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World Trade Organization
Economic Research and Statistics Division

**The Evolution of Preferential Trade Under Regional Trade
Agreements: Has Anything Changed?**

Rohini Acharya, Thakur Parajuli*

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The Evolution of Preferential Trade Under Regional Trade Agreements: Has Anything Changed? ¹

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Abstract: This paper examines the evolution of global merchandise trade, between 2010 and 2022, assessing the share of imports subject to regional trade agreements (RTAs). A key question for us is whether the share of merchandise trade subject to preferences has kept pace with the proliferation in RTAs. The paper finds that with the growing number of RTAs over the period, the share of the total volume of global imports involving RTA partners increased from 37% in 2010 to 52% in 2022. However, potential preferential imports between them under RTAs remained relatively stable, rising slightly from almost 17% in 2010 to 23% in 2022. Moreover, we find that on average 80% of global imports which do not fall under RTA preferences continued to dominate global merchandise trade between 2010 and 2022. Using tariff-line level import data for 157 customs territories and their RTAs, we find that, to a large extent, an increase in MFN duty-free imports globally has limited the scope of preferential imports under RTAs, highlighting the continued significance of MFN principles in international trade.

Keywords: WTO, RTAs, Preferential Trade, MFN Trade

JEL codes: F13, F14, F15, F53

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1. Introduction

In recent decades, Regional Trade Agreements (RTAs)² have emerged as significant trade policy tools, reflecting the evolving complexities of the global trading system. The proliferation of RTAs, especially since the early 1990s, now involves all WTO Members, with recent trends suggesting some consolidation into plurilateral or "mega-regional" agreements. The core principle of Most Favoured Nation (MFN) treatment, enshrined in the General Agreement on Tariffs and Trade (GATT), is designed to ensure non-discriminatory trade among WTO members. In contrast, RTAs diverge from the MFN principle by offering preferential (better than MFN) treatment to participating economies, often through the elimination of tariffs and other trade barriers, thereby discriminating against all other (non-party) WTO Members. Article XXIV of the GATT provides an exemption from the MFN principle for the formation of Free Trade Areas (FTAs) and Customs Unions (CUs)³. Since 1995, with the incorporation of disciplines on trade in services, Article V of General Agreement on Trade in Services (GATS) provides a similar exemption for agreements involving trade in services.

While there has been significant growth in the number of RTAs entering into force, less is known about the share of merchandise trade under RTA preferences and whether this share is expanding relative to trade from MFN sources. This is in part due to the lack of reported data on the use of preferences. Various attempts have been made to estimate this share with varying results depending on the assumptions made. This paper adds to the literature by expanding the data to cover tariff-line level imports by 157 customs territories with an additional 161 RTAs entering into force from 2010 to 2022. Our findings tend to be in line with those of previous papers and what is perhaps surprising is the finding that despite the growth in RTAs, the share of trade that could take place under RTA preferences has been relatively stable over this period.

2. A brief review of the literature

As the number of RTAs continues to increase, there is a prevailing sentiment that the momentum in international trade is shifting away from the multilateral trading regime towards regional trade agreements, with the latter covering a growing share of trade among RTA parties. Intuitively, this makes sense: as the number of RTAs, and therefore preferential trading relationships grow, one would expect the share of world trade occurring under these RTAs to do the same. However, several reasons may explain why imports may still occur under MFN tariffs and rules despite tariff liberalization offered by an RTA. For example, if stringent origin requirements necessitate production changes, the cost of compliance may potentially outweigh the benefits of preferential tariffs. In addition, preferences under RTAs may liberalize a majority of the tariff but not necessarily all the tariffs. Consequently, it is erroneous to assume that liberalized tariffs under RTAs automatically result in more preferential trade.

² The definition used here is that in Article XXIV of the GATT 1994, which corresponds to reciprocal trade agreements (free trade areas or agreements or customs unions). It does not include non-reciprocal arrangements such as those provided under the Generalized System of Preferences (GSP), or waivers granted by the WTO.

³ The Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries, more commonly known as the Enabling Clause also contains a provision in paragraph 2c, which provides an exception to the MFN rule for "regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions which may be prescribed by the contracting parties, for the mutual reduction or elimination of non-tariff measures or products imported from one another."

Several studies have attempted to estimate the extent of preferential trade under RTAs, driven by the lack of comprehensive reporting of data on the value or volume of imports under individual RTAs. Some have used gravity equations to estimate trade under preferences (e.g., Fugazza and Nicita, 2010; Limao, 2016) while others have utilized available trade data (e.g., Carpenter and Lendle, 2010; the WTO's World Trade Report, 2011; Espitia et al., World Bank 2018). Of the latter approach, the first two were based on a restricted number of economies or share of trade, while the most recent study by Espitia et al. 2018 uses a larger data set aggregated at the 6-digit level of the Harmonized System (HS). Data at the HS 6-digit level is also used by Gonciarz and Verbeet (2025) to estimate the share of MFN trade in 2022, integrating various factors such as RTAs and unilateral preferential arrangements (using a preference utilization coefficient), duties imposed under trade remedies, as well as national security and other tariffs imposed recently between the US and China.

While we broadly adopt the methodology used in the WTO's World Trade Report (WTR), 2011, our study focuses on the evolution of trade amongst the RTA partners, both by volume and under preferences. The 2011 WTR, based on 2008 data from the world's 20 largest importers, determined that approximately 84% of imports occurred on an MFN basis, with only 16% of imports therefore being preferential under RTAs. A more recent study by Dadush U., and Dominguez Prost (2023) uses Limao's methodology, based on data from the NSF-Kellogg Institute Database on Economic Integration Agreements⁴, and concludes that RTAs could soon cover nearly two-thirds of global trade. Their estimation is based on trade volumes between RTA partners, including intra-EU trade as preferential trade. Our study builds on the 2011 WTR by assessing how the shares of preferential imports under RTAs and MFN imports have evolved since then, alongside the continued proliferation of RTAs.

The subsequent sections of this paper detail the methodology and data employed in our study, present the results of our calculations, and conclude with our findings.

3. Methodology and data source.

We include data on RTAs and imports by 157 customs territories, encompassing all WTO members in 2010, 2015, and 2022. Unilateral preferential schemes such as the generalized system of preferences are excluded from our analysis.

For data on RTAs, we rely on two primary sources: (1) RTAs notified to the WTO and available in the WTO's RTA database, and (2) RTAs in force but not notified, identified through the WTO Transparency Mechanism for RTAs⁵. We analysed the evolution of RTAs over the survey period, the number of distinct RTA partners for each economy, and the bilateral import pairs under RTAs globally.

⁴ For more information about the database see <https://kellogg.nd.edu/nsf-kellogg-institute-data-base-economic-integration-agreements>

⁵ The notified and non-notified RTAs included in the survey are reciprocal preferential trade agreements (i.e., RTAs by WTO definition) that are subject to notification under Article XXIV of GATT or Paragraph 2(c) of the Enabling Clause. Unilateral preferential trade agreements (such as GSP and AGOA) are not considered RTAs and are therefore excluded from this study. The RTAs which cover only trade in services are also excluded. The RTAs included in the survey that entered into force up to 2022 and are notified to the WTO are available in the WTO RTA database (www.rtais.wto.org). Non-notified RTAs that are included in the survey, identified under the WTO Transparency Mechanism for RTAs, are derived from the WTO document online (<https://docs.wto.org>), the most recent version of which is WT/REG/W/190.

Import data and MFN applied tariffs at the national tariff line level were primarily sourced from the WTO's Integrated Data Base (WTO-IDB). In instances where data were unavailable from the WTO-IDB, we supplemented them with data from the International Trade Centre (ITC).

The first step was to distinguish between imports from RTA partners and those from the rest of the world. Then, broadly following the methodology of the WTO's World Trade Report (WTR) 2011, we:

- Firstly, identified the percentage of imports entering under zero MFN tariffs for which de facto no preferences can be given ("MFN duty-free imports").
- Secondly, identified imports originating in RTA partners subject to positive MFN tariffs. These are imports that could potentially enter under RTA preferences at their maximum possible level ("potential preferential imports under RTAs").
- Lastly, by adding the remaining share of MFN dutiable imports from non-RTA parties ("MFN dutiable imports") to the share of MFN duty-free imports, we estimated the total share of non-RTA related imports which would mostly be the MFN regime.

It should be noted that "potential preferential imports" also include imports between RTA partners where positive MFN tariffs are equal to the preferential tariffs. In such cases, the preferential tariffs provide no additional benefit and would more appropriately be MFN dutiable imports if detailed data on imports under RTAs and on an MFN basis were available at the tariff line level for all economies.

The calculations were also used to show the import share for agricultural and non-agricultural products using the WTO's product classification.

Our approach includes a few WTO related specificities and assumptions: the European Union (EU) is treated as a single economy in the WTO; we therefore exclude intra-EU imports as preferential imports between RTA parties. Furthermore, imports by Liechtenstein are included in Switzerland's import data and are not considered as preferential imports under RTAs. Regarding the UK, in connection with its separation from the EU in 2020, its RTAs and trade are included as part of the EU for 2010 and 2015, while separate statistics were calculated for 2022.

We also did not attempt to control for the actual utilization of preferences because of the difficulty of obtaining reliable statistics⁶. Due to the assumption that 100% of preferences are utilized by RTA partners and that their RTAs fully liberalize all tariffs, our results therefore likely represent an overestimate of preferential imports, i.e., the maximum *potential preferential imports under the RTAs*.

4. Results of the study

In this section, we first present the general trends in the number of RTAs coming into force between 2010 and 2022 and the evolution of associated RTA partners over the same period. We then discuss the patterns of global imports from these RTA partners and finally present and discuss our estimation of potential preferential imports under RTAs. We also present the findings by development status as defined by the WTO and geographical regions. This is supplemented by a closer look at the RTAs and import trends of the top global importers that collectively accounted for nearly 90% of global imports in 2022.

⁶ Data on the utilization of preferences are not generally available, although some WTO Members such as the EU, the US, and EFTA States, publish information on preference utilization under their RTAs.

4.1 Evolution of RTAs and RTA partners

As shown in Table 1, the number of RTAs in force and their associated partners has steadily proliferated over time, with a resulting surge in the global number of preferential bilateral import pairs. The growth in RTAs between 2015 and 2022 has been robust. In 2010, WTO Members averaged 5 RTAs with 16 partners each. By 2015, these figures had risen to an average of 6 RTAs and 18 partners per Member. In 2022, the average had further risen to 8 RTAs and an even higher number of 32 partners per Member. This substantial increase by 2022 can mainly be attributed to the presence of a number of plurilateral agreements such as the African Continental Free Trade Area (AfCFTA), and to a lesser extent the Comprehensive and Progressive Agreement for a Trans-Pacific Partnership (CPTPP) Agreement and the Regional Comprehensive Economic Partnership (RCEP) since the parties to the latter two agreements already have existing bilateral FTAs. The addition of the UK's post-Brexit trading partners also contributed to this rise.

Developed economies have a higher number of RTAs and they are mainly bilateral agreements, while developing economies and LDCs have fewer RTAs but more partners per economy, often due to their involvement in plurilateral RTAs. Regionally, Africa saw the most dramatic increase in RTA partners per economy, rising from 21 in 2010 to 57 in 2022, largely due to the AfCFTA. East Asia and Europe also showed significant growth. North America and Central America exhibited steady growth, while West Asia, the Caribbean and Oceania experienced slower expansion. The Central Asia and Middle East regions showed modest increases.

Table 1: Evolution of RTAs and their associated partners from 2010 to 2022

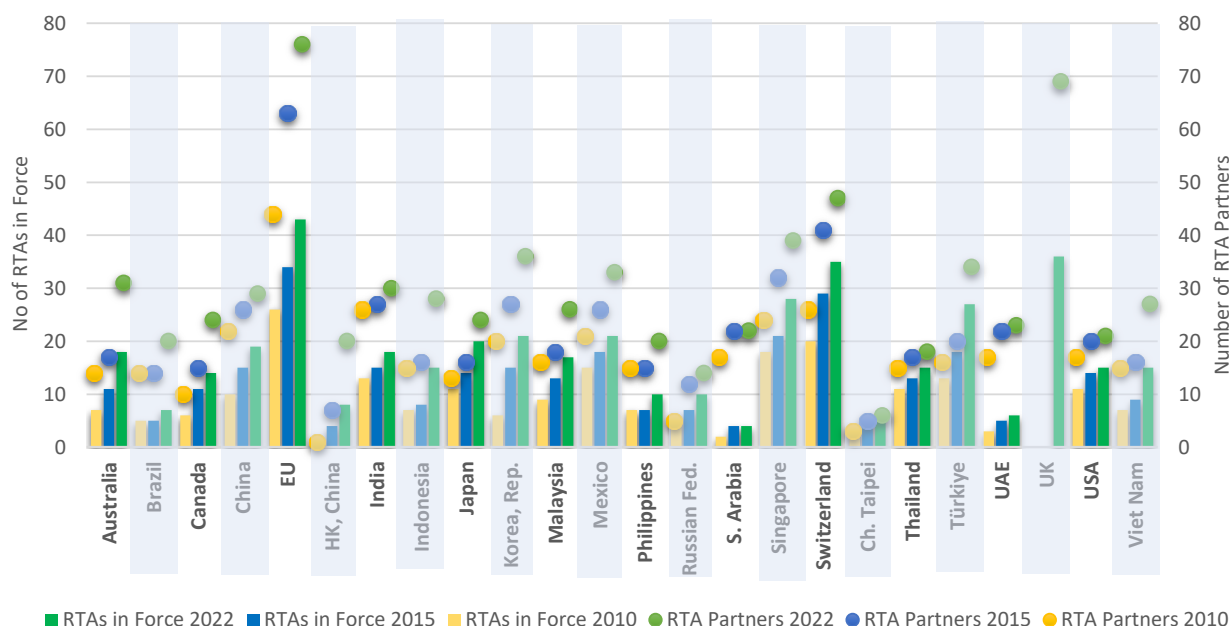
	2010	2015	2022
Number of RTAs in force	224	290	385
Number of bilateral import pairs under RTAs globally	2,758	3,034	5,518
Average number of RTAs and partners per economy	5 (16)	6 (18)	8 (32)
<i>Developed</i>	11 (16)	16 (23)	21 (32)
<i>Developing</i>	5 (16)	6 (17)	8 (27)
<i>LDC</i>	2 (17)	2 (17)	3 (43)
Africa	2 (21)	3 (21)	4 (57)
East Asia	7 (14)	9 (16)	13 (21)
Central Asia	7 (7)	8 (9)	9 (11)
West Asia	5 (12)	5 (12)	6 (13)
Europe	9 (13)	12 (19)	16 (26)
North America	11 (16)	14 (20)	17 (26)
Central America	7 (14)	10 (18)	12 (20)
South America	6 (16)	8 (18)	10 (22)
Caribbean	4 (17)	4 (17)	5 (18)
Oceania	2 (13)	3 (14)	4 (17)
Middle East	3 (18)	4 (20)	5 (21)

Values in parenthesis are average numbers of RTA partners.

Source: Authors' calculations based on data from WTO-RTA database

With regard to the top global importers (See Chart 1), the data also reveal a consistent upward trend in both the number of RTAs and partners, with some experiencing more rapid growth (such as the EU and the UK) and others showing moderate increases (such as China, the US, and Japan). Australia, Singapore, Switzerland, and Türkiye have also shown notable increases in their RTAs and their associated partners, while India showed active participation in new RTAs between 2015 and 2022.

Chart 1: Number of RTAs in force and associated partners for top global importers

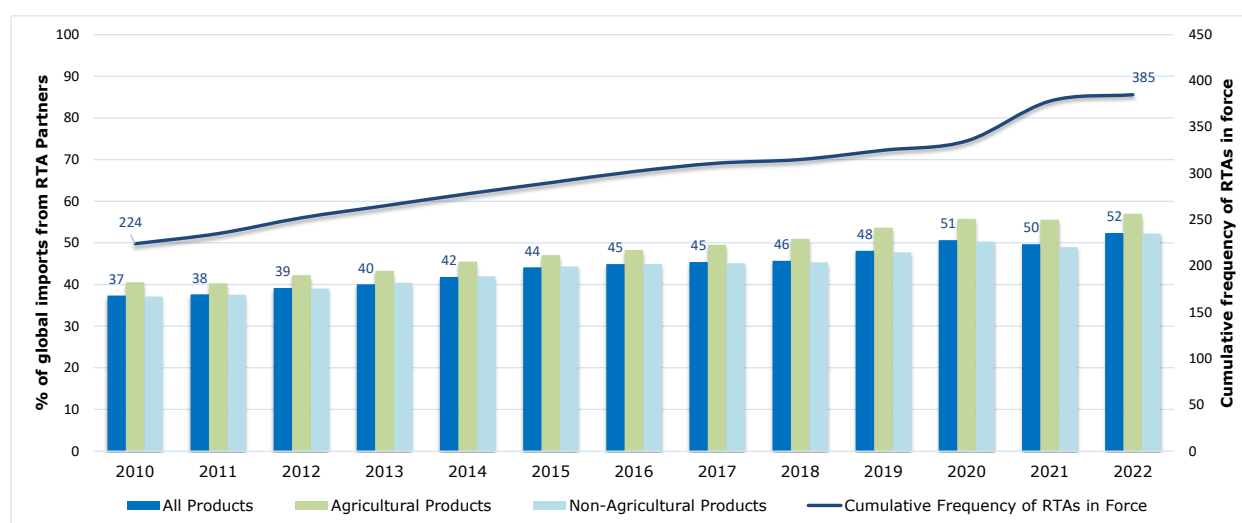


Source: Authors' calculations based on data from the WTO RTA database.

4.2 Imports from RTA partners

Chart 2 shows the evolution of the percentage of global imports from RTA partners from 2010 to 2022, irrespective of whether preferences under RTAs were utilized or whether MFN tariffs were zero. In other words, it represents just the total volume of imports among RTA partners. The data reveals a consistent upward trend, with the total share of imports from RTA partners increasing from 37% in 2010 to 44% in 2015 and further to 52% in 2022. This trend is mirrored in both the agricultural and non-agricultural sectors, with agricultural products showing relatively faster growth and a higher import share.

Chart 2: Evolution of percentage of global imports from RTA partners (2010-2022)

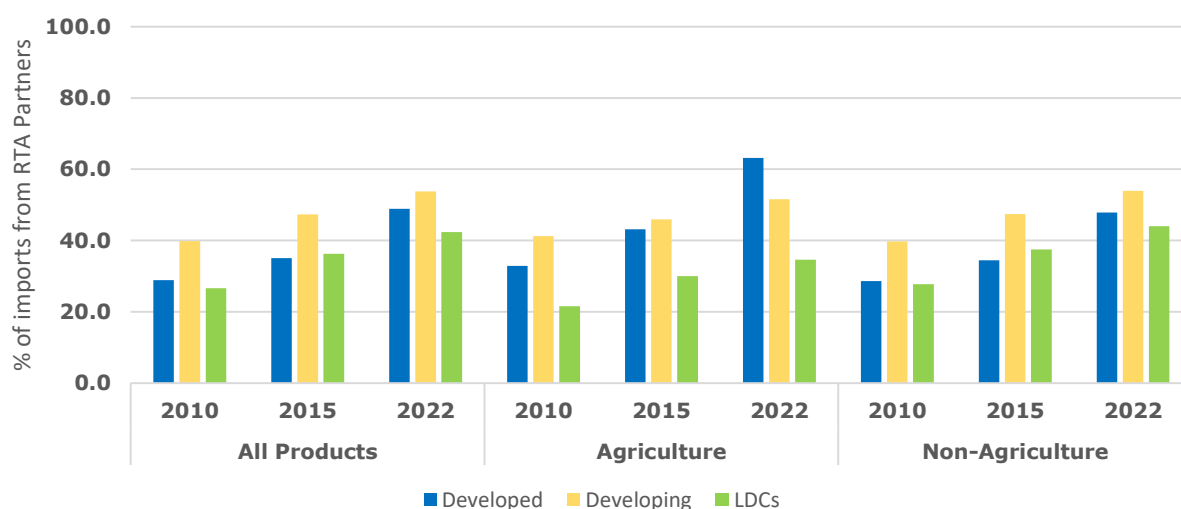


Source: Authors' calculations based on data from WTO-IDB and ITC.

The share of imports from RTA partners reached 49% of total imports for developed economies in 2022, 54% for developing economies, and 42% for LDCs (See Chart 3). Developed economies saw a 20-

percentage point increase from 2010 to 2022, followed by LDCs with a 16-percentage point increase, and developing economies with a 14-percentage point increase. Agriculture accounts for a larger share of total imports from RTA partners than from the rest of the world for developed economies than less developed ones.

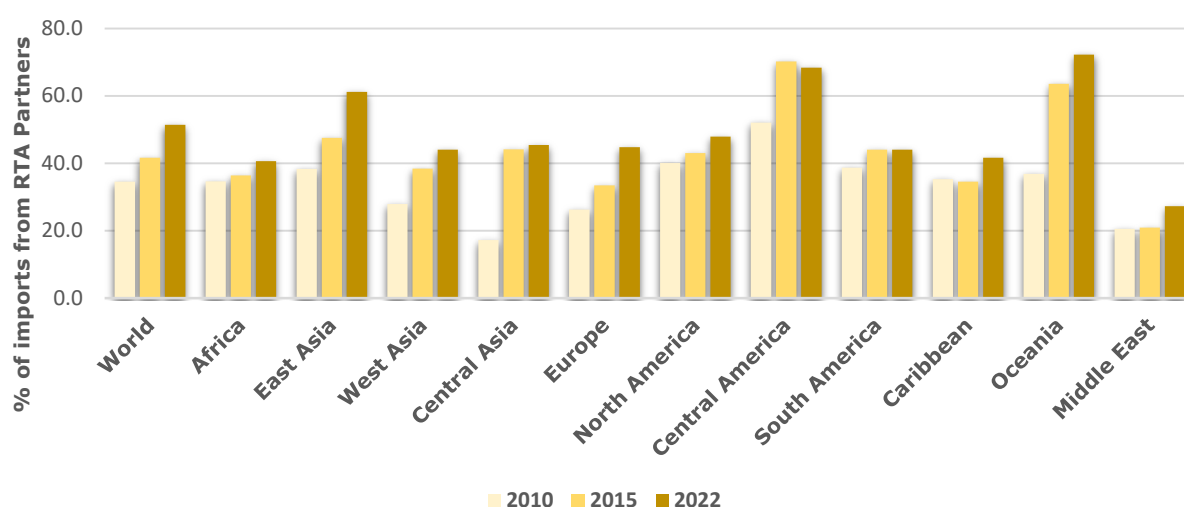
Chart 3: Percentage of global imports from RTA partners by development status



Source: Authors' calculations based on data from WTO-IDB and ITC.

Regionally, Chart 4 shows that although there was a substantial increase in RTA partners for Africa, this did not significantly change its share of imports from these partners (35% in 2010 to 41% in 2022). The largest increases appear to have occurred in Oceania, Central Asia, and East Asia while growth was modest in the Europe, West Asia, and Central America regions. The share of imports of agricultural products is generally higher in all regions except East Asia and Oceania (See Annex 1 for details).

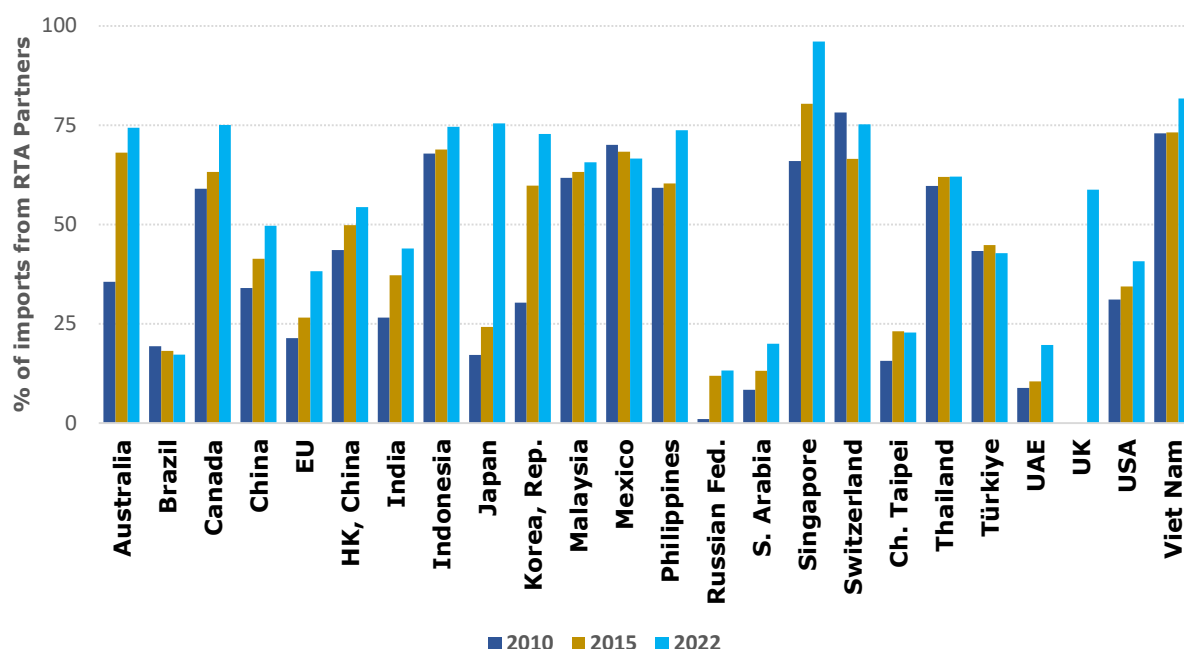
Chart 4: Percentage of global imports from RTA partners by geographical regions



Source: Authors' calculations based on data from WTO-IDB and ITC.

Chart 5 further highlights trends for the top global importers. Imports from RTA partners by Australia, Japan, Korea, and Singapore increased significantly, driven by expanding RTA networks. Import shares rose in Australia from 36% in 2010 to 74% in 2022, and in Japan from 17% to 75%. However, imports from RTA partners by Canada, the EU, and India grew moderately, and even more slowly in China and the US. In contrast, the share of imports from RTA partners for Brazil and Mexico experienced a decline, with Brazil's share decreasing from 19% in 2010 to 17% in 2022, and Mexico's share dropping from 70% in 2010 to 67% in 2022.

Chart 5: Percentage of imports from RTA partners for top global importers



Source: Authors' calculations based on data from WTO-IDB and ITC.

In conclusion, despite a significant increase in both the number of RTAs (up 70% between 2010 and 2022) and RTA partners (the number of bilateral import pairs more than doubling over the same period), the growth in imports from RTA partners has not proportionately matched this expansion, with an increase of only 17 percentage points globally between 2010 and 2022. Import trends vary by development status, region, and individual top global importers, with the general trend towards more imports of agricultural products from RTA partners compared to non-agricultural products. Nevertheless, by 2022, over half of the world's imports of all products originated in RTA partners. If we were to include intra-EU imports, which constitute nearly 15% of global imports among EU members, we can also confirm as in recent findings that it is likely that approximately two-thirds of global imports will soon be covered by RTAs.

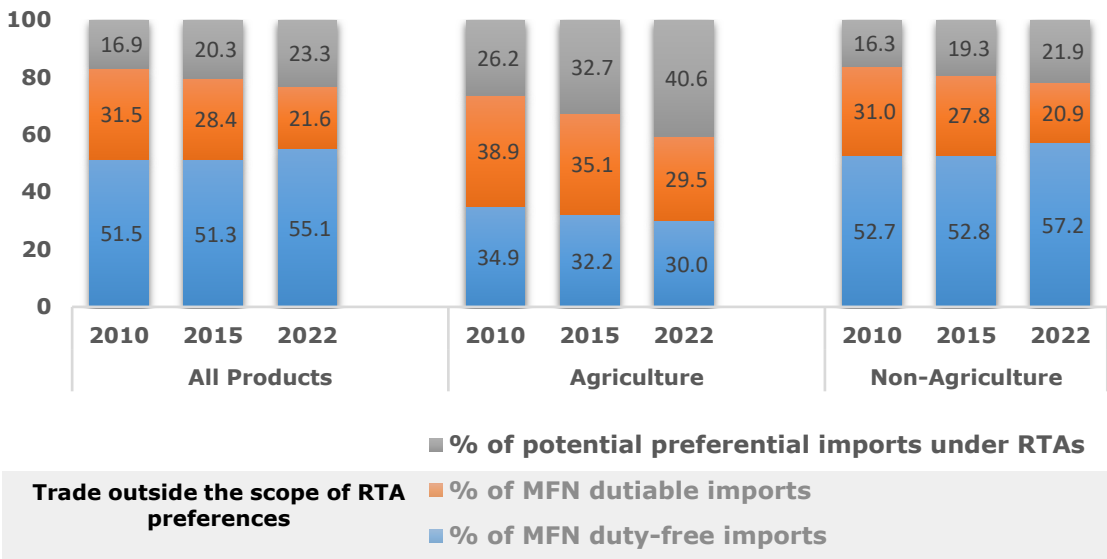
4.3 Potential preferential imports under RTAs

While it is clear that the number of RTAs and the share of the overall volume of trade with RTA partners has grown, this does not tell us much about the actual share of trade occurring under RTA preferences. Total imports between RTA partners tend to overstate the share of preferential trade as they include all imports, regardless of whether MFN tariffs are zero or preferences under RTAs are utilized. As shown below, over half of imports are not subject to MFN duties. In this section, we assess the extent to which

imports from RTA partners could possibly occur under RTA preferential regimes (i.e. potential preferential imports under RTAs) and examine their evolution between 2010 and 2022.

Chart 6 shows that over half of the world's imports occurred under MFN duty-free conditions, rising to nearly 55% in 2022 as MFN duties were liberalized. This increase has been driven by non-agricultural products, while MFN duty-free imports of agricultural products declined slightly. Of the imports that remain dutiable on an MFN basis, the share attributed to imports which are not between RTA partners has also declined. The share of imports from RTA partners subject to positive MFN duties (i.e., potential preferential imports under RTAs) has increased gradually from 16.9% of total imports in 2010, to 20.3% in 2015, and 23.3% in 2022; the increase has been relatively small. Thus, on average, nearly 80% of world merchandise (dutiable and duty-free) is not eligible for preferential treatment under RTAs and has been imported under non-RTA regimes including MFN and non-reciprocal unilateral trade preferences. As indicated, unilateral preferences are excluded from our study due to a lack of robust data; however, previous analysis based on the import regimes of some countries (Mattoo, A., N. Rocha, and M. Ruta, eds (2020)) suggests their global share of imports is small, albeit important for some developing, and especially LDC exports. Moreover, since many beneficiaries of unilateral preferences also have RTAs with the providers of unilateral preferences, some of this trade is captured by our analysis. We therefore conclude that most trade that does not qualify for RTA preferences is principally MFN and has decreased slightly from 83.1% in 2010 to 76.7% in 2022. This finding broadly concurs with those in Gonciarz and Verbeet (2025), who estimate that around 80% of global trade occurred under MFN principles in 2022. We also note that, over time, despite the continued proliferation of RTAs, the share of potential imports under RTAs has seen only a small and gradual increase.

Chart 6: Potential preferential imports under RTAs



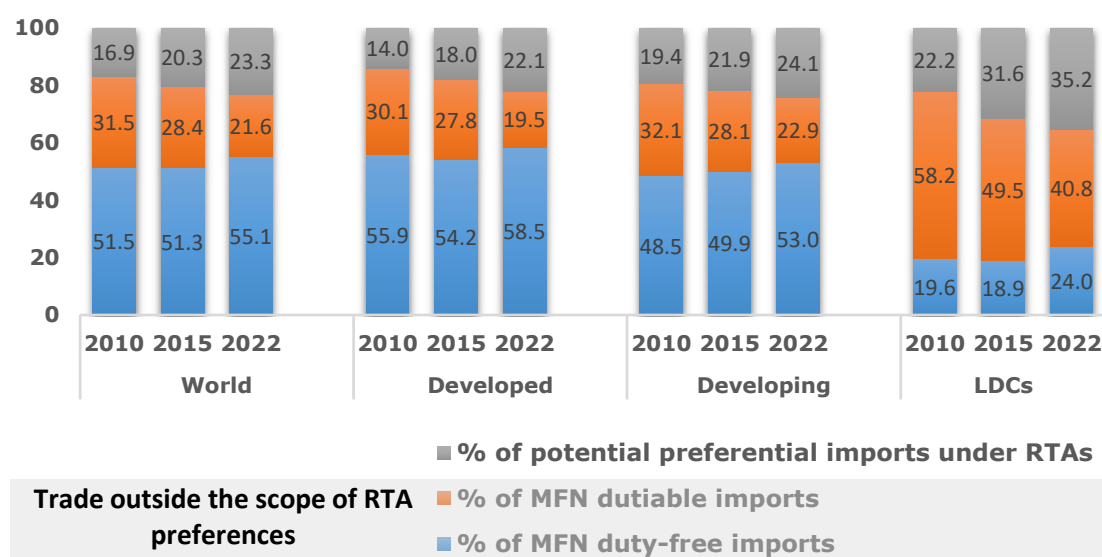
Source: Authors' calculations based on data from WTO-IDB and ITC.

The addition of 66 RTAs (276 bilateral import pairs) between 2010 and 2015 resulted in a 3.4 percentage point increase in potential preferential imports. However, despite 95 new RTAs (2,484 bilateral pairs) from 2015 to 2022, the increase was only 3 percentage points. Interestingly, as discussed earlier, the overall import share from RTA partners grew steadily by 7.1 percentage points from 2010 to 2015 and by 9.8 percentage points from 2015 to 2022, contrasting with the more modest growth in potential

preferential imports from RTA partners. This disparity is partly due to rising MFN duty-free imports from 2010 to 2022, especially after 2015. Some of the parties to the mega regional trade agreements already have bilateral RTAs among themselves, thus reducing the trade-liberalizing impact of these agreements. Furthermore, the higher reliance on RTA partners for agricultural imports, as noted earlier, is reflected in the greater share of potential preferential imports under RTAs in agriculture compared to non-agricultural products. This trend is likely because the share of MFN duty-free imports of agricultural products has been relatively low and even declined from 2010 to 2022.

The global trend of potential preferential imports under RTAs and imports under the MFN duty-free regime is driven mainly by developed economies, followed by developing ones. More developed economies have a higher share of MFN duty-free imports, while LDCs exhibit a relatively high potential for preferential imports from RTA partners due to their lower share of MFN duty-free imports (See Chart 7).

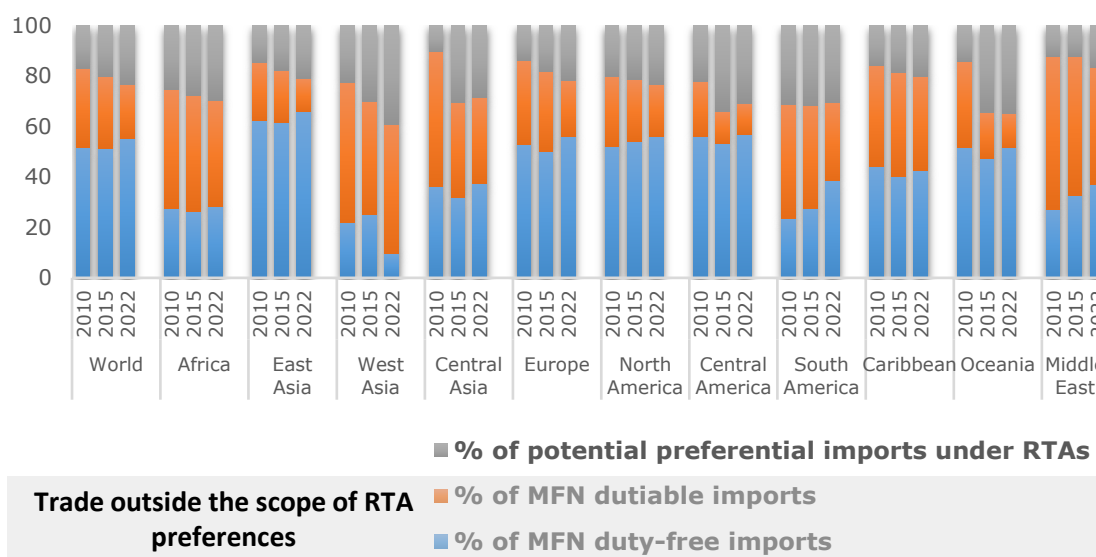
Chart 7: Potential preferential imports under RTAs, by development status



Source: Authors' calculations based on data from WTO-IDB and ITC.

Regionally, potential preferential imports under RTAs rose between 2010 and 2022 in regions like Central Asia, West Asia, Europe, Central America, and Oceania. In contrast, although the share of imports by volume increased significantly, East Asia's share of preferential imports under RTAs did not increase substantially, partly due to a rise in MFN duty-free imports. While an increase in the share of MFN duty-free imports is notable across almost all regions, West Asia is a major outlier, with the share significantly declining between 2015 and 2022 (Chart 8).

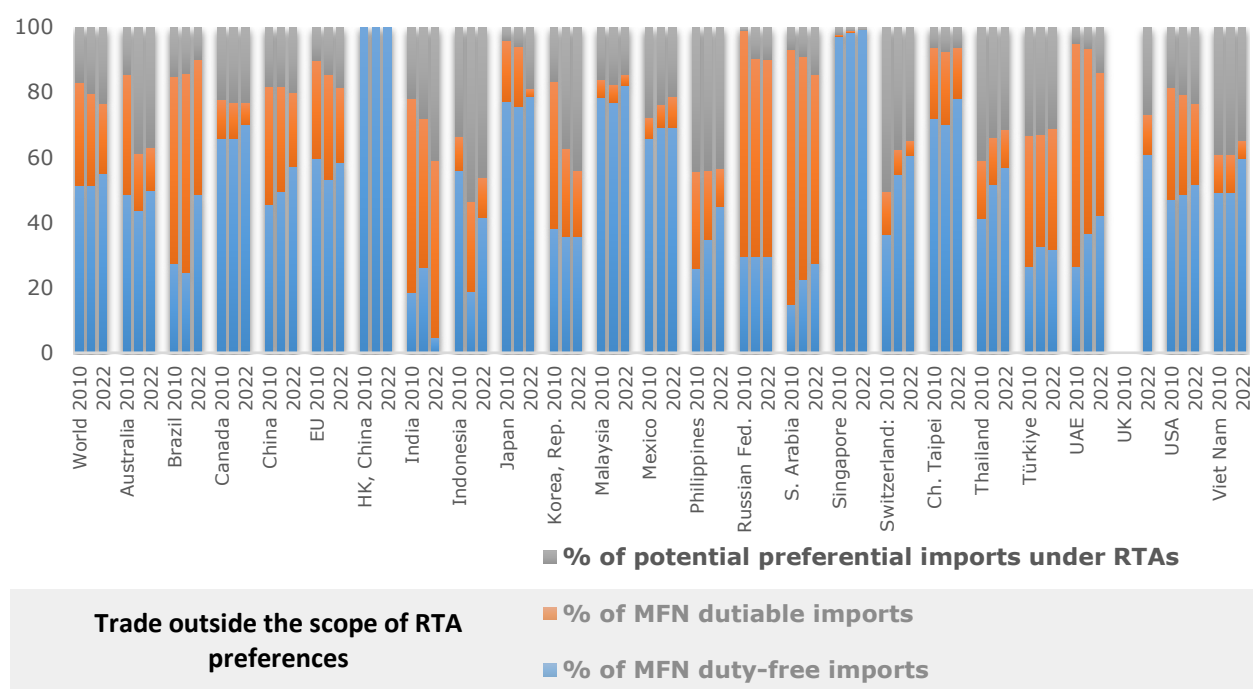
Chart 8: Potential preferential imports under RTAs, by geographical region



Source: Authors' calculations based on data from WTO-IDB and ITC.

A breakdown by major global importer shows (Chart 9) that those with a high share of imports from RTA partners, such as Canada, Switzerland, Hong Kong, China, Japan, Mexico, Malaysia, Singapore, Thailand, and Viet Nam, nevertheless import over half of their merchandise duty-free under the MFN regime, ranging from 57% in Thailand to nearly 100% in Hong Kong, China. This results in limited room for preferences, with potential preferential imports under RTAs ranging from almost 0% in Hong Kong, China to 34.8% in Viet Nam, with higher MFN duty-free imports correlating with lower potential preferential imports. In economies with a moderate RTA import share, including China, the EU, India, and the US, MFN duty-free imports exceed 50%, except in India. China's MFN duty-free imports rose from 45.4% in 2010 to 57.1% in 2022, leading to a small increase in potential preferential imports from 18.3% to 20.1% despite the nine new RTAs coming into force between these periods as discussed earlier. The EU and the US saw relatively stable MFN duty-free import levels, with potential preferential imports increasing from 10.2% to 18.6% in the EU and from 18.4% to 23.5% in the US. In economies with a lower RTA import share, such as the Russian Federation, Saudi Arabia, the UAE, and Brazil, MFN duty-free imports in 2022 ranged from 27.6% to 48.7%, with Russia's share remaining stable at around 30%. Their potential preferential imports are low, below 15% in 2022, with the share even declining in Brazil from 15.2% to 9.8%. The global trend is mirrored in both agricultural and non-agricultural sectors for most economies, reflecting a higher share of preferential agricultural imports (see Annex 2 for detailed statistics).

Chart 9: Potential preferential imports under RTAs, top global importers



Source: Authors' calculations based on data from WTO-IDB and ITC.

5 Conclusion

The paper has looked at trade flows over the last decade and attempted to determine the evolution of RTAs and potential preferential imports under RTAs. We reach the following conclusions:

1. The data clearly show an increased trend in the number of RTAs concluded by WTO Members as well as the share of total volume of world imports involving RTA partners, regardless of the duties they may face. By 2022, around 52% of total volume of trade was covered by RTAs, excluding intra-EU trade.
2. The share of imports that face zero MFN duties has also increased with a greater number of developed Members having a higher share of MFN duty-free imports compared to developing. The increase in MFN duty-free imports appears to have limited the growth of potential preferential imports under RTAs, as seen for major global importers like Canada, Switzerland, Hong Kong, China, Japan, Mexico, Malaysia, Singapore, Thailand, and Viet Nam, over half of whose imports enter duty-free under the MFN regime. In other words, as MFN tariffs are liberalized, the scope for further preferential tariff liberalization is reduced.
3. Despite the widespread proliferation of RTAs globally, the overall trend appears to remain largely unchanged, with the (maximum) share of potential preferential imports under RTAs averaging around 20% of total merchandise imports between 2010 and 2022. By 2022, our calculations reveal that 23.3% of world imports could potentially be preferential under RTAs. With global imports under other unilateral preferences being relatively small, this means that around 76.7% of imports still occur on an MFN basis. While our overall findings broadly align with those of Gonciarz and Verbeet (2025), there are some differences at a more disaggregated level, particularly for certain economies or regions. These differences can largely be attributed to different methodologies used, including our analysis at the tariff

line level versus at the subheading level in Gonciarz and Verbeet, their use of preference utilization coefficients, RTAs included in the datasets, and other factors.⁷

One of the objectives of this paper was to address whether, as might be expected by the increase in the number of RTAs, there has truly been a shift in merchandise trade away from the multilateral trading system toward RTAs. Additionally, we sought to clarify not only the trade volume among RTA partners but also whether such trade occurs under preferential terms or MFN conditions. We find that while the share of potential preferential imports under RTAs (maximum share of imports eligible for preferences under RTAs) has gradually increased over a 12-year period, the magnitude of the increase does not appear to match the number of new RTAs entering into force. This outcome underscores the continued dominance and critical importance of non-RTA trade which is mainly under the multilateral trading system.

However, does this mean that the impact of RTAs is not as important as it is made out to be? While the paper has tried to estimate the share of potential preferential imports under RTAs in merchandise and found that the share is comparatively small and not evolving, there are, of course, other reasons why RTAs are important and are not included here. A majority of RTAs notified today include the liberalization of trade in goods and services, but bilateral services trade data is not consistently available. Plurilateral RTAs also consolidate a number of RTA rules, thereby making the freer flow of goods and services possible between the RTA partners. Finally, RTAs include other provisions such as on investment, competition, environment, labour, and electronic commerce, which are also trade-facilitating, but their impact is not easily captured through merchandise trade data.

⁷ When calculating MFN duty-free imports at the subheading level, a significant portion of imports for some economies may be categorized as dutiable. This occurs because subheading-level aggregation can encompass multiple tariff lines, some of which may be duty-free while others may be dutiable.

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Annex 1: Percentage of imports from RTA partners

Economies	All Products			Agriculture			Non-Agriculture		
	2010	2015	2022	2010	2015	2022	2010	2015	2022
World	34.5	41.6	51.4	36.9	44.2	55.9	34.4	41.4	51.0
By development status									
Developed	28.9	35.1	48.9	32.9	43.2	63.2	28.7	34.5	47.9
Developing	39.9	47.3	53.8	41.3	45.9	51.6	39.8	47.4	54.0
LDCs	26.7	36.3	42.4	21.6	30.1	34.6	27.8	37.6	44.0
By geographical regions									
Africa	34.7	36.4	40.7	29.8	32.3	41.2	35.4	37.1	40.6
East Asia	38.3	47.6	61.2	29.9	38.7	53.2	38.8	48.2	61.8
West Asia	27.9	38.4	44.0	47.7	47.8	54.9	26.5	37.5	43.1
Central Asia	17.2	44.2	45.4	42.8	65.1	67.3	13.4	41.0	42.0
Europe	26.2	33.4	44.7	24.3	36.8	56.2	26.4	33.1	43.9
North America	40.1	43.0	47.9	60.2	62.4	66.6	39.0	41.8	46.5
Central America	52.1	70.2	68.3	74.3	88.5	87.7	48.3	67.0	64.6
South America	38.7	44.0	44.0	70.1	75.4	80.4	36.4	41.3	40.6
Caribbean	35.3	34.5	41.7	35.9	40.7	43.0	35.2	33.3	41.4
Oceania	36.8	63.6	72.3	48.1	53.8	56.1	36.1	64.3	73.4
Middle East	20.5	20.9	27.3	26.9	26.5	29.8	19.7	20.1	26.9
By top global importers									
Australia	35.6	68.1	74.4	46.9	57.2	57.5	35.0	68.8	75.4
Brazil	19.3	18.2	17.3	59.6	52.2	58.0	17.5	16.4	15.2
Canada	59.0	63.2	75.1	67.7	70.7	84.9	58.4	62.5	74.1
China	34.0	41.3	49.7	24.8	30.6	33.4	34.5	42.1	51.1
EU	21.4	26.6	38.2	21.6	35.0	51.0	21.4	25.9	37.4
HK, China	43.6	49.8	54.4	19.0	23.8	58.5	44.5	51.0	54.3
India	26.5	37.2	44.0	65.4	57.9	66.8	25.1	35.9	42.7
Indonesia	67.9	68.8	74.6	53.7	49.1	53.8	69.4	71.3	77.4
Japan	17.2	24.2	75.5	14.5	25.0	86.5	17.4	24.1	74.5
Korea, Rep.	30.4	59.8	72.8	25.5	80.3	82.5	30.6	58.6	72.2
Malaysia	61.8	63.3	65.7	65.0	63.5	66.1	61.5	63.2	65.6
Mexico	70.0	68.3	66.6	92.0	94.1	96.8	68.4	66.6	64.8
Philippines	59.2	60.3	73.7	59.8	51.4	56.8	59.1	61.7	76.5
Russian Fed.	1.0	11.9	13.3	2.8	16.3	25.0	0.7	11.2	11.8
S. Arabia	8.4	13.1	20.0	16.6	18.8	17.3	7.4	12.2	20.4
Singapore	65.9	80.4	96.1	68.5	67.5	92.1	65.9	80.9	96.2
Switzerland	78.2	66.5	75.2	78.5	78.0	84.6	78.2	66.0	74.8
Ch. Taipei	15.7	23.1	22.8	5.1	11.8	13.7	16.2	23.7	23.2
Thailand	59.7	62.0	62.1	43.5	45.0	57.3	60.4	63.0	62.4
Türkiye	43.3	44.8	42.8	31.9	31.5	29.2	44.0	45.7	43.8
UAE	8.9	10.5	19.7	12.7	11.8	21.7	8.5	10.4	19.5
UK			58.8			80.7			56.6
USA	31.1	34.4	40.7	49.8	53.4	58.3	30.2	33.3	39.5
Viet Nam	72.9	73.2	81.7	41.9	42.0	56.3	76.1	76.4	84.3

Source: Authors' calculations based on data from WTO-IDB and ITC.

Annex 2: MFN duty-free and potential preferential imports under RTAs

Economies	All products						Agriculture Products						Non-Agriculture Products					
	MFN Duty Free			Potential Pref. imports under RTAs			MFN Duty Free			Potential Pref. imports under RTAs			MFN Duty Free			Potential Pref. imports under RTAs		
	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022
World	51.5	51.3	55.1	16.9	20.3	23.3	34.9	32.2	30.0	26.2	32.7	40.6	52.7	52.8	57.2	16.3	19.3	21.9
By development status																		
Developed	55.9	54.2	58.5	14.0	18.0	22.1	39.8	39.9	38.1	23.0	29.6	42.6	57.0	55.3	60.0	13.4	17.2	20.5
Developing	48.5	49.9	53.0	19.4	21.9	24.1	31.2	26.4	23.9	29.6	35.7	39.8	49.7	51.9	55.5	18.7	20.8	22.7
LDC	19.6	18.9	24.0	22.2	31.6	35.2	29.4	30.6	25.6	16.7	24.7	27.4	17.5	16.5	23.6	23.4	33.0	36.9
By geographical regions																		
Africa	27.3	26.4	28.1	25.5	27.8	29.8	24.2	22.0	23.3	24.8	27.2	31.1	27.8	27.0	29.0	25.6	27.9	29.5
East Asia	62.3	61.7	65.7	14.6	17.8	21.0	35.4	29.0	23.7	19.9	29.2	39.6	63.8	64.0	68.9	14.3	17.0	19.6
West Asia	21.8	25.0	9.8	22.6	30.0	39.2	38.2	24.3	17.0	36.9	43.9	50.2	20.6	25.1	9.2	21.6	28.6	38.2
Central Asia	36.2	31.8	37.2	10.3	30.6	28.7	24.2	18.7	23.5	31.5	55.2	53.6	38.0	33.7	39.4	7.1	26.9	24.8
Europe	52.9	50.0	55.9	13.8	18.4	21.8	33.2	34.6	33.4	20.3	28.9	42.3	54.4	51.3	57.6	13.3	17.6	20.2
North America	52.1	53.9	55.9	20.1	21.5	23.2	42.0	41.3	40.7	38.2	40.0	41.5	52.7	54.7	57.0	19.1	20.3	21.9
Central America	56.1	53.1	56.8	22.2	34.0	30.9	30.6	26.7	27.5	53.0	65.6	65.0	60.5	57.7	62.5	17.0	28.5	24.3
South America	23.7	27.6	38.5	31.2	31.8	30.7	9.7	9.0	19.0	62.4	68.0	66.0	24.7	29.2	40.4	28.9	28.7	27.4
Caribbean	44.1	40.3	42.5	16.1	18.7	20.1	26.1	23.3	25.4	25.7	32.6	34.5	47.7	43.7	46.7	14.2	15.8	16.6
Oceania	51.6	47.3	51.5	14.5	34.5	34.7	50.3	51.4	49.8	22.7	26.7	28.1	51.7	47.0	51.7	14.0	35.1	35.2
Middle East	27.2	32.8	37.0	12.3	12.2	16.7	44.3	41.5	44.1	16.1	15.9	16.7	25.0	31.7	36.0	11.9	11.8	16.7
By top global importers																		
Australia	48.6	43.7	49.8	14.4	38.7	37.0	49.9	51.9	49.5	22.6	29.0	29.4	48.5	43.1	49.8	14.0	39.3	37.4
Brazil	27.4	24.6	48.7	15.2	14.2	9.8	2.1	2.5	35.8	59.0	51.4	31.1	28.6	25.7	49.4	13.2	12.2	8.8
Canada	65.9	65.9	70.1	22.3	23.1	23.2	52.2	53.2	57.6	33.3	35.8	39.0	66.9	67.0	71.3	21.5	21.9	21.6
China	45.4	49.4	57.1	18.3	18.1	20.1	0.9	1.5	0.8	24.7	30.2	33.1	47.6	52.8	62.0	18.0	17.2	19.0
EU	59.6	53.3	58.6	10.2	14.6	18.6	42.1	42.9	43.6	18.6	26.6	33.9	60.7	54.1	59.6	9.7	13.7	17.6

Economies	All products						Agriculture Products						Non-Agriculture Products					
	MFN Duty Free			Potential Pref. imports under RTAs			MFN Duty Free			Potential Pref. imports under RTAs			MFN Duty Free			Potential Pref. imports under RTAs		
	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022	2010	2015	2022
HK, China	100.0	100.0	100.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0
India	18.6	26.1	4.7	21.8	28.1	40.9	21.3	8.8	0.4	55.9	57.3	66.5	18.5	27.2	4.9	20.5	26.2	39.5
Indonesia	56.1	18.9	41.6	33.4	53.6	46.2	45.8	14.0	38.3	37.0	41.1	43.6	57.2	19.5	42.0	33.1	55.2	46.5
Japan	77.3	75.6	78.6	4.0	6.0	18.9	45.4	42.5	39.5	10.2	17.3	56.3	79.9	78.6	81.9	3.5	4.9	15.8
Korea, Rep.	38.1	35.5	35.8	16.7	37.2	44.0	7.1	7.5	4.3	24.1	74.6	78.6	39.5	37.2	37.7	16.4	35.0	41.9
Malaysia	78.4	76.9	82.1	16.1	17.5	14.5	77.5	64.7	63.3	16.1	26.8	31.7	78.5	77.9	83.8	16.1	16.7	13.0
Mexico	65.7	69.3	69.1	27.7	23.7	21.4	36.2	36.8	37.1	58.0	60.7	61.0	67.9	71.5	71.0	25.4	21.2	19.0
Philippines	25.8	34.8	45.0	44.2	44.0	43.5	6.3	7.5	19.6	59.5	50.8	54.8	28.3	39.2	49.1	42.2	42.9	41.7
Russian Fed.	29.5	29.5	29.7	0.9	9.4	10.1	16.8	16.8	20.1	2.5	15.5	22.5	31.5	31.5	30.9	0.7	8.5	8.5
S. Arabia	14.8	22.4	27.6	6.9	8.9	14.5	50.3	45.0	47.1	9.0	11.1	11.3	10.6	18.8	24.0	6.6	8.5	15.0
Singapore	97.2	98.4	99.2	2.2	1.1	0.8	98.8	98.3	98.4	0.8	1.3	1.6	97.2	98.4	99.2	2.2	1.1	0.8
Switzerland	36.4	54.7	60.6	50.5	37.5	34.7	18.6	20.3	22.2	69.3	67.0	70.1	37.5	56.3	62.3	49.3	36.1	33.1
Ch. Taipei	71.8	70.0	78.2	6.3	7.6	6.2	45.4	38.7	38.9	3.3	9.5	11.2	72.9	71.7	79.8	6.4	7.5	6.0
Thailand	41.2	51.8	57.0	40.9	33.9	31.5	15.4	20.9	13.6	39.0	40.0	50.7	42.4	53.6	59.5	41.0	33.5	30.4
Türkiye	26.6	32.7	31.8	33.3	32.8	31.1	26.9	26.5	28.0	24.0	26.4	24.7	26.6	33.1	32.1	33.8	33.3	31.6
UAE	26.6	36.7	42.1	4.9	6.6	13.7	45.7	34.7	33.2	7.7	8.6	13.2	24.8	36.8	42.9	4.6	6.4	13.8
UK			61.0			26.9			19.2			68.7			65.2			22.7
USA	47.0	48.7	51.8	18.4	20.8	23.5	40.2	38.9	37.1	34.9	36.9	39.7	47.3	49.3	52.7	17.6	19.8	22.4
Viet Nam	49.1	49.1	59.7	39.2	39.2	34.8	43.4	43.4	35.2	32.4	32.5	41.9	49.7	49.7	62.1	39.9	39.9	34.0

Source: Authors' calculations based on data from WTO and ITC