

WTO ON-LINE FORUM

*ARE REGIONAL TRADE AGREEMENTS STEPPING STONES OR OBSTACLES FOR THE TRADING SYSTEM?*

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Regional trade agreements (RTAs) definitely can add to the progress, or increase welfare, if to speak in terms of normative economics, but in a case they provide an avenue of discrimination or other defection from the WTO free trade principles - RTAs would be steps back. Regulations with respect to the rules of the mutual recognition in the RTA under MFN obligation of the Article I:1 of GATT and Article XXIV do not completely eliminate space for RTA protectionism, there is room for harmonized national technical barriers to trade measures to form a "fortress", discriminating against the outside commerce or regulating unnecessarily. Since such an action is prohibited by GATT Articles I and III, and the TBT agreement, national states should be held responsible for such violation. Given that to identify violations "de facto" can be much harder, compared to the violations "de jure", discipline of the RTA participants is to be emphasized.

At the same time, RTAs may assist in archiving the goal of multilateral trade liberalization. Cases when harmonization of the national TBT measures within RTA reduces the trade impediments with not-members are examples of such contribution.

As customs unions and free trade areas grow in number and importance, for trade system to be in line with goal of balancing regional integration goals with goals of multilateral liberalization, additional effort is required from both regulatory authorities and national states.