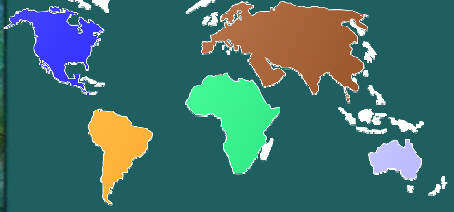


## Regional Markets Trade Agreements

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## GATT-WTO



Major impact has been on the reduction of trade barriers since 1950  
Not a governing body, so no real power

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## Regional Integration



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## North America



- NAFTA
  - 1988 first agreement with US and Canada
  - Very controversial before signing and since.
  - Both countries US top trading partners.
  - Some protectionist measures still exist

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## Latin America




- Caribbean
- Nations south of Mexico in Central America and South America
- Four major preferential agreements
  - SICA
  - Andean
  - Mercosur
  - CARICOM

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## CAFTA

- Recent agreement with Panama, Costa Rica, Nicaragua, Honduras, Guatemala, El Salvador
- Dominican republic added
- Implemented July 2005



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## CACM

- Central American Common Market
  - El Salvador
  - Honduras
  - Guatemala
  - Nicaragua
  - Costa Rica
- Just really has not worked well.

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## Andean Community

- 1969- an effort to facilitate development
  - Venezuela
  - Columbia
  - Ecuador
  - Peru
  - Bolivia


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## MERCOSUR

- 1991-Asunción Treaty
  - Argentina
  - Brazil
  - Paraguay
  - Uruguay
- More of a customs union than common market
- Financial Crisis has allowed for diversion from CETs

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## CARICOM

- 1973- attempt at unity
  - Replaced CARIFTA
  - 15 members
  - 15 million population
- Pretty limited integration
- CBI -1984
  - Trade Partnership with US
    - Textiles and apparel exempt from duties and tariffs

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## FTAA




- Began negotiations shortly after NAFTA signed
- Rejected in 2005 by several South American Countries

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## ASEAN



- ASEAN Member Countries have adopted the following fundamental principles in their relations with one another, as contained in the Treaty of Amity and Cooperation in Southeast Asia (TAC):
  - mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
  - the right of every State to lead its national existence free from external interference, subversion or coercion;
  - non-interference in the internal affairs of one another;
  - settlement of differences or disputes by peaceful manner;
  - renunciation of the threat or use of force; and
  - effective cooperation among themselves.
- ASEAN PPT

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## EU


- Efforts began after WWII
- Originally 15 members
- Advanced regional integration
- Now with 27 members, more have applied
- Requires specific levels of national debt, interest rates, and inflation.



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## EFTA

- Originally 7 countries
- Grew to around 10
- As EU grew, some members left
- Now only 4 members
  - Switzerland\*
  - Norway\*
  - Iceland
  - Lichtenstein



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## Middle East

- Sixteen Countries (according to author)
  - Afghanistan, Bahrain, Cyprus, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, UAE, Yemen
  - Other lists leave off Afghanistan and add Palestine
- Much diversity
  - Economically
  - Socially
  - Politically
  - Tradition
  - Religion
- Oil drives business



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## Arab States

- Gulf Cooperation Council
  - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE
  - 45 % of known oil reserves
  - 18% of output
  - Very little goods & services produced
- Arab Maghreb Union

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## Africa


Africa is NOT a single economic unit.

Average per capita income less than \$600 (less than \$2 per day)

Six northern nations are overall more developed and richer- some have oil revenues

ECOWAS began in 1975

SADC began in 1992 (after the end of Apartheid in South Africa)



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