Standards, regulations
- intro to WTO TBT Agreement -

Are standards good or bad for international trade?
(different standards / not really)

technology / network effects / price / inter-connectivity
DDG Wolff urges standards bodies to boost support for multilateral trading system

Deputy Director-General Alan Wolff urged international standards bodies to strengthen their support for the WTO and the multilateral trading system. “We need to spread the message that an integrated global economy, with a strong and dynamic multilateral trading system — which includes international standards — is a better world for everyone,” he said in a keynote address 28 September to the International Organization for Standardization (ISO) General Assembly in Geneva. “Technology and innovation do not tend to thrive behind walls of any kind.”

only poultry that has not been frozen can be labelled “fresh”

(regulation / perhaps)
information / minimum safety
So, a good basis for government policy

or a “formidable barrier”? 

Standards are one tool.
WTO rules (here SPS and TBT) are essentially about promoting good practices in regulation.

What are these “good practices”? 
Good regulatory practice is about the practical implementation of the TBT Agreement. As the Agreement does not contain specific provisions on good regulatory practice, the emphasis of the Committee's discussions has been on how best to implement the provisions of the Agreement to achieve a particular policy objective. Effective implementation through best practices is seen as an important means of avoiding unnecessary obstacles to trade.
Why is this important today?

Tariffs have gone down
Trade Rounds

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<th>Year</th>
<th>Place / name</th>
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<td>(the above) + environment, + ?</td>
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Source: WTO
Country/company: A, B, ...

- Multilateral cooperation
- Standard-setting / harmonization
- Trade costs high in developing countries

......to market
This trend is evident in regional trade agreements (RTAs):

... an UNCTAD report from December 2017 reinforces this message:
“Technical Barriers to Trade are the most frequent form of NTMs, affecting 35 per cent of product lines and about 65 per cent of world trade, followed by export measures and sanitary and phytosanitary measures.”
Activity in the TBT Committee may also be indicative:

![TBT Notifications (1995 – 2018)](image-url)

- **Number of notifications**
  - New notifications
  - Addenda
  - Corrigenda
  - Revisions

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Trade policy is increasingly looking “behind the border”:

So, how can WTO rules address the “bad” part?
What do the **rules** say?
WTO rules in this area are intended to be trade facilitating, reduce trade costs.

(But it is difficult to quantify effect of benefit!)
1. Legitimate objective
2. Non-discrimination
3. Avoiding unnecessary barriers to trade
4. Use of international standards
5. Transparency

US-Cloves
EC: **Sardina pilchardus**

... only *Sardina pilchardus* may be marketed as preserved sardines in EC (Article 2)

Peru: **Sardinops sagax**
To be more specific, what kind of measures are we talking about?
“Non-tariff measures” (NTMs)

- Difficult to quantify!
- There is a problem with transparency
- Trade effects are complex, ambiguous (impact? Compliance? Time? == uncertainty)

TBT and SPS

“Measures”

- TBT measures
  - 1) Standards
  - 2) Technical regulations
  - 3) Conformity assessment Procedures
- SPS measures
Technical Regulations

- Document which lays down product characteristics or their related processes and production methods with which compliance is mandatory

(TBT Agreement, Annex 1, para 1)

Standards

- Recognized body that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods with which compliance is not mandatory

(TBT Agreement, Annex 1, para 2)

Conformity assessment procedure

Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled

(TBT Agreement, Annex 1, para 3)

Voluntary

Mandatory

Market

TBT

SPS

TFA
How does it work?

At WTO?
Implementation & monitoring role of the SPS and TBT Committees

**TBT**

- Request clarification from Enquiry Point
- Bilateral consultations
- Raised in the Committee

- (not raised formally)
- ≈ 30,000 TBT notifications (Doc17)
- 540 “STCs”
- 5 Disputes (with Panel and AB reports) + 3 on-going

**SPS**

- Good Offices of the Chair
- 427 “STCs”
- 14 Disputes (with Panel reports) + 2 on-going

- ≈ 22,000 SPS notifications
- 42 Disputes (with Panel reports)

**Implementation & Monitoring Role of the SPS and TBT Committees**

- WTO members adopt roadmap for reducing technical barriers to trade

WTO members achieved a breakthrough at a 14-15 November meeting of the Committee on Technical Barriers to Trade (TBT) by agreeing on a list of recommendations that aim at reducing obstacles to trade and improving implementation of the WTO’s TBT Agreement. Members also discussed 62 specific trade concerns at the committee meeting, including eight new concerns. In addition, the committee welcomed a new “best practices” guide for national TBT Enquiry Points.