Russia and the EU. An Economic Cooperation Agreement with Russia is to be concluded in 2005. ASEAN and the EU are planning a Trans-Regional Trade Initiative as a framework for a EU-ASEAN PTA.

Brazil

On its own, Brazil is less active in regional negotiation than other BRICSAM countries and has signed only one regional agreement, creating the Southern Common Market (Mercosur) with Argentina, Paraguay, and Uruguay. However, as a key member of Mercosur, Brazil has jointly negotiated a series of Mercosur regional agreements.

The Mercosur agreement commits member countries to co-ordinate their external trade policies with third countries and their positions in regional and international economic and commercial forums.²⁰ Mercosur member countries are thus expected to negotiate external trade agreements as a bloc rather than as individual countries,²¹ which explains Brazil's lack of regional trade agreements.

¹⁹ See earlier section on China.

²⁰ See Article 1 of the Treaty Establishing a Common Market between the Argentine Republic, the Federal Republic of Brazil, the Republic of Paraguay and the Eastern Republic of Uruguay also known as the Mercosur Agreement. Accessed online at SICE Foreign Trade Information System <<http://www.sice.oas.org>>.

²¹ See R. Gazel and Paiva, *Mercosur Economic Issues: Successes, Failures, and Unfinished Business*. University of California. (2004) Berkeley: Centre for Latin American Studies, Working Paper No. 5 January.

The Mercosur agreement, signed in 1991, is short with only seven pages of text and five annexes. Annexes cover details of the agreed trade liberalization program, general ROO (updated in 2004), dispute settlement, safeguards, and lists of Working Groups of the Common Market Group (the main executive body). Annexes also deal with transitional arrangements between the signing of the agreement and the full implementation of the common market. The Mercosur agreement was subsequently complemented by additional agreements covering: dispute settlement, services trade, investment, intellectual property protection, protection of competition, and recently, government procurement.²²

When Mercosur came into force in 1995, it established bloc-wide free trade in goods, services, and factors of production, eliminating most restrictions on goods trade (customs duties and non-tariff restrictions) with the exception of country-specific lists of sensitive products subject to transitional periods. The agreement also provides for a Common External Tariff (CET) and specifies the co-ordination of several macro and sectoral policies (for example, agriculture, industry, services, customs, fiscal and monetary matters, and foreign policy) and aims to harmonize legislation in several areas. Some goods remain outside the free trade area as per an adaptation regime; there are also sector-specific exceptions to the CET that are to be eliminated no later than December 2005 (automotive industry, sugar, telecommunications, informatics, and capital goods).²³ Currently, 95 per cent of Mercosur's intra-trade is duty-free.

Mercosur (and Brazil as a member country) has subsequently concluded nine regional arrangements of various forms. These include a co-operation agreement with EU; FTAs with the Andean Community (Colombia, Ecuador, Peru, and Venezuela), Bolivia, and Chile; and framework agreements for subsequent FTA negotiations with Mexico,²⁴ Egypt, India²⁵, the GCC, and South Africa.²⁶ The only regional agreement Brazil has signed on its own with another BRICSAM country

²² See SICE online at <http://www.sice.org/agreements/Mercin_e.asp> for updated list and texts of all agreements.

²³ See WTO Trade Policy Review. Brazil 2004. February (2005). Geneva: WTO and A. Estevadeordal, Goto, and Saez, The New Regionalism in the Americas: The Case of Mercosur. (2000) Working Paper No. 5. Intal ITD. April.

²⁴ See the earlier section on Mexico.

²⁵ See the earlier section on India.

²⁶ See the earlier section on South Africa.

is the economic complementation agreement no. 53 with Mexico under ALADI. It is a preferential trade agreement that is described in the earlier section on Mexico.

The framework agreement for the creation of a FTA between Mercosur and the Andean Community was signed in April 1998. In the agreement, the parties agreed to establish a FTA by the end of 2003. Since 1998, the framework has been complemented by subsequent agreements including a Mercosur – Peru FTA²⁷ and an FTA between Mercosur and the Andean Community (Colombia, Ecuador, and Venezuela) which provide for specific commitments of the parties. The provisions of the subsequent agreements include lists of goods subject to gradual tariff elimination with transitional periods, ROO, safeguards, exceptions, a dispute settlement mechanism, technical standards, co-operation in services trade, investment, intellectual property protection, institutional arrangements, and others. According to the schedule, all tariffs should be eliminated no later than 2018.

Mercosur FTAs with Bolivia and Chile, signed under ALADI in December 1996 and June 1996 respectively, are similar in content to that signed with the Andean Community. They both aim at establishing virtually free trade within 10 years and cover mostly goods trade with fewer details concerning services, investment, mutual recognition, and intellectual property protection.

Mercosur is currently negotiating a FTA with the EU, based on an earlier Interregional Cooperation Agreement signed in 1995. The negotiations began in 2000 and the goal is to liberalize all goods and services trade between the EU and Mercosur. In September 2004, the EU responded to an earlier offer sent by Mercosur which proposed to eliminate all tariffs in goods trade within 10 years (65 per cent of tariffs would be eliminated upon entry into force of the agreement). The tariff reduction/elimination would also cover most agricultural products with the exception of some sensitive products, which would be protected by quotas. The EU and Mercosur FTA would also cover services trade and investment as well as public procurement. The most recent European offer takes the position that issues of domestic support for the agricultural sector should be subject to ongoing WTO talks rather than covered by bilateral (bi-regional) negotiations.

²⁷ With this agreement Peru became an associate member of Mercosur (as did Bolivia and Chile in 1996).

Mercosur is also currently negotiating FTAs with Egypt, India, the GCC, South Africa, and Mexico in accordance with framework agreements already signed. Mercosur is also involved in trade and economic co-operation negotiations with Canada, South Korea, and CARICOM (the Caribbean Community).²⁸

Brazil is also pursuing negotiations aimed at achieving a FTAA. The FTAA would include 34 countries from North, Central, and South America.²⁹ Talks on the FTAA started in 1994, and official negotiations were launched in 1998 when all countries agreed that any future agreement would be “balanced, comprehensive, and WTO-consistent.”³⁰ In November 2003, a Third Draft of an agreement was concluded in principle, although parts of it are still subject to negotiation. Its coverage is extensive, including goods trade (for example, reduction/elimination of tariff and non-tariff restrictions, ROO, safeguards, antidumping, and specific commitments in agriculture), services and investment, competition policy, intellectual property rights, institutional framework, and a dispute settlement mechanism. Negotiations are to be concluded in December 2005; however, major differences remain between Brazil and the US in agriculture and services, which may delay the negotiation process.

Russia

Russian regional agreements differ substantially from those negotiated by other BRICSAM countries. All but one are short and vague, the exception being the European Council partnership and co-operation agreement. They aim to promote and encourage broad economic co-operation rather than to define precise commitments.

Russia currently has signed six regional trade/economic agreements with smaller countries who were members of the former Soviet bloc (jointly with Kyrgyzstan, Kazakhstan, Belarus, and Tajikistan; with former Yugoslavia, Georgia, Poland, Commonwealth of Independent States (CIS) countries, and jointly with Ukraine, Belarus, and Kazakhstan), and one agreement with an OECD entity – the EU. Another four are being negotiated, again mostly with smaller countries in the region,

²⁸ For more information on Mercosur FTAs see WTO, Report of the Committee on Regional Trade Agreements to the General Council, WT/REG/14, 29 November 2004. WTO.

²⁹ See official FTAA website online at <<http://www.ftaa-alca.org>>.

³⁰ Second Summit of the Americas Santiago Declaration, Chile, April 1998. Accessed through <<http://www.ftaa-alca.org>>.

the exception being the ASEAN group.

The first Russian regional agreement was the FTA signed in February 1994 with Georgia. It is five pages long without annexes. It creates a free trade area through elimination of tariffs, quantitative restrictions, and other barriers to trade (some restrictions apply); and sets out the prohibition of re-export, unfair business practices, and export subsidies. The agreement also promotes economic, scientific, and technical co-operation. Disputes are to be resolved through consultation and negotiation; no enforcement mechanism is specified. It also creates a joint Russian-Georgian Commission to implement the agreement.

Shortly after the Georgian agreement, in April 1994, the whole of the CIS signed a FTA. It comprises 16 pages of text, two annexes, and a protocol of amendments. While its goal is free trade in goods and services and includes ROO, it has few specific details. The FTA also provides for harmonization of technical requirements, unification of customs procedures, and prohibits export subsidies. It establishes an inter-state economic committee as the executive body, and sets out an ill-defined dispute settlement mechanism. The CIS FTA sets out neither a detailed schedule of mutual tariff concessions, nor an enforcement mechanism and has not been ratified by Russia.³¹

In 1994, Russia and the European Community (EC) signed a Partnership and Cooperation Agreement. It is 87 pages, contains 10 annexes and two protocols and covers co-operation in various areas, including trade in goods and services (granting most favoured nation treatment to Russia according to GATT/WTO rules³²); business and investment (labour conditions, co-ordination of social security for Russian workers in the EC, conditions affecting the establishment and operation of companies); cross-border supply of services (for example, uninterrupted international maritime transport and transit); protection of intellectual property; political dialogue; cultural co-operation; and economic co-operation in various areas designed to encourage economic and social reforms, transformation and restructuring in Russia.

³¹ O. Sushko, From the CIS to the SES. A New Integrationist Game in Post-Soviet Space. (2003) PONARS Policy Memo 303.

³² Russia is not yet a WTO member, and so MFN for Russia does not stand as a right under the WTO.

Immediately following the EU agreement, Russia did not engage in other regional negotiations. However, in 2000 two new regional agreements were signed with former Yugoslavia and with Kyrgyzstan, Kazakhstan, Belarus, and Tajikistan (with whom Russia created a Eurasian Economic Community). The latter agreement is nine pages of text and has no annexes. It promotes a customs union and a common economic space between the countries, but does not set out details. The agreement creates four institutions: an Interstate Council, an Integration Council, an Interparliamentary Assembly, and a Community Court as bodies to further co-operation. The agreement with former Yugoslavia provides for gradual elimination of barriers to trade by 2005. It contains ROO, and a list of goods not covered by the agreement (for example, sugar, poultry, cotton, and motor vehicles). This list is updated annually. The agreement has not yet been ratified by either party.³³

In 2003, Russia, Belarus, Ukraine, and Kazakhstan signed an Agreement creating a Single Economic Space (SES). The agreement is only four pages with no annexes. It covers co-ordination in foreign trade, tax, monetary, and currency policies, with mutual consultation promised. The main objective is to create a free trade area among the parties without exemption and limitations, with Russia and Belarus insisting on the creation of a single currency. The agreement also includes commitments of the parties to harmonize macroeconomic policies and legislation in trade and competition policy. There are, however, differences between Russia and Ukraine on the SES mandate and the SES has not been ratified by Russia, so there are doubts whether the agreement will have a lasting effect on trade between the parties.³⁴

In November 2004, Russia signed an agreement with Poland. It is a co-operation agreement covering broad economic co-operation in various areas. It has five pages, with no annexes. In the agreement, the two countries state the intent to co-operate in gas and oil development and delivery, to promote activities of small and medium enterprises, to encourage contacts between their chambers of commerce, and to mutually develop services in banking, consulting, and other areas. The most significant part of the agreement is the establishment of an intergovernmental

³³ See Serbia Investment and Export Promotion Agency, <<http://www.siepa.sr.gov.yu/importing/free/russia.htm#RULES>> accessed February 12, 2005.

³⁴ See O. Sushko, "The Dark Side of Integration: Ambitions of domination in Russia's Backyard," in the *Washington Quarterly* spring 2004 for discussion of the SES.

committee for trade and economic co-operation, although there are no specifics in terms of the committee's authority or future activities.

Russia continues to consider trade agreements with Pakistan, Moldova, and Jordan. In 2005, Russia and ASEAN are to sign an Economic Cooperation Agreement but no details are yet available.

4. Implications for the WTO Trading System and Concluding Remarks

This large and growing volume of regional agreements raises a series of issues both for BRICSAM countries and, more broadly, for the trading system. Do these agreements indicate the emergence of a new global trade bloc of large population, rapidly growing, low to middle economies, or are the agreements too diverse for this characterization to be credible? Is the WTO being overtaken by this wave of regional negotiation, which now defines the leading edge of globally provided trade liberalization? Do the BRICSAM countries have enough commonality of interest that they should be negotiating collectively with non-BRICSAM countries; or is that unworkable?

The number of these agreements clearly poses the question of whether this recent wave of extensive regional agreements—that go beyond the WTO in several areas—is threatening to overwhelm, or even replace, the multilateral rule-based WTO system, or whether these agreements are largely a form of froth on top of a fundamentally strong multilateral trading order reflected in WTO disciplines.

The trade coverage of these new agreements is extensive, and in some ways they represent a response to perceived multilateral failures, such as the Multilateral Agreement on Investment (the MAI) and the repeated Doha Round setbacks (Seattle in 1999 and Cancun in 2003). Conversely, WTO processes and disciplines remain. As the BRICSAM countries try to achieve outward-led growth and explore their shared interests of access to OECD markets and attracting inward foreign investment, they also need to decide the extent to which they pursue their objectives within existing institutional structures (such as the WTO), and the extent to which they explore new arrangements, including regional agreements.

The incentive to use joint and growing leverage in negotiation seems clear. The BRICSAM countries constitute a majority of the world's population, and their economies are growing rapidly. Most are not members of the OECD (the exception being Mexico), and while most are WTO members (Russia is the exception), their recent activities on the regional negotiation front clearly have significance for both the evolution of the global economy and the world's trading system. Their interests differ from those of the OECD countries in seeking secure access to third country markets (OECD) more so than their own, and in seeking to attract Foreign Direct Investment (FDI) from outside the region.

What is striking about the regional agreements we document is not only their number, but also their scope, their diversity, and their recent negotiation (with implementation in several cases yet to follow). Their significance seems to lie in pointing toward the emergence of a network of country/region to country/region trade management which operates outside of the framework of the WTO. At the same time, they are highly varied and do not correspond to a single common approach or structure. If relatively little emerges from the WTO Doha Round, the question will be whether this growing set of agreements defines the cutting edge of globally negotiated reciprocity-based trade liberalization and wider economic integration for several decades.

A number of factors need to be noted in assessing how the impacts of the BRICSAM agreements might play out. The first is that tariffs post Uruguay Round are sufficiently low in most of the countries discussed here and tariff preferences negotiated regionally will have less trade impact than would have been true 15 or 20 years ago, and so the tariff component of these agreements may be relatively inconsequential. The second is that service commitments currently scheduled in the WTO under GATS are limited in coverage, and how the extensive commitments to deeper liberalization in services in these BRICSAM agreements are to be implemented remains to be seen.

As a system of trade management, these agreements are particularly notable in that they move into a number of areas not yet covered by WTO disciplines. In our view, the presence of these agreements, even if vague, makes the eventual appearance of overarching WTO agreements in these areas much more difficult to achieve. Included here are competition policy, mutual recognition, investment, and broader areas of co-

operation. Building sequentially onto these agreements now seems a more likely process than multilaterally agreed disciplines in the WTO.

These agreements are also notable from a process point of view. Frequently, they involve initial frameworks with subsequent elaboration once the agreement has been concluded. This adds to the view of trade and other agreements less as one time legal texts, than part of an evolving structure of trade management through bilateral accommodation, supplemented by an institutional structure of consultation and bilateral committees and agencies.

Thus, while the concrete substance and import of these agreements might be in doubt, their volume and scope relative to a seemingly less dynamic multilateral process stands in sharp contrast. We see these agreements as part of what we term a growing non-WTO (agreements concluded outline the framework of the WTO, even if notified to the WTO subsequently and covering issues not covered by WTO disciplines). For large entities such as the BRICSAM countries we discuss here, this non-WTO may play an even larger role in the evolution of the trading system in the years ahead. It may increasingly shape the system and as much in process and trade management terms as in precise and fully articulated legal disciplines. As such, these regional agreements merit further attention from both trade theorists and practitioners.

APPENDIX 1. Country specific summary tables - translations provided by authors

INDIA

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	Source
1 Afghanistan	Preferential Trade Agreement	Goods (tariff elimination, ROO exemptions, safeguard measures, settlement of disputes, joint committee)	6	3	Joint Committee at ministerial level, Working Group on Customs	Commercial entities – Arbitral Tribunal (joint committee and arbitral bodies of both countries) and Contracting Parties – negotiations	N/A	2003 March	Source: commerce.nic.in/india/afghan.htm accessed January 20, 2005
2 ASEAN	Framework Agreement on Comprehensive Economic Co-operation	Goods, Services, Investment, Economic Cooperation, EHP	10	3	Trade Negotiating Committee	Not set yet	N/A	2003 October	Source: www.aseansec.org accessed January 18, 2005
3 Bangladesh	Trade Agreement PTA, valid till Dec. 2001	NOTE: very general	4	N/A	N/A	N/A	N/A	1980 December	Source: commerce.nic.in/bangladesh.doc accessed January 25, 2005
4 Bhutan	Agreement on Trade and Commerce (temporary till 2005)	Free flow of goods	3	2+protocol	N/A	Consultations	N/A	1995 February	Source: www.sauarcnet.com/nesauarcnet/govtpolicies/bhutan/tradeagreebht.htm accessed January 25, 2005
5 BIMST-EC (Bangladesh, Myanmar, Sri Lanka, Nepal, Bhutan, Thailand – Economic Cooperation)	Framework Agreement on BIMST-EC FTA	Goods (Fast/Normal Track), Services, Investment	11	N/A	Trade Negotiations Committee	Not set yet	N/A	2004 February	Source: commerce.nic.in/india/rtm_main.htm accessed January 25, 2005
6 Ceylon	Trade Agreement	NOTE: very general	2	N/A	N/A	N/A	N/A	1961 October	Source: meaindia.nic.in/treaties/agreement/1961/chap233.htm accessed January 30, 2005
7 GCC (UAE, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia)	Framework Agreement on Economic Cooperation	Economic Cooperation Promotion, Feasibility of FTA in goods, services and investment, Trade Promotion, Investment Facilitation	4	N/A	Joint Committee for Economic Cooperation	Consultations within Joint Committee	N/A	2004 August	Source: commerce.nic.in/india/rtm_main.htm accessed January 25, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors
INDIA continued

8	Maldives	Trade Agreement	NOTE: very general	4	N/A	N/A	N/A	N/A	N/A	1981 March	Source: commerce.nic.in/maldives.doc accessed January 30, 2005
9	Mercosur (Brazil, Argentina, Uruguay, Paraguay)	Preferential Trade Agreement	Goods (tariff reduction, ROO, Safeguard Measures, Dispute Settlement in negotiation)	13	5	Joint Administration Committee	In negotiation – one of the annexes	N/A	N/A	2004 January	NOTE: A framework agreement on creation of the FTA signed in June 2004 Source: www.sice.org accessed February 10, 2005
10	Nepal	Treaty of Trade PTA (temporary 2007, possible 2012)	Goods (tariff reduction, ROO)	4	5 + protocol	N/A	N/A	N/A	N/A	1991 December	Source: cifresearch.tuck.darmouth.edu/trade_agreements_db/index.php accessed March 2, 2005
11	SAARC (South Asian Association for Regional Cooperation – Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka)	Agreement on South Asian FTA (SAFTA)	Goods (Trade Liberalisation Programme – tariff reduction, Sensitive Tracks), Safeguard Measures, Dispute Settlement Mechanism), ROO in negotiation	14	N/A	SAFTA Ministerial Council, Committee of Experts	Bilateral consultations, if not solved – Committee of Experts settles the dispute	Concessions withdrawal having trade effects	N/A	2004 January	Source: cifresearch.tuck.darmouth.edu/trade_agreements_db/index.php accessed March 2, 2005
12	Sri Lanka	Bilateral FTA and Comprehensive Economic Partnership Agreement in negotiations	Goods (tariff elimination, ROO)	10	3	Joint Committee at ministerial level, Working Group on Customs	Commercial entities – Arbitral Tribunal (joint arbitral bodies of both countries) and Contracting Parties – negotiations	N/A	N/A	1998 December	Source: commerce.nic.in/india_fta_main.htm accessed January 25, 2005
13	Thailand	Framework Agreement for establishing FTA	Goods, Services, Investment, Economic Cooperation, EHP	9	1	Trade Negotiating Committee	Not set yet	N/A	N/A	2004 September	Source: commerce.nic.in/india_fta_main.htm accessed January 25, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors

MEXICO

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing
1 Bolivia	FTA	Goods (tariff elimination, quantitative restrictions prohibition, ROO, special provisions in textiles, agriculture, standards related measures, safeguards, prohibition of export subsidies and other unfair trade distorting measures), Services (quantitative restrictions elimination, technical cooperation, professional qualifications recognition), Entry visas rules for business persons, Investment (nondiscriminatory provisions and dispute settlement), Intellectual property protection,	183	36 annexes to specific chapters within the main text	Administrative Commission, Secretariat, Working Groups	Consultations, Commission mediation, Arbitral Tribunal	Suspension of benefits	1994 September Source: www.sice.org accessed January 12, 2005
2 Canada, USA	NAFTA	Goods (tariff elimination, non-tariff barriers reduction, specific provisions in automotive, petrochemical, agriculture and textile sectors, ROO, Customs cooperation, Standard related cooperation, Safeguards, Exceptions), Investment (nondiscriminatory provisions and dispute settlements), Services (quantitative restrictions reduction, licensing rules), Intellectual property protection, Entry visas rules for business persons	375	7 (+annexes to specific chapters within the main text)	Free Trade Commission, Secretariat,	Consultations, Commission mediation, Arbitral Panel	Suspension of benefits	1993 December Source: www.sice.org accessed January 12, 2005
3 Chile	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards), Customs procedures and cooperation, Services (future liberalisation of restrictions, technical cooperation), Entry visas rules for business persons, Investment (nondiscriminatory provisions and dispute settlement), Intellectual property protection	154	6 (+annexes to specific chapters within the main text)	Free Trade Commission, Secretariat, Working Committees	Consultations, Commission mediation, Arbitral Panel	Suspension of benefits	1998 October Source: www.sice.org accessed January 12, 2005
4 Costa Rica	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards, prohibition of export subsidies and other unfair trade distorting measures), Customs procedures and cooperation, Services (future liberalisation of restrictions, technical cooperation), Entry visas rules for business persons, Investment (nondiscriminatory provisions and dispute settlement), Intellectual property protection	241	1 (+33 annexes to specific chapters within the main text)	Administrative Commission, Secretariat, Working Groups	Consultations, Commission mediation, Arbitral Tribunal	Suspension of benefits	1994 April Source: www.sice.org accessed January 12, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors

MEXICO continued

5	EFTA (Iceland, Norway, Liechtenstein, Switzerland)	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards), Customs procedures and cooperation, Services (future liberalisation of restrictions, prohibition of new/more discriminatory measures, technical cooperation, GATS based provisions in financial services), Entry visas rules for business persons, Investment promotion and cooperation, Competition policy cooperation, Intellectual property protection	49	21	Joint Committee, Working Sub-Committees	Consultation within Joint Committee, Arbitration Panel	Suspension of benefits	2000 November	Source: www.sice.org accessed January 12, 2005
6	European Union	FTA	Goods (tariff elimination, specific provisions in agriculture, industry, elimination of quantitative restrictions, safeguards), Customs cooperation, Standard related measures, ROO), Competition cooperation, Technical cooperation, Intellectual property protection, Entry visas rules for business persons	33	16	Joint Committee	Consultation within Joint Committee, Arbitration Panel	Suspension of benefits	1995 February	Source: www.sice.org accessed January 12, 2005
7	Group of Three (Mexico, Colombia, Venezuela)	FTA	Goods (tariff elimination, import/export restrictions prohibition, special provisions for automotive and agricultural products, ROO, standards related measures, safeguards), Customs procedures and cooperation, Prohibition of trade distorting measures (unfair practices), Services (future liberalisation of restrictions, technical cooperation), Entry visas rules for business persons, Investment (nondiscriminatory provisions and dispute settlement), Intellectual property protection	270	28 annexes to specific chapters within the main text	Administrative Commission, Working Groups	Consultations, Commission mediation, Arbitral Tribunal	Suspension of benefits	1990 September	Source: www.sice.org accessed January 12, 2005
8	Israel	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards), Customs procedures and cooperation, Competition policy cooperation, Government procurement	136	20 annexes to specific chapters within the main text	Free Trade Commission, Working Committees	Consultations, Commission mediation, Arbitral Panel	Suspension of benefits	2000 April	Source: www.sice.org accessed January 12, 2005
9	Japan	Economic Partnership Agreement (FTA)	Goods (tariff elimination, quantitative restrictions prohibition, standard related measures, ROO), Customs cooperation, Safeguards measures, Investment (nondiscriminatory provisions, dispute settlement), Intellectual property protection, Services (licensing and certification), Promotion, SME, Science and Technology, Education, Agriculture, Tourism and Environmental Cooperation, Entry visas rules for business persons	135	18	Joint Committee and Sub-Committees	Consultation, Arbitral Tribunal	Suspension of concessions	2004 September	Source: www.sice.org accessed January 12, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors

MEXICO continued

10	Nicaragua	FTA	Goods (tariff elimination, import/export restrictions prohibition, special provisions in textiles, agriculture, ROO, standards related measures, safeguards), ROO, standards related measures, prohibition of unfair trade distorting practices, Customs procedures and cooperation, Services (future liberalisation of restrictions, prohibition of new/more discriminatory measures, technical cooperation), Entry visas rules for business persons, Investment (nondiscriminatory provisions and dispute settlement), Government procurement, Competition policy cooperation, Intellectual property protection	184	40 annexes to specific chapters within the main text	Administrative Commission, Secretariat, Working Committees	Consultations, Commission mediation, Arbitral Tribunal	Suspension of benefits	1992, August	Source: www.sice.org accessed January 12, 2005
11	Northern Triangle (Honduras, Guatemala, El Salvador)	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards, special provisions for agriculture, prohibition of unfair trade distorting measures), Customs procedures and cooperation, Services (future liberalisation of restrictions, prohibition of new/more discriminatory measures, technical cooperation, licensing, professional qualifications recognition), Entry visas rules for business persons, Investment (nondiscriminatory provision, investment promotion and dispute settlement), Intellectual property protection	219	3 (+29 annexes to specific chapters within the main text)	Administrative Commission, Secretariat, Administrative Sub-Commission, Working Committees	Consultations, Commission mediation, Arbitral Tribunal	Suspension of benefits	2000 June	Source: www.sice.org accessed January 12, 2005
12	Uruguay	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, standards related measures, safeguards, prohibition of unfair trade distorting measures), Customs procedures and cooperation, Services (future liberalisation of restrictions, prohibition of new/more discriminatory measures, technical cooperation, licensing, professional qualifications recognition), Entry visas rules for business persons, Investment (nondiscriminatory provision, investment promotion and dispute settlement), Intellectual property protection	240	5 (+19 annexes to specific chapters within the main text)	Administrative Commission, Secretariat, Working Committees	Consultation within Joint Committee, Arbitral Tribunal	Suspension of benefits	2003 November	Source: www.sice.org accessed January 12, 2005
13	Mercosur	Economic Complementa tion Agreement no. 54 – FTA	Initial agreement towards creating FTA – economic cooperation, investment promotion, development of means for trade facilitation, information exchange	3	N/A	Administrative Commission	N/A	N/A	2002 September	Source: www.sice.org accessed January 12, 2005
		Economic Complementa tion Agreement no. 55 – Automotive Industry	Creation of free trade in automotive industry; bilateral concessions, ROO, transition period	5	2	Automotive Committee	Consultation within the Committee and/or bilateral negotiation	N/A	2002 July	Source: www.sice.org accessed January 12, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors

SOUTH AFRICA

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	Source:
1 Botswana, Lesotho, Namibia, South Africa, Swaziland	South African Customs Union	Common Customs Area, free flow of goods within SACU countries, freedom of transit, protection of infant industries, Common Revenue Pool and revenue sharing	15	N/A	Council of Ministers, Customs Union Commission, Tariff Board, Tribunal, Technical Liaison Committees, Secretariat	Majority vote in the ad hoc Tribunal and/or consultation	N/A	2002 October (replaced SACU Agreement)	Source: www.tralac.org/scripts/content.php?id=961 accessed February 10, 2005
2 European Community	Trade, development and cooperation agreement	Free movement of goods, services and capital over 12 years in accordance with WTO rules; gradual tariff elimination, safeguard measures, ROO, competition policy, intellectual property, economic and development cooperation.	31	10 (264 pages – tables)	Cooperation Council	Cooperation Council decision if not solved – arbitration (majority vote)	N/A	1999 October	Source: ebrsearch.tuck.dartm.outh.edu/trade_agreements_db/index.php accessed February 10, 2005
3 *Mercosur	Preferential Trade Agreement	Goods (tariff reduction/elimination, import/export restrictions prohibition, ROO, safeguards, standards related measures), Trade facilitation and cooperation	9	5	Joint Administration Committee	Consultations, Commission mediation, Group of Experts	Suspension of concessions	2004 December	Source: www.sicc.org accessed February 10, 2005
4 South African Development Community	Free Trade Agreement	Goods (ROO, tariff/non-tariff barriers elimination, safeguard measures), Services, Investment, Economic Development	16	7	Council of Ministers of Trade, Trade Negotiating Forum, Committee of Senior Officials, Sector Coordinating Unit	Consultation or trade experts panel, last resort – SADC Tribunal	Concessions suspension	1996 August	Source: www.sadc.int/index.php?action=1001&page_id=protocols_trade accessed January 10, 2005 ww.sadc.int/index.php?action=1001&page_id=protocols_trade accessed February 10, 2005

*Negotiated jointly with members of SACU

APPENDIX 1. Country specific summary tables - translations provided by authors

CHINA

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	
1	ASEAN Framework Agreement on Comprehensive Economic Cooperation	Goods (tariff elimination, Normal/Sensitive Trade, EHP), Services (restrictions elimination), Trade Negotiation Committee	21	4	Trade Negotiation Committee	Consultation	N/A	2002 November	NOTE: New agreements signed in November 2004 re goods in trade and dispute settlement. Source: www.asansec.org accessed January 18, 2005
2	Australia Trade and Economic Framework	Strategic cooperation, Joint Feasibility Study	3	2	Joint Ministerial Commission	N/A	N/A	2003 October	Source: www.dfta.gov.au/geo/china/fta accessed January 18, 2005
3	GCC Framework Agreement on Economic, Trade, Investment and Technological Cooperation	Possible FTA negotiations in future	--	--	--	--	--	2004 July	NOTE: Text not available Source: www.fmpnc.gov.cn/eng/yjdr/26/91/42342.htm accessed January 20, 2005
4	Hong Kong Closer Economic Partnership Arrangement	Goods (tariff elimination, ROO, safeguards), Services (liberalization, Service Supplier), Investment facilitation, Steering Committee	13	6	Joint Steering Committee and Working Groups	Consultation	N/A	2003 June	Source: www.idf.gov.hk/english/cema/fulltext.html accessed January 18, 2005
5	Macao Closer Economic Partnership Arrangement	Goods (tariff elimination, ROO, safeguards), Services (liberalization, Service Supplier), Investment facilitation, Steering Committee	13	6	Joint Steering Committee and Working Groups	Consultation	N/A	2003 October	Source: www.economia.gov.mo/pago/english/cepa_ch.htm accessed January 18, 2005
6	New Zealand Trade and Economic Cooperation Framework	Strategic cooperation, Joint Feasibility Study	3	2	Joint Ministerial Commission	N/A	N/A	2004 May	Source: www.mfat.gov.nz/foreign/regions/northasia/nzchina/tecfrma/y04.html accessed January 20, 2005
7	Pakistan Agreement on the Early Harvest Programme for FTA	Goods (tariff elimination and preferential tariffs)	2	4	N/A	N/A	N/A	2005 April	Source: gis.mofcom.gov.cn/aarticle/af/dh/200504/20050400062422.html accessed April 29, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors
ASEAN

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	Source: www.aseansec.org accessed January 18, 2005
1 Australia, New Zealand	Framework for the AFTA-CER Closer Economic Partnership	Trade/investment facilitation/liberalisation plans, economic cooperation + guiding principles for FTA (2007, goods, services, investment)	3	1	N/A	N/A	N/A	2002 September (Principles – 2004 November)	Source: www.aseansec.org accessed January 18, 2005
2 China	Framework Agreement on Comprehensive Economic Cooperation	Goods (tariff elimination, Normal/Sensitive Track, EHP), Services (restrictions elimination), Investment promotion	21	4	Trade Negotiation Committee	Consultation	N/A	2002 November	Source: www.aseansec.org accessed January 18, 2005 NOTE: New agreements signed in November 2004 re goods in trade and dispute settlement.
3 India	Framework Agreement on Comprehensive Economic Cooperation	Goods (tariff elimination, Normal/Sensitive Track, EHP), Services (restrictions elimination), Investment promotion	10	3	Trade Negotiating Committee	Consultation	N/A	2003 October	Source: www.aseansec.org accessed January 18, 2005
4 Japan	Framework for Comprehensive Economic Partnership	Initial agreement, not very detailed, towards liberalisation in goods, services and investment trade	10	N/A	Committee on Comprehensive Economic Partnership	Consultation	N/A	2003 October	Source: www.aseansec.org accessed January 18, 2005
5 Korea	Comprehensive Cooperation Partnership	Framework for FTA (2007, will cover goods, services, investment)	5	1	N/A	N/A	N/A	2004 November	Source: www.aseansec.org accessed January 18, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors

BRAZIL

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	
1 Mercosur (Brazil, Argentina, Uruguay, Paraguay)	Southern Common Market agreement	Common market (elimination of restrictions in goods trade, ROO, common external tariffs, common macroeconomic policy, safeguards, institutional arrangements)	7	5	The Council of the Common Market, Common Market Group and its Working Groups	Bilateral consultations, if not solved – Common Market Group settles, if not – The Council	N/A	1991 March	Source: www.sice.org accessed February 10, 2005
2 * Andean Community (Colombia, Ecuador, Peru, Venezuela)	FTA	Goods (tariff elimination (lists of sensitive goods), import/export restrictions prohibition, ROO, prohibition of unfair trade distorting measures, safeguards, standards related measures), Competition and consumers protection, Promotion of commercial integration and cooperation, Services (liberalisation as under GATS), Transport facilitation, Intellectual property protection, Promotion of investments, Scientific and technological cooperation, Promotion and exchange of information	Differs by agreement	Differs by agreement	Administrative Commission	Consultations, Commission mediation, Group of Experts	Suspension of concessions	2003 (year of establishing of the FTA)	NOTE: Mercosur and different members of the Andean Community signed a number of agreements complementing the 1998 Framework Agreement. Source: www.sice.org accessed February 10, 2005
3 * Bolivia	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, prohibition of unfair trade distorting measures, safeguards, standards related measures), Promotion of commercial integration and cooperation, Services (possible future liberalisation studies), Promotion of investments, Scientific and technological cooperation, Promotion and exchange of information	14	11	Administrative Commission, Business Advisory Committee	Consultations, Commission mediation, Group of Experts	N/A	1996 December	Source: www.sice.org accessed February 10, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors
BRAZIL continued

4	* Chile	FTA	Goods (tariff elimination (lists of sensitive goods), import/export restrictions prohibition, ROO, prohibition of unfair trade distorting measures, safeguards, standards related measures), Competition and consumers protection, Promotion of commercial integration and cooperation, Services (liberalisation as under GATS), Transport facilitation, Intellectual property protection, Promotion of investments, Scientific and technological cooperation	10	15	Administrative Commission	Consultations, Commission mediation, Group of Experts	N/A	1996 June	Source: www.sice.org accessed February 10, 2005
5	* Egypt	Framework Agreement	Framework for subsequent FTA negotiation	4	N/A	Negotiating Committee	N/A	N/A	2004 July	Source: www.sice.org accessed February 10, 2005
6	* European Union	Interregional Cooperation Agreement Mercosur-EU	Framework for subsequent FTA negotiation	19	N/A	Cooperation Council, Joint Subcommittee on Trade	N/A	N/A	1995 December	Source: www.sice.org accessed February 10, 2005
7	* India	Preferential Trade Agreement	Goods (tariff reduction, ROO, Safeguard Measures, Dispute Settlement in negotiation)	13	5	Joint Administration Committee	In negotiation – one of the annexes	N/A	2004 January	Source: www.sice.org accessed February 10, 2005 NOTE: A framework agreement on creation of the FTA was signed in June 2004
8	* SACU	Preferential Trade Agreement	Goods (tariff reduction/elimination, import/export restrictions prohibition, ROO, safeguards, standards related measures), Trade facilitation and cooperation	9	5	Joint Administration Committee	Consultations, Commission mediation, Group of Experts	Suspension of concessions	2004 December	Source: www.sice.org accessed February 10, 2005

APPENDIX 1. Country specific summary tables - translations provided by authors
BRAZIL continued

9	* Mexico	Economic Complementarity Agreement no. 54 – FTA	Initial agreement towards creating FTA – economic cooperation, investment promotion, development of means for trade facilitation, information exchange	3	N/A	Administrative Commission	N/A	N/A	2002 September	Source: www.sice.org accessed February 10, 2005
		Economic Complementarity Agreement no. 55 – Automotive Industry	Creation of free trade in automotive industry: bilateral concessions, ROO, transition period	5	2	Automotive Committee	Consultation within the Committee and/or bilateral negotiation	N/A	2002 July	Source: www.sice.org accessed February 10, 2005
10	* Gulf Cooperation Council (UAE, Bahrain, Oman, Kuwait, Qatar, and Saudi Arabia)	Framework Economic Cooperation Agreement	Initial agreement towards creating FTA – economic, commercial, technical, and investment cooperation, promotion of bilateral exchanges	Joint Economic, Technical, and Investment Committee	2005 May	Source: www.icsd.org/webdy/05-05-edly/05-05-12/mbref.htm accessed May 14, 2005 NOTE: Text not available

*Negotiated jointly with other members of Mercosur

APPENDIX 1. Country specific summary tables - translations provided by authors
RUSSIA

Country	Type of Agreement	Includes	Length (pages)	Annexes	Institutional arrangements	Dispute settlement	Enforcement mechanism	Date of Signing	Source: www.sice.org accessed February 10, 2005
1 Mercosur (Brazil, Argentina, Uruguay, Paraguay)	Southern Common Market agreement	Common market (elimination of restrictions in goods trade, ROO, common external tariffs, common macroeconomic policy, safeguards, institutional arrangements)	7	5	The Council of the Common Market, Common Market Group and its Working Groups	Bilateral consultations, if not solved – Common Market Group and its Council	N/A	1991 March	Source: www.sice.org accessed February 10, 2005
2 * Andean Community (Colombia, Ecuador, Peru, Venezuela)	FTA	Goods (tariff elimination (lists of sensitive goods), import/export restrictions prohibition, ROO, prohibition of unfair trade distorting measures, safeguards, standards related measures), Competition and consumers protection, Promotion of commercial integration and cooperation, Services (liberalisation as under GATS), Transport facilitation, Intellectual property protection, Promotion of investments, Scientific and technological cooperation, Promotion and exchange of information	Differs by agreement	Differs by agreement	Administrative Commission	Consultations, Commission mediation, Group of Experts	Suspension of concessions	2003 (year of establishing of the FTA)	NOTE: Mercosur and different members of the Andean Community signed a number of agreements complementing the 1998 Framework Agreement. Source: www.sice.org accessed February 10, 2005
3 * Bolivia	FTA	Goods (tariff elimination, import/export restrictions prohibition, ROO, prohibition of unfair trade distorting measures, safeguards), Promotion of commercial integration and cooperation, Services (possible future liberalisation studies), Promotion of investments, Scientific and technological cooperation, Promotion and exchange of information	14	11	Administrative Commission, Business Advisory Committee	Consultations, Commission mediation, Group of Experts	N/A	1996 December	Source: www.sice.org accessed February 10, 2005

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