
OVERCOMING BURDENSOME REGULATORY TRADE COSTS: HOW VALUABLE IS THE WTO TBT COMMITTEE WORK?

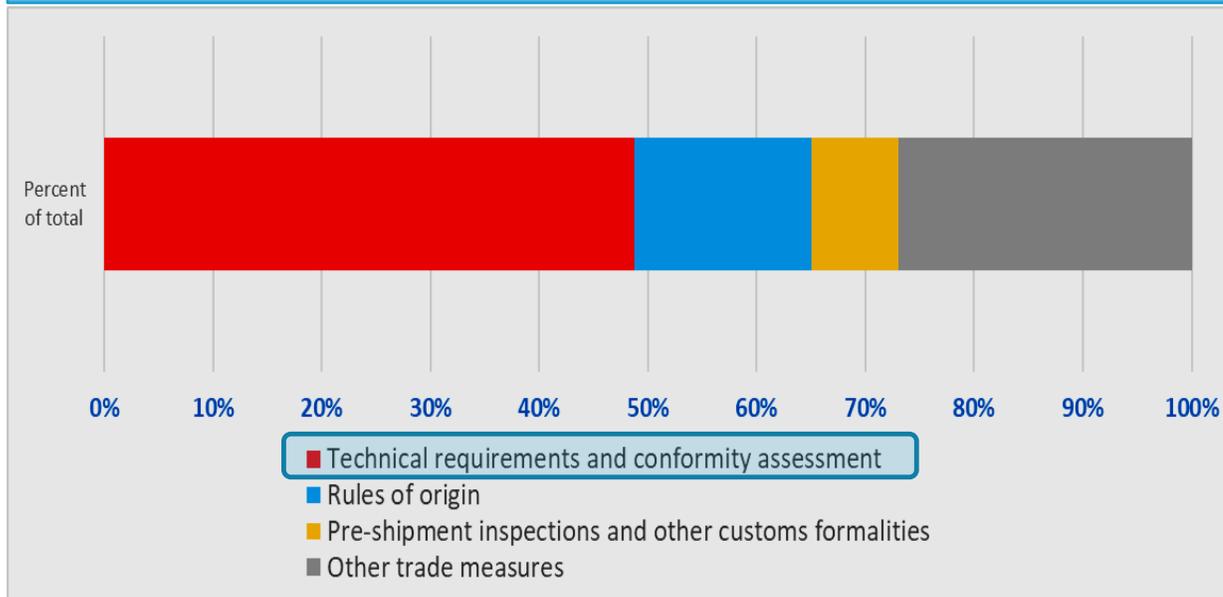


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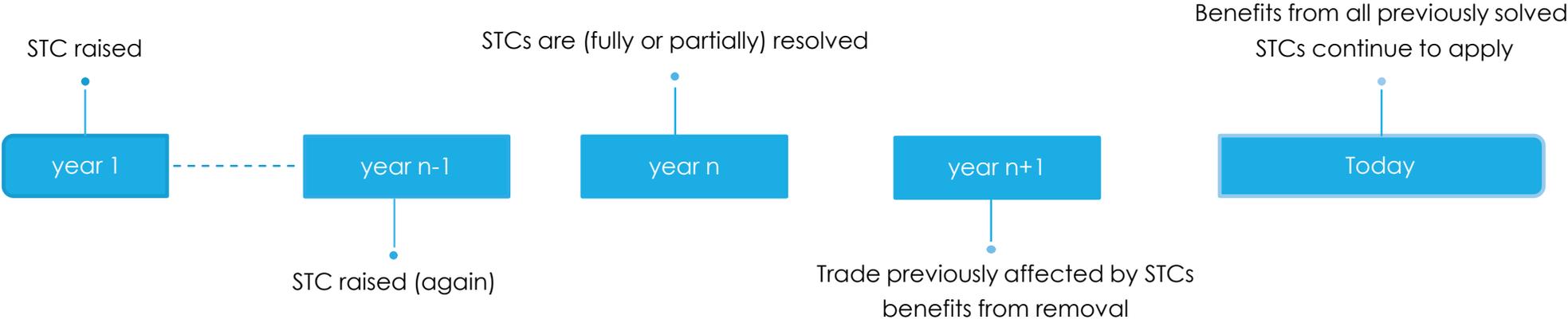
HOW IMPORTANT ARE REGULATORY ISSUES AND TBTs FOR EU EXPORTERS?

Incidence of non-tariff barriers reported by EU exporters



- the trade effects of TBTs can be very complex, and influenced by many factors
- Ghodsi, Grubler and Stehrer (2016) found that the average 'tariff equivalent' effect on trade from existing TBT STCs raised by all WTO members was between 9 -19%

THE ECONOMIC VALUE OF STC SUCCESSES OVER TIME





METHODOLOGY

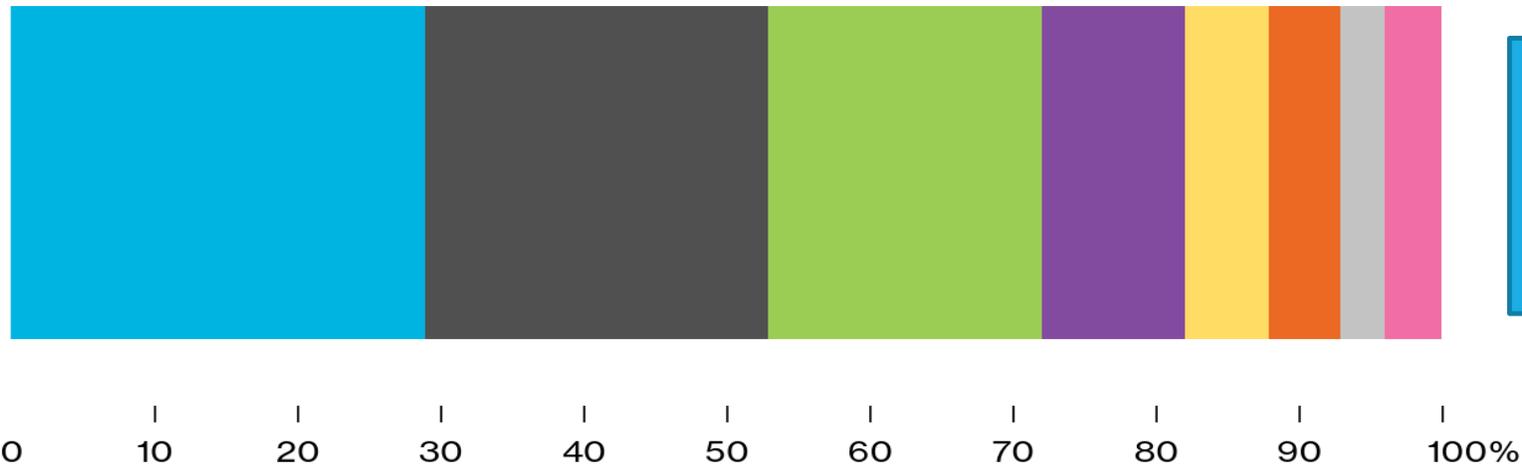
- We examined 69 STCs on TBT issues raised by the EU that were successfully addressed in the WTO TBT Committee between 2009 and 2020
- For each successful STC, we identified the product range that potentially benefited from the removal of the barrier, using the standard HS classification
- We used a multi-pronged product identification method and managed to assign a total of over 900 HS codes to the list of STCs successfully addressed by the EU in the WTO TBT Committee
- We used an algorithm to ensure that each individual HS6 code was included only once and to avoid duplication by the same products being counted twice
- If an EU product exported to the same third country may have benefited from the removal of more than one STC during the period covered, we have included that product only once

WHICH SECTORS BENEFITED THE MOST FROM SUCCESSFUL STCs?

EU Benefits - but not only

The distribution of EU exports that benefited from interventions in removing technical barriers to trade-related concerns in the WTO context

■ Medical devices and pharmaceuticals ■ Automobile ■ Food products
■ Electrical appliances ■ IT products ■ Beverages ■ Cosmetics ■ Other sectors



€83 billion worth of EU exports were facilitated by successful STCs in the WTO TBT Committee over the past decade

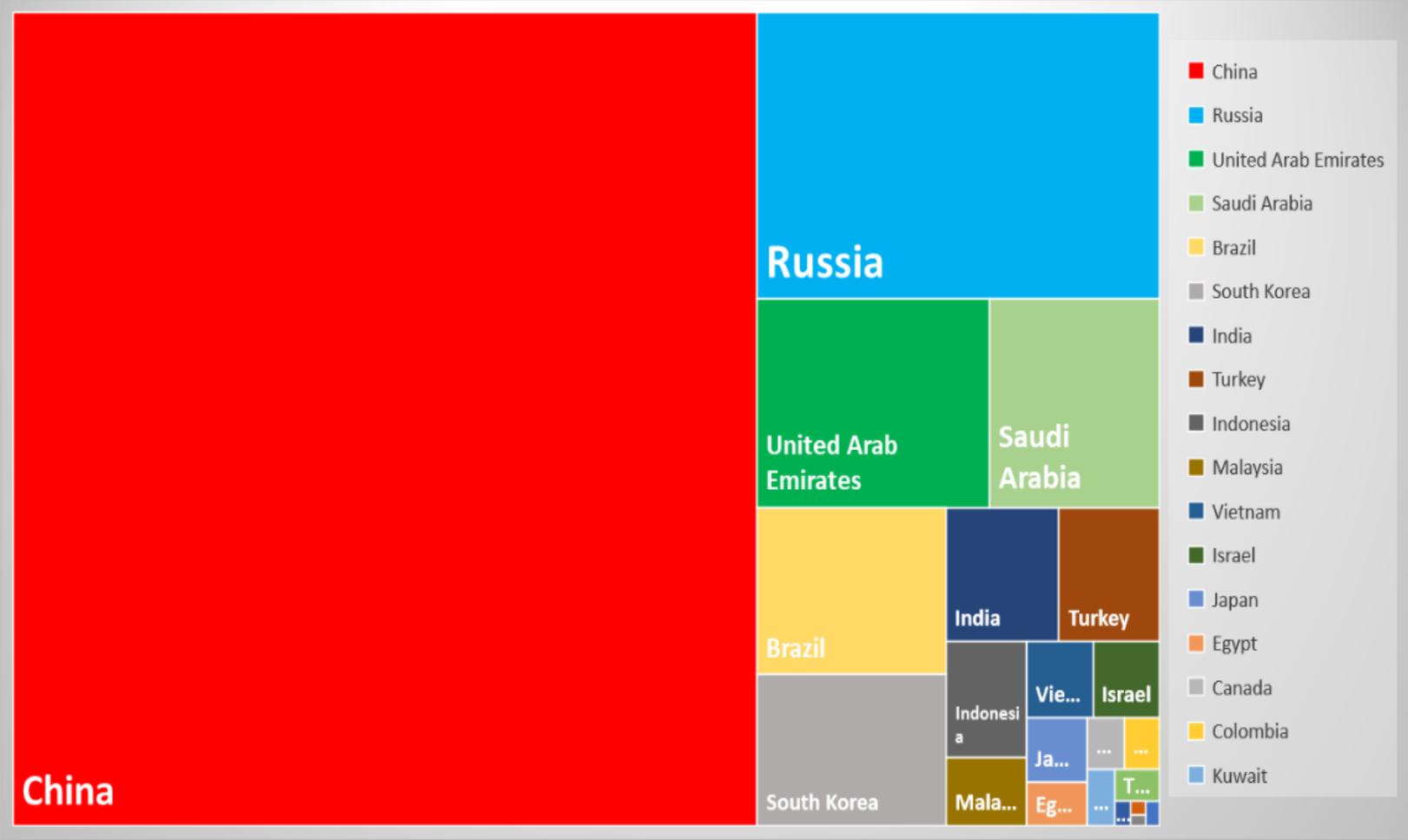
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SUCCESSFUL STCs: MAIN TRADING PARTNERS





KEY MESSAGES

- The important technical work carried out in specialised WTO committees is often overlooked
- We need to showcase the significant economic importance of such regulatory cooperation work
- It is important to acknowledge that the successful removal of STCs happened thanks to the engagement of other trading partners and their commitment to multilateral rules and their proper implementation
- The benefits stemming from resolving such STCs did not accrue only to EU exporters. In many cases, such TBT concerns were jointly raised with other WTO members. Trade facilitation effects were both de facto and de jure implemented vis-à-vis all WTO members, so even if not all WTO members associated themselves with such STCs, the trade benefits were multilateral in nature.

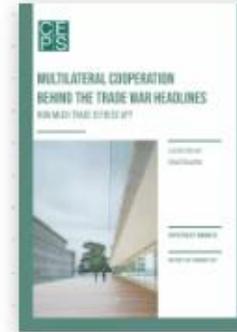
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Multilateral cooperation behind the trade war headlines

How much trade is freed up?

Lucian Cernat / David Boucher



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