

# Assessing the impacts of NTMs in trade

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# PRONTO

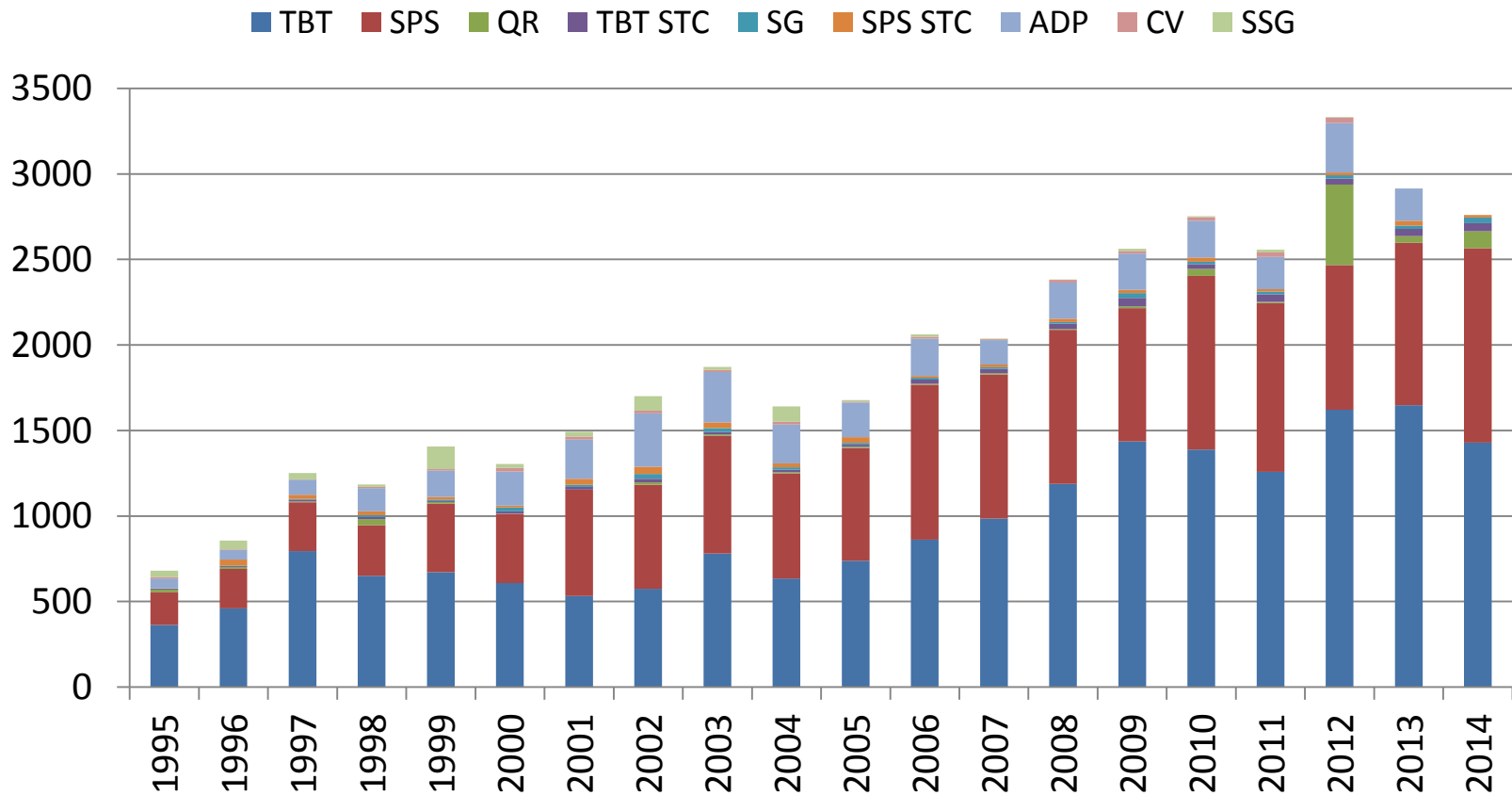
- European Commission FP7 project
  - Untapped potential for growth and employment – reducing the cost of non-tariff measures in goods, services and investment
- Aims
  - Mapping data availability, data comparison, link to other data
  - Impact on cross-border trade of goods and services
  - Quantify impacts on various economic and social aspects (welfare, labour markets, growth, sustainable developments, ...)
- Data challenges (from a “user perspective”)
  - Various sources; not necessarily compatible; made for specific purposes
  - Linking NTM data from various sources
  - Linking NTM data to other data (e.g. trade)
- Example: WTO I-TIP data

## Data on non-tariff measures (NTMs)

- WTO I-TIP database
- 38,881 measures notified to the WTO secretariat since 1979
  - **Sanitary and phytosanitary measures (SPS)** with 13,380 notifications, **SPS Specific Trade Concerns (STC)** with 439 notifications,
  - **Technical barriers to trade (TBT)** with 18,830 notifications, **TBT STC** with 460 notifications,
  - **Anti-dumping (ADP)** with 3,825 notifications,
  - **Countervailing measure (CV)** with 268 notifications,
  - **Safeguard measures (SG)** with 297 notifications,
  - **Special Safeguards (SSG)** with 581 notifications, and
  - **Quantitative Restrictions (QR)** with 801 notifications

# Data on non-tariff measures (NTMs)

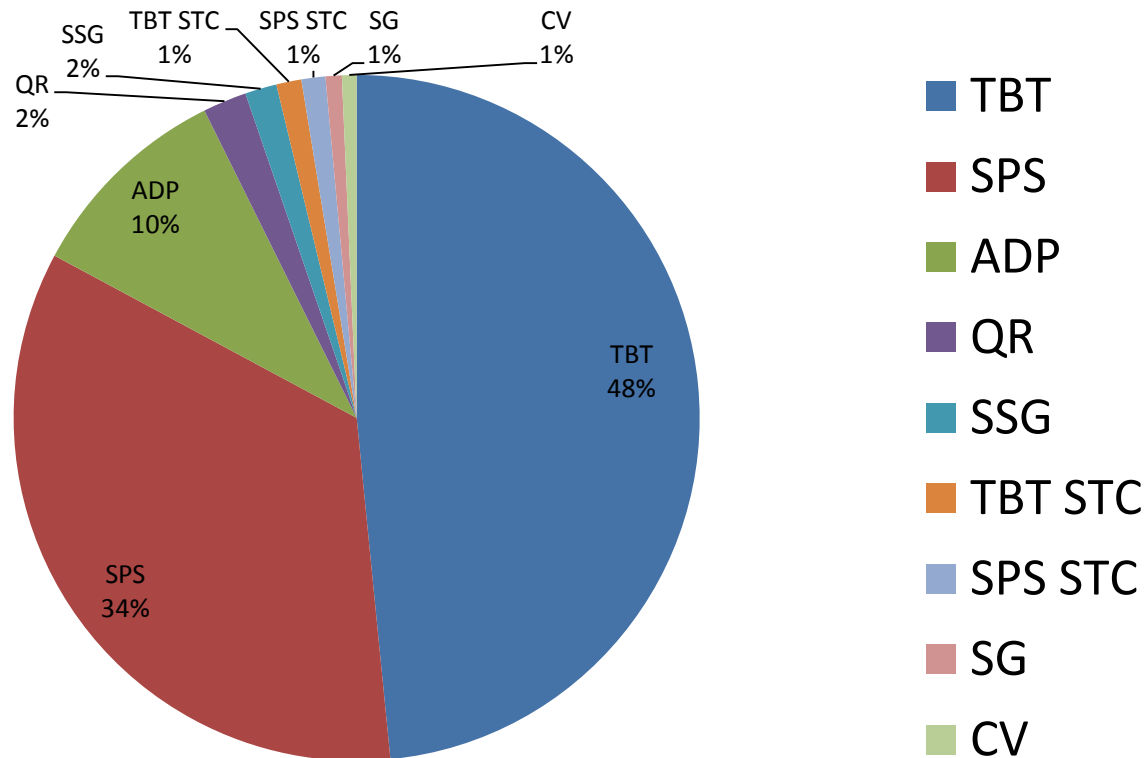
Number of NTMs (hits) over time,  
by types of NTM



Source: WTO I-TIP; Ghodsi, Reiter and Stehrer, 2015.

# Data on non-tariff measures (NTMs)

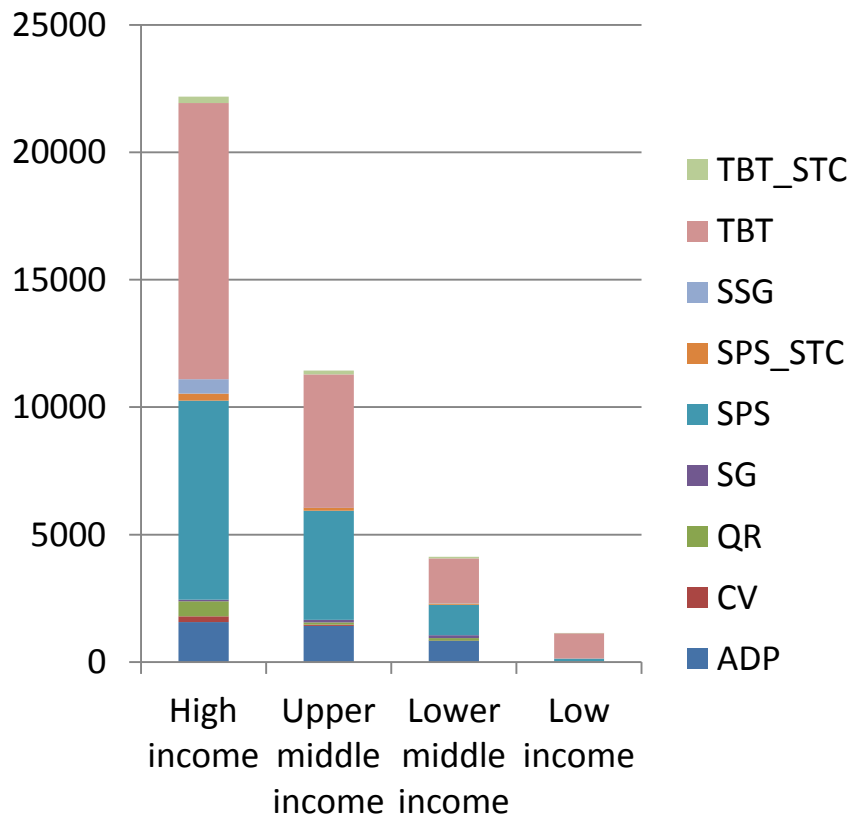
Number of NTMs in 2014: 38.881



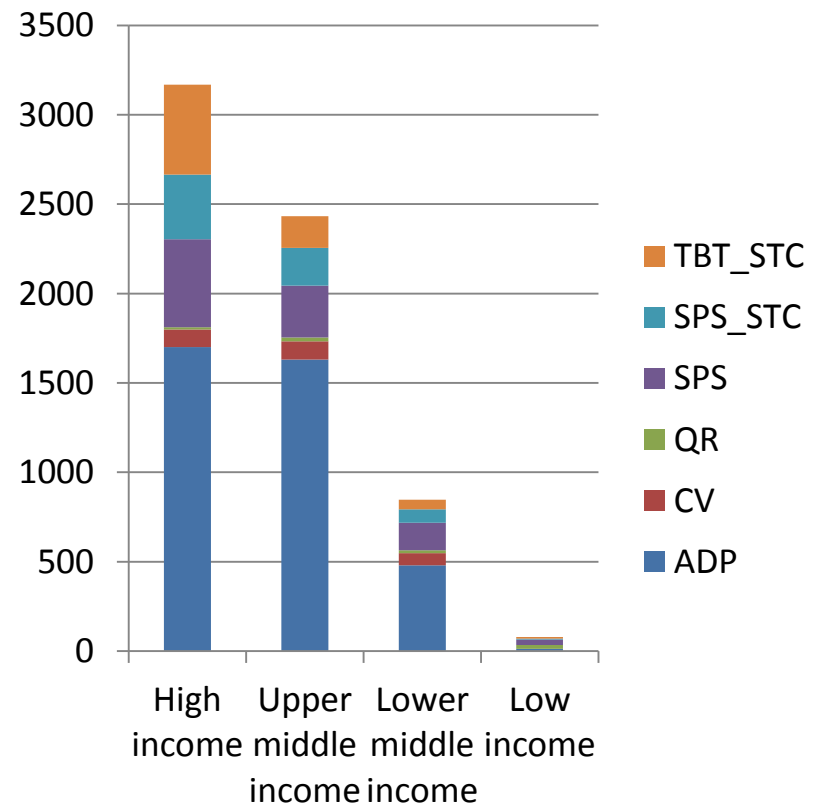
Source: WTO I-TIP; Ghodsi, Reiter and Stehrer, 2015.

# Data on non-tariff measures (NTMs)

Imposing countries



Affected countries (if not “All members”)



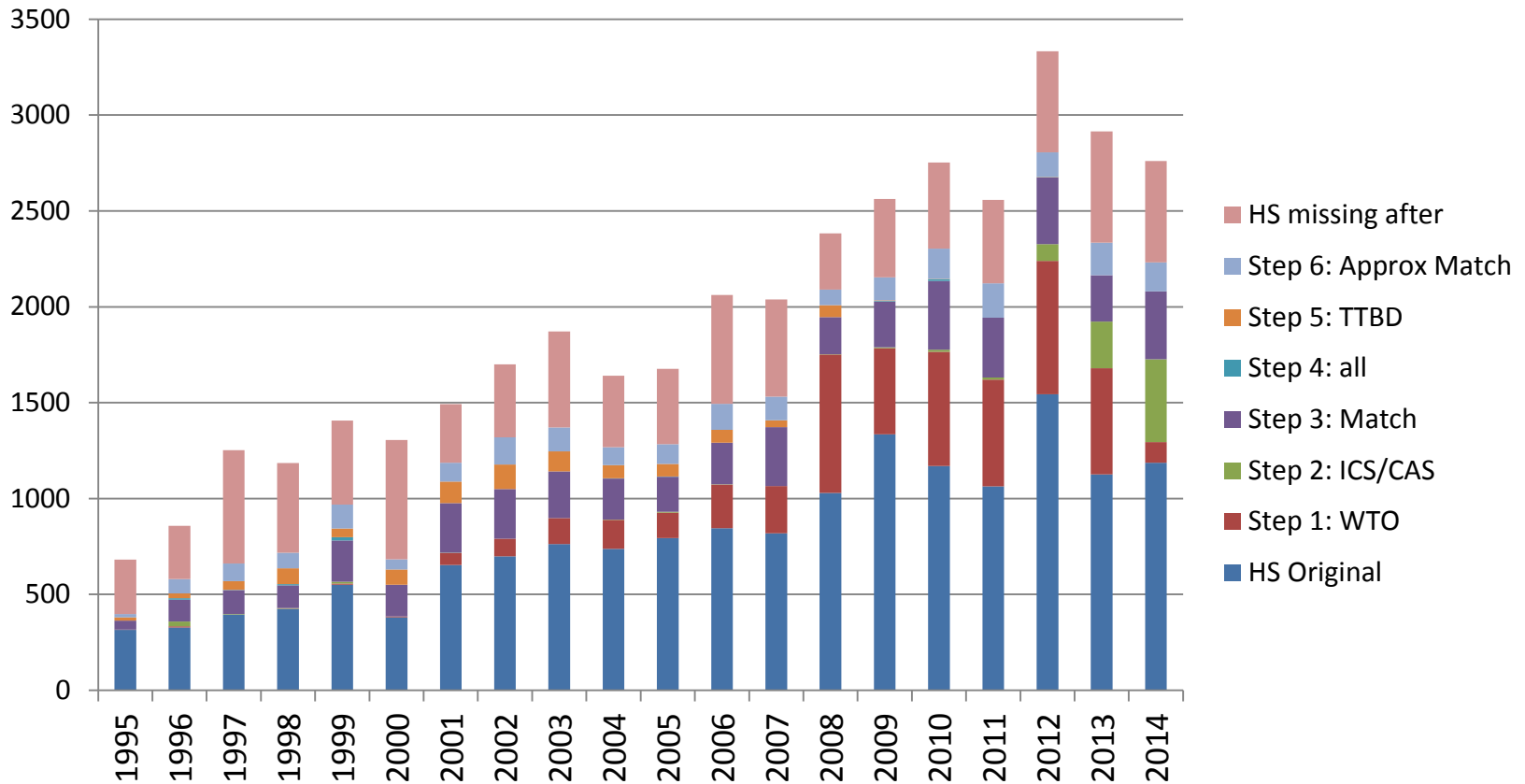
Source: WTO I-TIP; wiiw calculations.

## Data on non-tariff measures (NTMs)

- For 22,592 (out of 38,881) of all notified measures (slightly less than 60% of all notified measures in the database) no HS code is reported
- By various imputation strategies
  - (i) using information from WTO interpreted HS codes,
  - (ii) using information from the International Classification Standards (ICS),
  - (iii) Finding matches in corresponding already filled HS codes,
  - (iv) Product description containing “all” at various levels of HS codes,
  - (v) Using information from the Temporary Trade Barriers Database (TTBD) released by the World Bank (Bown, 2014),
  - (vi) Matching by set comparisons
- we reduced the number of measures with missing HS codes down to 9166 (about 25%)
  - See Ghodsi, Reiter and Stehrer (2015)

# Data on non-tariff measures (NTMs)

Imputation steps

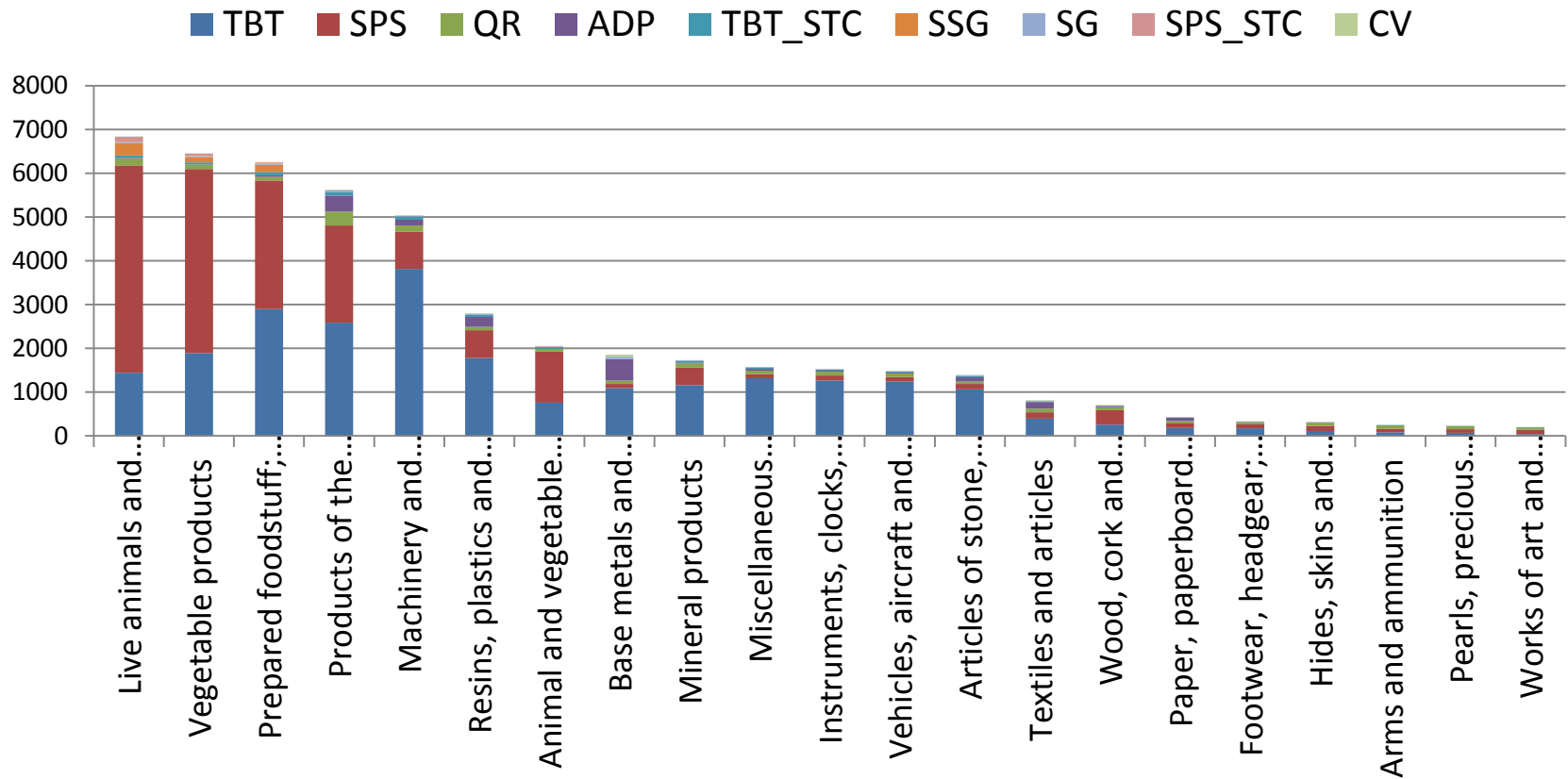


Source: WTO I-TIP; Ghodsi, Reiter and Stehrer, 2015.



# Data on non-tariff measures (NTMs)

By product category (HS groups)



Source: WTO I-TIP; Ghodsi, Reiter and Stehrer, 2015.

## Summary (of very preliminary results)

- Assessing impact of NTM on trade flows (so far: imports)
  - Allows to differentiate by type of NTM and using count data based
- Heterogenous effects
  - Following standard approaches in literature, **about 50% of NTMs have trade enhancing effect**
  - **On average AVEs are small (-/+ 2%)**, but this hides large variation across type of NTM and products
  - **“Small on average, but maybe big in detail”**
  - Quality improving effects of TBTs and SPS on average (though different across industries)
- Ongoing research
  - Industry & product level detail
  - Bilateral impacts (incl. trade diversion effects, etc.)
  - Impacts in GVCs and manufacturing-services interaction