The future international agenda on non-tariff measures

UNCTAD XIII special event

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Summary prepared by the UNCTAD secretariat
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1. Opened by Mr. Petko Draganov, Deputy Secretary-General of UNCTAD, and Ms. Patricia Francis, Executive Director, International Trade Centre, this special event informed participants about the Transparency in Trade initiative, and enabled an active dialogue on the growing effects of NTMs on international trade, particularly that of developing countries, and the actions needed in order to acquire better data and information on these instruments of trade policy. The discussion was launched by the following panellists: Mr. Alan V. Deardorff (University of Michigan), Mr. Anders Aeroe (International Trade Centre), and Mr. Bernard Hoekman (World Bank).

2. Participants emphasized that there was an urgent need to increase transparency about the types and the use of non-tariff measures (NTMs), and about their impact on international trade.

3. The participants expressed the following views:

   (a) A better understanding of the impact of non-tariff measures on international trade is key in the wider effort to leverage trade for more sustainable and inclusive economic growth. Governments need to be aware about what trade barriers and regulations prevail in potential export markets, and which of these policies are the most restrictive, so that negotiations can be centred on removing those of higher priority.

   (b) There are a number of factors that increase the relative importance of NTMs for the international trade policy agenda. Firstly, the proliferation of complex trade rules, such as NTMs, could hide protectionist intentions. Secondly, NTMs impose diverse costs (and benefits) on different actors. Therefore, NTMs could have potential, even unintentional, discriminatory effects. Thirdly, NTMs pose particular problems for developing countries’ market access. Many developing countries do not have the resources to address, or even analyse and understand, the nature and implications of the NTMs that their exports face. The fact that NTMs are increasingly the subject of negotiation in preferential trade agreements makes this issue even more compelling. Finally, traditional market access, preferential schemes, and even regional trade agreements may have little value if exporters do not know or are not prepared to comply with the increasing number of rules and regulations affecting international trade. NTMs directly add to trade costs, especially for small and medium-sized enterprises (SMEs).

   (c) NTMs take various forms and serve different purposes. While explicitly protectionist policy instruments – such as export subsidies, quotas, and local content requirements – are generally dealt with in the framework of the World Trade Organization (WTO), policies serving legitimate objectives such as the protection of health and safety are more difficult to deal with. Regional and bilateral trade agreements could be a good platform for addressing the latter kinds of policies, through harmonization and mutual recognition of domestic measures. The problem is that in bilateral agreements, the existing standards of more economically powerful countries can be taken as a minimum requirement. The solution in this case may be through plurilateral agreements on harmonization or on the internationalization of technical regulations and standards.

4. It was recognized that UNCTAD had been active in improving knowledge and awareness on NTMs since the 1980s. In this connection, UNCTAD had recently formed a partnership with the World Bank, the International Trade Centre and the African Development Bank, with the objective of generating and freely disseminating up-to-date data on trade policy, and of building capacity in developing countries to collect, report and analyse trade policy information, including on NTMs. This initiative was referred to as
Transparency in Trade. Collaboration among agencies would provide a better service to member States and to other stakeholders – including the private sector and SMEs in developing countries.

5. The Transparency in Trade initiative was discussed in detail. The intention of the four partner organizations was to cover all trade measures. While NTMs were definitely the priority area, another important component of the programme was data and information on services, in terms of regulatory measures affecting trade. Transparency in Trade also included contingency measures (such as anti-dumping, countervailing and safeguard measures). One of the expected outcomes of Transparency in Trade was to help policymakers to track changes in trade policies across countries for monitoring and analysis.

6. The special event was followed by an information session on voluntary sustainability standards (often also termed “private standards”) related to health, occupational-safety, environmental, social or animal-welfare issues. These standards were an evolving issue in international trade and the promotion of sustainable development strategies. Five United Nations bodies (Food and Agriculture Organization, United Nations Environment Programme, United Nations Industrial Development Organization, International Trade Centre and UNCTAD) had come together to launch the United Nations Forum on Sustainability Standards (UNFSS), based on their existing mandates. UNFSS was designed as a platform to provide information, analysis, and capacity-building assistance on those standards, with a particular focus on their potential value as tools for developing countries to achieve specific sustainable development goals and to boost exports of sustainably produced products. It was noted that the Forum would also address potential trade or development obstacles that those standards may create, with particular emphasis on their impact on small-scale producers and on developing countries.