1. Preferential rules of origin in international trade

1.1. Introduction

Over the last two decades, there has been a proliferation in the number of preferential trade agreements (PTAs),\(^1\) with the number in force exceeding 500 as of 2022.\(^2\) Governments view them as a channel to foster economic integration and to promote regional value chains. A key objective of these agreements is to reduce tariff and non-tariff barriers imposed on exports from other parties to the agreement. In the case of preferential trade arrangements, governments grant preferential tariffs to least developed and developing countries on a non-reciprocal basis to help these countries achieve economic development through trade. Savings as a result of preferential tariffs is one of the most direct and tangible benefits from PTAs. However, many traders, particularly micro, small and medium-sized enterprises (MSMEs), do not take advantage of preferential tariffs. This is for a number of reasons:

1) lack of information and awareness among companies about existing trade agreements;
2) inability to check whether the product is covered by preferential tariffs and what origin criteria apply;
3) lack of knowledge of the accompanying origin provisions;
4) lack of knowledge or inability to comply with certification provisions.

Business responses showed that the complexity of rules of origin leads to procedural obstacles that arise during their implementation. Rules of origin are needed to attribute one country of origin to each product. They are the criteria used to define where a product was made and are important for implementing preferential tariffs.

Section II provides an overview of the new data initiative jointly undertaken by the International Trade Centre (ITC) in collaboration with the World Customs Organization (WCO) and the WTO to enhance transparency on product-specific rules of origin. Sections III and IV elaborate on data collection methodology and provide statistical insights from the constructed database. Section V provides conclusions.

1.2. New comprehensive database of rules of origin

Consistent with its mission of increasing transparency in trade, ITC has collaborated with the WCO and the WTO to build a comprehensive database on rules of origin for all active trade agreements in the world. This initiative has resulted in a database accessible via a free online tool, the Rules of Origin Facilitator.\(^4\) As of June 2022, the database covers product-specific rules of origin in 484 trade agreements,\(^5\) mapped with the preferential tariff rates. The coverage includes rules of origin in preferential schemes for imports originating in least developed countries based on the notifications received by the WTO Secretariat. The database and online application address information gaps and challenges of using preferential tariffs. The Rules of Origin Facilitator allows users to identify available preferential programmes and preferential margins, the product-specific origin criterion, and origin and certification provisions, including legal documentation such as specimen of certificates of origin.

Consultations are underway to expand the Rules of Origin Facilitator database to non-preferential rules of origin, which are related to MFN treatment, application of trade remedies, tariff rate quotas, government procurement, labeling and marking, and other non-tariff measures such as embargoes and sanitary and phytosanitary (SPS) measures.

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1 Throughout this chapter, ‘preferential trade agreements’ and ‘trade agreements’ are used to denote all regional trade agreements, such as the EU-Japan and Regional Comprehensive Economic Partnership (RCEP), and non-reciprocal preferential trade arrangements, such as the Generalized Systems of Preferences (GSP).
3 For details on each survey, see https://ntmsurvey.org.
4 Accessible for free and without registration at http://findrulesoforigin.org.
5 List of PTAs for which rules of origin are already available in the tool can be viewed in Agreement list after toggling on “RoO available”, http://findrulesoforigin.org/home/agreements
1.3. Preferential origin criteria

Preferential origin criteria define at which point the product acquires the origin of the country where it undergoes the last economically significant processing. These rules are subject to negotiation by PTA parties. They can differ from one product to another and take various forms.

The Revised Kyoto Convention (RKC) of the WCO defines two main criteria of origin determination: the ‘wholly obtained or produced’ criterion and the ‘substantial transformation’ criterion.

With occasional deviations, origin criteria in most trade agreements are in line with Standard 2 in Annex K of the RKC. According to this standard, goods ‘wholly produced in a given country’ will be covered in exhaustive lists. However, in the case of ‘substantial transformation’ criterion, ‘origin is determined by regarding as the country of origin the country where the last substantial manufacturing or processing, deemed sufficient to give a commodity its essential character, has been carried out.’ In other words, if a product is made up of inputs from several countries, it obtains originating status in the country that hosts the substantial processing that gives it an essential character.

There are several ways to identify the fulfillment of the ‘substantial transformation’ criterion. These include rules that are based on: (i) the change in tariff classification, (ii) the \textit{ad valorem} percentage, or (iii) the list of specific manufacturing or processing operations. These three methods are interchangeable, with each having certain positive and negative sides from a business perspective. They can be applied separately or in combination.

Figure 1. Classification process of 56,082 product-specific origin criteria in 484 PTAs

![Diagram showing the classification process of 56,082 product-specific origin criteria in 484 PTAs.]

Note: See table 2 for description.

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6 Paragraph E3./F1, Chapter 1, Annex K of the RKC.
Table 1. Substantially identical origin criteria for decorative plastic flowers (HS 6702.10) formulated differently in selected PTAs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HS 6702.10</td>
<td>A change from any other heading.</td>
<td>Manufacture from materials of any heading except that of the product</td>
<td>Manufacture in which all the materials used are classified within a heading other than that of the product</td>
<td>CTH</td>
<td>A change to heading 67.01 through 67.04 from any other heading, including another heading within that group.</td>
</tr>
<tr>
<td>Coded criterion</td>
<td>CTH</td>
<td>CTH</td>
<td>CTH</td>
<td>CTH</td>
<td>CTH</td>
</tr>
</tbody>
</table>

Table 2: Basic types of origin criteria identified in product-specific rules of origin

<table>
<thead>
<tr>
<th>Presence</th>
<th>Rule</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>WO</td>
<td>Good is entirely (i.e. wholly) obtained or manufactured in one country without using any non-originating materials.</td>
</tr>
<tr>
<td>6%</td>
<td>CC</td>
<td>The originating status is conferred to a good that is classified in a different HS chapter than the non-originating inputs.</td>
</tr>
<tr>
<td>43%</td>
<td>CTH</td>
<td>The originating status is conferred to a good that is classified in a different HS heading than the non-originating inputs.</td>
</tr>
<tr>
<td>6%</td>
<td>CTHSH</td>
<td>The originating status is conferred to a good that is classified in a different HS subheading than the non-originating inputs.</td>
</tr>
<tr>
<td>0%</td>
<td>CTI</td>
<td>The originating status is conferred to a good that is classified in a different HS tariff item than the non-originating inputs.</td>
</tr>
<tr>
<td>2%</td>
<td>NC</td>
<td>The non-originating inputs are not required to be classified in a different HS code than the final good to confer originating status.</td>
</tr>
<tr>
<td>6%</td>
<td>ALW</td>
<td>The originating status is allowed to be conferred from non-originating inputs of specific HS codes.</td>
</tr>
<tr>
<td>6%</td>
<td>ECT</td>
<td>The originating status cannot be conferred to a good if the non-originating inputs are from HS codes listed under exception.</td>
</tr>
<tr>
<td>7.5%</td>
<td>SP</td>
<td>A good originates in the country where a defined technical requirement, i.e. a specified working or processing, has taken place.</td>
</tr>
<tr>
<td>50%</td>
<td>RVC</td>
<td>A good obtains originating status if a defined regional value content percentage has been reached.</td>
</tr>
<tr>
<td>0.2%</td>
<td>RQC</td>
<td>A good obtains originating status if a defined regional quantity content percentage has been reached.</td>
</tr>
<tr>
<td>1.5%</td>
<td>RVP</td>
<td>A good obtains originating status if a defined regional value content percentage on a part or parts has been reached.</td>
</tr>
<tr>
<td>0.3%</td>
<td>RQP</td>
<td>A good obtains originating status if a defined regional quantity content percentage on a part or parts has been reached.</td>
</tr>
<tr>
<td>14%</td>
<td>Other</td>
<td>Origin criteria other than related to wholly obtained, CTC, value (quantity) content, or specified process.</td>
</tr>
</tbody>
</table>

Note: “Presence” means % of presence of the type in origin criteria across all 3 million (PTA x HS6) combinations (as of June 2022).

Table 3. A combination-type origin criterion in USMCA

<table>
<thead>
<tr>
<th>Origin criterion for high-power industrial vacuum cleaners classified in HS 8508.19</th>
<th>Coded criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>A change to any other good of subheading 8508.19 from any other heading, except from heading 84.79; or a change to any other good of subheading 8508.19 from subheading 8508.70, whether or not there is also a change from any other heading, except from heading 84.79, provided there is a regional value content of not less than: (a) 60 percent where the transaction value method is used; or (b) 50 percent where the net cost method is used.</td>
<td>(CTH + ECT) or (CTH + ALW + ECT and RVC 60/50%)</td>
</tr>
</tbody>
</table>
The complexity of product-specific origin criteria stems from a number of factors. First, the criteria can be laid out in different formats. From spanning several pages, as in the Malaysia-Pakistan CEPA (2008), to hundreds of pages, as in the Australia-Indonesia CEPA (2019). In some PTAs, a general criterion is applied for all products, as in ECOWAS (1993).

Second, they can be found in the main text of the agreement or in annexes or in a separate protocol. In the case of non-reciprocal arrangements, they are typically found in national legislation.

Third, the formulations on rules of origin are not harmonized (see Table 1). Finally, there is a wide variety of origin criteria discussed in more detail below.

Origin criteria have been analyzed and codified into 14 basic types. Any origin criterion can be represented as one of these types or a combination of these types. Classification of product-specific rules of origin based on this method helps reduce more than 56,000 textually distinct origin criteria found in 484 PTAs into 1,800 standardized, coded criteria formed as a combination of 14 basic types (see Figure 1).

Table 2 presents the statistics on the most used types of criteria globally: Regional value content (RVC - covering 50% of ROO) and Change in tariff heading (CTH – 43%).

The standardized notation offers a number of benefits: it cuts through language barriers (many PTA texts are not in English), is useful for conducting economic studies, provides a self-assessment tool guiding MSMEs on how to qualify for the origin criterion, and facilitates capacity building efforts.

As an illustration of a combination of the types listed above, the origin criterion for high-power industrial vacuum cleaners classified in HS 8508.19 under the US-Mexico-Canada Agreement (USMCA) of 2020 (see Table 3) combines four types of origin requirements: CTH, ALW, ECT and RVC.

Origin criteria are further complicated by footnotes, chapter notes and introductory notes. For example, the origin criterion in Table 3 is supplemented by five chapter notes and the USMCA general interpretative note to the annex on product-specific rules of origin.7

One benefit of a complex origin criterion, as in Table 3, is that it can offer valuable information on input-output which informs quantitative supply chain studies. From the text of the rule, it can be deduced that there is a possible way to transform mechanical appliances with individual functions and their parts (HS 84.79) into vacuum cleaners. Also, it is revealed that goods classified in HS 8508.70 are used as inputs for vacuum cleaners. HS code 8508.70 indeed describes parts of vacuum cleaners.

### 1.4. Origin and certification provisions

Product-specific rules of origin cannot be applied in isolation from general origin provisions, which are typically found in the chapter on rules of origin of the main text of the agreement. Relying on the Comparative Study on Preferential Rules of Origin of the WCO as the methodological basis, information on the following 16 regime-wide origin provisions8 has been extracted and coded:9

- Cumulation
- De minimis
- Roll up
- Duty drawback
- Outward processing
- Accessories, spare parts and tools
- Wholly obtained products
- Non-qualifying operations
- Value-added calculation
- Indirect materials
- Direct transport
- Principle of territoriality
- Packaging
- Fungible materials
- Sets
- Exhibitions

In addition to origin provisions, trade agreements contain a number of provisions related to certification of origin. Based on WCO’s Comparative Study and origin literature, the following 14 provisions are extracted and coded for each trade agreement:

- Certification
- Exemption of certification
- Approved exporter
- Competent authority
- Period of validity
- Retention period
- Refund of excess duties/retroactive issuance
- Supporting documents
- Third party invoicing
- Verifications
- Penalties
- Advance rulings
- Minor errors
- Appeals

The dataset of origin and certification provisions in 484 PTAs reveals signs of divergence. As an illustration, the value for de minimis provision10 ranges from 5% to 20% (see Table A1 in the Annex). The most common value is 10% which

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occurs in almost half of PTAs (223). A third of PTAs (172) do not include de minimis provision in their texts. A higher value of de minimis in general is considered trade facilitating. However, the provision has an extra layer of complexity in many PTAs by having various bases for de minimis thresholds (weight for textiles, value for other goods) or separate non-percentage de minimis rules for certain types of goods, typically textiles. In several PTAs, certain goods are excluded from de minimis provision. Finally, some of the 172 PTAs that do not include de minimis provision rely solely on ad valorem percentage criteria, which are typically not covered by de minimis provisions. These extra layers of complexity pose challenges for cross-cutting restrictiveness analyses of rules of origin. A map of general origin and certification provisions is presented in Figure 2.

1.5. Conclusions

As an area of rule-making that is highly technical and complex, preferential rules of origin are among the main factors hindering the utilization of preferential tariffs under trade agreements. The Rules of Origin Facilitator provides direct benefits to MSMEs by enhancing their understanding and application of rules of origin. Delving into the global database of product-specific rules of origin provides crucial data insights into different aspects of preferential rules of origin. It permits more specific categorization of origin criteria and offers more precise statistics about the frequency of each category. In addition, it documents for the first time origin provisions in over 484 agreements. This helps to illustrate their distribution and to extract, where applicable, the key attributes. The insights from the new database are particularly useful for policy-makers and researchers. They are useful inputs for policy discussions when it comes to the design of rules of origin in PTA negotiations. They are also expected to support economic studies aiming to explain under-utilization of preferential tariffs and to estimate the restrictiveness of rules of origin.
<table>
<thead>
<tr>
<th>De minimis value</th>
<th>Number of PTAs</th>
<th>PTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>not included</td>
<td>172</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AAP.A14TM 06: Argentina-Brazil-Uruguay; AAP.A14TM 07: Brazil-Uruguay; AAP.A25TM 06: Colombia for Nicaragua; AAP.A25TM 07: Colombia for Costa Rica; AAP.A25TM 16: Venezuela for Honduras; AAP.A25TM 20: Venezuela for Trinidad and Tobago; AAP.A25TM 23: Venezuela for Guatemala; AAP.A25TM 24: CARICOM-Venezuela; AAP.A25TM 25: Venezuela for Nicaragua; AAP.A25TM 26: Venezuela for Costa Rica; AAP.A25TM 29: Colombia-Panama; AAP.A25TM 31: CARICOM-Colombia; AAP.A25TM 37: Guatemala-Mexico (Natural Gas); AAP.CE 13: Argentina-Paraguay; AAP.CE 22: Bolivia-Chile; AAP.CE 23: Chile-Venezuela; AAP.CE 35: MERCOSUR-Chile; AAP.CE 36: MERCOSUR-Bolivia; AAP.CE 40: Cuba-Venezuela; AAP.CE 44: Cuba-Uruguay; AAP.CE 50: Cuba-Peru; AAP.CE 52: Cuba-Paraguay; AAP.CE 62: MERCOSUR-Cuba; AAP.CE 65: Uruguay-Venezuela; APTA (formerly Bangkok Agreement); Afghanistan-India; African Continental Free Trade Area (AICFTA); Agreement on CIS FTA; Algeria-Jordan; Algeria-Mauritania; Algeria-Morocco; Armenia for Developing Countries; Armenia for LDCs; Australia for GSP Countries; Australia-Canada; Belarus (EAEU) for Developing Countries; Azerbaijan-Turkey; Belarus (EAEU) for LDCs; Belize-Guatemala; Brazil-Guyana; Brazil-Suriname (Rice); CARICOM; Cuba; CEPA, Malaysia-Pakistan; CU, EU-Turkey; Canada for Commonwealth Caribbean Countries; Canada for LDCs; Canada-New Zealand; Cartagena Agreement; Chile for LDCs; Chile-India; China for LDCs; China-Macao; Chinese Taipei for LDCs; CEA, Chinese Taipei-Eswatini; ECOTA; Emirates; Ecuador; El Salvador; Ecuador-Guatemala; Ecuador-Nicaragua; Egypt-Jordan; FTA, AAP.CE 38: Chile-Peru; FTA, ASEAN-India; FTA, Armenia-Georgia; FTA, Armenia-Kyrgyzstan; FTA, Armenia-Moldova; FTA, Armenia-Russian Federation; FTA, Armenia-Tajikistan; FTA, Armenia-Turkmenistan; FTA, Armenia-Ukraine; FTA, Azerbaijan-Georgia; FTA, Azerbaijan-Moldova; FTA, Azerbaijan-Russian Federation; FTA, Azerbaijan-Turkmenistan; FTA, Azerbaijan-Ukraine; FTA, Bahrain-United States; FTA, Belarus-Moldova; FTA, Belarus-Russian Federation; FTA, Belarus-Serbia; FTA, Belarus-Turkmenistan; FTA, Belarus-Uzbekistan; FTA, COMESA-EAC-SADC; FTA, China-Pakistan; FTA, Chinese Taipei-Paraguay; FTA, EAEU-China; FTA, Egypt-Morocco; FTA, Georgia-Kyrgyzstan; FTA, Georgia-Russian Federation; FTA, Georgia-Turkmenistan; FTA, Georgia-Ukraine; FTA, India-Sri Lanka; FTA, Israel-United States; FTA, Jordan-Libya; FTA, Jordan-Morocco; FTA, Jordan-Singapore; FTA, Jordan-United States; FTA, Kazakhstan-Kyrgyzstan; FTA, Kazakhstan-Russian Federation; FTA, Kazakhstan-Ukraine; FTA, Kyrgyzstan-Uzbekistan; FTA, Kyrgyzstan-Uкраина; FTA, Moldova-Russian Federation; FTA, Morocco-Tunisia; FTA, Oman-United States; FTA, Pakistan-Sri Lanka; FTA, Russia-Serbia and Montenegro; FTA, Russian Federation-Tajikistan; FTA, Russian Federation-Turkmenistan; FTA, Russian Federation-Ukraine; FTA, Russian Federation-Uzbekistan; FTA, Tajikistan-Uzbekistan; FTA, Turkmenistan-Uzbekistan; FTA, Turkmenistan-Ukraine; FTA, Ukraine-Uzbekistan; GSP Group of Eight (DB); Guinea-Morocco; India for LDCs; India-Nepal; Iran-Bosnia and Herzegovina; Iran-Pakistan; Iran-Syria; Iraq-Jordan; Iraq-Morocco; Jordan-Oman; Jordan-Saudi Arabia; Jordan-Tunisia; Kazakhstan (EAEU) for Developing Countries; Kazakhstan (EAEC) for LDCs; Korea for LDCs; Kyrgyzstan for Developing Countries; Kyrgyzstan for LDCs; Libya-Morocco; MERCOSUR-India; MSG; Malawi-Mozambique; Mauritania-Morocco; Mauritius-Pakistan; Morocco for African LDCs; Morocco-Saudi Arabia; Mozambique-Zimbabwe; New Zealand for GSP Countries; New Zealand for LDCs; Organization of the Islamic Conferences (OIC); PATCRA; PICTA; FTA, Indonesia-Pakistan; Panama-Trinidad and Tobago; Regional group, Aladi: A.REG 04; Regional group, Aladi: AAP.AG 02 (Seeds); Regional group, CAEMC; Regional group, CARICOM; Regional group, COMESA; Regional group, ECCAS; Regional group, GECAP; Regional group, IO; Regional group, MERCEDES (AAP.CE 18); Regional group, SAARC; Regional group, UMA; Regional group, WAEMU; Russian Federation (EAEU) for Developing Countries; Russian Federation (EAEU) for LDCs; Russian Federation (EAEC) for Developing Countries; Russian Federation (EAEU) for LDCs; SPARTECA; Tajikistan for LDCs; Thailand for LDCs; United States for GSP countries; Zambia; Zimbabwe-Botswana Trade Agreement; Zimbabwe-Malawi Trade Agreement; Zimbabwe-Namibia Trade Agreement</td>
</tr>
<tr>
<td>not applicable</td>
<td>7</td>
<td>CEPA, EU-Armenia; CU, EU-San Marino; Inter-Korean Exchange and Cooperation Act; Israeli-Palestinian Customs Union; Regional Group, Eurasian Economic Union (EEU); Regional group, SACU; Swiss-Liechtenstein Customs Union</td>
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</table>
occurs in almost half of PTAs (223). A third of PTAs (172) do not include de minimis provision in their texts. A higher value of de minimis in general is considered trade facilitating. However, the provision has an extra layer of complexity in many PTAs by having various bases for de minimis thresholds (weight for textiles, value for other goods) or separate non-percentage de minimis rules for certain types of goods, typically textiles. In several PTAs, certain goods are excluded from de minimis provision. Finally, some of the 172 PTAs that do not include de minimis provision rely solely on ad valorem percentage criteria, which are typically not covered by de minimis provisions. These extra layers of complexity pose challenges for cross-cutting restrictiveness analyses of rules of origin. A map of general origin and certification provisions is presented in Figure 2.

1.5. Conclusions

As an area of rule-making that is highly technical and complex, preferential rules of origin are among the main factors hindering the utilization of preferential tariffs under trade agreements. The Rules of Origin Facilitator provides direct benefits to MSMEs by enhancing their understanding and application of rules of origin. Delving into the global database of product-specific rules of origin provides crucial data insights into different aspects of preferential rules of origin. It permits more specific categorization of origin criteria and offers more precise statistics about the frequency of each category. In addition, it documents for the first time origin provisions in over 484 agreements. This helps to illustrate their distribution and to extract, where applicable, the key attributes. The insights from the new database are particularly useful for policy-makers and researchers. They are useful inputs for policy discussions when it comes to the design of rules of origin in PTA negotiations. They are also expected to support economic studies aiming to explain under-utilization of preferential tariffs and to estimate the restrictiveness of rules of origin.
### Table A1. De minimis values in origin provisions of 484 PTAs

<table>
<thead>
<tr>
<th>De minimis value</th>
<th>Number of PTAs</th>
<th>PTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>included (20%)</td>
<td>3</td>
<td>FTA, EFTA-Hong Kong; FTA, EFTA-Indonesia; FTA, EFTA-Philippines</td>
</tr>
<tr>
<td>included (15%)</td>
<td>35</td>
<td>AAP.CE 42: Chile-Cuba; AAP.CE 47: Bolivia-Cuba; Cotonou Agreement; Cuba-Nicaragua; EPA, Cariforum-EU; EPA, EAC-EU (Interim Agreement); EPA, ESA-EU; EPA, ESA-UK; EPA, EU-CAEMC &amp; Sāo Tomé and Príncipe; EPA, EU-Pacific Islands; EPA, EU-SADC; EPA, UK-CARIFORUM; EPA, UK-Kenya; EPA, UK-Pacific States (Interim); EPA, UK-SACUM; EU for GSP Countries; EU for GSP+ Countries; EU for LDCs; EU-Overseas Countries and Territories; FTA, EFTA-SACU; FTA, Mauritius-Turkey; Norway for GSP countries; Norway for GSP countries-Botswana/Namibia; Norway for LDCs; Regional group, EAC; Regional group, SADC; Switzerland for GSP Countries; Switzerland for LDCs; Turkey for GSP countries; Turkey for LDCs; UK for GSP Countries; UK for GSP Countries (Enhanced Framework); UK for LDCs</td>
</tr>
<tr>
<td>chapter-specific (10-15%)</td>
<td>1</td>
<td>EU-UK TCA</td>
</tr>
<tr>
<td>included (10% for EU) and 15% for West Africa)</td>
<td>1</td>
<td>EPA, ECOWAS &amp; Mauritania-EU</td>
</tr>
<tr>
<td>included (15% (for Ecuador)/10% (for Cuba))</td>
<td>1</td>
<td>AAP.CE 46: Cuba-Ecuador</td>
</tr>
<tr>
<td>included (15% for Cote d’Ivoire/10% for UK)</td>
<td>1</td>
<td>EPA, UK-Côte d’Ivoire</td>
</tr>
<tr>
<td>included (15% for Ecuador/10% for Chile)</td>
<td>1</td>
<td>AAP.CE 65: Chile-Ecuador</td>
</tr>
<tr>
<td>chapter-specific</td>
<td>9</td>
<td>EPA, Brunei-Japan; EPA, Chile-Japan; EPA, Indonesia-Japan; EPA, Japan-Malaysia; EPA, Japan-Mongolia; EPA, Japan-Philippines; EPA, Japan-Singapore; EPA, Japan-Thailand; United States Special Trade Preferences for Nepal</td>
</tr>
<tr>
<td>included (10% for textiles)</td>
<td>1</td>
<td>Japan for GSP countries</td>
</tr>
</tbody>
</table>
| included (10%) | 233 | AANZFTA; AAP.CE 24: Chile-Colombia; AAP.CE 49: Colombia-Cuba; AAP.CE 51: Cuba-Mexico; AAP.CE 67: Mexico-Peru; Algeria-Tunisia; CECA, ASEAN-Korea; CECA, India-Malaysia; CECA, India-Singapore; CEP, Hong Kong-New Zealand; CEPA, Australia-Indonesia; CEPA, India-Korea; CEPA, Indonesia-Korea; CEPA, Japan-UK; CEPA, New Zealand-Singapore; CER, Australia-New Zealand; CPTPP, CU, EU-Andorra; Cuba-El Salvador; Cuba-Vietnam; DCTA, EU-Georgia; DTFA, EU-Moldova; DTFA, EU-Ukraine; Dominican Republic-Panama; ECA, Belize-Chinese Taipei; EFTA-Costa Rica (CACM); EFTA-Panama (CACM); EHP, Peru-Thailand; EPA, China-Hong Kong; EPA, Japan-Mexico; EPA, Japan-Peru; EPA, UK-Cariforum; EU-Turkey (agriculture); EU-Turkey (coal and steel); Egypt-Palestine; European Economic Area; FTA, ASEAN-China; FTA, ASEAN-Hong Kong; FTA, Agadir; FTA, Australia-Chile; FTA, Australia-China; FTA, Australia-Hong Kong; FTA, Australia-Jordan; FTA, Australia-Japan; FTA, Australia-Malaysia; FTA, Australia-Peru; FTA, Australia-Thailand; FTA, Australia-Thailand; FTA, Australia-UK; FTA, Australia-United States; FTA, Bahrain-Jordan; FTA, Bosnia and Herzegovina-Turkey; FTA, CACM & Panama-EU; FTA, CACM-Mexico; FTA, CACM-Peru; FTA, CAN-EU; FTA, Canada-El Salvador and Honduras; FTA, Canada-Georgia; FTA, Canada-Iceland; FTA, Canada-Korea; FTA, China-Maldives; FTA, China-Mauritius; FTA, China-New Zealand; FTA, China-Peru; FTA, China-Singapore; FTA, China-Switzerland; FTA, Chinese Taipei-El Salvador and Honduras; FTA, Chinese Taipei-Guatemala; FTA, Chinese Taipei-New Zealand; FTA, Chinese Taipei-Nicaragua; FTA, Chinese Taipei-Panama; FTA, Chinese Taipei-Singapore; FTA, Colombia-Costa Rica; FTA, Colombia-Israel; FTA, Colombia-Korea; FTA, Columbia-United States; FTA, Costa Rica-Peru; FTA, Costa Rica-Singapore; FTA, EAEU-Singapore; FTA, EU-EEU; FTA, EFTA-Albania; FTA, EFTA-Bosnia and Herzegovina; FTA, EFTA-Canada; FTA, EFTA-Chile; FTA, EFTA-Colombia; FTA, EFTA-Egypt; FTA, EFTA-GCC; FTA, EFTA-Georgia; FTA, EFTA-Guatemala (CACM); FTA, EFTA-Israel; FTA, EFTA-Jordan; FTA, EFTA-Korea; FTA, EFTA-Lebanon; FTA, EFTA-Macedonia; FTA, EFTA-Mexico; FTA, EFTA-Montenegro; FTA, EFTA-Morocco; FTA, EFTA-Palestine; FTA, EFTA-Peru; FTA, EFTA-Serbia; FTA, EFTA-Singapore;
### Table A1. De minimis values in origin provisions of 484 PTAs

<table>
<thead>
<tr>
<th>De minimis value</th>
<th>Number of PTAs</th>
<th>PTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>included (10%)</strong></td>
<td>223</td>
<td>FTA, EFTA-Tunisia; FTA, EFTA-Turkey; FTA, EFTA-Ukraine; FTA, EU-Bosnia and Herzegovina; FTA, EU-Canada; FTA, EU-Chile; FTA, EU-Baroe Islands; FTA, EU-Japan; FTA, EU-Korea; FTA, EU-Kosovo; FTA, EU-MERCOSUR; FTA, EU-Macedonia; FTA, EU-Mexico; FTA, EU-Montenegro; FTA, EU-Morocco; FTA, EU-Serbia; FTA, EU-Singapore; FTA, EU-Switzerland; FTA, EU-Viet Nam; FTA, Egypt-Turkey; FTA, Faroe Islands-Turkey; FTA, GCC-Singapore; FTA, Georgia-Hong Kong; FTA, Georgia-Turkey; FTA, Georgia-Ukraine; FTA, Honduras-Peru; FTA, Israel &amp; Palestine-Mexico; FTA, Israel-Panama; FTA, Israel-Turkey; FTA, Israel-Ukraine; FTA, Jordan-Syria; FTA, Jordan-Turkey; FTA, Jordan-United Arab Emirates; FTA, Korea-Central America; FTA, Korea-New Zealand; FTA, Korea-Pe-Ru; FTA, Korea-Singapore; FTA, Korea-Turkey; FTA, Korea-United States; FTA, Korea-Viet Nam; FTA, MERCOSUR-Egypt; FTA, MERCOSUR-Israel; FTA, Macedonia-Turkey; FTA, Macedonia-Ukraine; FTA, Malaysia-New Zealand (MNZFTA); FTA, Malaysia-Turkey (MTFTA); FTA, Mexico-Panama; FTA, Moldova-Turkey; FTA, Montenegro-Turkey; FTA, Montenegro-Ukraine; FTA, Morocco-Turkey; FTA, Morocco-United Arab Emirates; FTA, New Zealand-Thailand; FTA, Palestine-Turkey; FTA, Panama-Peru; FTA, Panama-Singapore; FTA, Panama-United States; FTA, Peru-Singapore; FTA, Peru-United States; FTA, Serbia-Turkey; FTA, Singapore-Sri Lanka; FTA, Singapore-Turkey; FTA, Singapore-United States; FTA, Syria-Turkey; FTA, Triangulo del Norte-Colombia; FTA, Tunisia-Turkey; FTA, Turkey-Kosovo; FTA, UK-Korea; FTA, UK-Moldova; FTA, UK-Singapore; FTA, UK-Ukraine; FTA, UK-Vietnam; FTA, USA-DRCFTA; Framework on Economic Cooperation and Trade between Palestine and Canada; Hoviyik Agreement; Iceland for GSP countries (LDCs); Indonesia-Palestine; Interim, EU-Albania; Israel-Jordan; Jordan-Lebanon; Jordan-Sudan; MERCOSUR-Palestine; MERCOSUR-SACU; Montenegro for LDCs; PACE-R Plus; PTCA, UK-Albania; Regional group, ASEAN; Regional group, Alianza del Pacifico; Regional group, CACM; Regional group, CEFTA; Regional group, EFTA; Regional group, League Of Arab States; Trans-Pacific Strategic Economic Partnership Agreement; UK-Egypt Association Agreement; UK-Georgia Strategic Partnership and Cooperation Agreement; UK-Iceland-Norway trade agreement; UK-Israel Trade and Partnership Agreement; UK-Jordan Association Agreement; UK-Kosovo Partnership, Trade and Cooperation Agreement; UK-Morocco Association Agreement; UK-North Macedonia Partnership, Trade and Cooperation Agreement; UK-Palestinian Authority Political, Trade and Partnership Agreement (Interim); UK-Switzerland trade agreement; UK-Tunisia Association Agreement; US-Mexico-Canada Agreement (USMCA)</td>
</tr>
<tr>
<td><strong>included (12.5% (7% of weight for textile products))</strong></td>
<td>1</td>
<td>CECPA, India-Mauritius</td>
</tr>
<tr>
<td><strong>included (9%)</strong></td>
<td>1</td>
<td>FTA, Canada-Chile</td>
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<tr>
<td><strong>included (7 or 10%)</strong></td>
<td>4</td>
<td>EPA, ASEAN-Japan; EPA, India-Japan; EPA, Japan-Switzerland; EPA, Japan-Viet Nam</td>
</tr>
<tr>
<td><strong>included (8%)</strong></td>
<td>5</td>
<td>FTA, AAP.CE 41: Chile-Mexico; FTA, AAP.CE 60: Mexico-Uruguay; FTA, CACM-Chile; FTA, Chile-China; FTA, Chile-Korea</td>
</tr>
<tr>
<td><strong>included (7% for apparel)</strong></td>
<td>3</td>
<td>United States for AGOA countries; United States for Caribbean Basin Economic Recovery Act (CBERA); United States for Caribbean Basin Trade Partnership Act (CBTPA)</td>
</tr>
<tr>
<td><strong>included (7% for textiles)</strong></td>
<td>1</td>
<td>FTA, Morocco-United States</td>
</tr>
<tr>
<td><strong>included (7%)</strong></td>
<td>12</td>
<td>AAPCE 53: Brazil-Mexico; AAPCE 55: MERCOSUR-Mexico; FTA, AAPCE 33: Group of Three; FTA, AAPCE 66: Bolivia-Mexico; FTA, CACM-Dominican Republic; FTA, CARICOM-Costa Rica; FTA, CARICOM-Dominican Republic; FTA, Costa Rica-Mexico; FTA, Mexico-Nicaragua; Regional group, NAFTA; United States for Freely Associated States; United States for Palestine</td>
</tr>
<tr>
<td><strong>included (5%)</strong></td>
<td>2</td>
<td>EEU-Iran (Interim); Treaty on CIS FTA</td>
</tr>
</tbody>
</table>
### Table A1. De minimis values in origin provisions of 484 PTAs

<table>
<thead>
<tr>
<th>De minimis value</th>
<th>Number of PTAs</th>
<th>PTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>not included</strong></td>
<td>172</td>
<td>AAP.A14TM 06: Argentina-Brazil-Uruguay; AAP.A14TM 07: Brazil-Uruguay; AAP.A25TM 06: Colombia for Nicaragua; AAP.A25TM 07: Colombia for Costa Rica; AAP.A25TM 16: Venezuela for Honduras; AAP.A25TM 20: Venezuela for Trinidad and Tobago; AAP.A25TM 23: Venezuela for Guatemala; AAP.A25TM 24: CARICOM-Venezuela; AAP.A25TM 25: Venezuela for Nicaragua; AAP.A25TM 26: Venezuela for Costa Rica; AAP.A25TM 29: Colombia-Panama; AAP.A25TM 31: CARICOM-Colombia; AAP.A25TM 37: Guatemala-Mexico (Natural Gas); AAP.CE 13: Argentina-Paraguay; AAP.CE 22: Bolivia-Chile; AAP.CE 23: Chile-Venezuela; AAP.CE 35: MERCOSUR-Chile; AAP.CE 36: MERCOSUR-Bolivia; AAP.CE 40: Cuba-Venezuela; AAP.CE 44: Cuba-Uruguay; AAP.CE 50: Cuba-Peru; AAP.CE 52: Cuba-Paraguay; AAP.CE 62: MERCOSUR-Cuba; AAP.CE 63: Uruguay-Venezuela; APTA (formerly Bangkok Agreement); Afghanistan-India; African Continental Free Trade Area (AICFTA); Agreement on CIS FTA; Algeria-Jordan; Algeria-Mauritania; Algeria-Morocco; Armenia for Developing Countries; Armenia for LDCs; Australia for GSP Countries; Australia-Canada; Belarus (EAEU) for Developing Countries; Azerbaijan-Turkey; Belarus (EAEU) for LDCs; Belize-Guatemala; Brazil-Guyana; Brazil-Suriname (Rice); CARICOM-Cuba; CEPA, Malaysia-Pakistan; CÜ, EU-Turkey; Canada for Commonwealth Caribbean Countries; Canada for LDCs; Canada-New Zealand; Cartagena Agreement; Chile for LDCs; Chile-India; China for LDCs; China-Macao; Chinese Taipei for LDCs; ECA, Andorra-Taipei-Eswatini; ECOTA; Egypt-El Salvador; Ecuador-Guatemala; Ecuador-Nicaragua; Egypt-Jordan; FTA, AAP.CE 38: Chile-Peru; FTA, ASEAN-India; FTA, Armenia-Georgia; FTA, Armenia-Kyrgyzstan; FTA, Armenia-Moldova; FTA, Armenia-Russian Federation; FTA, Armenia-Tajikistan; FTA, Armenia-Turkmenistan; FTA, Armenia-Ukraine; FTA, Azerbaijan-Georgia; FTA, Azerbaijan-Moldova; FTA, Azerbaijan-Russian Federation; FTA, Azerbaijan-Turkmenistan; FTA, Azerbaijan-Ukraine; FTA, Bahrain-United States; FTA, Belarus-Moldova; FTA, Belarus-Russian Federation; FTA, Belarus-Serbia; FTA, Belarus-Turkmenistan; FTA, Belarus-Uzbekistan; FTA, COMESA-EAC-SADC; FTA, China-Pakistan; FTA, Chinese Taipei-Paraguay; FTA, EAEU-Serbia; FTA, Egypt-Morocco; FTA, Georgia-Russian Federation; FTA, Georgia-Turkmenistan; FTA, Georgia-Ukraine; FTA, India-Sri Lanka; FTA, Israel-United States; FTA, Jordan-Libya; FTA, Jordan-Morocco; FTA, Jordan-Singapore; FTA, Jordan-United States; FTA, Kazakhstan-Kyrgyzstan; FTA, Kazakhstan-Russian Federation; FTA, Kazakhstan-Ukraine; FTA, Kyrgyzstan-Russian Federation; FTA, Moldova-Russian Federation; FTA, Morocco-Tunisia; FTA, Oman-United States; FTA, Pakistan-Sri Lanka; FTA, Russia-Serbia and Montenegro; FTA, Russian Federation-Tajikistan; FTA, Russian Federation-Turkmenistan; FTA, Russian Federation-Ukraine; FTA, Russian Federation-Uzbekistan; FTA, Tajikistan-Uzbekistan; FTA, Turkmenistan-Uzbekistan; FTA, Ukraine-Turkmenistan; FTA, Ukraine-Uzbekistan; GSTP; Group of Eight (DB); Guinea-Morocco; India for LDCs; India-Nepal; Iran-Bosnia and Herzegovina; Iran-Pakistan; Iran-Syria; Iraq-Jordan; Iraq-Morocco; Jordan-Oman; Jordan-Saudi Arabia; Jordan-Tunisia; Kazakhstan (EAEU) for Developing Countries; Kazakhstan (EAEU) for LDCs; Korea for LDCs; Kyrgyzstan for Developing Countries; Kyrgyzstan for LDCs; Libya-Morocco; MERCOSUR-India; MSG; Malawi-Mozambique; Mauritania-Morocco; Mauritius-Pakistan; Morocco for African LDCs; Morocco-Saudi Arabia; Mozambique-Zimbabwe; New Zealand for GSP Countries; New Zealand for LDCs; Organization of the Islamic Conferences (OIC); PATCRA; PICTA; PTA, Indonesia-Pakistan; Panama-Trinidad and Tobago; Regional group, Aladi: A.REG 04; Regional group, Aladi: AAP.AG 02 (Seeds); Regional group, CAEMC; Regional group, CARICOM; Regional group, COMESA; Regional group, ECCAS; Regional group, GCC; Regional group, IOC; Regional group, MERCOSUR (AAP.CE 18); Regional group, SAARC; Regional group, UMA; Regional group, WAEMU; Russian Federation (EAEU) for Developing Countries; Russian Federation (EAEU) for LDCs; Russian Federation (EEU) for Developing Countries; Russian Federation (EEU) for LDCs; SPARTECA; Tajikistan for LDCs; Thailand for LDCs; United States for GSP countries; United States for LDCs; Zimbabwe-Botswana Trade Agreement; Zimbabwe-Malawi Trade Agreement; Zimbabwe-Namibia Trade Agreement</td>
</tr>
<tr>
<td><strong>not applicable</strong></td>
<td>7</td>
<td>CEPA, EU-Armenia; CÜ, EU-San Marino; Inter-Korean Exchange and Cooperation Act; Israeli-Palestinian Customs Union; Regional Group, Eurasian Economic Union (EUEU); Regional group, SACU; Swiss-Liechtenstein Customs Union</td>
</tr>
</tbody>
</table>