



6.7

Regional trade blocs

Merchandise exports within bloc

	Year of creation	Year of entry into force of the most recent agreement	Type of most recent agreement ^a	\$ millions						
				1990	1995	2000	2004	2005	2006	2007
High-income and low- and middle-income economies										
APEC ^b	1989		None	1,000,616	1,688,708	2,261,791	2,924,272	3,310,461	3,775,728	4,191,536
EEA	1994	1994	EIA	998,015	1,330,493	1,702,877	2,643,117	2,846,278	3,218,165	3,774,508
EFTA	1960	2002	EIA	717	925	831	1,128	1,252	1,524	2,196
European Union	1957	1958	EIA, CU	951,373	1,272,211	1,630,509	2,535,600	2,714,582	3,069,912	3,596,135
NAFTA	1994	1994	FTA, EIA	249,474	394,472	676,141	737,591	824,710	902,298	951,587
SPARTECA	1981	1981	PS	5,637	9,101	8,554	13,585	15,181	15,536	18,582
Trans-Pacific SEP	2006	2006	EIA, FTA	1,195	2,614	1,438	2,096	2,345	2,927	3,290
East Asia and Pacific and South Asia										
APTA	1975	1976	PS	5,475	21,728	37,895	99,369	127,277	156,957	198,000
ASEAN	1967	1992	FTA	32,785	79,544	98,060	141,931	165,458	191,392	216,424
PICTA	2001	2003	FTA	5	42	65	130	122	151	187
SAARC	1985	2006	FTA	1,013	2,024	2,680	5,830	7,266	8,310	10,222
Europe, Central Asia, and Middle East										
CEFTA	1992	1994	FTA	..	534	1,038	2,009	2,434	2,819	3,641
CIS	1991	1994	FTA	..	31,529	28,753	43,425	59,423	66,689	97,545
COZ	2003	2004	FTA	..	24,398	22,985	32,629	45,973	49,695	75,700
EAEK	1997	1997	CU	..	13,556	15,467	17,292	27,297	27,930	50,079
ECO	1985	2003	PS	1,232	4,746	4,518	9,982	13,936	19,053	24,584
GCC	1981	2003 ^c	CU	4,760	6,832	7,954	12,532	16,635	20,693	24,728
PAFTA (GAFTA)	1997	1998	FTA	10,028	12,948	16,088	35,328	44,511	54,827	65,818
UMA	1989	1994 ^c	NNA	1,071	1,109	1,041	1,448	1,934	2,478	3,076
Latin America and the Caribbean										
Andean Community	1969	1988	CU	788	1,788	2,046	3,435	4,572	5,011	5,509
CACM	1961	1961	CU	779	1,594	2,586	3,574	4,342	4,697	5,562
CARICOM	1973	1997	EIA	445	877	1,078	1,746	2,090	2,429	3,759
LAIA (ALADI)	1980	1981	PS	15,769	35,986	44,253	57,741	71,720	90,357	109,130
MERCOSUR	1991	2005	EIA	6,166	16,811	20,082	19,675	24,211	31,197	39,486
OECS	1981	1981 ^c	NNA	29	39	38	60	68	84	104
Sub-Saharan Africa										
CEMAC	1994	1999	CU	114	120	96	174	198	245	304
COMESA	1994	1994	FTA	830	1,367	1,443	2,420	2,866	3,468	4,582
EAC	1996	2000	CU	132	628	689	930	1,043	1,279	1,587
ECCAS	1983	2004 ^c	NNA	133	157	181	221	251	310	385
ECOWAS	1975	1993	PS	1,384	1,875	2,715	4,366	5,497	5,957	7,341
Indian Ocean Commission	1984	2005 ^c	NNA	75	113	106	155	159	172	204
SADC	1992	2000	FTA	1,720	3,615	4,427	6,655	7,798	8,694	11,952
UEMOA	1994	2000	CU	499	560	741	1,233	1,390	1,545	1,917

Note: Regional bloc memberships are as follows: **Andean Community**, Bolivia, Colombia, Ecuador, and Peru; **Arab Maghreb Union (UMA)**, Algeria, Libyan Arab Republic, Mauritania, Morocco, and Tunisia; **Asia Pacific Economic Cooperation (APEC)**, Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, the Russian Federation, Singapore, Taiwan (China), Thailand, the United States, and Vietnam; **Asia-Pacific Trade Agreement (APTA; formerly Bangkok Agreement)**, Bangladesh, China, India, the Republic of Korea, the Lao People's Democratic Republic, and Sri Lanka; **Association of South East Asian Nations (ASEAN)**, Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam; **Caribbean Community and Common Market (CARICOM)**, Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago; **Central American Common Market (CACM)**, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; **Central European Free Trade Area (CEFTA)**, Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Moldova, Montenegro, and Serbia; **Common Economic Zone (COZ)**, Belarus, Kazakhstan, the Russian Federation, and Ukraine; **Common Market for Eastern and Southern Africa (COMESA)**, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, the Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Libyan Arab Republic, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe; **Commonwealth of Independent States (CIS)**, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; **East African Community (EAC)**, Burundi, Kenya, Rwanda, Tanzania, and Uganda; **Economic and Monetary Community of Central Africa (CEMAC; formerly Central African Customs and Economic Union [UDEAC])**, Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon; **Economic Community of Central African States (ECCAS)**, Angola, Burundi, Cameroon, the Central African Republic, Chad, the Democratic Republic of Congo, the Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe; **Economic Community of West African States (ECOWAS)**, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo; **Economic Cooperation Organization (ECO)**, Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, the Kyrgyz Republic,

Merchandise exports within bloc

	Year of creation	Year of entry into force of the most recent agreement	Type of most recent agreement ^a	% of total bloc exports						
				1990	1995	2000	2004	2005	2006	2007
High-income and low- and middle-income economies										
APEC ^b	1989		None	68.7	71.7	73.1	72.2	70.8	69.5	67.4
EEA	1994	1994	EIA	69.4	67.3	68.6	68.9	68.4	68.6	69.0
EFTA	1960	2002	EIA	0.7	0.7	0.6	0.5	0.5	0.6	0.7
European Union	1957	1958	EIA, CU	67.8	65.8	67.3	67.6	67.0	67.2	67.5
NAFTA	1994	1994	FTA, EIA	42.2	46.2	55.7	55.9	55.8	53.9	51.3
SPARTECA	1981	1981	PS	10.5	12.9	10.7	12.1	11.4	10.2	10.5
Trans-Pacific SEP	2006	2006	EIA, FTA	1.5	1.7	0.8	0.8	0.8	0.8	0.8
East Asia and Pacific and South Asia										
APTA	1975	1976	PS	3.3	6.8	8.0	10.6	11.0	10.9	11.2
ASEAN	1967	1992	FTA	19.8	24.5	23.0	24.9	25.3	25.0	25.2
PICTA	2001	2003	FTA	0.2	1.0	1.7	2.3	1.8	1.9	2.0
SAARC	1985	2006	FTA	3.6	4.4	4.2	5.7	5.6	5.2	5.3
Europe, Central Asia, and Middle East										
CEFTA	1992	1994	FTA	..	7.8	15.3	15.9	16.6	16.1	16.8
CIS	1991	1994	FTA	..	28.6	20.0	17.6	18.0	16.5	19.8
COZ	2003	2004	FTA	..	23.8	17.1	14.0	14.7	13.0	16.2
EAEC	1997	1997	CU	..	14.8	12.5	8.5	9.6	8.0	11.8
ECO	1985	2003	PS	3.2	7.9	5.6	6.7	7.6	8.5	9.2
GCC	1981	2003 ^c	CU	5.8	6.8	4.8	5.0	4.9	5.0	5.4
PAFTA (GAFTA)	1997	1998	FTA	8.9	9.8	7.2	10.0	9.9	9.9	10.6
UMA	1989	1994 ^c	NNA	3.3	3.8	2.2	2.0	2.0	2.1	2.3
Latin America and the Caribbean										
Andean Community	1969	1988	CU	5.6	8.6	7.7	8.7	9.0	7.8	7.4
CACM	1961	1961	CU	17.6	21.8	19.1	20.9	20.1	15.8	17.0
CARICOM	1973	1997	EIA	8.2	12.1	14.4	12.2	11.6	11.3	15.7
LAIA (ALADI)	1980	1981	PS	12.2	17.3	13.2	13.2	13.6	14.3	15.1
MERCOSUR	1991	2005	EIA	9.9	18.9	16.4	11.1	11.0	12.2	12.8
OECS	1981	1981 ^c	NNA	9.0	12.6	10.0	11.7	11.4	8.2	8.1
Sub-Saharan Africa										
CEMAC	1994	1999	CU	2.0	2.1	1.0	1.2	0.9	0.9	1.1
COMESA	1994	1994	FTA	3.6	6.1	4.6	5.0	4.5	4.2	4.7
EAC	1996	2000	CU	7.4	19.5	22.6	18.9	17.6	19.3	20.4
ECCAS	1983	2004 ^c	NNA	1.3	1.5	1.0	0.8	0.6	0.5	0.6
ECOWAS	1975	1993	PS	9.7	9.0	7.6	9.3	9.3	8.4	9.4
Indian Ocean Commission	1984	2005 ^c	NNA	4.8	5.9	4.4	4.3	4.6	4.8	5.7
SADC	1992	2000	FTA	17.9	32.8	9.5	9.7	9.3	9.1	10.1
UEMOA	1994	2000	CU	11.3	10.3	13.1	12.9	13.4	13.1	15.2

Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan; **Eurasian Economic Community (EAEC)**, Belarus, Kazakhstan, Kyrgyz Republic, the Russian Federation, Tajikistan, and Uzbekistan; **European Economic Area (EEA)**, European Union plus Iceland, Liechtenstein, and Norway; **European Free Trade Association (EFTA)**, Iceland, Liechtenstein, Norway, and Switzerland; **European Union (EU; formerly European Economic Community and European Community)**, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom; **Gulf Cooperation Council (GCC)**, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates; **Indian Ocean Commission**, Comoros, Madagascar, Mauritius, Réunion, and Seychelles; **Latin American Integration Association (LAIA; formerly Latin American Free Trade Area)**, Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Bolivarian Republic of Venezuela; **North American Free Trade Agreement (NAFTA)**, Canada, Mexico, and the United States; **Organization of Eastern Caribbean States (OECS)**, Anguilla, Antigua and Barbuda, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; **Pacific Island Countries Trade Agreement (PICTA)**, Cook Islands, Fiji, Federated States of Micronesia, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu; **Pan-Arab Free Trade Area (PAFTA; also known as Greater Arab Trade Area [GAFTA])**, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, the United Arab Emirates, and Yemen; **South Asian Association for Regional Cooperation (SAARC)**, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka; **South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)**, Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Zealand, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa; **Southern African Development Community (SADC)**, Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe; **Southern Common Market (MERCOSUR)**, Argentina, Brazil, Paraguay, Uruguay, and Bolivarian Republic of Venezuela; **Trans-Pacific Strategic Economic Partnership (Trans-Pacific SEP)**, Brunei Darussalam, Chile, New Zealand, and Singapore; **West African Economic and Monetary Union (UEMOA)**, Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.



6.7 | Regional trade blocs

Merchandise exports by bloc

	Year of creation	Year of entry into force of the most recent agreement	Type of most recent agreement ^a	% of world exports						
				1990	1995	2000	2004	2005	2006	2007
High-income and low- and middle-income economies										
APEC ^b	1989		None	41.7	46.3	48.5	44.4	45.1	45.5	45.0
EEA	1994	1994	EIA	41.1	38.9	38.9	42.0	40.2	39.2	39.6
EFTA	1960	2002	EIA	2.8	2.4	2.2	2.3	2.3	2.3	2.3
European Union	1957	1958	EIA, CU	40.1	38.1	38.0	41.0	39.1	38.2	38.6
NAFTA	1994	1994	FTA, EIA	16.9	16.8	19.0	14.5	14.3	14.0	13.4
SPARTECA	1981	1981	PS	1.5	1.4	1.3	1.2	1.3	1.3	1.3
Trans-Pacific SEP	2006	2006	EIA, FTA	2.3	3.0	2.7	2.8	2.9	3.0	2.9
East Asia and Pacific and South Asia										
APTA	1975	1976	PS	4.8	6.3	7.4	10.3	11.2	12.0	12.8
ASEAN	1967	1992	FTA	4.7	6.4	6.7	6.2	6.3	6.4	6.2
PICTA	2001	2003	FTA	0.1	0.1	0.1	0.1	0.1	0.1	0.1
SAARC	1985	2006	FTA	0.8	0.9	1.0	1.1	1.3	1.3	1.4
Europe, Central Asia, and Middle East										
CEFTA	1992	1994	FTA	..	0.1	0.1	0.1	0.1	0.1	0.2
CIS	1991	1994	FTA	..	2.2	2.2	2.7	3.2	3.4	3.6
COZ	2003	2004	FTA	..	2.0	2.1	2.5	3.0	3.2	3.4
EAEC	1997	1997	CU	..	1.8	1.9	2.2	2.7	2.9	3.1
ECO	1985	2003	PS	1.1	1.2	1.3	1.6	1.8	1.9	1.9
GCC	1981	2003 ^c	CU	2.4	2.0	2.6	2.7	3.3	3.5	3.3
PAFTA (GAFTA)	1997	1998	FTA	3.2	2.6	3.5	3.9	4.3	4.7	4.5
UMA	1989	1994 ^c	NNA	0.9	0.6	0.8	0.8	0.9	1.0	1.0
Latin America and the Caribbean										
Andean Community	1969	1988	CU	0.4	0.4	0.4	0.4	0.5	0.5	0.5
CACM	1961	1961	CU	0.1	0.1	0.2	0.2	0.2	0.2	0.2
CARICOM	1973	1997	EIA	0.2	0.1	0.1	0.2	0.2	0.2	0.2
LAIA (ALADI)	1980	1981	PS	3.7	4.1	5.3	4.8	5.1	5.3	5.2
MERCOSUR	1991	2005	EIA	1.8	1.8	1.9	1.9	2.1	2.1	2.2
OECS	1981	1981 ^c	NNA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Saharan Africa										
CEMAC	1994	1999	CU	0.2	0.1	0.1	0.1	0.2	0.2	0.2
COMESA	1994	1994	FTA	0.7	0.4	0.5	0.5	0.6	0.7	0.7
EAC	1996	2000	CU	0.1	0.1	0.0	0.1	0.1	0.1	0.1
ECCAS	1983	2004 ^c	NNA	0.3	0.2	0.3	0.3	0.4	0.5	0.5
ECOWAS	1975	1993	PS	0.4	0.4	0.6	0.5	0.6	0.6	0.6
Indian Ocean Commission	1984	2005 ^c	NNA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SADC	1992	2000	FTA	0.3	0.2	0.7	0.7	0.8	0.8	0.9
UEMOA	1994	2000	CU	0.1	0.1	0.1	0.1	0.1	0.1	0.1

a. CU is customs union; EIA is economic integration agreement; FTA is free trade agreement; NNA is not notified agreement, which refers to preferential trade arrangements established among member countries that are not notified to the World Trade Organization (these agreements may be functionally equivalent to any of the other agreements); and PS is partial scope agreement. b. No preferential trade agreement c. Years of the most recent agreement are collected from the official website of the trade bloc.

About the data

Trade blocs are groups of countries that have established preferential arrangements governing trade between members. Although in some cases the preferences—such as lower tariff duties or exemptions from quantitative restrictions—may be no greater than those available to other trading partners, such arrangements are intended to encourage exports by bloc members to one another—sometimes called intratrade.

Most countries are members of a regional trade bloc, and more than a third of the world's trade takes place within such arrangements. While trade blocs vary in structure, they all have the same objective: to reduce trade barriers between member countries. But effective integration requires more than reducing tariffs and quotas. Economic gains from competition and scale may not be achieved unless other barriers that divide markets and impede the free flow of goods, services, and investments are lifted. For example, many regional trade blocs retain contingent protections on intrabloc trade, including antidumping, countervailing duties, and “emergency protection” to address balance of payments problems or protect an industry from import surges. Other barriers include differing product standards, discrimination in public procurement, and cumbersome border formalities.

Membership in a regional trade bloc may reduce the frictional costs of trade, increase the credibility of reform initiatives, and strengthen security among partners. But making it work effectively is challenging. All economic sectors may be affected, and some may expand while others contract, so it is important to weigh the potential costs and benefits of membership.

The table shows the value of merchandise intratrade (service exports are excluded) for important regional trade blocs and the size of intratrade relative to each bloc's exports of goods and the share of the bloc's exports in world exports. Although the Asia Pacific Economic Cooperation (APEC) has no preferential arrangements, it is included because of the volume of trade between its members.

The data on country exports are from the International Monetary Fund's (IMF) Direction of Trade database and should be broadly consistent with those from sources such as the United Nations Statistics Division's Commodity Trade (Comtrade) database. However, trade flows between many developing countries, particularly in Sub-Saharan Africa, are not well recorded, so the value of intratrade for certain groups may be understated. Data on trade between developing and high-income countries are generally complete.

Membership in the trade blocs shown is based on the most recent information available (see *Data sources*). Other types of preferential trade agreements may have entered into force earlier than those shown in the table and may still be effective. Unless otherwise indicated in the footnotes, information on the type of agreement and date of enforcement are based on the World Trade Organization's (WTO) list of regional trade agreements.

Although bloc exports have been calculated back to 1990 on the basis of current membership, several blocs came into existence after that and membership may have changed over time. For this reason, and because systems of preferences also change over time, intratrade in earlier years may not have been

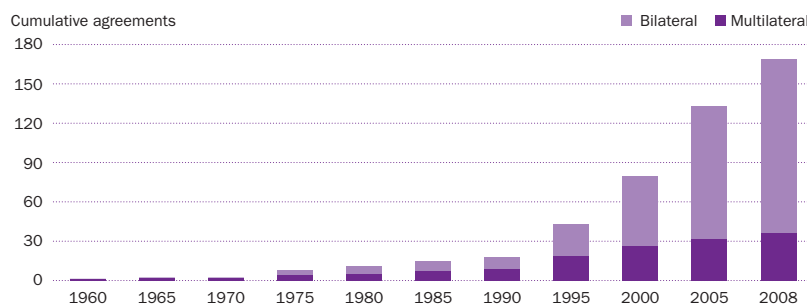
affected by the same preferences as in recent years. In addition, some countries belong to more than one trade bloc, so shares of world exports exceed 100 percent. Exports of blocs include all commodity trade, which may include items not specified in trade bloc agreements. Differences from previously published estimates may be due to changes in membership or revisions in underlying data.

Definitions

- **Merchandise exports within bloc** are the sum of merchandise exports by members of a trade bloc to other members of the bloc. They are shown both in U.S. dollars and as a percentage of total merchandise exports by the bloc.
- **Merchandise exports by bloc** as a share of world exports are the bloc's total merchandise exports (within the bloc and to the rest of the world) as a share of total merchandise exports by all economies in the world.
- **Type of most recent agreement** includes customs union, under which members substantially eliminate all tariff and nontariff barriers among themselves and establish a common external tariff for nonmembers; economic integration agreement, which liberalizes trade in services among members and covers a substantial number of sectors, affects a sufficient volume of trade, includes substantial modes of supply, and is nondiscriminatory (in the sense that similarly situated service suppliers are treated the same); free trade agreement, under which members substantially eliminate all tariff and nontariff barriers but set tariffs on imports from nonmembers; partial scope agreement, which is a preferential trade agreement notified to the WTO that is not a free trade agreement, a customs union, or an economic integration agreement; and not notified agreement, which is a preferential trade arrangement established among member countries that is not notified to the World Trade Organization (the agreement may be functionally equivalent to any of the other agreements).

The number of trade agreements has increased rapidly since 1990, especially bilateral agreements

6.7a



Note: Data are cumulative number of bilateral and multilateral trade agreements notified to the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO) at the time they entered into force. Only agreements that are that are currently in force are included. Agreements on accessions of new members to an existing agreement are not included. Agreements that are in force but have not been notified to GATT/WTO may be excluded. *Source:* World Bank staff calculations based on the World Trade Organization's Regional Trade Agreements Information System.

Data sources

Data on merchandise trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's Direction of Trade database. Data on trade bloc membership are from the World Bank Policy Research Report *Trade Blocs* (2000a), UNCTAD's *Trade and Development Report 2007*, WTO's Regional Trade Agreements Information System, and the World Bank's International Trade Unit.