

# Deep Trade Agreements

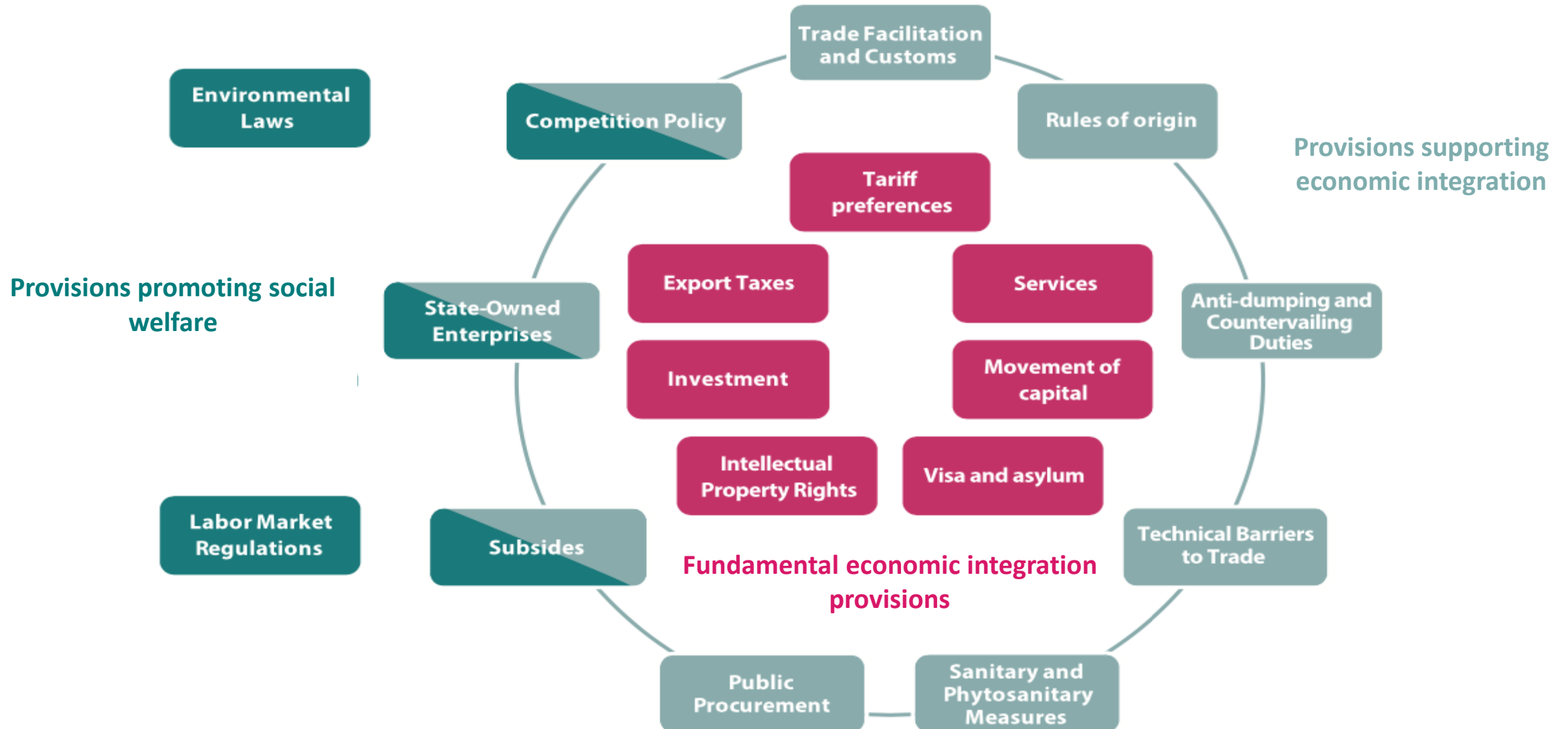
Michele Ruta

Based on the *Handbook of Deep Trade Agreements*

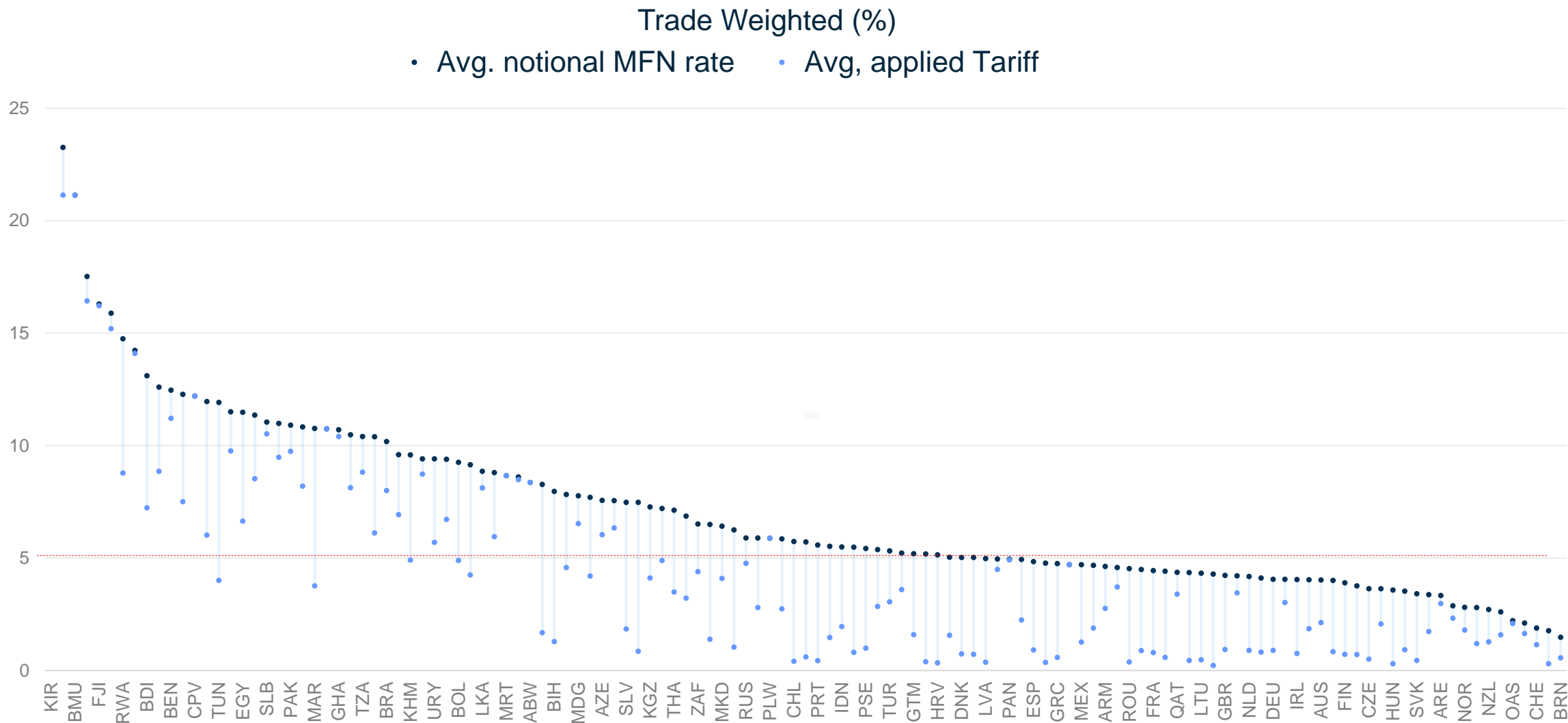


World Trade Organization  
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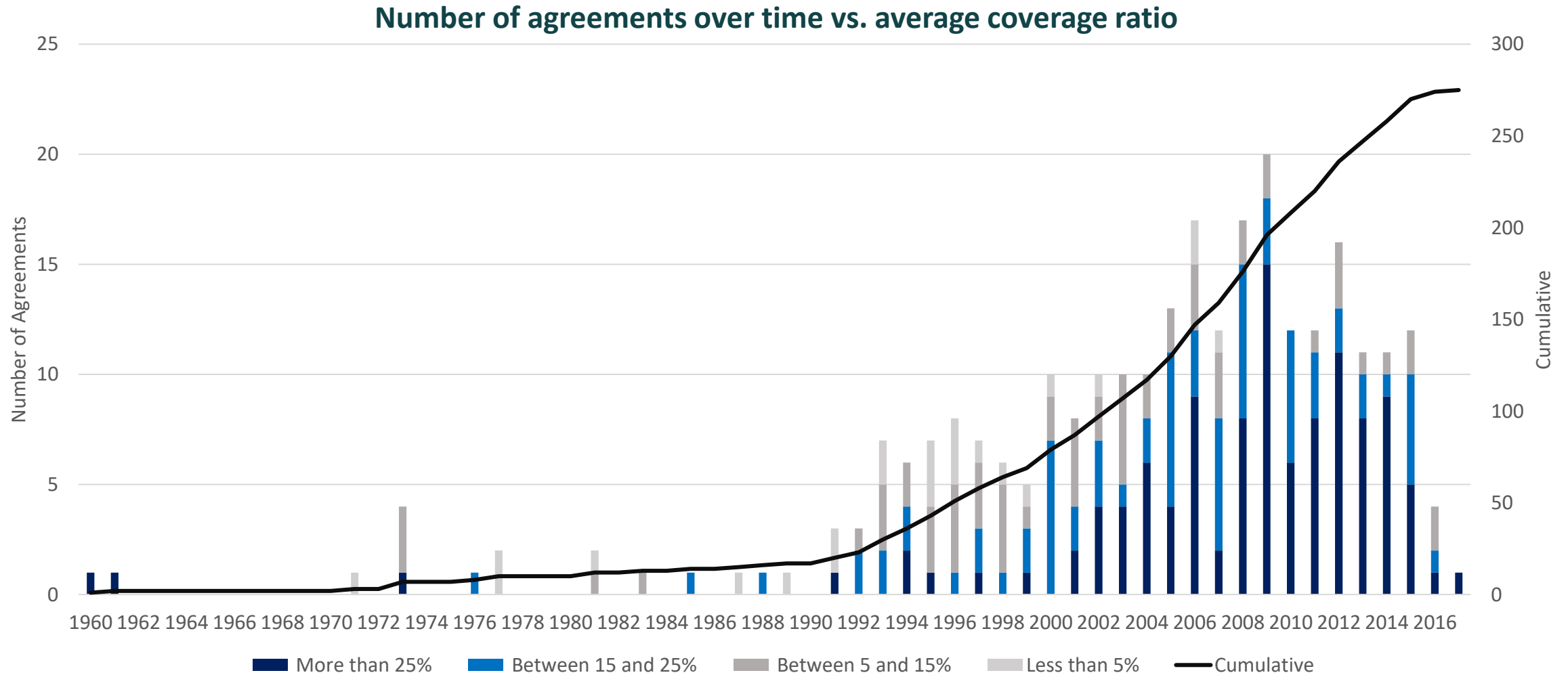
# What are “deep” trade agreements?



# RTAs have reduced trade-weighted average tariffs rates



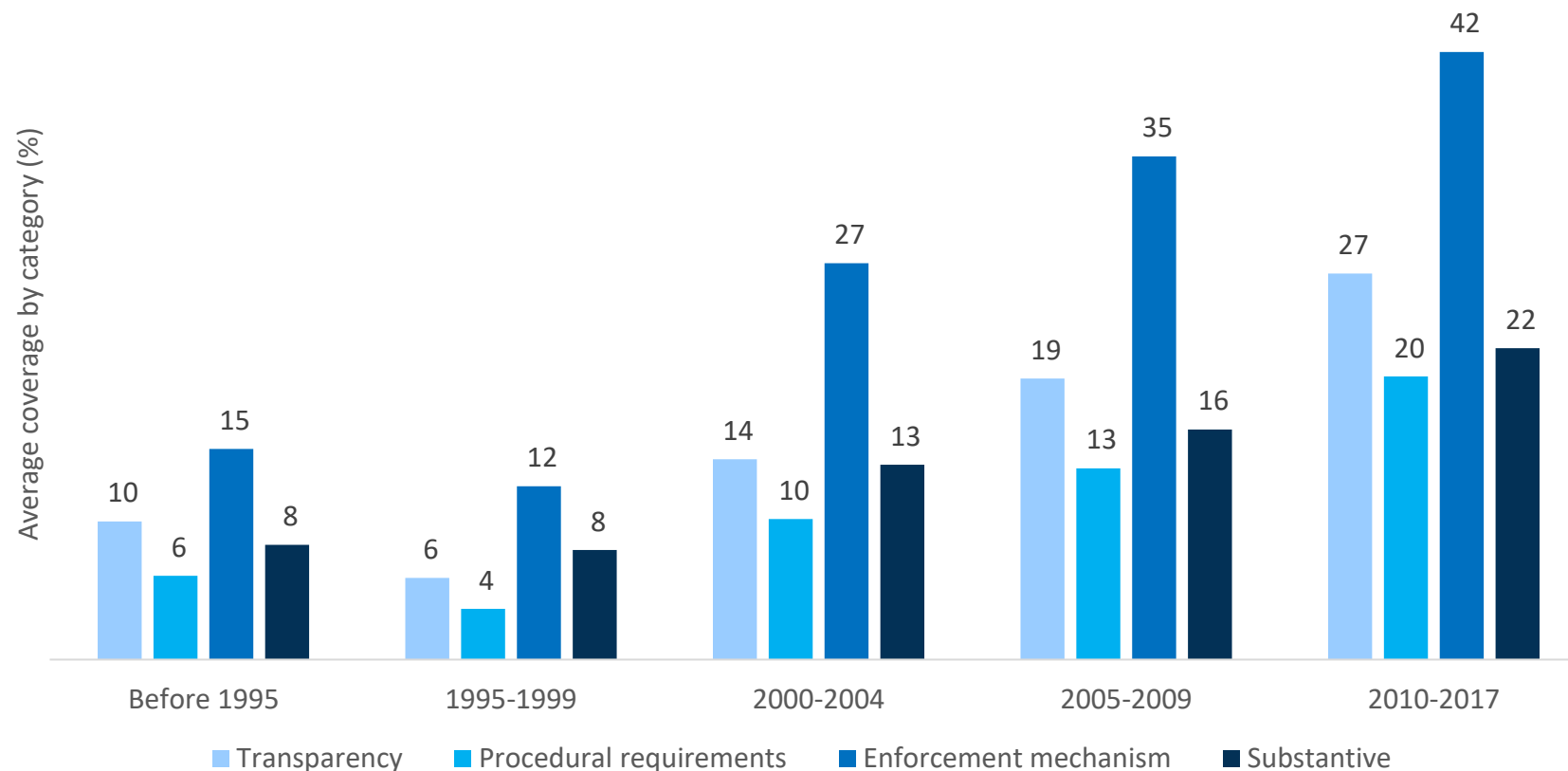
# The number of provisions covered in RTAs has increased over time



Note: Coverage ratio refers to the share of provisions for a policy area contained in a given agreement relative to the maximum number of provisions in that policy area. Years refer to entry into force date.

# More substantive commitments and more supporting requirements

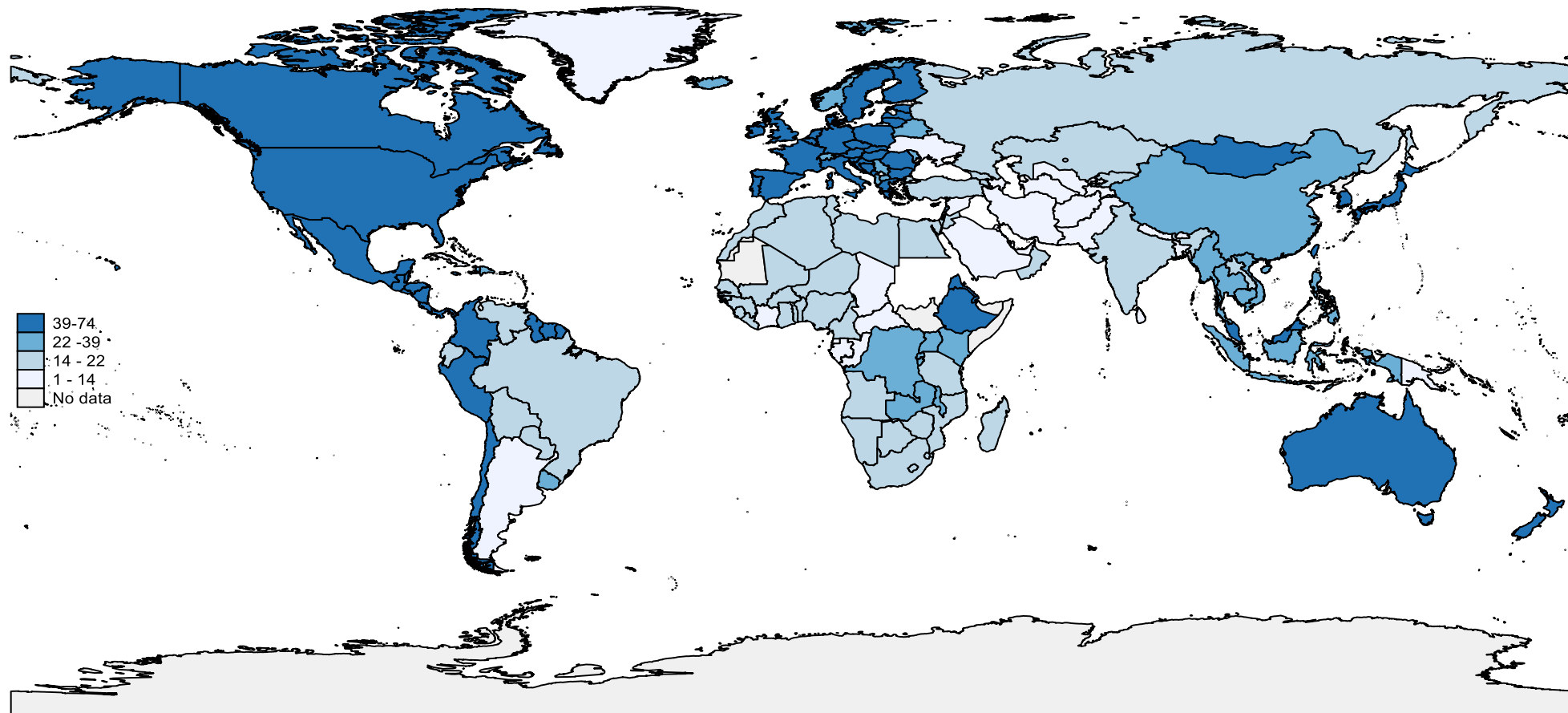
## Substantive provisions and a breakdown of non-substantive provisions in DTAs, over time



*Note:* Coverage ratio refers to the share of provisions for a policy area contained in a given agreement relative to the maximum number of provisions in that policy area. Years refer to entry into force date. “Substantive” provisions are those that require specific integration/liberalization commitments.

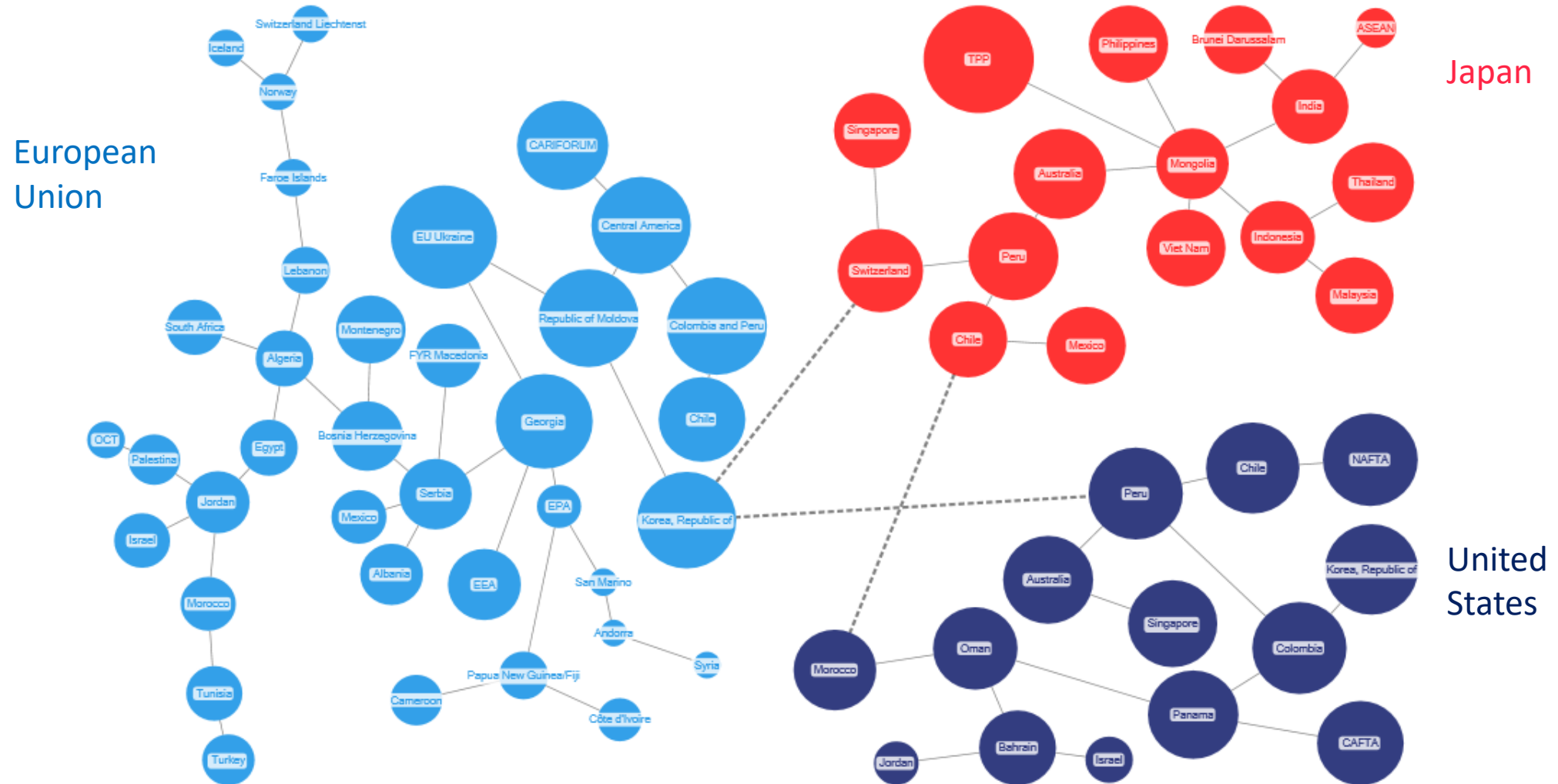
# Developing countries tend to have relatively fewer substantive commitments

**Average number of substantive provisions in DTAs by country**



*Note:* Coverage ratio refers to the share of provisions for a policy area contained in a given agreement relative to the maximum number of provisions in that policy area. Years refer to entry into force date. The focus in this figure is on substantive commitments.

# RTAs are more similar within blocs, but similarity can be significant even across blocs



*Note:* The size of the bubbles represents the depth of a trade agreement as captured by the number of provisions included in the agreement. Each edge connects an agreement with its most similar one. Similarity is calculated as the ratio of the number of provisions covered by both RTAs over the total number of provisions covered by the two RTAs.

# Deep trade agreements in the COVID-19 and post-COVID-19 period

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Old and new measures can result from:

- As non-synchronized recovery creates competition for scarce demand, ***tariffs*** to redirect demand towards domestic production
- In situations of scarcity, ***export restrictions*** to meet domestic demand
- As states subsidize firms, recourse to ***countervailing duties*** (CVDs)
- To address rising aversion to various risks, e.g. health, security, privacy, increasing ***regulatory protectionism*** (“precautionism”)

These areas are covered in many DTAs...

# THANK YOU!

For more information, visit:

<https://www.worldbank.org/en/topic/regional-integration>