

NON-TARIFF MEASURES

STRENGTHENING TRANSPARENCY AND CONVERGENCE OF REGULATIONS FOR SUSTAINABLE DEVELOPMENT

GLOBAL CONTEXT

International trade today has seen a decline in tariff rates as a result of multilateral and regional trade negotiations and growing importance in non-tariff measures. Non-tariff measures – defined as policy measures other than ordinary customs tariffs that can have an economic effect on international trade in goods, changing the quantities traded or prices or both – are used as both protection and regulatory trade instruments. They include sanitary and phytosanitary measures, technical barriers to trade, quantitative restrictions (e.g. quotas), contingent trade-protective measures (e.g. anti-dumping duty) and other measures.

For exporters, importers and policymakers, non-tariff measures represent a challenge. Non-tariff measures affect trade through compliance and procedural costs, often disproportionately affecting small exporters and poorer countries. Yet non-tariff measures can also fulfil important public policy objectives, such as the protection of public health or the environment. Striking a balance between those costs and benefits requires transparency, policy coherence and international-level regulatory convergence. For developing countries, understanding the uses and implications of such measures is thus essential for the formulation and implementation of effective development strategies.

UNCTAD has been working on research and capacity-building programme activities related to non-tariff measures since the early 1980s. It has developed a comprehensive programme covering the entire “value chain” of non-tariff measures, ranging from conception (e.g. how information about such measures can be structured), data collection and dissemination to research and policy advice. More specifically, UNCTAD assists developing countries, including least developed countries, in increasing transparency and building analytical capacities on non-tariff measures through three important tools: a regional review of non-tariff measure integration, online training for data collection on non-tariff measures and a set of resources on trade policy analysis.

HOW CAN ANALYTICAL CAPACITIES IN NON-TARIFF MEASURES BE BUILT?

Reviews of non-tariff measures, with a view to regional integration, aim at providing analytical support for the regional integration process by systematically addressing such measures in a free trade area. A review consists of four components: data collection on non-tariff measures; an impact assessment of non-tariff measures; institutional analysis to identify strengths and weaknesses in regional integration of non-tariff measures; and a validation workshop to foster political will and discuss the way forward.

The available online training for data collection on non-tariff measures consists of five modules: an introduction to non-tariff measures, classification of non-tariff measures, classification of products in the Harmonized Commodity Description and Coding Systems, guidelines on collecting data on non-tariff measures and hands-on exercises. Successful participants are awarded certification by UNCTAD as a non-tariff measure data collector. Those with the top marks become part of an UNCTAD roster for consultancies in data collection or other work related to non-tariff measures.

PROGRAMME FACTS AND FIGURES

Programme start date: 2008

Number of activities to date: 19 courses (trade policy analysis); 2 regional non-tariff measure integration reviews

Activities per year: 2–3 trade policy analysis courses (average); 1 regional non-tariff measure integration review; 100 participants in online non-tariff measures training

Programme website:
unctad.org/ntm

The set of resources on trade policy analysis aims at enhancing capacity in developing countries on analysing and implementing trade policy, including non-tariff measures, through training activities. *A Practical Guide to Trade Policy Analysis* – a co-publication of UNCTAD and the World Trade Organization – serves as a main reference for training, with the World Bank's World Integrated Trade Solution (WITS) software (developed in collaboration with UNCTAD) another core component. Training is also tailored to the needs of each audience, with a more technical focus used for practitioners and a more discursive and descriptive approach for policy-oriented audiences.

RESULTS AND IMPACT AT A GLANCE

- UNCTAD began collecting and classifying non-tariff measures in 1994. The UNCTAD Trade Analysis and Information System (TRAINS) is the most comprehensive database on non-tariff measures. In recent years, the significant improvement in data quality and coverage achieved means that by 2016, 90 per cent of world trade will be covered in the database. TRAINS has also been accessible through the WITS software application since 2002.
 - A 2014 UNCTAD pilot project, with funding from the German Agency for International Cooperation, conducted on reviewing regional integration of non-tariff measures in the Southern African Development Community (SADC) was highly appreciated by stakeholders and workshop participants, particularly the analytical methodologies to determine status, potential and benefits for non-tariff measure harmonization. SADC officials used the resulting study, which provided insights into the region's ongoing initiatives and helped to identify synergies, in their response to a request from the SADC Committee of Ministers Responsible for Trade for a strategic plan to eliminate non-tariff barriers in the region.
 - The online training for data collection on non-tariff measures has received positive feedback from participants. Results of a 2015 questionnaire indicate that 98 per cent found the knowledge acquired during the training extremely or very useful in deepening participants' understanding of non-tariff measures; 86 per cent found the information on non-tariff measures extremely or very helpful to understanding the policy issues that her or his country faced in international trade.
- Following a 2015 training course on trade policy analysis, Ecuador, for example, requested further assistance in estimating the impact of trade agreements currently being negotiated with the Republic of Korea and the European Union.
 - More than 300 participants have been trained through the online course on non-tariff measures. Participants have expressed appreciation of the course. For example:
 - The course helped one participant in shaping the methodology used for a proposal on assessing the impact of non-tariff measures on Tanzanian exports in the East African Community.
 - Another participant noted that the course would help in regular reporting to the World Trade Organization on trade policy measures in the areas of collection, correct classification and tabulation of non-tariff measures.

DONORS/ FUNDING SOURCE

Current: United Nations Development Account, Canada, Germany, Japan, European Commission, World Bank

Past: Germany, Switzerland, the United Kingdom