



Regionalism

Regional Blocks

- THERE ARE PRIVATE REGULATIONS RELATED TO A SPECIFIC SPECIFICITY OF FUNCTIONING OF PARTS OF THE INTERNATIONAL SYSTEM:

- - GEOGRAPHIC
- TERRITROIAL-ECONOMIC
- CIVILIZATION
- CULTURAL
- ETHNOPSCHOLOGICAL
- ETHNIC CONFSSIONAL

- THESE MORE NARROW (PRIVATE) REGULATIONS DESCRIBE THE FUNCTIONING OF REGIONAL AND SUB-REGIONAL SUBSYSTEMS - A TOTAL OF SPECIFIC INTERNATIONAL INTERACTIONS BASED ON GENERAL:

- Geographic
- Economic
- Cultural and civilizational
- Political (spatial)

- There are military-political regional groups pursuing the goals of regional security, and economic, aimed at increasing competitiveness and strengthening positions in the global economy. Cross-border and cross-border cooperation at the level of local and regional authorities occupies a special place in international regionalism.

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- In the modern world, there are a large number of different international regional organizations. Their predominant part is aimed at developing the economies of the participating countries and increasing their competitiveness. The largest international regional groupings include NATO's military-political bloc, the European Union (EU) and the North American Free Trade Area (NAFTA), which account for almost 40% of global GDP. The organizations of the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations, the Organization of Petroleum Exporting Countries (OPEC) and many other regional associations have been created. The EU and the slightly lagging APEC organization are leaders in the structure of world exports among regional groupings

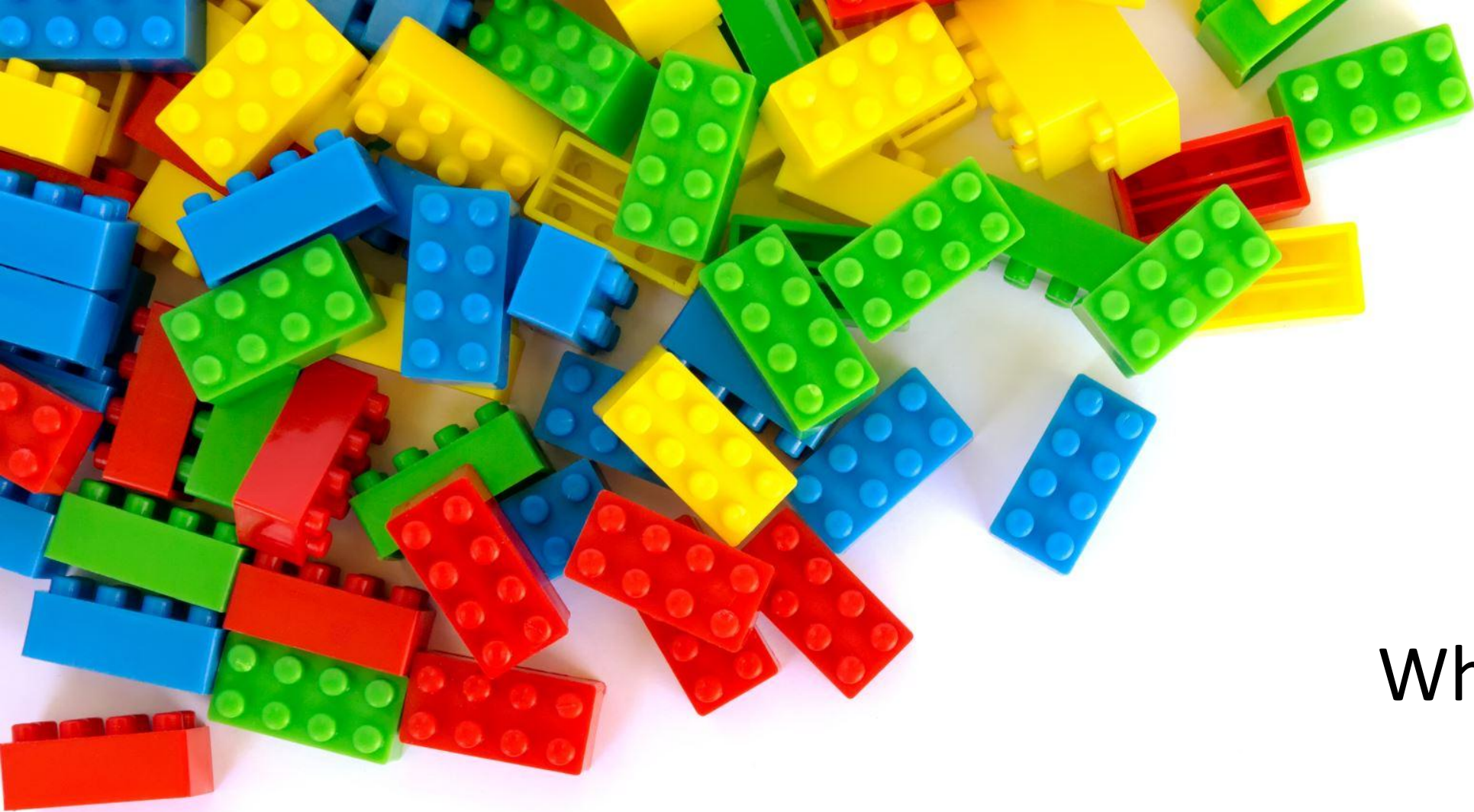




A country
trading on
its own



The country
trading within
the regional
block



What are the
blocks?

Regional trade agreements				
Andean Community (CAN)				
Bolivia, Plurinational State of	Colombia	Ecuador	Peru	
AFTA (Association of Southeast Asian Nations (ASEAN) Free Trade Area)				
Brunei Darussalam	Indonesia	Malaysia	Philippines	Thailand
Cambodia	Lao People's Democratic Republic	Myanmar	Singapore	Viet Nam
CACM (Central American Common Market)				
Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua
CARICOM (Caribbean Community and Common Market)				
Antigua and Barbuda	Belize	Guyana	Montserrat	Saint Vincent and the Grenadines
Bahamas	Dominica	Haiti	Saint Kitts and Nevis	Suriname
Barbados	Grenada	Jamaica	Saint Lucia	Trinidad and Tobago
CEMAC (Economic and Monetary Community of Central Africa)				
Cameroon	Chad	Congo	Equatorial Guinea	Gabon
Central African Republic				
COMESA (Common Market for Eastern and Southern Africa)				
Burundi	Egypt	Kenya	Mauritius	Sudan
Comoros	Eritrea	Libya	Rwanda	Uganda
Democratic Republic of the Congo	Eswatini	Madagascar	Seychelles	Zambia
Djibouti	Ethiopia	Malawi	South Sudan	Zimbabwe
ECOWAS (Economic Community of West African States)				
Benin	Côte d'Ivoire	Guinea	Mali	Senegal
Burkina Faso	The Gambia	Guinea-Bissau	Niger	Sierra Leone
Cabo Verde	Ghana	Liberia	Nigeria	Togo
EFTA (European Free Trade Association)				
Iceland	Liechtenstein	Norway	Switzerland	
European Union (28)				
Austria	Denmark	Hungary	Malta	Slovenia
Belgium	Estonia	Ireland	Netherlands	Spain
Bulgaria	Finland	Italy	Poland	Sweden
Croatia	France	Latvia	Portugal	United Kingdom
Cyprus	Germany	Lithuania	Romania	
Czech Republic	Greece	Luxembourg	Slovak Republic	

GCC (Gulf Cooperation Council)				
Bahrain, Kingdom of	Oman	Qatar	Saudi Arabia, Kingdom of	United Arab Emirates
Kuwait, the State of				
MERCOSUR (Southern Common Market)				
Argentina	Brazil	Paraguay	Uruguay	Venezuela, Bolivarian Republic of
NAFTA (North American Free Trade Agreement)				
Canada	Mexico	United States of America		
SADC (Southern African Development Community)				
Angola	Eswatini	Malawi	Namibia	Tanzania
Botswana	Lesotho	Mauritius	Seychelles	Zambia
Democratic Republic of the Congo	Madagascar	Mozambique	South Africa	Zimbabwe
SAFTA (South Asia Free Trade Agreement)				
Afghanistan	Bhutan	Maldives	Pakistan	Sri Lanka
Bangladesh	India	Nepal		
WAEMU (West African Economic and Monetary Union)				
Benin	Côte d'Ivoire	Mali	Senegal	Togo
Burkina Faso	Guinea-Bissau	Niger		

10 Major Regional Trading Blocs in the World



ASEAN – Association of South East Asian Nations

- ASEAN was established on 8th August 1967 in Bangkok, Thailand. There are 10 member countries of ASEAN including Brunei, Malaysia, Singapore, Vietnam, Indonesia, Laos, Cambodia, Thailand, Philippines and Myanmar. The main goals of ASEAN are to increase economic growth, social progress and promote regional space and stability. It aims to transform ASEAN into a single entity. Singapore is the biggest trading market of ASEAN countries. As per the trade map, ASEAN exports of goods to the global market worth USD 890 billion and imports worth USD 846 billion in the year 2017. However, the exports were USD 1183 billion and imports were USD 1105 billion during 2016.



APEC – Asia Pacific Economic Cooperation

- APEC also referred to member economies and accounting approximately 60% of the world's GDP. It is responsible for facilitating economic growth, cooperation, trade and investment in this region. APEC consists of 21 member countries including Brunei Darussalam, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taipei, Thailand, United States and Vietnam. APEC exports of goods stood at USD 8021 billion and imports stood at USD 7997 billion during the year 2016. China and United States are the biggest trading countries.





BRICS

- BRICS is an association of five national economies such as Brazil, Russia, India, China and South Africa. However, South Africa has joined this group in the year 2010 and earlier it was known as BRIC. The total exports of BRICS amounted to USD 2902 billion and imports amounted to USD 2339 billion during 2017. China is the largest trading country in terms of both imports and exports among these countries and recorded 70% of BRICS exports and 65% of BRICS imports.



EU – European Union

European Union is the most integrated trade block in the world and formed in the year 1951. It has built a single Europe-wide market and also launched Euro as a single currency for regional trading. European Union goods exports to the global market worth USD 5887 billion and imports worth USD 5785 billion during the year 2017. EU consists of 28 member countries.

NAFTA – North America Free Trade Agreement

NAFTA was established on 1st January 1994 and comprises three giant member countries which are Canada, United States and Mexico. USA and Canada provide highly industrialized environment for manufacturing & services growth while Mexico provides cheaper resources. NAFTA is responsible to eliminate trade barriers among its member countries, promote a free trade environment and to increase investment opportunities.

NAFTA goods exports stood at USD 2376 billion and imports stood at USD 3262 billion during the year 2017. United States is the largest trading country among NAFTA countries.





CIS – Commonwealth of Independent States

- CIS group was founded in the year 1991 and it is a group of 12 member countries including Azerbaijan, Armenia, Russia, Ukraine, Kazakhstan, Belarus, Turkmenistan, Uzbekistan, Georgia, Moldova, Kyrgyzstan and Tajikistan. According to CIS countries trade data, the contribution of CIS nations in the world's exports was 2.6% in 2016, which declined from 2015's 3%. And in world's imports, countries of CIS region contributed 2% in both the years.

COMESA – Common Market for Eastern and Southern Africa

- COMESA exists as an organization of independent sovereign states that have agreed to cooperate in developing the regional or global trade. It is an economic union of southern and eastern African countries. It consists of 19 member countries such as Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. COMESA exports recorded USD 65.93 billion and imports recorded USD 142.29 billion during the year 2016. Egypt is the largest trader among COMESA countries.



SAARC – South Asian Association for Regional Cooperation

- SAARC provides a platform for the people of South Asian countries to work together in a spirit of trust and understanding. It was founded on 8th December 1985 and its member states include Afghanistan, Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka. SAARC exports of goods to the world worth USD 330 billion and imports worth USD 481 billion in the year 2016. India is the biggest trading country in both imports and exports among SAARC members. SAARC organize summits annually and the country hosting the summit holds the chair of the association.



MERCOSUR

MERCOSUR stands for Mercado Comun del Cono Sur which means Southern Common Market and it was established on 26th March 1991. It is tariff union of South American countries covering the market of Brazil, Argentina, Venezuela, Paraguay and Uruguay. Its associate members include Bolivia, Chile, Colombia, Ecuador and Peru. Its main goals are to accelerate sustained economic development.

MERCOSUR is one of the fastest growing trading blocks in the world. Spanish and Portuguese are the major languages spoken in this region. MERCOSUR global exports worth USD 292 billion and imports worth USD 237 billion during the year 2017.





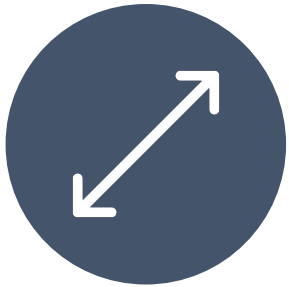
IOR-ARC – Indian Ocean Rim Association for Regional Cooperation

- OR-ARC comprises 21 member countries such as Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Somalia, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, UAE and Yemen. Initially IOR ARC consisted of 7 countries only but it has expanded to include other countries as well. It aims to promote sustainable growth and development of its members. IOR-ARC exports worth USD 1875 billion and imports worth USD 1847 billion during 2016.

Reasons for joining blocks

- Politicians may seek to form blocks to enhance wealth.
- States may join such blocs in the interests of specific economic interest groups (or resist joining under pressure from interest groups).
- For geopolitical and security reasons
- These reasons are not mutually exclusive, they work in conjunction

Specific reasons



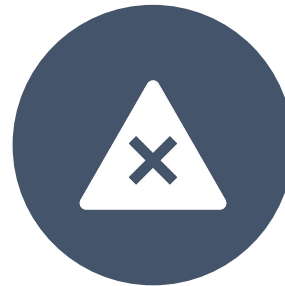
- Merchants more often enter into blocs when global trade regimes are weakened, when global hegemony is weakening and recession sets in - so they want to retain access to markets



- The emergence of agreements stimulates the conclusion of new agreements: partly for reasons of competition, partly because of the demonstration effect.



- The willingness of the state to join regional blocs grows as the WTO expands: the more states that are, the less political influence an individual country will have, therefore it will reorient itself to blocs where its voice will be heard



- States that are in a state of conflict with the WTO and its members are also inclined to enter the blocs.

Regional blocks in numbers

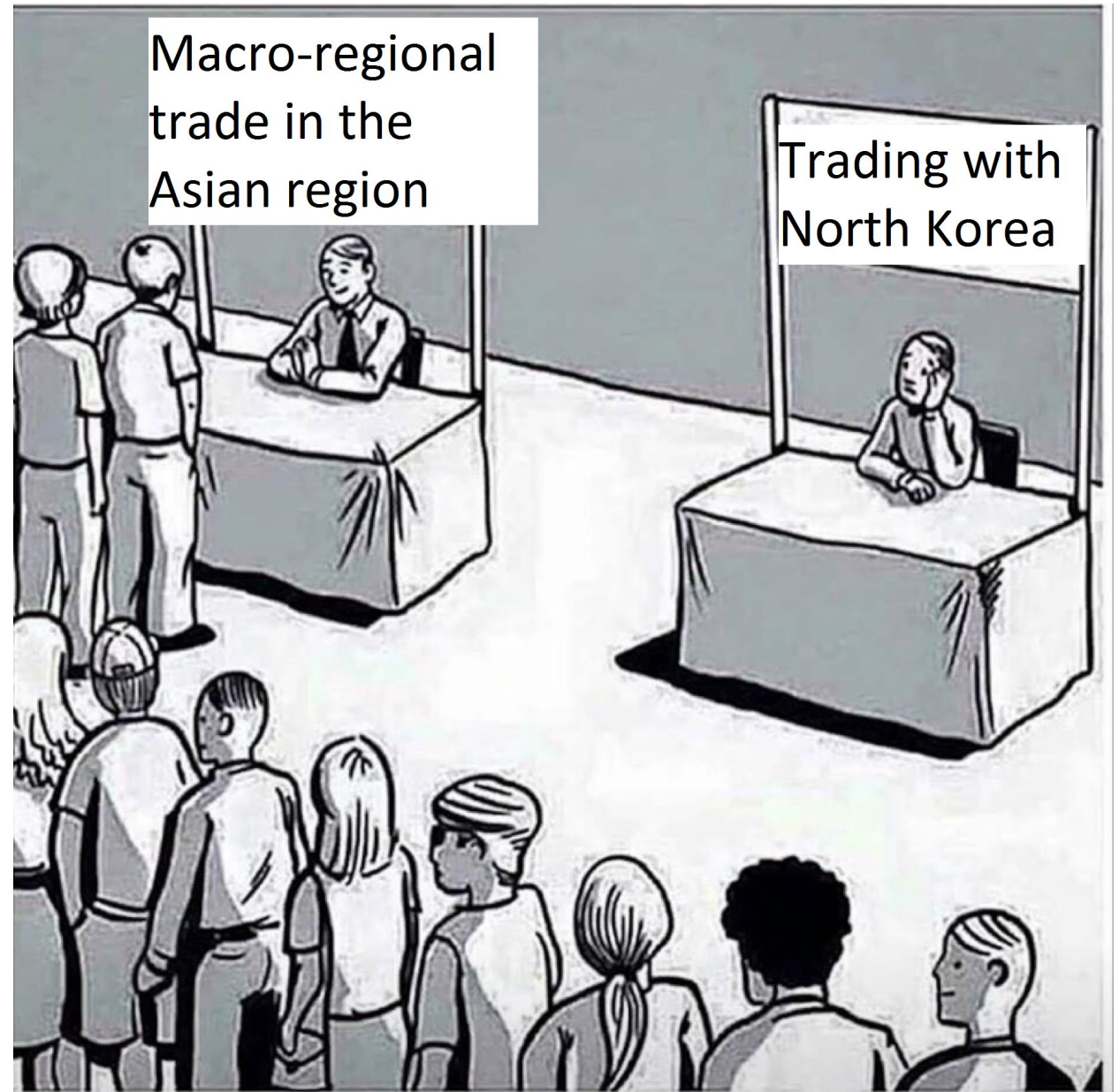
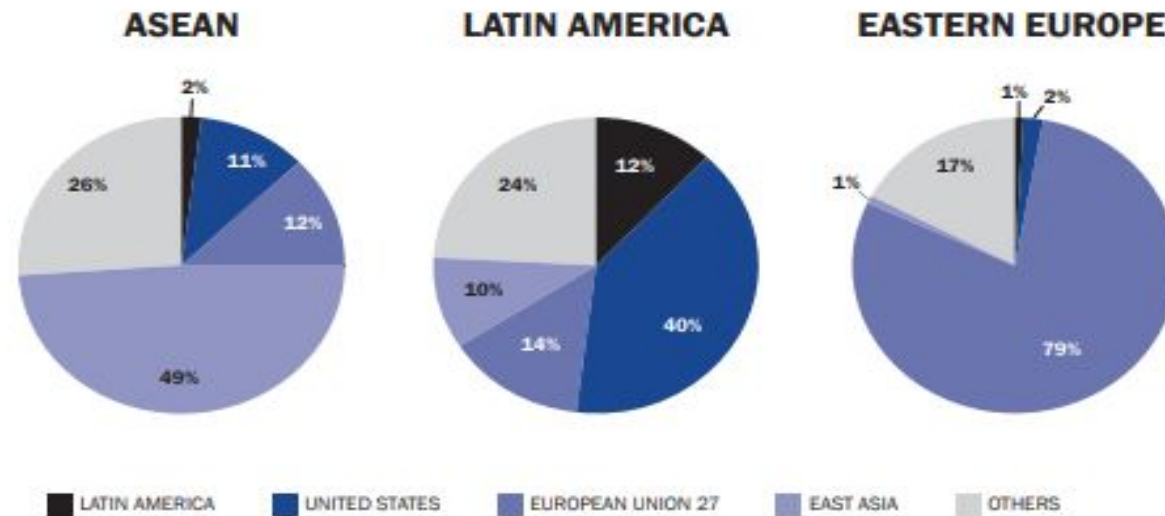


Table 2.3 Corrected intraregional trade concentration ratios, 1962-94

Group	1962	1965	1970	1975	1980	1985	1990	1994
East Asia	4.29	3.83	3.11	2.98	2.75	2.43	2.40	2.24
APEC	1.70	1.76	1.89	1.94	1.89	1.81	1.82	1.68
ASEAN-6	11.43	11.01	9.82	5.81	4.86	6.09	4.74	4.28
Europe	1.31	1.31	1.35	1.43	1.48	1.53	1.52	1.69
EU-15	1.29	1.32	1.38	1.47	1.54	1.65	1.57	1.70
EU-12	1.24	1.29	1.38	1.49	1.56	1.68	1.60	1.72
EFTA	1.45	1.61	2.03	3.10	2.62	2.72	2.39	2.54
Western Hemisphere	1.71	1.86	1.96	2.18	2.16	2.02	2.17	2.22
Mercosur	3.24	8.52	7.39	5.07	8.16	6.43	12.06	17.05
Andean Community	0.36	0.86	1.96	3.28	4.20	5.50	10.07	15.76
NAFTA	2.27	2.46	2.70	3.06	2.95	2.73	2.94	3.08
Africa	0.87	0.79	1.20	0.67	0.53	1.07	1.60	1.26

Sources: Derived from Statistics Canada, *World Trade Data Set* (derived from UN data base); UN, COMTRADE data base.

Destination of exports from principal regional integration groups, 2008 (% of total exports)



Source: Author's calculations based on World Integrated Trade Solution (WITS).

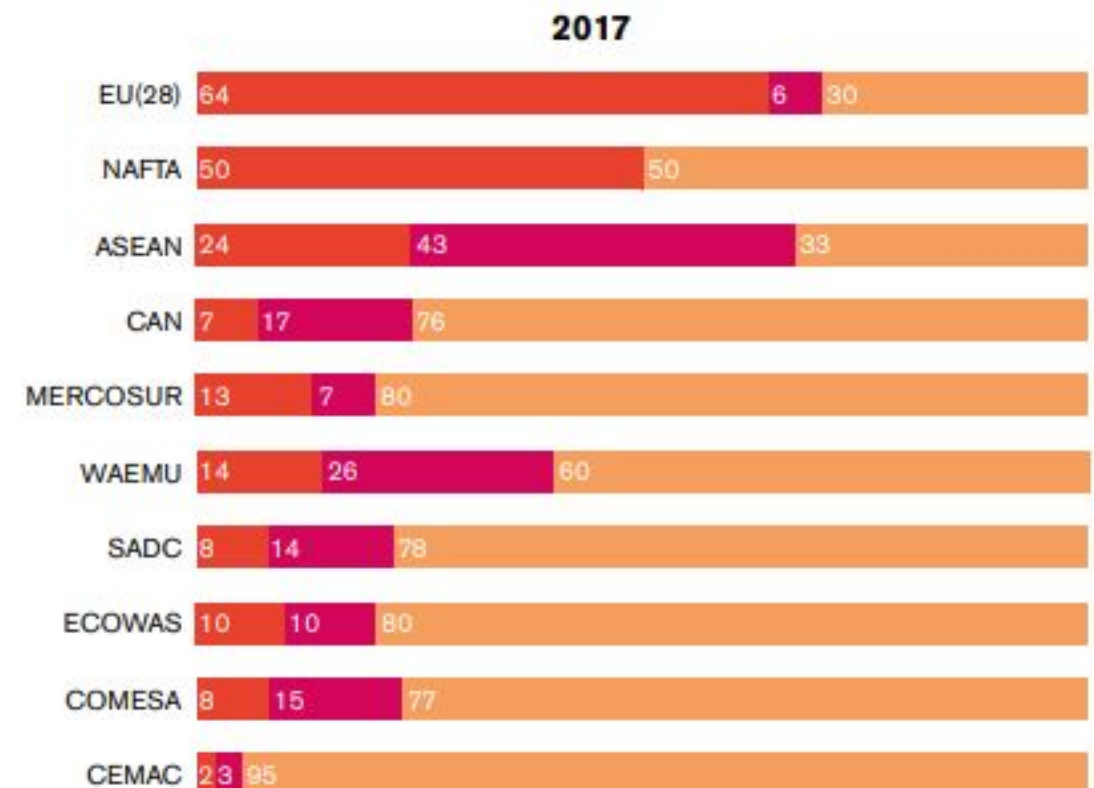
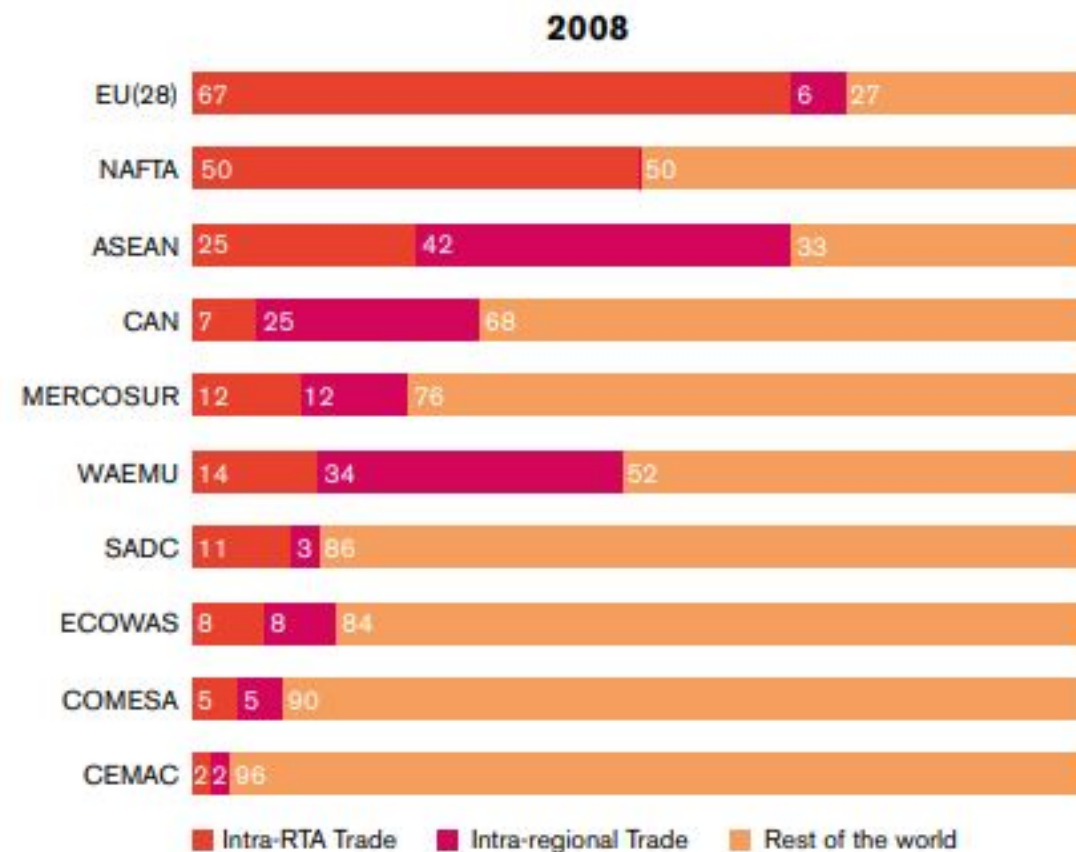
Notes:

East Asia refers to the member countries of ASEAN plus China, South Korea, and Japan. ASEAN comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Latin America refers to the member countries of MERCOSUR (Argentina, Brazil, Paraguay, and Uruguay); MCCA (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua); CAN (Bolivia, Colombia, Ecuador, and Peru); plus Mexico, Chile, and Venezuela.

European Union 27 comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

Exports of regional trade agreements (RTAs), 2008 and 2017 (Percentage share)




Source: WTO-UNCTAD estimates.

Merchandise trade by selected groups of economies, 2008-2018


(Billion dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Exports											
World (1)	16165.2	12560.5	15300.9	18338.1	18511.1	18950.6	18984.5	16530.6	16030.5	17731.9	19475.4
North America and Europe											
EFTA	377.9	293.3	330.9	400.61	478.5	518.9	460.9	398.4	396.8	408.5	439.3
European Union (28)	5954.9	4613.5	5183.9	6092.2	5808.6	6077.0	6157.2	5388.8	5379.2	5909.6	6465.4
NAFTA	2035.2	1601.8	1964.3	2283.4	2372.1	2417.9	2493.7	2293.1	2215.0	2376.5	2564.5
South and Central America											
Andean Community	94.0	78.6	99.4	134.0	142.6	138.2	132.4	97.5	92.7	110.1	121.3
CACM	30.6	27.1	31.9	38.2	39.8	39.6	40.6	38.7	36.9	40.2	42.2
CARICOM	26.4	15.0	17.8	23.2	22.2	27.4	22.6	17.7	14.6	16.6	18.1
MERCOSUR	375.3	276.8	349.1	448.6	435.9	425.3	387.0	301.2	285.3	325.6	351.5
Africa											
CEMAC	42.7	27.0	35.7	44.6	44.5	42.2	40.3	23.1	18.8	21.9	29.1
COMESA	146.6	107.6	135.7	117.2	152.6	139.2	113.4	86.8	87.4	104.0	113.4
ECCAS	111.3	71.7	92.0	119.1	122.7	117.5	108.2	62.9	52.7	65.7	81.3
ECOWAS	111.9	83.4	114.8	155.1	155.7	133.5	147.0	86.5	70.9	89.2	107.0
SADC	177.7	131.3	181.0	223.0	218.3	215.6	205.9	157.3	147.6	171.7	188.4
WAEMU	18.5	19.3	20.7	24.0	23.8	24.6	26.4	23.3	23.0	25.2	26.1
Middle East and Asia											
ASEAN	989.7	813.8	1049.8	1239.5	1253.7	1270.0	1290.8	1161.3	1152.9	1315.8	1447.3
GCC	762.5	525.7	661.2	950.0	1071.9	1079.5	990.0	684.6	619.4	706.5	869.1
SAFTA	241.3	206.8	277.6	365.3	358.1	381.6	391.5	334.5	331.8	370.5	402.9
Memorandum:											
ACP	399.2	288.8	391.6	495.0	484.6	462.1	461.6	325.1	291.3	344.1	387.6
LDCs	152.6	118.5	152.4	189.2	189.7	194.3	189.0	147.3	146.1	171.0	192.8
WTO Members (164)	15679.6	12237.6	14905.7	17850.5	18007.0	18495.5	18566.2	16246.1	15771.0	17408.8	19085.8

Imports											
World (1)	16595.3	12801.8	15532.6	18526.6	18738.7	19049.5	19130.7	16787.0	16284.9	18043.3	19866.5
North America and Europe											
EFTA	280.1	228.0	257.5	303.8	388.0	416.3	370.6	334.8	350.8	359.7	374.6
European Union (28)	6358.4	4809.2	5421.1	6330.1	5950.9	6012.0	6145.0	5319.4	5338.8	5883.3	6494.2
NAFTA	2906.8	2176.7	2682.1	3090.7	3193.3	3195.8	3298.5	3150.0	3060.8	3282.8	3559.9
South and Central America											
Andean Community	93.6	74.3	96.7	124.3	135.6	139.6	144.6	123.1	106.0	115.3	127.6
CACM	54.9	41.6	49.5	60.3	63.0	64.1	64.3	62.4	59.9	62.9	66.7
CARICOM	31.7	23.6	24.9	30.3	30.9	34.7	33.0	29.5	26.5	27.2	30.7
MERCOSUR	308.4	227.8	306.0	382.4	375.9	397.6	371.7	292.1	232.7	255.3	287.3
Africa											
CEMAC	17.4	17.7	20.3	26.1	26.3	26.0	29.2	22.4	17.7	16.4	17.2
COMESA	144.9	134.6	158.0	165.7	198.2	203.7	201.9	185.1	162.1	178.8	195.4
ECCAS	44.4	46.1	43.5	54.7	59.3	61.9	68.3	52.7	38.8	39.0	41.4
ECOWAS	89.5	67.1	83.6	103.1	104.9	114.7	114.0	93.7	84.7	83.4	99.2
SADC	171.5	140.8	165.4	209.0	222.1	228.7	225.8	192.2	162.1	176.4	196.1
WAEMU	25.5	22.0	24.5	25.1	30.1	35.2	34.0	29.1	28.4	32.3	36.7
Middle East and Asia											
ASEAN	938.8	727.0	953.5	1154.3	1223.2	1242.0	1232.6	1097.5	1092.3	1257.8	1435.6
GCC	406.3	338.5	372.0	445.7	511.6	543.7	554.0	540.9	506.5	504.3	497.4
SAFTA	409.7	330.0	441.6	579.8	604.8	582.9	589.3	515.0	490.7	601.3	680.0
Memorandum:											
ACP	387.8	314.1	369.8	455.4	478.0	500.7	501.2	430.0	377.6	395.5	438.0
LDCs	157.8	148.3	164.0	202.9	223.8	238.8	255.0	236.1	223.6	247.5	273.2
WTO Members (164)	16269.8	12500.0	15197.9	18157.6	18355.0	18663.3	18742.3	16449.8	15987.9	17713.8	19523.9



Let's repeat



Thank you for
attention

