Economic Commission for Europe
Steering Committee on Trade Capacity and Standards

Joint ECE - UNCTAD offer to enhance transparency in NTMs in transition economies

Geneva, 3 May 2018

Ralf Peters, UNCTAD
Non-Tariff Measures

• “Non-Tariff Measures are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both” (UNCTAD Group of Eminent Persons on NTBs)

• NTMs include a broad range of policy instruments including
  – traditional trade policy instruments, such as quotas and price controls, and rules of origin as well as
  – regulatory and technical measures that stem from important non-trade objectives related to health and environmental protection
    • Sanitary and Phytosanitary (SPS) measures and
    • Technical Barriers to Trade (TBT)
The Multi Agency Support Team (FAO, IMF, ITC, OECD, UNCTAD, UNIDO, World Bank, WTO) developed NTM classification

### UNCTAD-MAST Classification: The common language

<table>
<thead>
<tr>
<th>Technical measures</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SANITARY AND PHYTOSANITARY MEASURES</td>
</tr>
<tr>
<td>B</td>
<td>TECHNICAL BARRIERS TO TRADE</td>
</tr>
<tr>
<td>C</td>
<td>PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES</td>
</tr>
<tr>
<td>D</td>
<td>CONTINGENT TRADE-PROTECTIVE MEASURES</td>
</tr>
<tr>
<td>E</td>
<td>NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS</td>
</tr>
<tr>
<td>F</td>
<td>PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES</td>
</tr>
<tr>
<td>G</td>
<td>FINANCE MEASURES</td>
</tr>
<tr>
<td>H</td>
<td>MEASURES AFFECTING COMPETITION</td>
</tr>
<tr>
<td>I</td>
<td>TRADE-RELATED INVESTMENT MEASURES</td>
</tr>
<tr>
<td>J</td>
<td>DISTRIBUTION RESTRICTIONS</td>
</tr>
<tr>
<td>K</td>
<td>RESTRICTIONS ON POST-SALES SERVICES</td>
</tr>
<tr>
<td>L</td>
<td>SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7)</td>
</tr>
<tr>
<td>M</td>
<td>GOVERNMENT PROCUREMENT RESTRICTIONS</td>
</tr>
<tr>
<td>N</td>
<td>INTELLECTUAL PROPERTY</td>
</tr>
<tr>
<td>O</td>
<td>RULES OF ORIGIN</td>
</tr>
<tr>
<td>P</td>
<td>EXPORT-RELATED MEASURES</td>
</tr>
</tbody>
</table>

### UNCTAD-MAST Classification: The common language

[Classification of Non-Tariff Measures]

- [Image of container stacks]
Official NTM data collection

- From here... 

...to here

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

Published by Authority

PART I : SECTION (I) — GENERAL

Government Notifications

L.D. — B. 11/80 II

FOOD ACT, No. 26 OF 1980

REGULATIONS made by the Minister of Health in consultation with the Food Advisory Committee under No. 26 of 1980.

Colombo.
17th January, 2005.

NIMAL SIRI
Minister of Health

Uva Wellas

By

- Identify regional partner: ECE
- Train government officials
- Identify all official sources
- Read, code, quality control, ...
Map of Data Availability – A global initiative
NTMs and Transparency

**Comprehensiveness**
- All currently applied measures
- Official governmental sources

**Accessibility**
- NTMs classified by nomenclature
- Products classified by Harmonized System
- Affected countries
- Full regulation detail

**Comparability**
- Consistent data collection methodology for all countries
- Data quality check by UNCTAD
- Revision of methodology
For policy makers:

trains.unctad.org

(in cooperation with WTO)

- Tables by
  - Products
  - Measures
  - Members
- Graphs over time

For researchers: trains.unctad.org and wits.worldbank.org (in cooperation with World Bank)
UNCTAD Non-Tariff Measure Programme

Guides the concept and data collection

- **Conception**
  - classification
  - data selection

- **Data collection**
  - classifying NTMs
  - quality control

- **Data Dissemination**
  - making data freely available

- **Research**
  - and analysis

- **Policy**
  - Support to Policy Makers and policy making processes

Transparency
Research Example 1: World average ad-valorem equivalent of NTMs

Animals 16.1 6.4 4.8
Vegetables 19.3 3.9 2.5
Fats & oils 10.2 1.7 3.2
Beverages & tobacco 11.4 8.1 2.4
Minerals 5.2 1.2
Chemicals 9.5 2.3
Plastics 8.5 0.7
Leather 5.6 5 3
Wood products 4.3 1.9
Paper 4.1 1.6
Textile and clothing 8.9 4.9
Footwear 11.7 2.8
Stone & glass 7.8 1.8
Pearls 3.4 2.1
Metals 7.7 2.9
Machinery 12 4.5
Vehicles 10.9 3.5

Source: Cadot, Gourdon, Knebel, Peters, Asprilla, 2015
Research Example 2: Assessing “Regulatory Distance"

Where are countries regulations already "close", where "distant"?

Distance in regulatory structure - data based analysis

- Benchmark and identify potential and priorities of harmonization
- Identify "shortest harmonization distances", by country, by sector, by sub-sector… then..

<table>
<thead>
<tr>
<th>NTMs at HS6, e.g. oranges</th>
<th>Country A</th>
<th>Country B</th>
<th>Country C</th>
</tr>
</thead>
<tbody>
<tr>
<td>A21: MRL</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>A81: SPS registration</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>A83: SPS certificate</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>A84: SPS inspection</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
### Policy Support Example: Regional Non-Tariff Measure Integration

#### Review

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research and Analysis</strong></td>
<td><strong>Capacity Building</strong></td>
<td><strong>Research and Analysis</strong></td>
<td><strong>Consensus Building</strong></td>
</tr>
<tr>
<td>Status quo analysis of NTM-related regional economic integration</td>
<td><strong>NTM data collection and NTM training</strong></td>
<td><strong>Data-based analysis to foster political will</strong></td>
<td><strong>Validation workshop</strong></td>
</tr>
<tr>
<td>→ Political / institutional level</td>
<td>→ Collection with national experts and government</td>
<td>→ Regulatory distance</td>
<td>Support Policy making</td>
</tr>
<tr>
<td>→ Technical level</td>
<td>→ Training of NTB, SPS, TBT, … focal points</td>
<td>→ Price impact (“AVEs”)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>→ Welfare impact of NTMs</td>
<td></td>
</tr>
</tbody>
</table>