

# United Nations Conference on Trade and Development

**13th Multi-Year Expert Meeting on Commodities and Development**

**10-12 October 2022, Geneva**

**Non-Tariff Measures as a barrier to export diversification ?**

By

Ralf Peters, UNCTAD

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



# **Multi-year Expert Meeting on Commodities and Development**

**Pathways to economic diversification in commodity-dependent  
developing countries**

**Non-Tariff Measures as a barrier to export diversification ?**

**Geneva, October 2022**

**Ralf Peters, UNCTAD**

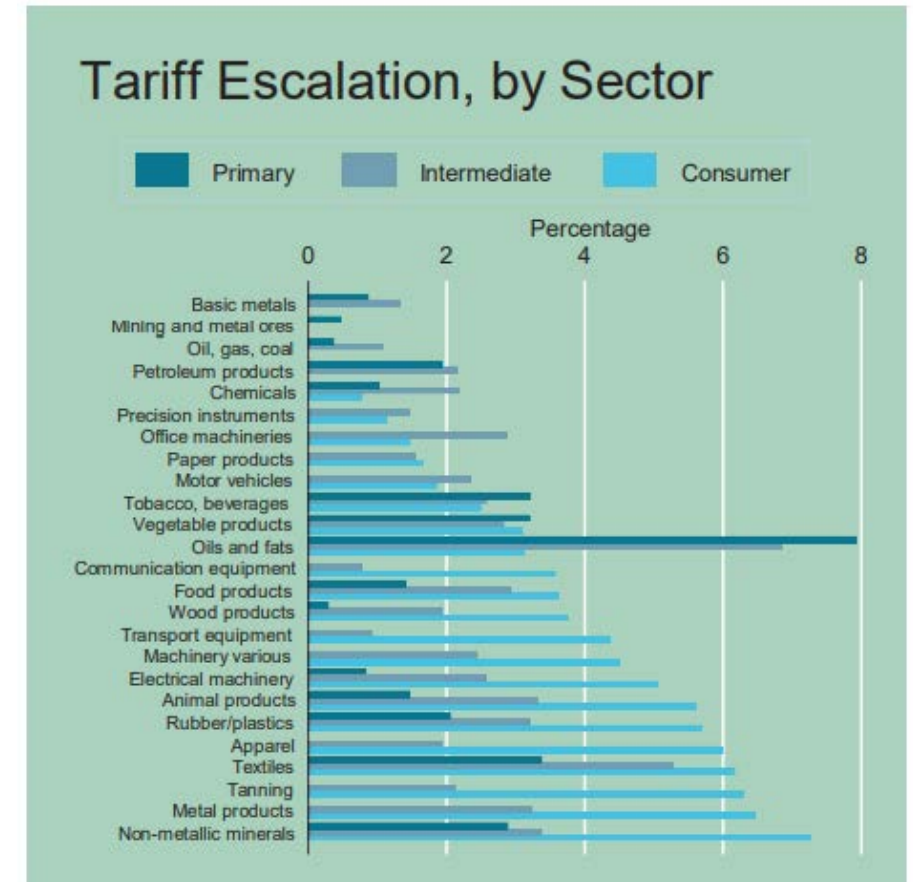
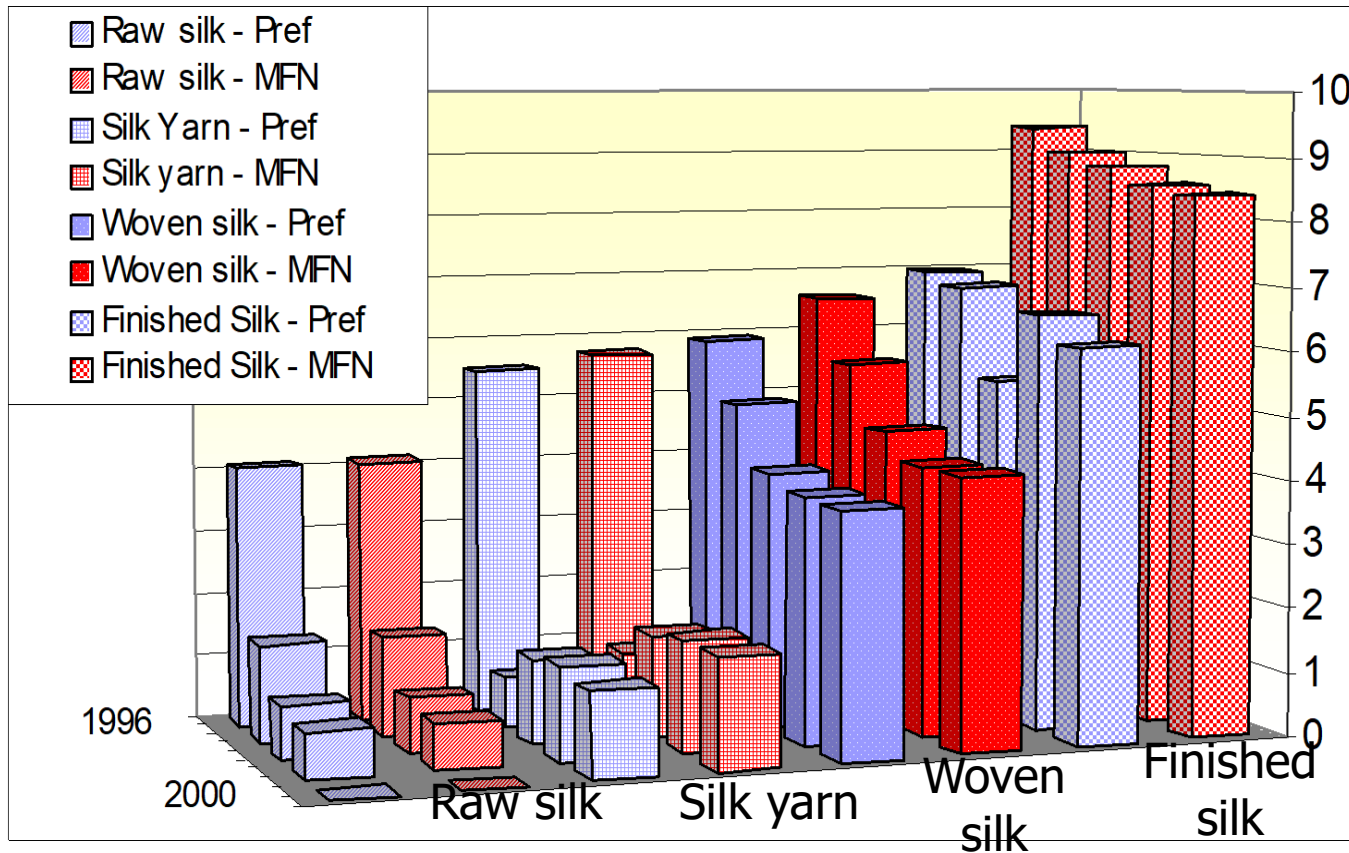
---

# Non-Tariff Measures and Export Diversification

1. **Tariff escalation negatively impacts export diversification**
2. **Nowadays NTMs matter more than tariffs**
3. **Do NTMs affect diversification efforts?**



# Tariff Escalation: Silk and all Sectors



# Challenge to comply with non-tariff measures such as technical regulations



Bringing dried mangoes into the EU is duty-free for all countries. However, exporters need to comply with

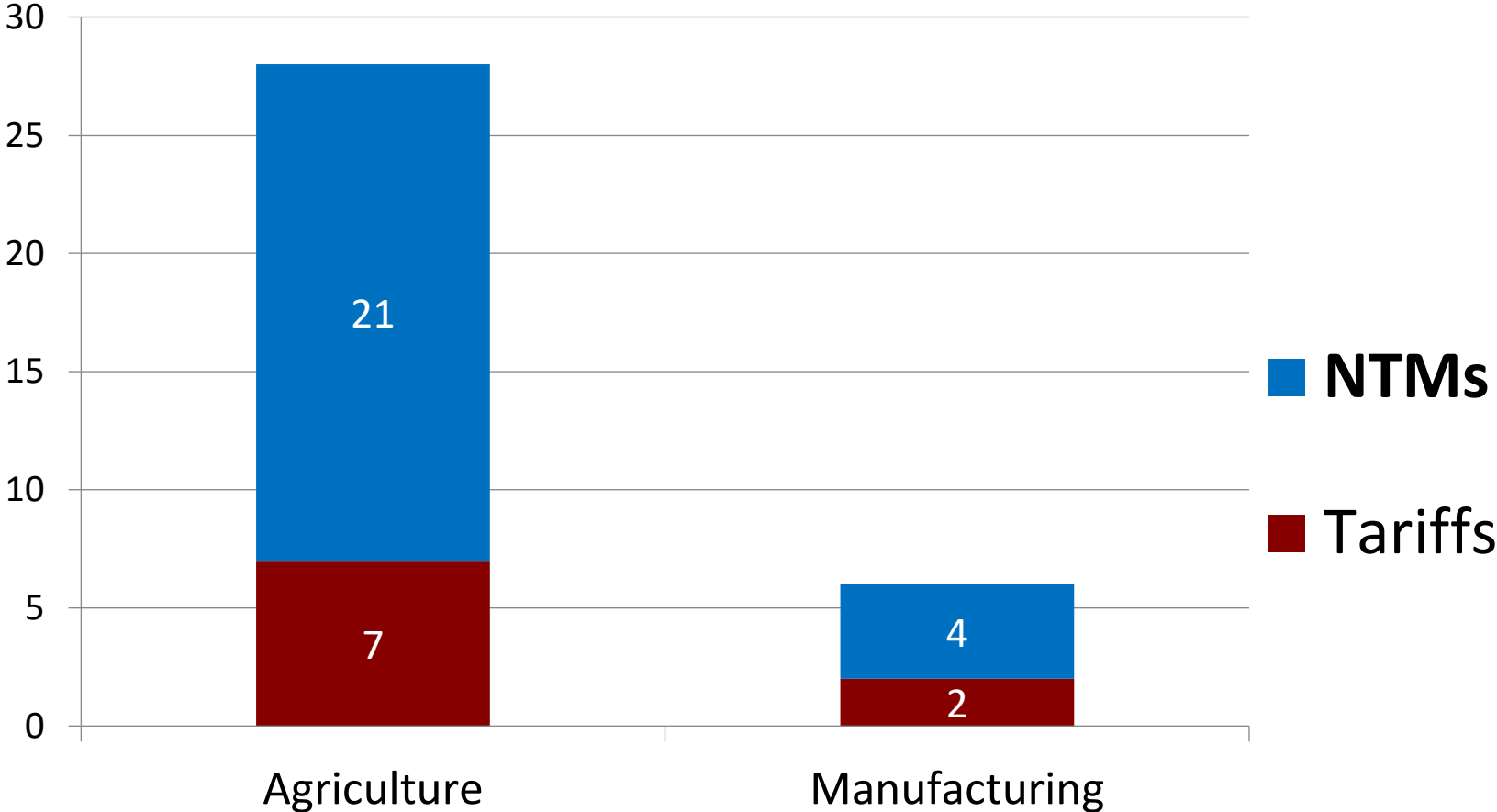
- tolerance limits for pesticide residues,
  - hygienic practices during production,
  - processing methods, microbiological criteria of the final product,
  - certification
- 
- Organic
  - Fair-trade (e.g. labor rights)

NTMs  
Non-Tariff  
Measures

VSS  
Voluntary  
Sustainability  
Standards

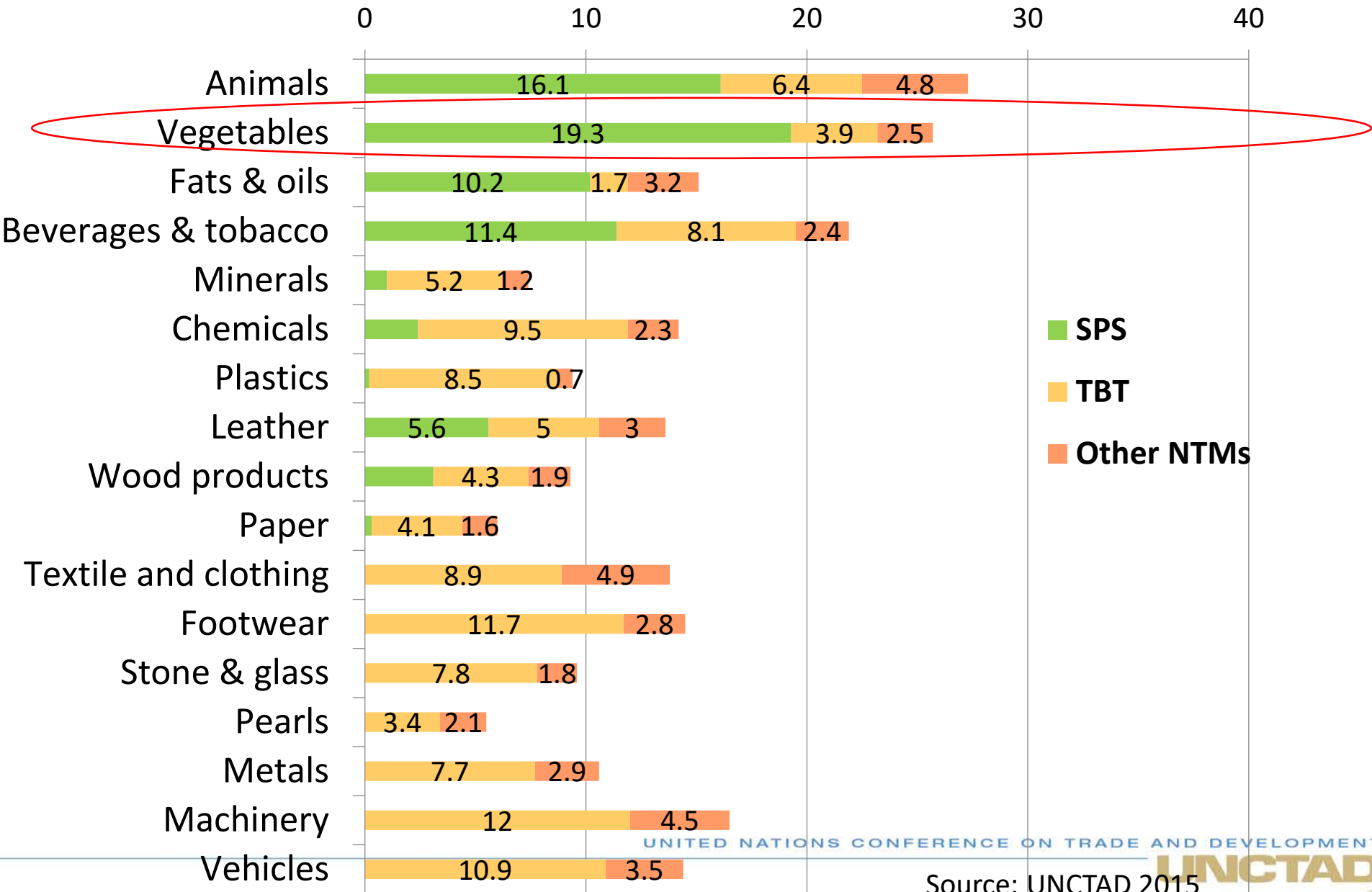


# Estimated *average* ad-valorem equivalents



# NTMs as barriers to trade

## Global ad-valorem equivalent of different NTMs



Source: UNCTAD 2015



---

# Non-Tariff Measures and Export Diversification

1. Tariff escalation negatively impacts export diversification
2. Nowadays NTMs matter more than tariffs
3. **Do NTMs affect diversification efforts?**

Is the burden of NTMs higher for processed products than for primary or raw goods

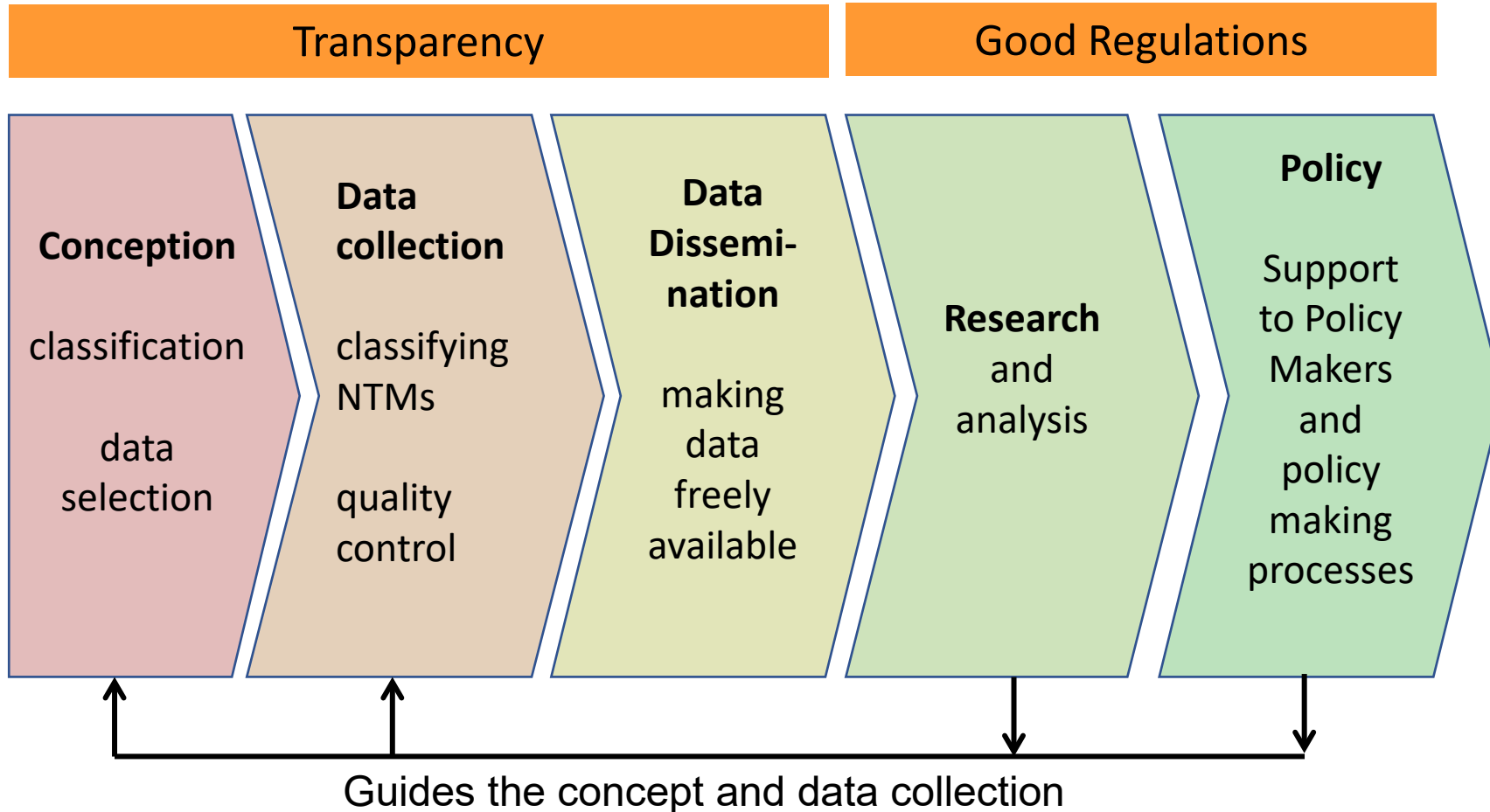
- LDCs disproportionately affected by NTMs
- SMEs disproportionately affected
- Women disproportionately affected
- But by processing stage ... ? Not clear yet





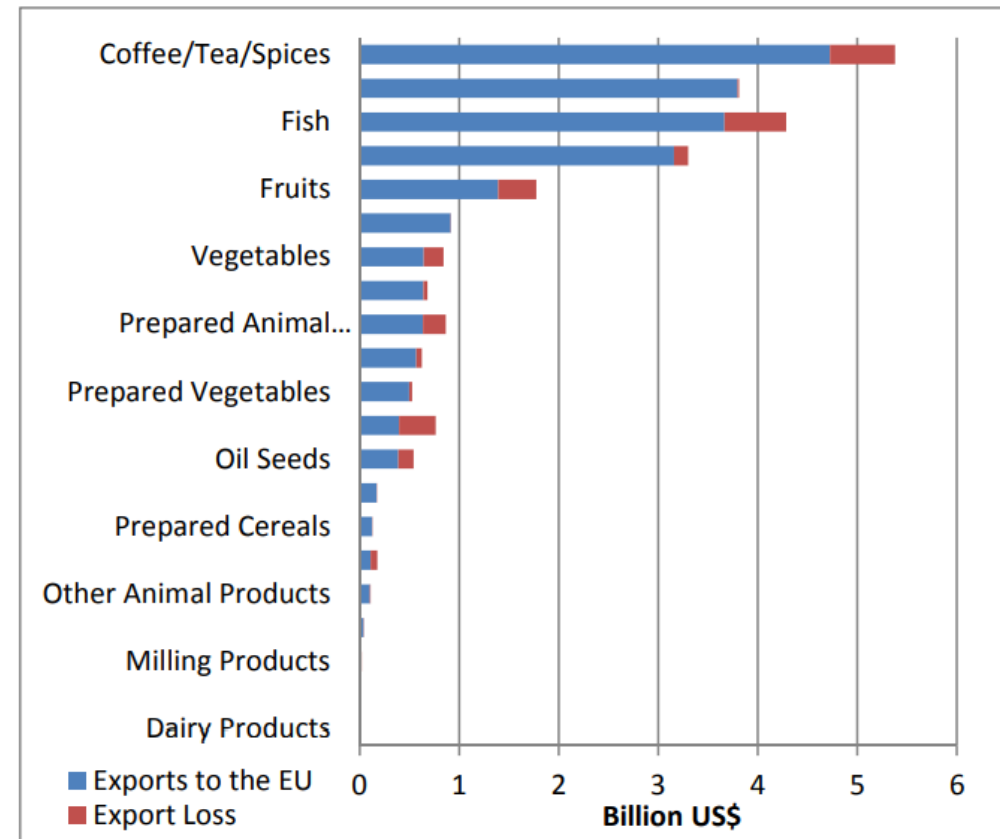
# UNCTAD NTM Programme

[unctad.org/ntm](http://unctad.org/ntm)



# Loss of Exports from LDCs to Developed Countries due to NTMs

- Lack of capacities to comply with foreign standards
- Lack of possibilities to prove compliance (accredited laboratories ...)
- **Loss of 15 per cent of exports** compared to developing countries



---

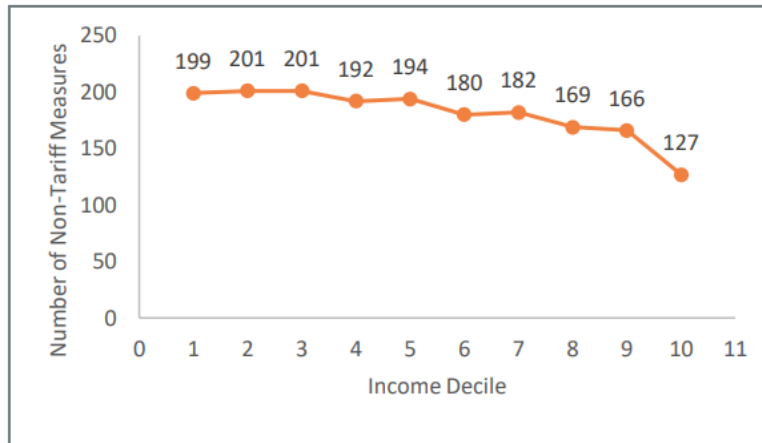
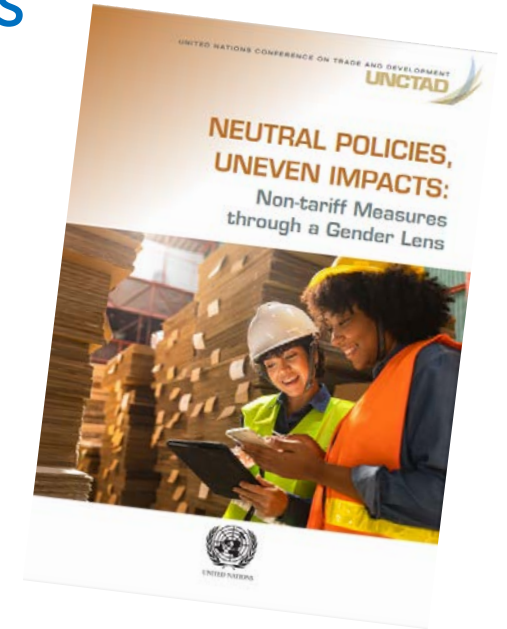
## Small and medium sized enterprises driven out of international trade by NTMs

- Implementation of NTMs and in particular technical regulations
  - **Number of exporting firms** to that region has been decreasing
- **Larger firms** gain from the implementation of new measures
  - export values increase
  - probability of exports increases
- **SMEs** increasingly excluded from international trade



# Women are disproportionately affected by NTMs

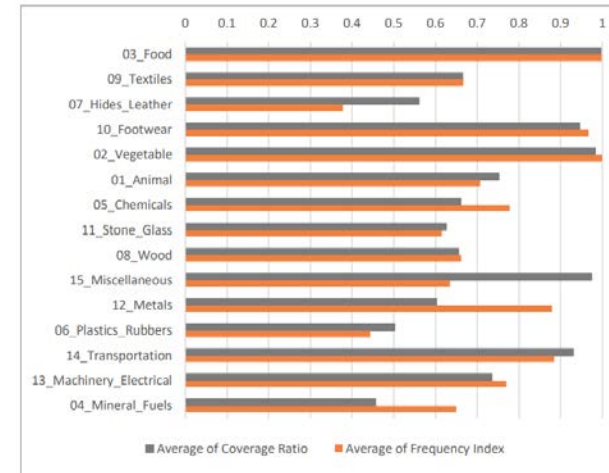
- Theory: NTMs are designed to have gender-neutral objectives
- Practice: Impact of NTMs does not affect women and men identically



*The incidence of NTMs is higher for products produced by poorer workers, who are more likely to be women...*

Source: Mendoza, Nayyar, and Piermartini (2018).

Coverage ratio and frequency index by sector (order by decreasing representation of women)



Source: Author's estimates based on UNCTAD Non-Tariff Measures Data (2020).

## But by processing stage ... ? Not clear yet

- Some indication ...
  - Number of measures in agriculture
- But, better indicators needed
  - Frequency index
  - Coverage ratio
  - Prevalence score
  - Ad valorem equivalent
  - Econometric analysis
- Research project Commodities and Trade Analysis Branch

	Number of NTMs
Tomatoes, fresh	80
Tomatoes, preserved/prepared	97
Cocoa	25
Chocolate	50
Fish, live	19
Fish, preserved/prepared	116

# UNCTAD

PROSPERITY FOR ALL

[www.unctad.org](http://www.unctad.org)



UNITED NATIONS  
UNCTAD