

global total (see Table 2). In addition, a considerable further amount of trade is covered by arrangements such as MERCOSUR, ASEAN and others that do not meet the criteria for Article XXIV.

Table 2. Trade Flows covered by Article XXIV Agreements, 2001

Agreement	Internal Trade Flows, 2001 (US\$)	Percent of Global Total
European Union (EU)	1,296,617	20.4%
North American Free Trade Agreement (NAFTA)	619,786	9.7%
European Free Trade Area (EFTA)	190,934	3.0%
EFTA bilaterals with others	194,200	3.1%
Central European Free Trade Agreement (CEFTA)	16,149	0.3%
Australia-New Zealand Closer Economic Relations (CER)	5,377	0.1%
All others	407,138	6.4%
Total within Article XXIV Agreements	2,730,201	42.9%
Global Total	6,365,100	100.0%

Source: Direction of Trade Statistics, Yearbook 2002. Article XXIV Agreements and Membership therein obtained from the WTO website http://www.wto.org/english/tratop_e/region_e/provision_300602_e.xls, accessed December 23rd, 2002. Data shown are total merchandise imports of the participants to the RTA from other members of the RTA. Since the Article XXIV agreements do not require 100% coverage of merchandise trade flows, the share of total trade that is subject to actual free trade conditions is somewhat less than the share of total trade between parties to such agreements.

Second, the ongoing multilateral negotiations are being held in the shadow of the eight previous rounds that have reduced average tariffs in the industrialized countries to about four percent (when Uruguay Round commitments are fully implemented).²⁹ There is simply less protection to work on: based on a survey of recent empirical work, the average estimate of

²⁹ See, for example, Sam Laird, "Multilateral Approaches to Market Access Negotiations", Staff Working paper TPRD-98-02, World Trade Organization, http://www.wto.org/english/res_e/reser_e/ptpr9802.doc, pg 4.