

# **Regional economic integration**

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# Please Read Me

- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (Wild and Wild 2020, Chapter 8)

# Purpose

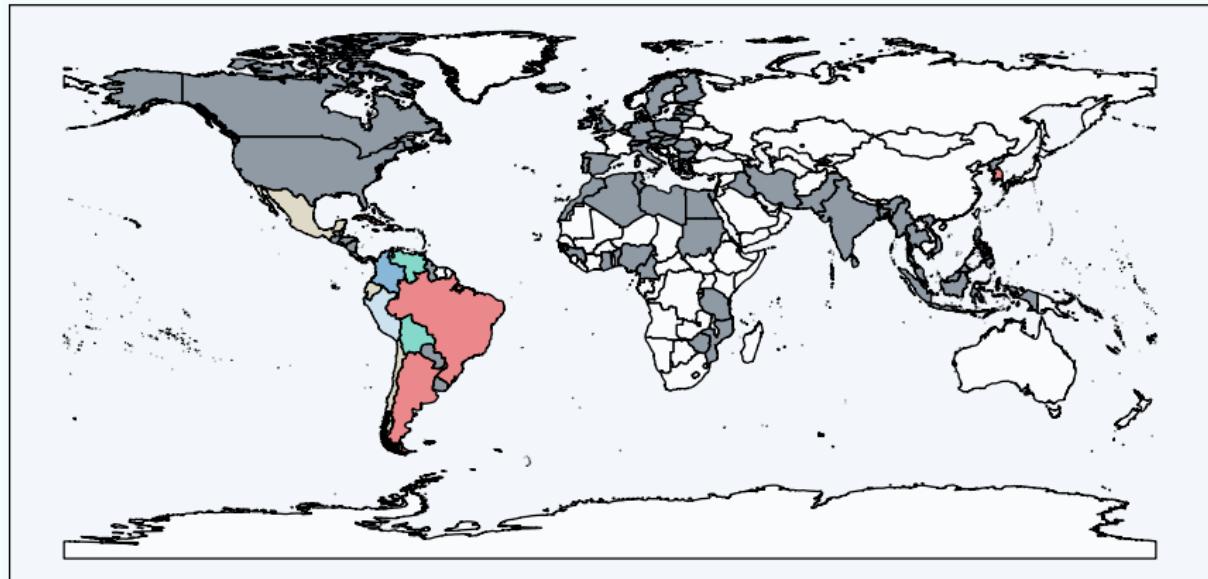
Explore and outline the trend toward greater economic integration of the national economies and its debate

# Regional trade agreements (RTA)

- A regional trade agreement (RTA) is a treaty between two or more countries that specify the rules of trade
- Where can I find information about the RTA around the world?
  - Regional Trade Agreements Database:
    - <https://rtais.wto.org>
  - Market access map:
    - <https://www.macmap.org/> > Analyze markets

# Regional trade agreements (RTA)

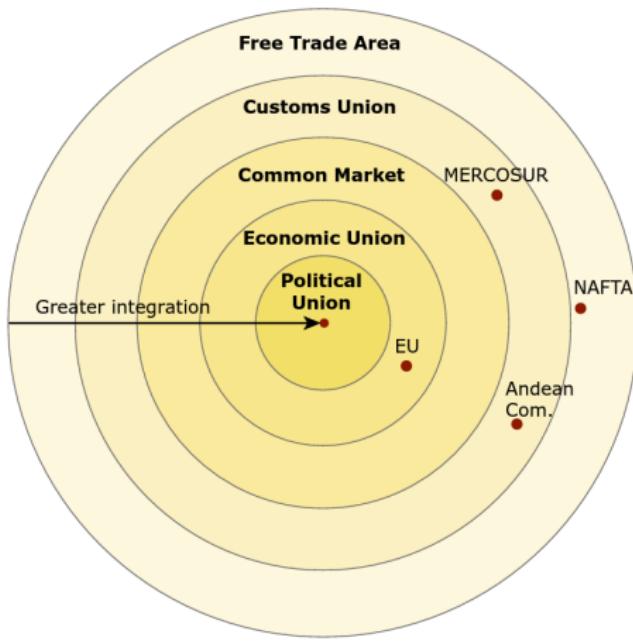
Number of RTAs in force with Colombia by country reported to WTO



Source data: RTA database – WTO & OMC,  
Last update data: 2020-07-31,  
Source data map: Natural Earth

# Level of integration

- Degrees of economical and political integration for regional trading blocs according to (Wild and Wild 2020, Fig 8.1)



# Level of integration

- Types of RTAs notify to the WTO

- **Free Trade Agreement (FTA)**

- “Two or more customs territories in which the duties and other restrictive regulations of commerce . . . are eliminated on substantially all the trade between the constituent territories in products originating in such territories . . .” (WTO 2020b, Article XXIV, 8 (b) - GATT 1994)

- **Customs Union (CU)**

- “The substitution of a single customs territory for two or more customs territories . . .” (WTO 2020b, Article XXIV, 8 (a) - GATT 1994)

- **Economic Integration Agreement (EIA)**

- This type of integration is described in (WTO 2020a, Article V)

- **Partial Scope Agreement (PSA)**

- The agreement covers only certain products and must be notified according to (WTO 2020c, 4 - Decision of 28 November 1979 (L/4903))

# Level of integration

**Table 1:** Colombia RTAs in force by type reported to WTO

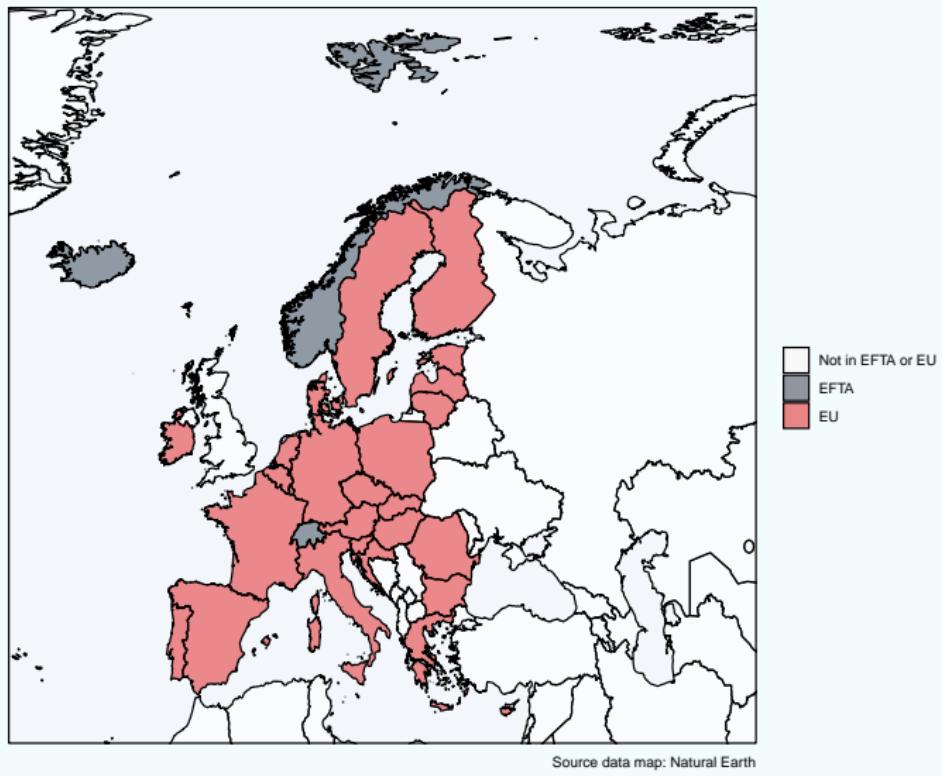
RTA Name	Type
Andean Community (CAN)	CU
Canada - Colombia	FTA & EIA
Chile - Colombia	FTA & EIA
Colombia - Mexico	FTA & EIA
Colombia - Northern Triangle (El Salvador, Guatemala, Honduras)	FTA & EIA
Costa Rica - Colombia	FTA & EIA
EFTA - Colombia	FTA & EIA
EU - Colombia and Peru	FTA & EIA
Global System of Trade Preferences among Developing Countries (GSTP)	PSA
Korea, Republic of - Colombia	FTA & EIA
Latin American Integration Association (LAIA)	PSA
Pacific Alliance	FTA & EIA
United States - Colombia	FTA & EIA

<sup>1</sup> Source: RTA database - WTO & OMC

<sup>2</sup> Last update: 2020-07-31

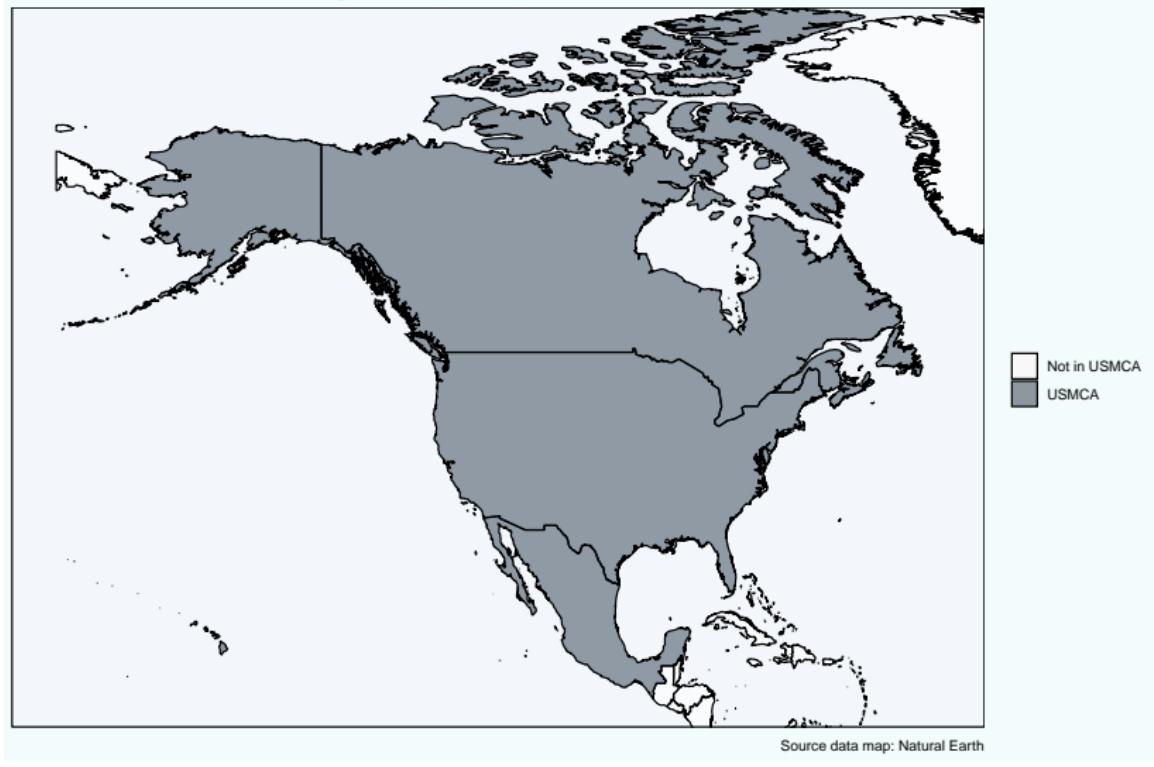
# Integration in Europe

European Free Trade Association (EFTA) and European Union (EU)



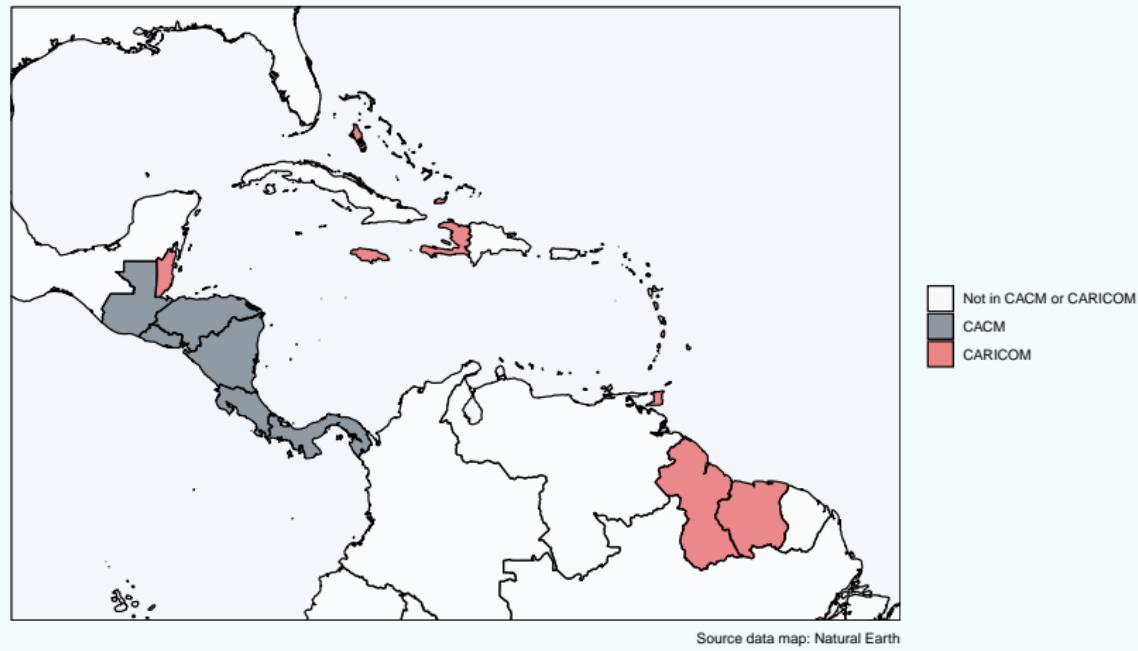
# Integration in North America

United States, Mexico, Canada Agreement (USMCA)



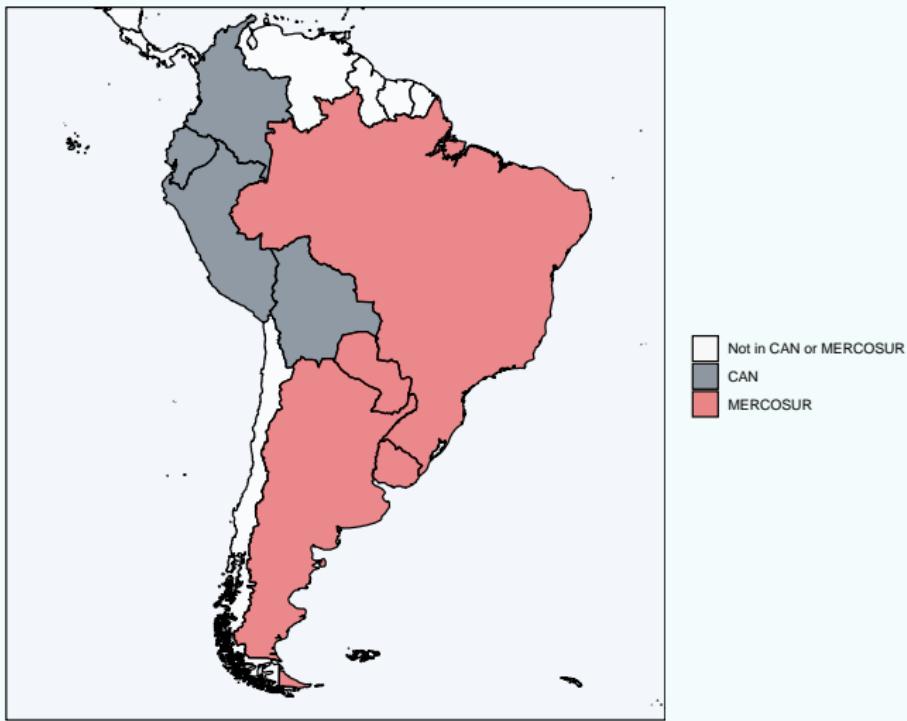
# Integration in Central America and the Caribbean

Central American Common Market (CACM) and  
Caribbean Community and Common Market (CARICOM)



# Integration in South America

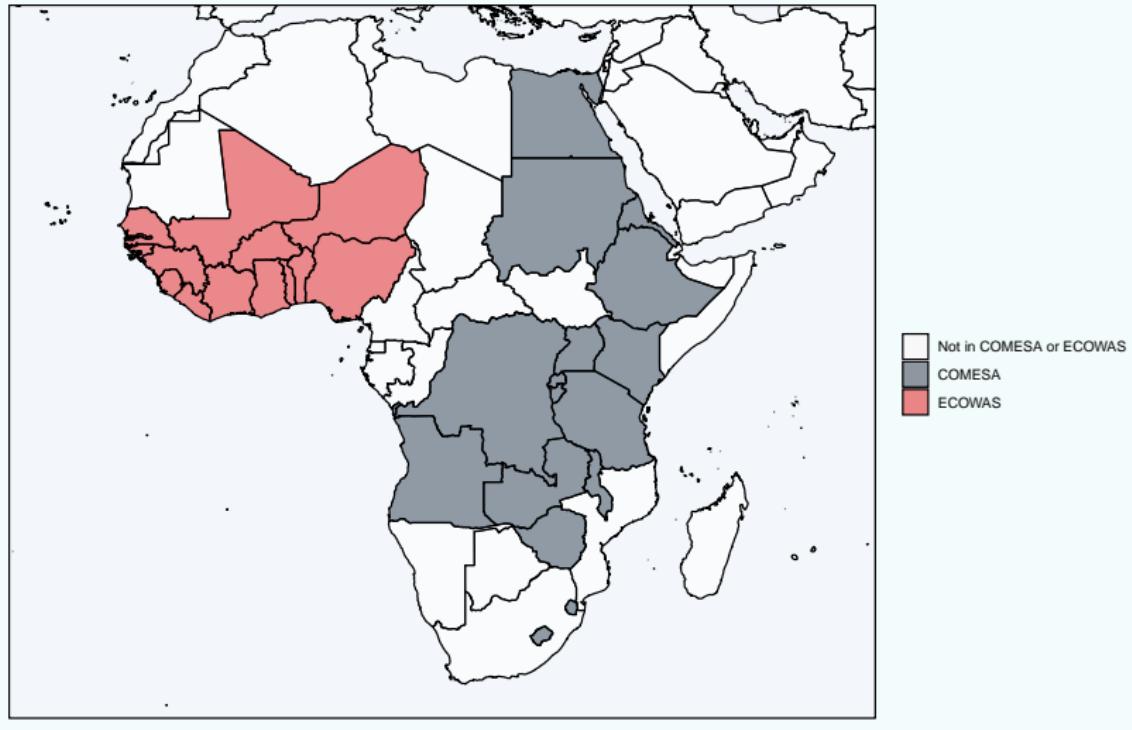
Andean Community (CAN) and  
Southern Common Market (MERCOSUR)



Source data map: Natural Earth

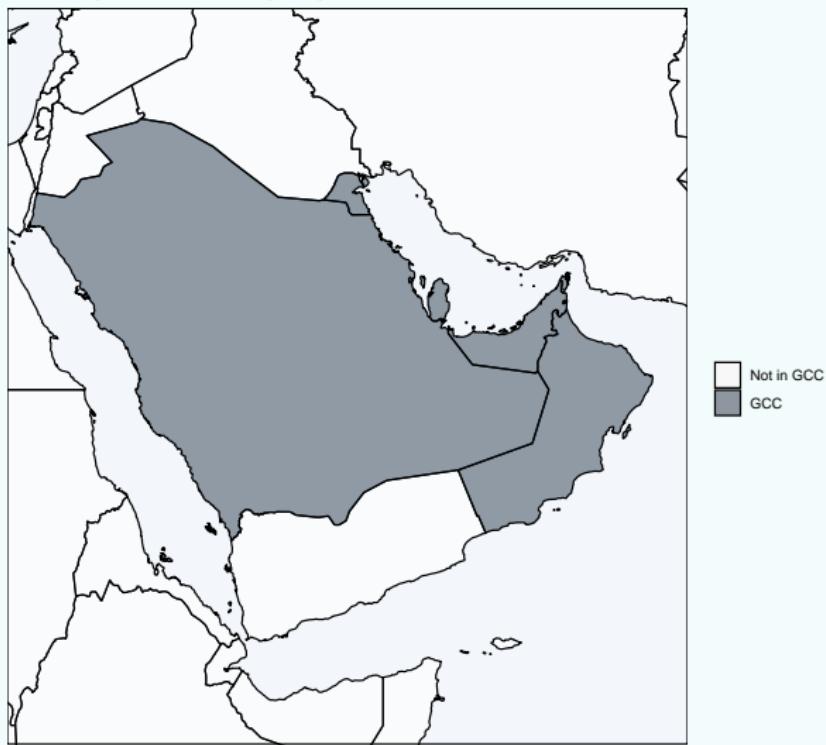
# Integration in Africa

Common Market for Eastern and Southern Africa (COMESA) and Economic Community of West African States (ECOWAS)



# Integration in the Middle East

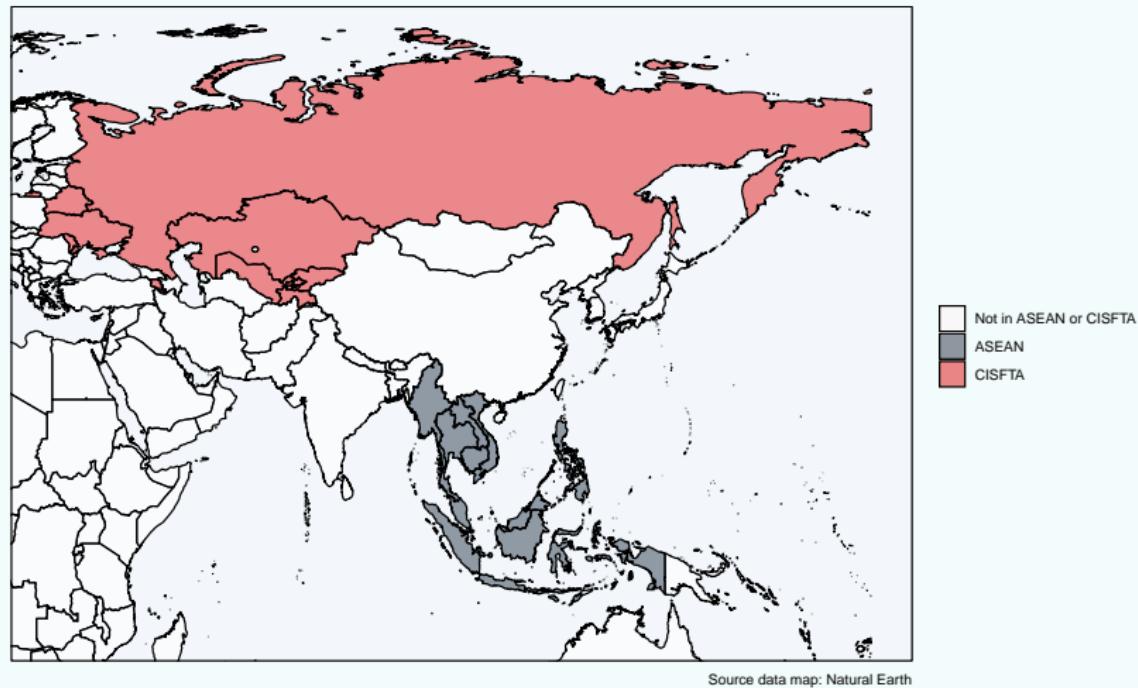
Gulf Cooperation Council (GCC)



Source data map: Natural Earth

# Integration in Asia

Association of Southeast Asian Nations (ASEAN) and  
Commonwealth of Independent States Free Trade Area (CISFTA)



# Regional integration in Oceania

Australia & New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)



# Acknowledgments

- To my family that supports me
- To the taxpayers of Colombia and the **UMNG students** who pay my salary
- To the **Business Science** and **R4DS Online Learning** communities where I learn **R**
- To the **R Core Team**, the creators of **RStudio IDE** and the authors and maintainers of the packages **tidyverse**, **knitr**, **tidyquant**, **rnatuelearth**, **ISOcodes**, **countrycode**, **kableExtra** and **tinytex** for allowing me to access these tools without paying for a license
- To the **Linux kernel community** for allowing me the possibility to use some **Linux distributions** as my main **OS** without paying for a license

## References

- Wild, John J, and Kenneth L Wild. 2020. *International Business: The Challenges of Globalization*. Harlow: Pearson.
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- \_\_\_\_\_. 2020c. "WTO Regional Trade Agreements - Goods (GATT) Provisions." [https://www.wto.org/english/tratop\\_e/region\\_e/regatt\\_e.htm](https://www.wto.org/english/tratop_e/region_e/regatt_e.htm).