Why is it important to enhance the transparency of non-tariff measures?

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NTM transparency and WTO objectives

- Reducing information asymmetries among governments, and between the state, economic actors, and citizens.
  1. Governments: with transparency, surveillance improves implementation of existing obligations
  2. Analysts: comprehensive picture of effects of policy
  3. Firms: uncertainty about requirements can be crippling
What matters for firms

- Uncertainty huge at extensive margin
- Transparency and certainty on NTMs is as much a factor for firms as is “binding” of tariffs
  - Services regulation; compliance with certification requirements
- Transparency really matters for small firms, and firms without access to private information about foreign markets
What matters for governments

- Verification that national law, policy, and implementation achieve the intended objective
- Knowing extent to which differing national laws are functionally similar, or recognizably similar
- Especially important with domestic policy
  - Behind the border measures hard to observe
Transparency in WTO

- “degree to which trade **policies and practices**, and the **process** by which they are established, are open and predictable”.

- Includes how:
  - a rule or a policy is developed domestically
  - the rule is enforced or a policy is implemented
  - the rule is published
  - other Members of the WTO are notified
  - notification is discussed in Geneva
  - Geneva results published.
Three generations of transparency

- **“Right to know” since GATT 1947**
  - Publication, enquiry points, notification
  - Sunlight as disinfectant, but not enough, thus:

- **Monitoring and surveillance since the Tokyo Round**
  - TPRM, “specific trade concerns”
  - Seek clarification; ask about what should have been notified
  - Process only includes Members, thus:

- **Reporting and engagement since 2002**
  - TBT and SPS Information Management Systems (IMS)
  - New Integrated Trade Intelligence Portal (I-TIP)
  - World Trade Report …
## Data problems

- Formal notifications may not be accurate, or complete
- Real-time monitoring hampered by absent and late notifications
- World Trade Report also uses:
  - Results of surveillance process, and disputes
  - Data from other international organizations
  - Business surveys
- TPR process shows how to use “verified” third-party data
Surveillance problems

- “Specific trade concerns” best in SPS, TBT
  - But few active participants; results not always reported
- Agriculture Q&A process improving
- Analogous process under-developed in other committees (e.g. ILP, ASCM)
- Needs an “umbrella” database
The transparency trilemma

1. Surveillance system designed to monitor official obligations
   - Even the TPRM serves governments first

2. Analysts try to build picture of economic impact not implementation of commitments

3. Firms only served if
   - Governments publish information at home
   - All WTO data accessible, in user-friendly form