

OECD-UNECE Joint Study

Economic Impact of Marketing Standards on Trade Preliminary Results

Monday, 15 November 2021









Marketing Standards

Marketing standards encourage high-quality production, improve profitability and protect consumer interests.

UNECE standards are used internationally by Governments, producers, traders, importers, exporters and international organizations.

The aim of the **OECD** Fruit and Vegetables Scheme is to facilitate international trade through the harmonization of implementation and interpretation of marketing standards.



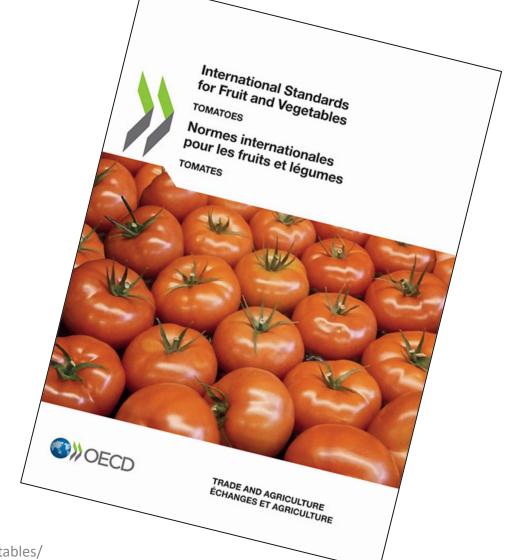






OECD BROCHURE ON TOMATOES

- Prepared by The Netherlands
- Based on a UNECE standard [FFV-36, 2017]
- Issued in 2019
- Freely available as an electronic version on our website











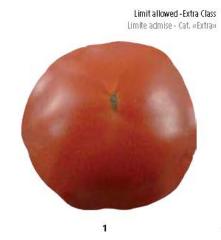
International Standards for Fruit and Vegetables: Tomatoes

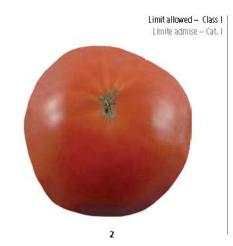
Normes internationales des fruits et légumes : Tomates

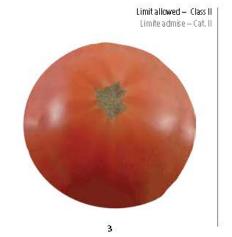
Suberization of the stigma

Gcatrices pistillaires

Classification — Ribbed to matoes Classification — Tomates à côtes







Tomatoes / Tomate s	Extra Class Cat "Extra"		Class II Catill		Notes
Suberization of the stigma Cica trices pistillaires	1	2	3	12	1. Subertzation of the stigma. / Ocaltice pistiliaire. 2. Subertzation of the stigma ≤ 1 cm² - Cass I. / Ocaltice pistiliaire ≤ 1 cm² - Cat I. 3. Subertzation of the stigma ≤ 2 cm² - Cass II. / Ocaltice pistiliaire ≤ 2 cm² - Cat II.

30

© OECD 2019







Descriptive Statistics

• **Products Covered:** apples, [pears & quinces], cherries, [peaches and nectarines], [plums and sloes], apricots, grapes, avocados, strawberries, [melons and watermelons], [guavas, mangoes, mangosteens], figs, [onions and shallots], garlic, leeks, lettuce, chicory, hazelnuts, mushrooms,[cauliflowers and broccoli], asparagus, carrots, beans.

• Period: 1995-2019

• Countries: 196

• Source: BACI (Gaulier and Zignago, 2010) and denominated in nominal U.S. dollars (thousands).

Trade flows in USD







Equation

- We want to measure the impacts on trade flows between two countries.
- Measure the impact in case both countries are members of the OECD Fruit and Vegetable Scheme and UNECE.
- We check the impact in case only one country is member of the Scheme/UNECE.
- We measure the impact of the OECD Explanatory Brochures (Mkt standards) and other control variables

Trade= BothFVS + OneFVS + Explanatory Brochure (MKT Standard) + other control variables







Impacts on Trade

(MKT Standards/ Membership common system/ Explanatory Brochures)
Preliminary Results

Results

- In general, if <u>both partners</u> follow the same system, the model predicts that fruit trade is larger for figs (by 34%), avocados (59%), grapes (37%), melons and watermelons (57%), apricots (40%), strawberries (50%), and hazelnuts (70%).
- For many of these same regressions, the effect of single-country FVS membership is also positive, large, and statistically significant. Specifically, the estimates suggest that even if only one partner is a member, trade increases for figs (25%), guavas, mangoes, and mangosteens (26%), melons and watermelons (34%), strawberries (38%), and hazelnuts (47%).
- One year after publication of the relevant **OECD** brochure based on a **UNECE** Marketing Standard, trade in apples increases by 11%, trade in pears and quinces increases by 7%, and trade in hazelnuts increases by 12%.







Key Messages

- Preliminary results suggest that marketing standards work and have a positive impact on trade.
- Having a common system (same marketing standards, harmonized interpretation and common inspections methodologies) amplifies the positive impact on trade.

Key Beneficiaries

- **Farmers** benefit from harmonized inspection methods and clear quality standards classification that promote fair trade
- Consumers benefit from quality assurance and fair prices.

