

## **Regional Trade Agreements and the WTO:**

### **WTO Consistency of East Asian RTAs**

While the number of Regional Trade Agreements (RTAs) has risen, their problem in terms of conformity with multilateral rules, such as WTO, has remained. A cursory examination of East Asian RTAs reveal that they might be inconsistent with relevant rules of the WTO, in particular, GATT Article XXIV. Most of all, the requirement of trade liberalization in “substantially all the trade” poses a serious challenge to already existing and soon-to-be RTAs in East Asia. This is mainly because East Asian nations, such as Japan and Korea, try to protect their vulnerable industries, e.g., agriculture. Trade remedies within the RTA also potentially cause WTO consistency problem. Obviously, the lack of refined rules at WTO aggravates this risk. Forum Shopping clauses also create a risk of procedural inter-conflicts with WTO in respect of their dispute settlement mechanisms. In particular, an exclusion of WTO dispute settlement may be a potential threat to the multilateral trading system. Rules of Origin (ROO) are another major source of problems facing the RTAs. Given the lack of established Rules of Origin under the WTO, there is no consistency issue involved in the context of RTAs. Nonetheless, ROO’s uncertainty and diversity in the current RTAs function as a serious trade barrier and naturally calls for a standardized approach. In light of the foregoing, it is suggested that East Asian nations enhance their consistency with WTO in their present and future RTAs, while they exert utmost efforts to rationalize and clarify relevant WTO rules at Doha Negotiations.