

NON-TARIFF MEASURES

STRENGTHENING TRANSPARENCY AND CONVERGENCE OF REGULATIONS FOR SUSTAINABLE DEVELOPMENT



GLOBAL CONTEXT



Non-tariff measures affect lives every day. Packaging requirements and limits on the use of pesticides ensure safe food in supermarkets; restrictions on toxins in toys protect children; mandatory safety standards on electrical household appliances prevent electric shocks; and emissions standards for vehicles influence climate change. Currently, 90 per cent of global trade is affected by such regulatory non-tariff measures; traditional trade barriers such as quotas are less common. Regulatory measures are indispensable and crucial for sustainable development. Their elimination is not an option.

However, non-tariff measures also raise consumer prices and create barriers to trade and economic development. UNCTAD estimates show that the aggregate impact of non-tariff measures is three times higher than that of tariffs. Non-tariff measures affect trade through compliance and procedural costs, which often disproportionately burden small enterprises and poorer countries.

Striking a balance between trade costs and regulatory benefits requires transparency, policy coherence and international-level regulatory convergence. For developing countries, understanding the uses and implications of such measures is essential for the formulation and implementation of effective development strategies.

The UNCTAD Non-Tariff Measures Programme focuses on the means of reducing trade costs while enabling policymakers to fully achieve public policy objectives, such as protecting health and the environment.



HOW CAN COUNTRIES BETTER ADDRESS NON-TARIFF MEASURES?

UNCTAD has been working on research and capacity-building related to non-tariff measures since the early 1980s. It assists policymakers along the entire “value chain” of non-tariff measures, ranging from definition and classification to data collection and dissemination, to research and policy support. Specifically, UNCTAD assists developing countries through the following three tools:

- (a) Increasing transparency through data collection and dissemination. UNCTAD assists Governments in establishing greater transparency on non-tariff measures within regional trade agreements, to facilitate trade and stimulate economic growth. In collaboration with many partners, UNCTAD has developed a proven and widely accepted methodology to systematically collect and disseminate information on non-tariff measures. At a national level, increased transparency helps various domestic regulatory agencies to achieve interministerial policy coherence.
- (b) Capacity-building through online courses. Two online training courses are available and may be complemented by face-to-face training workshops, as follows:
 - Non-tariff measures transparency and data collection. This online training course enables participants to review national policy



PROGRAMME FACTS AND FIGURES

Start date: 2008

Activities: Non-tariff measures data collected in 80 countries; 400+ persons trained in online courses; 3 Regional Non-Tariff Measures Integration Reviews conducted; 50+ training workshops and advisory missions conducted

Activities per year: Non-tariff measures data collected in 20+ countries; 100 participants trained online; 1 Regional Non-Tariff Measures Integration Review and 10–15 workshops and/or advisory missions conducted

Website: unctad.org/ntm; trains.unctad.org

Sustainable Development Goals addressed:

Directly: 8 and 17

Indirectly: 2, 9 and 12



frameworks and collect comprehensive information on non-tariff measures. The course consists of the following five modules: introduction to non-tariff measures; classification of non-tariff measures; classification of products; guidelines on collecting data on non-tariff measures; and hands-on exercises. Successful participants are awarded certification by UNCTAD as a non-tariff measures data collector;

- Trade policy analysis. This online training course enhances capacity in developing countries to analyse and implement trade policy. *A Practical Guide to Trade Policy Analysis* – a co-publication of UNCTAD and the World Trade Organization – serves as the main reference for the course, and the World Bank’s World Integrated Trade Solution software (developed in collaboration with UNCTAD) is another core component. Training is tailored to the needs of each audience, with a more technical focus for analysts and a more discursive and descriptive approach for policy-oriented audiences.
- (c) Regional Non-Tariff Measures Integration Reviews and tailored advisory services. The Reviews provide analytical support for regional integration processes by systematically addressing non-tariff measures in regional trade agreements. A Review consists of an economic impact assessment, an institutional analysis to identify strengths and weaknesses in the regional integration of non-tariff measures and a validation workshop to develop strategies for deeper regional integration. Further tailored advisory services and support for trade negotiations are available upon request.



RESULTS AND IMPACT AT A GLANCE

- *Enhanced transparency*
The UNCTAD Trade Analysis and Information System is the most comprehensive database on non-tariff measures. In recent years, significant improvements in data quality and coverage have been achieved. The database now covers over 85 per cent of world trade. The Trade Analysis and Information System is accessible through the UNCTAD portal, at trains.unctad.org, and the World Bank World Integrated Trade Solution portal, at wits.worldbank.org.
- *Online training in non-tariff measures transparency and analysis*
More than 400 participants have been trained through the online courses. Over 90 per cent of participants in the transparency and data collection course found the knowledge acquired during the training extremely or very useful. For example, the course helped one participant in shaping the methodology used for a proposal on assessing the impact of non-tariff measures on exports from the United Republic of Tanzania 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.
- *Regional Non-Tariff Measures Integration Reviews*
The Review in the Southern African Development Community (SADC) was highly appreciated by stakeholders and workshop participants. SADC officials used the study to respond to a request from the SADC Committee of Ministers Responsible for Trade for a strategic plan to eliminate non-tariff barriers in the region.



DONORS/ FUNDING SOURCE

Current: Japan, Russian Federation, United States of America and United Nations Development Account

Past: Canada, Germany, European Commission and World Bank

