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ANALYSIS OF NON-TARIFF BARRIERS OF CONCERN TO DEVELOPING COUNTRIES

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ABSTRACT

This paper identifies non-tariff barriers (NTBs) faced by developing countries in their trade with developed countries and in South-South trade. The goal is to raise awareness of barriers that interfere with the ability of developing countries to build up trade. Data collected and analysed consist of the academic literature, notifications by developing countries to the Negotiating Group on Market Access for Non-Agricultural Products (NAMA) of the Doha Development Agenda, business surveys, and records relating to trade disputes brought before the World Trade Organization and regional dispute settlement mechanisms. The chapter identifies the categories and types of measures that are most reported and the products affected by the reported measures. Attention is also drawn to developing countries' forward-looking export strategies and related potential barriers. Overall, the chapter highlights similarities and differences in barriers reported in the data reviewed and compares barriers reported for trade with developed countries and for trade among developing countries.

Keywords: non-tariff barriers, non-tariff measures, market access, developing countries, Doha Development Agenda, NAMA notifications, regional integration, South-South trade, trade disputes, surveys.

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LIST OF ABBREVIATIONS

AC	Andean Community
ACS	Association of Caribbean States
ACWL	Advisory Centre on WTO Law
AGOA	African Growth and Opportunity Act
ALADI	Latin American Integration Association
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
CACM	Central American Common Market
CARICOM	Caribbean Community
CBI	Cross Border Initiative
CET	Common external tariff
CIS	Commonwealth of Independent States
COMESA	Common Market for Eastern and Southern Africa
DC	Developing country
DDA	Doha Development Agenda
DSU	Dispute Settlement Understanding (WTO)
EC	European Commission
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EFTA	European Free Trade Association
EU	European Union
FTA	Free trade agreement
GATT	General Agreement on Tariffs and Trade
GMO	Genetically modified organism
HS	Harmonised System (Harmonised Commodity Description and Coding System)
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IT	Information technology

ITC	International Trade Centre
LAC	Latin America and the Caribbean
LDC	Least developed country
MENA	Middle East and North Africa
MERCOSUR	Southern Common Market
MFA	Multi-Fibre Arrangement
MFN	Most-favoured nation
n.e.s.	Not elsewhere specified
NAFTA	North American Free Trade Agreement
NAMA	Negotiating Group on Market Access for Non-agricultural Products
NT	National treatment
NTB	Non-tariff barrier
NTM	Non-tariff measure
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
PEEC	Pacific Economic Cooperation Council
QR	Quantitative restrictions
ROO	Rules of origin
RTA	Regional trade arrangement
SAARC	South Asian Association for Regional Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDT	Special and differential treatment
SIECA	Secretariat for Central American Economic Integration
SITC	Standard International Trade Classification
SMEs	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary measures
SSA	Sub-Saharan Africa
TBTs	Technical barriers to trade
TPR	Trade Policy Review
TRAINS	Trade Analysis and Information System
TRQ	Tariff rate quota
UN Comtrade	UN Commodity Trade Statistics Database

UNCTAD	United Nations Conference on Trade and Development
UR	Uruguay Round
US ITC	United States International Trade Commission
VAT	Value Added Tax
VER	Voluntary export restraint
WB	World Bank
WITS	World Integrated Trade Solution
WTO	World Trade Organization

EXECUTIVE SUMMARY

This paper collects and analyses data that identify non-tariff barriers (NTBs) of concern to developing countries (DCs) in trade with developed countries and among themselves.

The reduction or elimination of NTBs is included in the Doha Development Agenda (DDA) and is under consideration in regional and other arenas discussing trade liberalisation. This research aims to help identify possible negotiating targets. Moreover, it can provide input into ongoing discussions on how to make special and differential treatment (SDT) more effective. More generally, a clearer idea of these barriers should enable WTO Members to understand better DC concerns in this area and their implications so that they can respond with a positive agenda. The study also aims at raising general awareness of NTBs which developing countries themselves maintain and which interfere with their ability to trade with each other.

To understand the importance of trends that can be identified, a brief overview is provided of DC trade flows. These countries rely heavily on developed-country markets for their merchandise exports. Developing-country share of world manufactured exports increased significantly over the last decade, and, while developed countries still make up the main destination for these exports, trade with other developing countries is becoming increasingly important and dynamic. As for the sectoral composition of DC exports, manufactured products have become dominant and there has been a noticeable shift within this commodity group towards higher-value added products.

Although data on NTBs faced by developing countries are limited and have shortcomings, the study draws on several main sources of information to provide insights as full and useful as possible for traders and trade negotiators. The elements of research consist of a review of the literature on NTB issues, an analysis of DC interests in the WTO Negotiating Group on Market Access (NAMA), an analysis of disputes brought by developing countries under WTO and regional dispute settlement mechanisms, and a review of private sector perceptions through available business surveys.

Though there are variations in the main findings resulting from each element of analysis, certain broadly defined categories of NTBs have consistently shown up as a source of concern to these countries:

In their trade with developed countries, customs and administrative procedures and technical barriers to trade (TBTs) emerge as the leading NTBs of concern to developing countries.

For trade among developing countries, technical barriers are less prominently reported. However, customs and administrative procedures also rank very high among reported concerns in the four components of analysis. Issues identified under this category of measures include difficulties relating to import licensing procedures and rules of origin and generally appear to be more pervasive in trade with other developing countries than with developed countries.

In addition, the literature, dispute settlement cases and business surveys provide evidence that para-tariff measures, such as fees and charges on imports, are also important barriers in particular for trade with developing countries. Other reported impediments of a more regional character include transportation regulations and costs.

As far as product-specific issues are concerned, it appears that live animals and related products are a commodity category - and within that category, fisheries - that deserve particular attention for reported sanitary and phytosanitary measures and customs-related problems. Among the NTBs reported for items of machinery and electronics, TBT issues are dominant. The same holds for pharmaceutical products, which also are subject to relatively many DC notifications to NAMA. National export strategies and programmes reviewed separately for a sample of DCs confirms that these are sectors and products of key interest to developing countries in their pursuit of export growth and diversification over the longer term.

ANALYSIS OF NON-TARIFF BARRIERS OF CONCERN TO DEVELOPING COUNTRIES

I. Introduction

1. For developing countries (DCs), integration into global markets offers the potential of more rapid growth and poverty reduction.¹ Yet tariff and non-tariff barriers may exist that hamper key developing-country exports, making it difficult for them to take full advantage of this opportunity.

2. The issue of improved market access for goods has been taken up by successive GATT rounds. Significant progress in reducing tariff barriers overall has been counterbalanced by non-tariff barriers (NTBs) that persist and may even be on the increase in new and possibly more discrete forms.² It is often hard to evaluate the importance of the NTBs due to the lack of transparency concerning their scope and effects. In addition, measures that traders encounter may or may not be legitimate under WTO agreements.

3. With the Doha Development Agenda (DDA), the use of NTBs is once again the subject of multilateral negotiations.³ Opportunities for addressing DC concerns relating to NTBs are also provided by regional and other fora pursuing trade liberalisation.

4. Against this background, this study collects and analyses data that identify NTBs of concern to developing countries in trade both among themselves and with developed countries. A clearer idea of these barriers should allow WTO members to better understand developing countries' concerns in this area and their implications, so that they can respond with an appropriately proactive and positive agenda. More specifically, consideration could be given to attaching priority to NTBs found to affect products in which developing countries have a comparative advantage when market access commitments are negotiated in the WTO Negotiating Group on Market Access for Non-Agricultural Products (NAMA) and other WTO bodies.

5. Similarly, identification of NTBs that are of particular concern to developing countries could help determine priority targets for strengthening special and differential treatment (SDT). To help boost their exports, developing countries have requested SDT, including in the field of NTBs. A review of SDT-related assistance is also called for by the Doha Ministerial Declaration.

¹ Developing countries are those considered as such in the World Trade Organization (WTO).

² For example, developing countries report having difficulties in meeting what they perceive are increasingly complex new technical regulations, product standards and SPS measures implemented by developed-country trading partners (OECD, 2002; Henson et al, 2000).

³ WTO Ministers meeting in Doha in 2001 agreed "to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without a priori exclusions." Besides in NAMA, issues related to NTBs are supposed to be addressed also in negotiations focusing on agriculture and on WTO rules regarding anti-dumping, subsidies and countervailing measures, and are a matter of examination also under the regular work programmes of various WTO bodies that are not directly involved in the DDA process.

6. Also, the study can help raise general awareness of NTBs which developing countries themselves maintain and which interfere with the ability of developing countries to trade with each other and to build up trade among themselves. In an overall sense, the results of the study can serve as benchmarks against which policymakers in developing countries may wish to examine the particular situation of their economies and their negotiating objectives.

A. *Background: Recent trends in developing countries' export performance*

7. As background for the examination of NTBs of concern to developing countries it is useful to review recent trends in these countries' exports. Export data show that these countries are increasingly important players in world trade. In the last decade, their share in world merchandise exports increased from 17% to 27%.

8. Most of developing-country exports go to high-income countries, but trade with other developing countries is becoming increasingly important and dynamic. That said, trade between developing countries is becoming more concentrated on regional markets. This is particularly noticeable in Sub-Saharan Africa, for instance, where intra-regional exports increased from approximately 20 % in 1993 to almost half of that region's total exports to other developing countries.

9. In terms of the export structure, the share of manufactured products has steadily grown over the past two decades, whereas the share of primary commodities has declined. Developing countries are clearly striving to diversify their export activity, which can be seen from the shift in the export pattern from low value-added manufactured goods towards higher value-added goods such as electrical and electronic products, industrial equipment and machinery. The exception is the group of Least Developed Countries (LDCs), which have not seen their export structure evolve to the same extent.⁴

10. **Annex I** provides a detailed statistical overview describing developing countries' export performance over the last decade.

B. *Analysis of NTBs: Data availability and methodology*

11. Data on NTBs are extremely limited, particularly in developing countries. One source of fairly comparable and comprehensive data is the UNCTAD Database on Trade Control Measures, which however contains a number of well-known definitional and methodological problems. A few regional groupings of developing countries (e.g. ALADI, SIECA, ASEAN, SAARC) and individual developing countries maintain their own databases of trade measures or barriers of various types. Particularly lacking are data on NTBs especially affecting low-income countries, including least developed countries (LDCs).

12. Besides these databases, there exists no widely accepted tools or approaches for capturing non-tariff measures that limit market access. Researchers and analysts have resorted to varying methodologies in an effort to identify and assess the most prevalent and restrictive barriers, including frequency measures derived from the databases, as well as empirical analyses based on surveys of exporters or data drawn from WTO Trade Policy Reviews. The advantages and shortcomings of each of these approaches have been well documented in the literature (Andriamananjara et al, 2004; Dean et al, 2003; Bora et al, 2002; McGuire et al, 2002; Michalopoulos, 1999; Deardorff and Stern, 1998; OECD, 1997).

⁴ Least developed countries (LDCs) refers to countries on the UN list of LDCs. As of October 31, 2004, 50 countries were on this list.

13. Acknowledging data and methodological shortcomings, this study draws on several sources of information in an attempt to provide useful insights for traders and trade negotiators. The result is an analytical framework based on four elements of research using different types of available data:

- a brief review of literature on the existence of NTBs;
- analysis of recent NTB notifications by DC governments to the WTO;
- a review of private sector perceptions on NTBs through available surveys; and
- analysis of trade disputes involving NTBs brought before multilateral and regional dispute settlement mechanisms.

14. These approaches to NTB identification are combined to provide a unified basis for analysis. The term NTBs will be used to refer broadly to all measures (public and private) other than tariffs that have the potential for distorting international trade flows in goods.⁵

15. Section II of this paper reviews some of the main findings from available literature on NTBs affecting developing countries, both at the aggregate level of intra-developing country trade and trade between developing and developed countries. Section III presents an analysis of the NTB notifications to date made by non-OECD countries to the WTO Negotiating Group on Market Access for Non-Agricultural Products (NAMA). Section IV reviews disputes brought to the WTO and to tribunals of regional trade arrangements (RTAs) among developing countries. As a final element of the research framework, Section V reviews available surveys reporting private sector perceptions of NTBs. Various supporting materials are compiled in the Annexes at the end of this paper.

II. Literature review

16. A great deal of research has documented that developing countries still have an important market access agenda in the aftermath of widespread tariff liberalisation undertaken by developed and developing economies. This section offers an overview of the available literature on **non-tariff market issues** that seem to affect DCs, both in an **intra-developing country** and an **extra-developing country** trade perspective. The review begins at a global level, complemented by a region-based overview of non-tariff barriers affecting intra-regional trade among developing countries. Relevant literature and case studies undertaken by scholars, trade analysts, governments, and international organisations form the basis of this review. This exercise excludes studies based on private sector perceptions, as these are reviewed separately in Section V.

A. *Global trends in NTBs affecting developing countries*

17. Globally, the existing body of literature conveys a few key findings and trends pertaining to developing countries. Most analysts observe that the utilisation of certain types of NTBs affecting these countries, such as quantitative restrictions, have markedly decreased in the post-Uruguay Round setting (McGuire et al, 2002; Stephenson, 1999; PECC, 1995; Estevadeordal and Robert, 2001; Arnjadi and Yeats, 1995⁶). The remaining post-Uruguay NTBs, according to the frequency ratio analyses conducted by Michalopoulos (1999) and others, appear to be more prevalent in developing than in developed-country markets, although they have decreased over time. Michalopoulos (1999) notes that frequency ratios of quantity and price control measures tend to be higher in countries with lower levels of per capita income and lower degrees of openness. A seemingly greater prevalence of these NTBs in trade among developing

⁵ Similar definitions are often used in the literature. See for example Don P. Clark, Non-tariff measures and developing country exports, *The Journal of Developing Areas*, 27, January 1993, pp. 163-172.

⁶ The authors and literature review vary in their classification of developing countries, and at times do not specify the classification used.

countries is however difficult to demonstrate given that the existing literature focuses predominantly on barriers to DC trade in their major export markets, which generally are OECD markets. (Bhattacharyya and Mukhopadhyaya 2002a; Bhattacharyya and Mukhopadhyaya 2002b; COMESA 2003; ECLAC 2001; Haveman and Shatz, 2004a; Haveman and Shatz, 2004b).

18. Although existing literature relies on a range of different, not always transparent approaches for identifying measures of concern to developing countries, it frequently focuses on **quantity control measures—non-automatic import licensing, quotas, and tariff rate quotas**. These measures may also attract attention because their effects are by nature easier to quantify and analyse than is the case for most other types of NTBs. Researchers report that post-Uruguay Round, the frequency of NTBs for processed goods far exceeds those applied to primary commodities.

19. Laird (1999a) finds that the primary NTBs affecting DC market access to **both OECD and non-OECD markets** are essentially the same, consisting primarily of: **import licensing** systems (including allocation of tariff quotas); **variable levies** and production and export **subsidies** (in the agricultural sector); import/export **quotas** (in textiles and clothing sector) and **local content and export balancing requirements** (automotive industry); **export subsidies** to develop non-traditional manufacturers (administered as tax breaks or subsidised finance, as direct subsidies have almost disappeared under fiscal pressures); and **state trading operations**.

20. Another perspective comes from other available research that identifies a different prevalence of various types of NTBs according to whether developing countries trade with developed countries or among themselves, as described below.

1. *Observations regarding NTBs in trade with developed countries*

21. A review of the existing literature suggests that technical regulations, price control measures and certain other measures are particularly frequently subject to concerns voiced about access to developed-country markets.

22. **Technical barriers to trade (TBTs)**: While recognising that technical measures may serve legitimate purposes, it is also evident that they can be important obstacles to exports to developed countries whose technical regulations, standards and conformity assessment procedures may effectively serve as border-protection instruments (Wilson, 2000; Wilson, 1999; Stephenson, 1997; Michalopoulos, 1999). Despite their adverse effects, Nixon (2004) argues that these measures can also have a positive effect for developing countries by spurring new competitive advantages and investment in technological capability, should enterprises in DCs act offensively. This scenario is less likely to materialise in LDCs, given the significant technological and financial constraints they face.

23. **Sanitary and phytosanitary measures (SPS)**: The literature also reveals that animal health and plant protection measures may, in some cases, appear to be unnecessarily protectionist. These measures are of special importance to developing countries given the share of their agricultural exports. A quantitative analysis of the impact of a specific SPS standards implemented in the EU found a decrease in African exports to this market of 64% or USD 670 million (Otsuki, Wilson and Sewadeh, 2001). The emergence of biotechnology, and international trade in biotechnology, has recently spurred the use of restrictive measures that are costly and burdensome for developing countries (Zarrilli and Musselli, 2004).

24. **Other measures**: The literature shows a growing concern about measures in developed-country markets that may have trade-restrictive effects. At issue are rules and regulations associated with environmental, national security, labour and other social standards (Michalopoulos, 1999; Bhattacharyya 1999; Bhattacharyya and Mukhopadhyaya, 2002b; Chatuverdi and Nagpal, 2003). While these are

legitimate areas for regulation, bioterrorism rules, child labour clauses, and environment standards are at times perceived as being more trade restrictive than necessary to achieve intended goals. Discussion of this arena is highly politicised: few objective studies exist that quantify or thoroughly examine the impact of these measures on developing countries' exports.

2. *NTBs in trade among developing countries*

25. As mentioned above, there is a dearth of studies that examine intra-developing country trade from an NTBs perspective. There is a growing tide of research interest directed at issues affecting trade among developing countries; however, the existing analyses still focus on tariffs and tariff liberalisation or more generally on avenues for cooperation among developing countries.

26. Given this void with respect to NTBs, the best sources of information are studies on barriers to trade taking place among developing countries belonging to regional trade agreements (RTAs) (eg., Berlinski, 2002; ACS, 2003; Soontiens, 2003; Bhattacharyya and Mukhopdhyaya, 2002). However, a caveat is that the findings drawn from these studies reflect barriers to these intra-regional exports (which are concentrated on Asia and Latin America) and not barriers to trade with developing countries in other regions (which is a significant portion of trade for the Middle East and Africa).

27. A few general observations can be made and are noted here. More specifically, customs procedures, para-tariff measures, and some other forms of NTBs are observed to slow the pace of liberalisation and market access improvement in intra-developing country trade.

28. **Customs and administrative procedures:** The literature on intra-developing country trade reports significant problems associated with cumbersome and inefficient customs and administrative bureaucracy. Customs procedures are generally not automated; customs valuation tends not to be based on market prices; the customs clearance process is long and complex; and weak customs administration leads to border smuggling. Combined, inefficient procedures and excessive formalities may result in a high degree of non-official trade that is not reflected in South-South trade statistics (Daly et al., 2001).

29. **Para-tariff measures:** Where intra-regional tariffs have been lowered or eliminated as a result of regional co-operation, RTAs among developing countries witness an upsurge of import surcharges and other additional charges. This seems to reflect the problem of fiscal dependence of DC and LDCs on imports and their need to erect new charges to compensate for the loss of tariff revenue. This type of NTB is particularly prevalent among smaller DCs and LDCs (Daly et al., 2001).

30. **Other obstacles:** The existing literature identifies other barriers that are not considered conventional NTBs. Geographical and infrastructural features emerge as sizeable barriers to trade among developing countries, particularly in landlocked countries (Coulibaly and Fontagne, 2003). Growth in trade among developing countries depends also on improvements in property rights, good governance, and sound institutions (Agatiello, 2004).

B. *Regional trends in the use of NTBs*

31. The NTBs that a country faces are determined by who its major trading partners are and the composition of exports to those markets. Therefore, the identification of NTBs warrants a detailed analysis, as is exemplified by the large number of region-specific studies in existence.

32. Findings from regional studies point to subtle differences among the NTBs that affect the exports of each region:

- For **Asia and the Pacific** region, whose trade has been characterised by labour-intensive products, particularly **textiles and garments**, **tariff quotas** applied under the MFA, which has since expired, and **technical regulations** (especially labelling) emerge in the literature as being the most significant NTBs in terms of the volume of exports affected (ESCAP, 2000; Bhattacharyya and Mukhopadhyaya, 2002a and 2002b; Bhattacharyya, 1999).
- In the case of **Latin America and the Caribbean** countries, which are competitive **agricultural** exporters, **sanitary and phytosanitary** standards and agricultural **export subsidies** emerge as the main issues impeding market access to major OECD markets (ECLAC 2003, 2001, 1999). A quantitative analysis of the incidence of NTMs in Latin American countries shows a growing trend in the incidence of technical measures (IDB, 2002). Also issues relating to antidumping, particularly for steel, are reported to affect the larger economies of the region (Brazil, Mexico, Argentina, Chile) (Scandizzo, 2002).
- Studies on **Africa and the Middle East** indicate that key NTBs faced by exports from these regions—such as **quantitative restrictions** and **special import charges**—do not have a significant restrictive effect but instead reveal that certain NTBs—notably MFA quotas and VERs—have helped their exporters by shielding them from competition from other developing regions (Stern and Gugerty, 1996; Arnjadi and Yeats, 1995). More than complaining about a particular effect of an NTB, these documents reflect concern about the heavy concentration of an array of NTBs on strategic products of export interest to the region, namely the energy sector.
- Finally, focusing on the EU as the principal export market and the possibility of future accession, studies covering **Europe and Central Asia** register strong concerns about barriers pertaining to stringent TBT and SPS rules (Hanspeter et al, 2001). For this region, literature is extremely limited.

Annex II offers a more detailed overview of the findings from the literature addressing NTBs by developing region.

III. Analysis of notifications of NTBs to NAMA

33. A more detailed and systematic account of developing countries' perceptions of non-tariff barriers comes from the notification process established under the auspices of the Negotiating Group on Market Access for Non-agricultural Products (NAMA). WTO Members were invited to submit notification on NTBs that directly affect their exports. From March 2003 through October 2004, a total of 11 OECD countries and 21 non-OECD countries submitted a list describing barriers to their exports in foreign markets.⁷ Notifications were made according to the NAMA Inventory of Non-tariff Measures, which provides for a broad and comprehensive coverage of NTBs (see **Annex III**).⁸

⁷ In the July 2004 Framework Agreement, countries were urged "to make notifications on NTBs by 31 October 2004 and to proceed with identification, examination, categorization, and ultimately negotiations on NTBs" (Annex B, paragraph 14). This analysis takes into consideration all notifications submitted until November 1st 2004.

⁸ The Inventory of Non-tariff Measures groups barriers into seven broad categories (see Annex III). A possible weakness in this inventory is the lack of clear definition and demarcation of some types of NTBs (e.g.,

34. The following section analyses the notifications made by non-OECD developing countries, with a view to identifying frequently reported barriers and the products affected.

A. *Data set*

35. The 21 non-OECD countries made a total of 1,200 notifications that, in their view, represent NTBs affecting various sectors of their export structure.⁹ These countries represent a geographically and economically diverse and balanced sample of DCs. In terms of income level, 19% of these countries are high-income economies; 28% upper-middle income; 28% lower-middle income; and 24% low-income (of the latter, one country – Bangladesh -- is a least developed country (LDC).)¹⁰ In 2002, the total value of merchandise exports from these 21 countries was 1,132,567 million USD, representing approximately 57% of total DC exports and 18% of total global exports.¹¹

36. While the data set is fairly representative in terms of DCs and their aggregate exports, it must be viewed in the context in which it was collected. Moreover, some notifications lack precision and clarity, and have missing or incomplete information. The methodology that countries used to identify their NTBs is not documented. The inventory itself has certain shortcomings, namely the lack of clear definition and demarcation of some types of NTBs (for example, in the areas of import licensing and rules of origin). Furthermore, as some potential types of barriers are not explicitly listed in the Inventory, countries may not have reported on them. The present report does not imply making any judgement about whether the policies or measures notified are legitimate or not.¹²

37. There is insufficient information to ascertain whether notifications are made with regard to developed or developing-country markets.¹³ To the extent that most DC exports are destined for developed markets, it would seem reasonable to view this market access analysis in that perspective. Regardless, the sample of countries notified as maintaining these barriers is confined to WTO Members.

discrimination resulting from bilateral agreements; discriminatory sourcing; distribution constraints; and others). Furthermore, as some NTBs—such as environmental and security-related measures—are not directly captured in the Inventory, countries do not report on these types of barriers. For the purpose of this analysis, certain adjustments mainly to the structure of the classification employed by this inventory were made. These are also shown in Annex III.

⁹ The sample of developing countries used in this analysis are non-OECD countries that submitted notifications as of 1 November, 2004. These are from Africa and the Middle East: Egypt, Jordan, Kenya, and Senegal; from Asia and the Pacific: Bangladesh, China, Hong-Kong, India, Macao, Malaysia, Pakistan, Philippines, Chinese Taipei, Singapore, and Thailand; from Latin America and the Caribbean: Argentina, Trinidad and Tobago, Uruguay, and Venezuela; and from Eastern Europe: Bulgaria and Croatia. Countries from Asia and the Pacific are the most represented (87.7% of NTB notifications), with Latin America & the Caribbean and Africa & the Middle East following in the number of barriers reported.

¹⁰ Based on the World Bank classification of countries by levels of income.

¹¹ World Merchandise Exports by Region and Selected Economy 1992-2002, *International Trade Statistics 2003*, WTO.

¹² Some of the measures in the NTB inventory can clearly serve legitimate purposes (for instance, technical barriers to trade, rules of origin, and charges on imports).

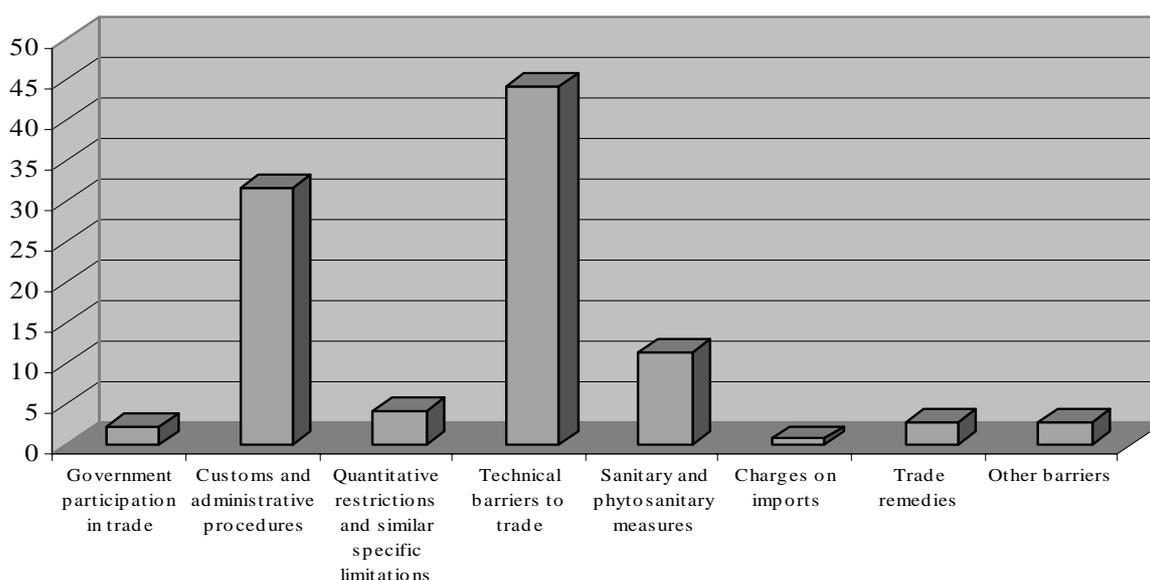
¹³ While countries analysed here were invited to specify the “Maintaining Participant” of the barriers notified, none provided this information.

B. Types of barriers reported

38. As shown in **Figure 1**, NTB categories with the highest incidence of notifications are **Technical Barriers to Trade** (TBTs, with 530 NTB entries, or almost half of the total), **Customs and Administrative Procedures** (380 entries), and **Sanitary and Phytosanitary Measures** (SPS, 137 entries). Amounting to less than 5% of total NTB entries were: quantitative restrictions, trade remedies, government participation in trade, charges on imports, as well as other barriers.

Figure 1. Frequency of notifications by NTB category

(percentage of total notifications)



Source: OECD, based on submissions to NAMA (TN/MA/W*).

Technical Barriers to Trade

39. TBTs were the primary reported barrier for 12 of the 21 reporting non-OECD countries, and the second most reported barrier for five other countries. Almost half of the complaints in this area concern technical regulations and standards (46%), followed by testing and certification arrangements (26%) and by marking, labelling and packaging requirements (16%). A commonly reported trade impact of these barriers is the unnecessary (and often significant) increase in costs that effectively impedes exports.

40. Several notifying countries comment that **technical regulations and standards** applied by certain WTO members are more stringent than those specified by relevant international bodies and that no legitimate explanation has been provided. Moreover, the upward revision of these standards at regular intervals makes it difficult for developing countries to keep up with and adapt to changing requirements. Another complaint relates to the differing technical requirements among members due to the non-adoption of common international standards, thus raising compliance costs and discouraging DCs from diversifying their export markets. Countries indicate that equivalence agreements of standards across WTO members would benefit DC exporters by reducing financial burdens as well as the risk of uncertainty.

41. Many complaints pertain to the area of **testing and certification**. Reported concerns are a general absence of information and lack of transparency on the procedural norms and regulations regarding specifications as well as methods of sampling, inspection, and testing.

42. Notifying countries maintain that testing methods specify exceedingly high levels of sensitivity that may not be justified on the grounds of health and safety issues, thereby making testing costs disproportionately high and even prohibitive. Sometimes levels of sensitivity are raised only because better technology or testing equipment becomes available, and not due to any specific evidence that a higher sensitivity is required to meet a health objective. Aside from cost concerns, countries report that they lose customers simply due to the time required for further testing by laboratories of the importing country before the required certificates are completed for shipments to be released from Customs.

43. Other reported problems in conformity assessment procedures include: applying exhaustive pre-inspection measures at national boundaries, thereby consuming large amounts of time and money; providing quality certificates that are valid for only one year and renewable on only a yearly basis; examining the production process in the country of origin by experts of the importing country, having the DC manufacturer (exporter) pay for travelling expenses and accommodation of experts; and registration being costly, time-consuming, arbitrary, and not always granted.

44. The other TBTs subject to a significant number of notifications constitute **marking, labelling, and packaging requirements** that are noted as being burdensome, complicated to implement, and often not equally applied to similar products of domestic origin. It is claimed that such requirements may require highly developed technological systems that DCs cannot afford. Genetically modified organism (GMO) labelling, in particular, increases costs for DC producers due to more stringent procedures--in the absence of solid scientific evidence on the risks to humans of consuming GMOs. Other countries report that abrupt changes in packaging requirements result in entire shipments being held back at the distributor's warehouse.

45. Overall, the fact that developing-country suppliers may have more difficulty adapting to new, legitimate requirements argues for technical assistance and capacity building. WTO Members can also explore avenues for reducing the effects of these different TBT-related measures through international standards, more common approaches to test methods and conformity assessment, among other mechanisms.

Customs and Administrative Procedures

46. The NTB reported with the second greatest frequency is customs and administrative procedures, which accounts for almost a third of the total notifications. For nine countries, these are the primary barrier, and for six other countries the second most reported barrier. Within this broad category, the two most prominent barriers are rules of origin and import licensing (both automatic and non-automatic), each responsible for more than one-third of notifications. Other areas exhibiting a high to moderate number of notifications under this category are customs valuation, formalities, and to a lesser extent, classification. There are also notifications pertaining to pre-shipment inspection and consular formalities and documentation.

47. Some notifying countries report that **rules of origin** are discriminatory, unreasonable, or inconsistent. This entails extra formality and cost, or administrative hassles. Rules of origin can be preferential or non-preferential. While most notifications do not elaborate on the type of rules of origin at issue, there seems to be some concern on the part of countries failing to obtain originating status under preferential rules of origin, with the result that their products are not covered by the preferences.

48. Notifications testify that **import licensing procedures** frequently bear the effect of delaying or hampering imports. Some notifying countries complain about the introduction of additional requirements, such as supporting documents, for automatic licenses issued by the importers. Other complaints hold that much of the time, the issuing of import licenses is not expressly stipulated and lacks transparency.

49. **Customs valuation rules** are also perceived to act as trade barriers on some occasions. Most complaints describe overestimation of prices for customs purposes, particularly through the use of discriminatory and arbitrary valuation methods. The use of minimum and reference prices, rather than transaction prices, is widely criticised. Notifying countries also report that the requirement of a minimum amount of imports for customs valuation prohibits DC producers from exporting small volumes.

50. Other complaints relate to inconsistent and varying **customs classification**, including the right of customs officers to exercise excessive discretion when classifying goods. In some countries **customs clearance** is reported to be deliberately delayed to increase the transaction cost and thus reduce competition for similar domestic products. Notifications also reveal excessive requirements for **customs formalities**, another factor that contributes to delaying trade and increasing costs.

Sanitary and Phytosanitary Measures

51. Sanitary and phytosanitary (SPS) measures is the third most frequently reported barrier for non-OECD exports. A large number of these notifications were made by one country (the Philippines). Complainants recognise that risk to consumers is an important concern at an international level, but they claim that certain countries tend to establish onerous standards without first conducting comprehensive risk assessment work. These measures include chemical residue limits, disease freedom, and specified product treatment, amongst others (74% of SPS entries). Approximately 17% of complaints in this area pertain specifically to testing, certification and other conformity assessment related to SPS.

52. While SPS measures may serve legitimate purposes, the notifying countries report extra formalities, time, and costliness that restrict or inhibit exports. Obtaining SPS approvals also reportedly involves tedious and substantial documentation and bureaucratic procedures. For instance, one notifying country reported that its exports for a specific product were reduced by 70% in both value and volume because a detector required to comply with SPS measures was too expensive to purchase.

53. The fact that countries may maintain different and legitimate SPS measures to deal with the same perceived risk can create market segmentation and thus represents a barrier to freer trade. In such cases, WTO Members can explore avenues for reducing the effect of these different SPS measures through international standards, more common approaches to test methods and conformity assessment, among other mechanisms.

Quantitative Restrictions

54. Quantitative restrictions and specific limitations account for 51 notifications (4.2% of total notifications). Half of the barriers reported under this category represent strictly quantitative restrictions (QRs). Other measures in this category that are reported relatively often include embargoes and similar restrictions (20%), exchange controls (12%), tariff rate quotas (10%), and discrimination resulting from bilateral agreements.

Government Participation in Trade

55. Instances of government participation in trade account for 26 of total notifications (2.1%). The bulk of these notification falls into the Inventory's category of restrictive practices tolerated by governments (65%), which often are not further specified but which are reported to protect domestic producers from foreign competition and to distort trade. Other complaints that have similar effects regard government assistance, state trading and monopolistic practices, and government procurement.

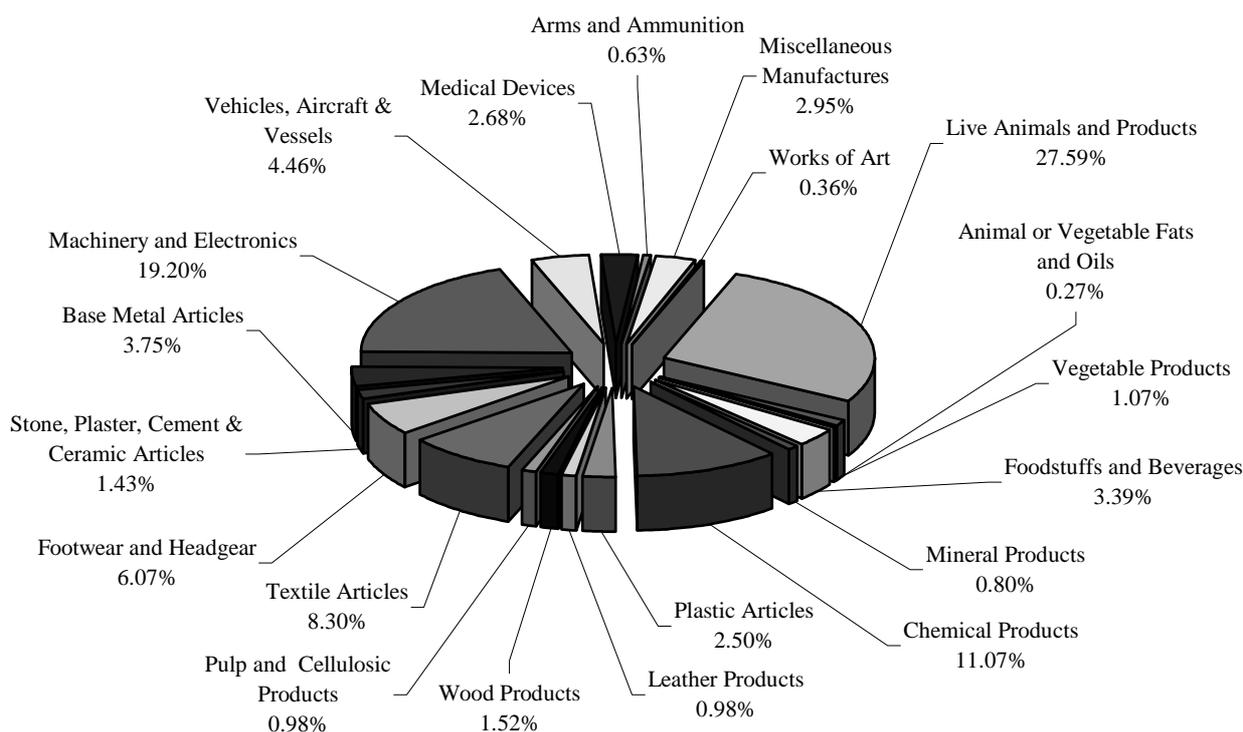
Charges on Imports

56. Charges on imports represent the distinct category of NTBs subject to the fewest number of NAMA notifications by the sample of developing countries (0.8%). Myriad import surcharges in this category include: high taxes for border passage, high storage taxes, port taxes, statistical taxes, variable taxes, cargo and maritime transport taxes, attestation fees and legalisation fees, and fees for authentication of export documents. Countries report that the imposition of high fees and fluctuating taxes significantly adds to export costs and results in uncertainty, and may create preconditions for corruption.

C. Products affected by reported NTBs

57. For the sample of developing countries, the product groups most frequently notified as being hampered by NTBs are live animals and products (309 notifications), machinery and electronics (215 notifications), chemical and allied industry products (124 notifications), and textile and textile articles (93 notifications). **Figure 2** displays the percentage of notifications by product group. In a more detailed analysis, **Annex IV** provides a more detailed account of reported barriers and products falling under each of the broad commodity groups.

Figure 2. NTB notifications by product group



Source: OECD, based on notifications to NAMA (TN/MA/W*).

58. The product group with most reported NTBs, **live animals and products**, is primarily affected by **SPS measures** (114 notifications) and **customs and administrative barriers** (106 notifications), in particular **rules of origin** (79% of total notified customs problems).¹⁴ Within this product category, reported measures are highly concentrated on range of fish and fisheries products, including shrimp and prawns, octopus, crab, and tuna. These products capture the highest number of NTB notifications in the data set.¹⁵

59. **Machinery and electronics**, on the other hand, is the product category recording the highest incidence of **technical barriers to trade** (142 notifications), most of them relating to **technical regulations and standards**. Affected products consist mostly of electrical apparatus (e.g., telephones, televisions, calculators, microwaves); the rest are mechanical machinery (e.g., computer and parts of computers, palm mould milling machinery) and accessories such as various kinds of cables. These products also show the largest number of complaints about **import licensing** procedures (a total of 40 notifications or 69% of the notifications that relate to customs-related problems).

60. Under the category of **chemical products**, the exports of concern to developing countries as reflected in their notifications are mostly pharmaceuticals products (23%) and perfumery, cosmetics and toilet preparations (20%), followed by fertilisers, inorganic and organic chemicals, explosives and matches, and soap and washing preparations. This category of exports is significantly affected by **TBTs** (77 notifications), and to a lesser extent, by **import licensing procedures** and **customs formalities**.

61. Another important export sector for the sample of DCs, **textiles and textile articles**, is also the subject of a significant number of notifications, relating particularly to **TBTs** (42 notifications) and customs procedures (37 notifications). In the latter NTB category, there are many complaints about **customs valuation** (43% of notified customs problems), second only to the still higher number of notifications of valuation problems affecting footwear, handbags and related products (where customs valuation is 89% of customs-related barriers). In addition, textiles receive the highest number of complaints concerning **quantitative restrictions** (9 notifications), which may in part be related to the complaints on import licensing. The main commodities reported to be subject to these restrictions are apparel and clothing accessories.

62. The list of products mentioned in the above findings is not exhaustive. Other notified manufactures are vehicles and ships; wood and wood products; optical, medical and surgical supplies; and prepared foodstuffs. Most of these product groups face primarily **technical barriers to trade**, although the nature of the TBTs varies from one product category to the other. For instance, **prepared foodstuffs and beverages** are notably affected by **marking, labelling and packaging requirements**, which make up 46% of TBTs complaints. This is not the case for **vehicles** and for **wood products**, which record few notifications relating to marking and labelling requirements (4 and 5%, respectively) but many notifications concerning **testing and certification arrangements** (34 and 35%, respectively), followed by notifications about technical regulations and standards (31 and 30%, respectively). Notifications regarding the export of **optical, medical and surgical equipment**, in contrast, pertain exclusively to the issue of enforcement of **technical regulations and standards** (86% of TBTs notifications).

¹⁴ There is also a significant number of notifications of TBTs (79 notifications); this may in part reflect the methodological difficulty of determining whether a technical regulation applied to this product category is in fact a TBT or SPS measure.

¹⁵ Of the 11 developing countries that have made notifications with respect to fisheries, one country (the Philippines) has submitted the majority of individual notifications on this item.

Table 1. NTBs reported for specific product groups¹⁶

	Government Participation in Trade	Customs and Administrative Procedures	Quantitative Restrictions & Similar Specific	Technical Barriers to Trade	Sanitary and Phytosanitary Measures	Charges on Imports	Trade Remedies	Other Barriers	Total
Live Animals and Products	2	106	5	79	114	1	0	2	309
Vegetable Products	0	1	0	4	6	1	0	0	12
Animal or Vegetable Fats and Oils	0	1	0	0	2	0	0	0	3
Prepared Foodstuffs & Beverages	2	12	4	17	2	1	0	0	38
Mineral Products	1	2	1	4	1	0	0	0	9
Chemical/Allied Industry Products	3	24	6	77	1	1	5	7	124
Plastics and Rubber Articles	0	13	2	10	0	0	2	1	28
Leather Products	1	5	1	3	1	0	0	0	11
Wood and Articles of Wood	0	3	0	13	0	0	0	1	17
Pulp of Wood / Fibrous Celluloid Material	0	2	1	7	0	0	0	1	11
Textile and Textile Articles	0	37	9	42	4	1	0	0	93
Footwear, Headgear & Related Articles	2	19	0	41	0	1	5	0	68
Articles of Stone, Plaster, Cement, Ceramic	1	5	1	8	0	0	1	0	16
Pearls and Precious Stones and Metals	0	0	0	0	0	0	0	0	0
Base Metals and Articles of Base Metal	2	17	3	6	0	1	13	0	42
Machinery and Electronics	0	59	3	142	2	2	3	4	215
Vehicles, Aircraft, Vessels	2	17	3	26	0	0	2	0	50
Optical, Photographic, Medical/Surgical	0	7	0	22	0	1	0	0	30
Arms and Ammunition	0	3	2	2	0	0	0	0	7
Miscellaneous Manufactured Articles	0	13	2	12	2	0	2	2	33
Works of Art & Pieces and Antiques	0	3	0	0	0	0	0	1	4
All Products & Many Products	8	25	5	11	0	3	2	10	64
Not Classified	1	2	1	5	0	0	0	3	12
Total	25	376	49	531	135	13	35	32	1196

Source: OECD, based on notifications to NAMA (TN/MA/W*).

63. In several other product categories, however, **customs and administrative procedures** register more notifications than TBTs: this is the case for the categories of **miscellaneous manufactures** (where 45% of the reported barriers relate to customs), **plastic and plastic products** (46% of reported barriers), and **metals and metallic products** (41% of reported barriers). For plastics and rubber articles the main complaint pertains to rules of origin (46% of reported customs-related problems), while in the general

¹⁶ There is a slight mismatch between the number of notifications recorded in this table (1196) and the total notifications reported in Table 1 (1191). This difference is due to the fact that in a few instances countries reported a barrier but did not specify the products affected by the barrier.

category of miscellaneous manufactures (comprising furniture, toys, etc) notifications refer mostly to the excessive use of import licensing (43%). With respect to **metal exports** (mostly iron and steel) one can further note a relatively high number of references to **trade remedies**, in addition to customs and administrative barriers.

D. NTBs and products identified in national export strategies

64. Most developing countries make export promotion and development a priority in order to achieve economic development goals. This involves typically identification of existing and new products that have a potential to emerge as growth drivers of a nation's exports.

65. While the success of export strategies is affected by many domestic factors, it is also affected by conditions of world trade, including market access barriers.¹⁷ Therefore, to provide a forward-looking perspective to the analysis of potential barriers to trade, an effort is made here to identify the products and sectors that feature particularly in DC export sectors. The objective is to draw attention to specific NTBs that are associated with these sectors or products and therefore may stymie the realisation of DCs' export goals.

66. Data were collected from available national export strategies or programs from non-OECD countries, as well as from additional sources, in order to construct an indicative, non-exhaustive list of products and sectors that captures the export interest of an important segment of DCs. The inventory compiled is shown in **Annex V**.

67. The merchandise products/sectors identified relatively frequently as having potential for helping spur and sustain future export growth are **textiles and apparel, fish and fisheries products, chemicals and pharmaceuticals, information technology (IT) products, and electrical and other heavy machinery**. In addition, the data reviewed suggest that countries are increasingly looking to the provision of services as an activity with a potential to drive their export performance.

68. Drawing on this information and the data about NTBs contained in the notifications made to NAMA, the following observations can be made about strategic sectors and potential barriers to their export.

Textiles and Apparel

69. Reported NTBs affecting exports are essentially of three types, namely technical barriers to trade, customs and administrative procedures, and quantitative restrictions. Technical regulations and standards as well as testing and certification arrangements are the main problems reported for TBTs, while customs valuation is the predominant problem reported in the area of customs and administrative procedures. For details see **Section C in Annex IV**.

Fish and Fisheries Products

70. Reported NTBs in this sector consist of SPS measures, customs-related procedures, and TBTs. While some SPS measures take the form of conformity assessment requirements, other measures cannot be further specified. Most reported problems related to customs-related procedures refer specifically to rules of origin; the rest relates mainly to import licensing. For details see **Section A in Annex IV**.

¹⁷ For many developing countries, poor infrastructure, limited access to finance and marketing and other domestic factors are major obstacles to export success, especially for smaller firms, and formidable challenges for governments that seek to help develop and promote export activities. They are not the focus of this inquiry.

Chemicals and Pharmaceuticals

71. The majority of reported NTBs affecting exports concern a broad range of TBTs, covering technical regulations and standards, testing and certification arrangements, and marking, labelling and packaging requirements. Various problems with customs and administrative procedures – with import licensing, customs formalities, valuation, and consular fees and documentation – are also reported. For details see **Section D in Annex IV**.

Information Technology (IT) Products

72. While notifications to NAMA offer little information on IT products, data on barriers to trade in IT products have been collected by the WTO Secretariat through submissions made by the Committee of Participants on the Expansion of Trade in Information Technology in the context of their Non-Tariff Measures Work Programme. The responses from the four developing members that have participated in these submissions¹⁸ indicate that the barriers that obstruct market access in IT products most seriously are standards and conformity assessment (including testing and certification). Other reported NTBs in this sector relate to rules of origin, lack of transparency and availability of information, process and production methods, and on-site service by IT professionals.¹⁹

Electrical and Other Heavy Machinery

73. The main NTB reported for this sector is TBTs, with a prevalence of technical regulations over other forms of TBTs. Customs and administrative barriers are also frequently reported for this sector, and pertain primarily to import licensing requirements and procedures. For details see **Section F in Annex IV**.

IV. Analysis of dispute settlement cases concerning non-tariff import measures

74. Over the past several years, developing countries have filed a growing number of cases under the WTO's Dispute Settlement Understanding (DSU), some of which voice important market access concerns in areas of NTBs. The true number of grievances could be still higher: for many DC complainants, preparing and presenting a case at the WTO represents a significant task.²⁰ Filing of legal challenges is often constrained by a lack of financial resources and technical expertise in working through the process of settling disputes.²¹ Therefore, NTBs introduced into a dispute settlement mechanism are likely indicative of serious trade-impeding effects.

75. The following analysis examines trade dispute activity with the goal of identifying those barriers and affected products that have posed strong concerns to DCs.²² It sets out with a review of cases brought

¹⁸ The four participants are India, Hong-Kong, Chinese Taipei, and Mauritius.

¹⁹ For a compilation of submissions reporting NTMs in IT products, see WTO document G/IT/SPEC/Q2/11/Rev.1.

²⁰ Moreover, those NTB areas that are not covered by the legal multilateral framework are not captured in the record of disputed cases.

²¹ The Advisory Centre on WTO Law (ACWL) corroborates the resource implications of preparing for the process of filing a dispute, even at the initial stage of consultations. Depending on the degree of the complexity of the case, a developing country requests on average from 42 to 127 hours of legal assistance for the consultation stage, which are charged at the sponsored rate of 162 to 324 CHF per hour if the country is a member to ACWL (www.acwl.ch, ACWL/MB/D/2004/3). The rate is higher if the DC is not a member.

²² The sample of developing countries referred to in the analysis of dispute settlement cases are the non-OECD countries that have submitted requests for consultation on non-tariff measures. These are: Argentina, Bangladesh, Brazil, Chile, China, Chinese-Taipei, Colombia, Costa Rica, Ecuador, Guatemala, Honduras,

to the DSU (1995-2004) by non-OECD countries, i.e. requests for consultations under Article 4 of the Uruguay Round Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) presented by DCs. In order to gain further insights in particular about NTBs-related concerns in developing-country fora, the review is followed by an examination of complaints raised amongst Parties to the Andean Community (1997-2004). The Andean Community was chosen as a case study because of the large number of complaints submitted to its standing tribunal.

A. *WTO cases concerning non-tariff import measures*

76. During the 10-year period of existence of the WTO's DSU, 24 non-OECD countries have filed a total of 90 cases pertaining to non-tariff barriers.²³ Of these complainants, 50% are lower middle income economies, and 16.6% are low-income economies. Only one least developed country (Bangladesh) submitted a complaint on NTBs in 2004. Half of the complainants are Asian countries while the other half are countries in Latin America. No cases on NTBs have been filed by DCs in Africa, Europe and Central Asia, or the Middle East.²⁴

77. While two thirds of total NTB cases have been filed against OECD members (hereafter referred to as South-North disputes), there is a noteworthy upsurge in complaints filed against other non-OECD countries (hereafter referred to as South-South disputes). As **Table 2** shows, during the second half of DSU's existence, South-South disputes over NTBs have increased nearly fourfold (188%), in sharp contrast to the increase in recorded South-North disputes (19%). **Annex VI** shows the trend in NTBs complaints filed by non-OECD countries chronologically, both against OECD members and other DC members.

Table 2. Number of NTB cases initiated by non-OECD countries

Respondent	DSU First Period 1995-1999	DSU Second Period 2000-2004	Percent Increase
Non-OECD Countries	8	23	188
OECD Countries	27	32	19
Total	35	55	57

Source: OECD, compiled from WTO Dispute Settlement Understanding, as of 31/10/2004.

Hong-Kong, India, Indonesia, Malaysia, Nicaragua, Pakistan, Panama, Peru, Philippines, Singapore, Taiwan, Thailand, Sri Lanka, Venezuela.

²³ The analysis includes all cases initiated by non-OECD countries until October 31, 2004. Of the 90 cases initiated by these countries, 48 have led to the establishment of a panel; of these, 21 have reached the Appellate Body.

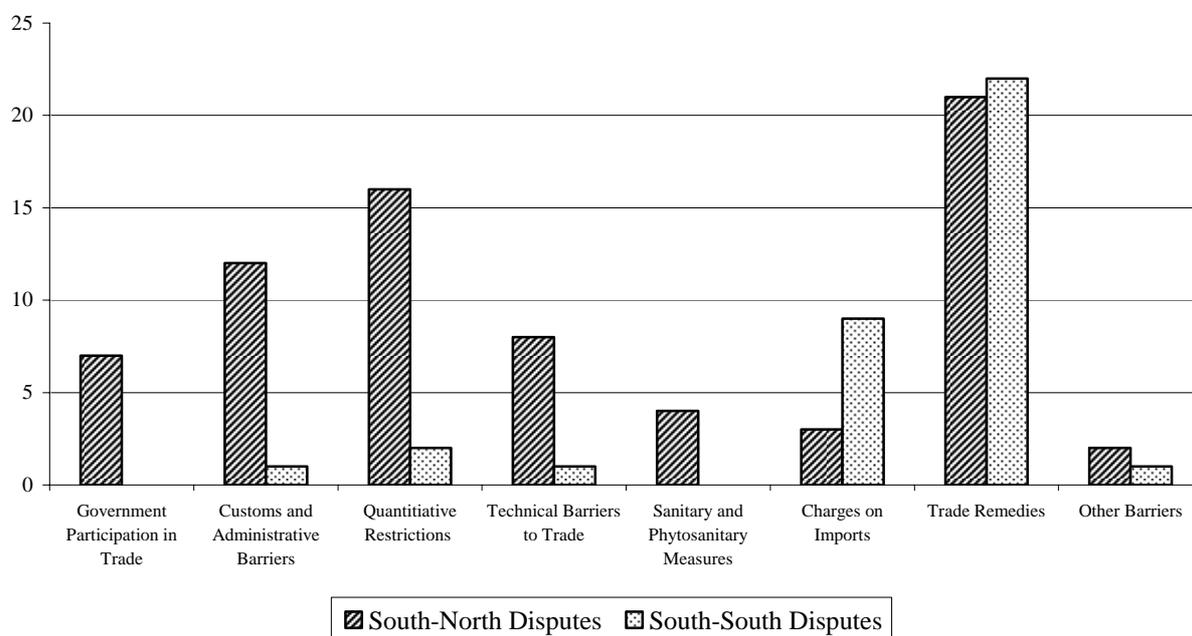
²⁴ This analysis does not capture DC requests to join consultations. Developing countries are frequently "interested third countries" in dispute settlement negotiations, indicating their substantial interest in the NTB proceedings of other trading partners.

78. The NTBs that register the highest number of disputes presented by DCs are **trade remedies** (43 cases), **quantitative restrictions** (18 cases), **customs and administrative barriers** (13 cases), and **charges on imports** (12 cases). There are also a not insignificant number of cases in the area of **technical barriers to trade** (TBTs, 9 cases) and **government participation in trade** (7 barriers).

79. The number of cases against **customs and administrative procedures** increased fourfold in the period 2000-2004 with respect to the period 1995-1999. Substantial increases are also evident for cases on **trade remedies** (50%), **charges on imports** (50%), and **sanitary and phytosanitary (SPS) measures** (100%). By contrast, cases regarding **quantitative restrictions (QR)** decreased significantly (by two thirds) during this period of time.

80. Noticeable distinctions exist in the types of NTBs subject to **South-North** versus **South-South** disputes. Contrary to the traditional association of trade remedies as measures erected by OECD countries against DCs, the WTO dispute record shows non-OECD countries as increasingly applying these measures against each other. In fact, the frequency of these occurrences warrants describing this more of a phenomenon characterising trade relations among developing countries. Disputes over surcharges also have a high incidence in trade among developing countries, which may partly reflect DC dependence on alternative revenues in the aftermath of tariff erosion. On the contrary, disputes over quantitative restrictions, customs and administrative-related procedures, and technical barriers to trade are primarily (though not exclusively) directed against OECD countries, whereas government aids and SPS measures feature only in South-North disputes.

Figure 3. Number of DSU cases 1995-2004, categorised by NTBs



Note: Disputes refer to instances where countries have requested consultations under Article 4 of the DSU.

Source: OECD, compiled from records of WTO Dispute Settlement Understanding.

81. A close examination of legal cases reveals that the concerns are often directed toward **procedural aspects** of a measure's application. For example, in the case of **trade remedies** complaints gravitate around the process of the investigation, including determination of dumping, increased imports, serious injury and threat thereof, and causal link. In the case of safeguards, complaints concern both procedures and the extent of the measure, which in some cases are tantamount to an import prohibition. One DC complained of a safeguard blocking the country's ability to register any imports in the desired export market.

82. Similarly, important procedural issues are sometimes raised in respect to the application of **quantitative restrictions**. In particular, notification procedures and import licensing systems create unpredictability and uncertainty for DC exporters. Grievances also frequently refer to discriminatory allocation of quotas, as well as problems in the administration of tariff rate quotas. With MFA quotas on trade in textiles and clothing having been eliminated in 2005, the incidence of cases in this area should decrease.

83. In the area of **customs and administrative barriers**, import licensing presents procedural obstacles such as unnecessary delays and unpredictability in license issuance. Also subject to dispute have been customs-related complaints regarding the measure that customs procedures are implementing, such as cases where customs reclassification rules have allegedly forced DC exports to be subject to higher tariff rates than the bound rates. Similarly, complainants take issue with OECD countries' application of certain rules of origin that are perceived to protect their markets from import competition.

84. Various types of **charges on imports** give rise to disputes, particularly when higher than surcharges applied locally. Plaintiffs testify to the existence of an equalising excise tax (EET) in some OECD markets which, applied discriminatorily, protects national products and restricts imports of key DC products. Among developing-country trading partners, disputes revolve around discriminatory and unfavourable treatment in the form of selective consumption taxes, general sales taxes, and specific internal taxes. Other practices deemed restrictive include a requirement of stamps to be affixed in the importing country, or posting of a bond as a prerequisite to importation of specific products.

85. With the exception of one case involving intra-developing country trade, complaints regarding **technical barriers to trade** are largely aimed at regulations maintained by OECD countries. Complainants argue that OECD members are adversely affecting competitive conditions for developing countries by applying less favourable technical regulations and standards to imported than to domestic products. Some disputes refer to the introduction of stringent restrictions in the trade descriptions that can be used for marketing imports, relegating DC products to a trade description associated with lower quality and market price. Other cases report the existence of unduly burdensome packaging and labelling requirements unjustified on environmental or safety grounds.

86. It is worth noting that TBTs' lack of prominence in legal cases, versus their role in the NAMA notifications exercise, may result from the difficulty of assessing whether a particular technical regulation or standard is lawful. It may be difficult for a country to challenge the validity of a TBT justification, even when it entails significant trade restrictive effects, and countries tend not to initiate cases where there is little likelihood of liberalisation of the measure through a dispute resolution process (Bown, 2004).

87. Similarly, in cases against **sanitary and phytosanitary measures** it is difficult for plaintiffs to challenge a respondent's right to regulate matters of human health and safety. The few cases submitted by non-OECD countries in this area allege that SPS measures prohibit their exports to OECD markets without any prior assessment of risks or scientific principles, and/or are unnecessarily restrictive. The cases also often claim that SPS measures are applied discriminatorily. In addition, there are concerns regarding procedural aspects of applying SPS measures, such as alleged difficulties in obtaining an administrative

document, lack of transparency in the publication of SPS requirements, and authorities' failures to furnish the pertinent information.

88. Complaints brought in respect of **government participation in trade** question OECD countries' export subsidies, applied to primary products, as well as export credits and guarantees, applied generally to higher value-added products.

89. In many of the preceding cases, complainants hold that a measure has been applied without due consideration of their **special situation as a developing country**. Further examination of special and differential treatment (SDT) in relevant NTB areas seems therefore warranted.

90. **Table 3** lists the export products of the sample of 24 developing countries subject to the disputes. The sectors most frequently affected are **agriculture and textiles**.

Table 3. Products subject to NTBs cases, DSU 1995-2004

Government Participation in Trade		
Export Subsidies & Subsidies	South-North (6 cases)	Sugar, cotton, and other agricultural products; civilian aircraft.
Export Credits & Loan Guarantees	South-North (1 case)	Regional aircraft
Customs and Administrative Procedures		
Customs Valuation	South-North (2 cases)	A wide range of products
Customs Classification	South-North (2 cases)	Frozen boneless chicken
Customs Clearance	South-North (1 case)	Matches (safety matches)
Rules of Origin	South-North (1 case)	Textile and apparel products.
Import Licensing	South-North (6 cases)	Fresh fruits (banana, papaya, plantain) and vegetables; black beans; poultry products; safety matches; fishing vessels.
Quantitative Restrictions and Similar Specific Limitations		
Tariff rate quotas, prohibitions, and similar import restrictions	South-North (13 cases)	Fresh fruits (bananas) and vegetables; ground nuts; poultry products; shrimp and shrimp products; textile and clothing products; cotton products; automobiles
	South-South (2 cases)	Canned tuna with soybean oil
Technical Barriers to Trade	South-North (7 cases)	Sardine and scallops; wine; safety matches; gasoline
	South-South (1 case)	Pharmaceutical products
Sanitary and Phytosanitary Measures	South-North (4 cases)	Fresh fruits (banana, pineapple, others) and vegetables; black beans
Charges on Imports	South-North (9 cases)	Processed orange and grapefruit products; bananas; rice
	South-South (3 cases)	Apples, grapes, and peaches; beverages; tobacco and cigarettes; lubricants and fuels; automobiles

Trade Remedies		
Anti-dumping Duties	South-North (10 cases)	Iron and steel products (steel plates, steel and iron pipe fittings, iron tube or cast fittings, oil country tubular goods); silicon metal; electric transformers; paper; cotton typed bed linen; unbleached cotton fabrics
	South-South (8 cases)	Vegetable oils; poultry; pasta (macaroni and spaghetti); jute bags; batteries; pharmaceutical products.
Countervailing	South-North (3 cases)	Carbon steel products, steel plates; salmon
	South-South (3 cases)	Desiccated coconut and coconut milk powder; footwear; buses
Safeguard Measures	South-North (8 cases)	Steel products; poultry products; cotton yarn; brooms and corn brooms; woven wool shirts and blouses; wool coats
	South-South (11 cases)	Sugar and fructose; agricultural products; mixed edible oils; preserved peaches; medium density fibre; polyester filaments; woven fabric of cotton and cotton mixtures; footwear
Other Barriers		
Pricing Measures	South-North (1 case)	Many products
Approval and Marketing Measures	South North (1 case)	Agricultural biotechnology products
Environmental Measures	South-North (1 case)	Safety matches
Intellectual Property Rights	South-North (1 case)	Not specified

Source: OECD, compiled from records of WTO Dispute Settlement Understanding (http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm), as of 31/10/2004.

91. **Agricultural products** are subject to QRs and import licensing, SPS measures, and charges on imports. Sugar, among other agricultural products, is prone particularly to safeguards, export and other types of subsidies applied by OECD countries.

92. Export of **textiles and cotton products** is also hindered by multiple NTBs, particularly rules of origin, quantitative restrictions, antidumping duties and safeguards. Of note, **safety matches** feature frequently in the dispute record, facing barriers such as customs clearance procedures, import licensing, TBTs, and environmental measures.

93. Differing product groups are affected by a particular NTB depending on the market maintaining the measure that is challenged, whether this concerns South-South or South-North trade. This appears to be the case for trade remedies, which are applied mainly to **steel and iron DC exports** to OECD markets. Non-OECD markets, in contrast, apply trade remedies to agricultural products and foods, textiles and footwear, and pharmaceutical products.

94. Certain products of interest to DCs are subject to disputes primarily among non-OECD countries. **Tobacco and cigarettes** allegedly face significant surcharges applied by other countries. In the case of **pharmaceuticals**, barriers are encountered exclusively in trade among non-OECD countries and relate to conformity assessment procedures and antidumping duties.

B. Cases on non-tariff import measures in trade among developing countries: Andean Community

95. In order to elucidate the nature of NTBs that give rise to disputes among developing-country trading partners, this section analyses legal cases submitted to the Court of Justice of the Andean Community (AC).²⁵ In particular, it reviews the complaints of non-compliance (*Dictámenes de Incumplimiento*), which represent the pre-litigation phase before an action may be brought to Court.²⁶

96. Compared to the process of settling disputes pursuant to the DSU in the WTO, this procedure is much less costly for countries to engage in and does not bear the burdensome demands with regards to technical expertise, given that the General Secretariat of the Andean Community is charged with the administrative (i.e., pre-litigation) investigation. This may explain the more frequent use of this mechanism by Members. Furthermore, the scope of intra-regional activity regulated by the AC is broader than that of multilateral trade rules; hence a broader set of NTB-related complaints are captured in the set of disputes.

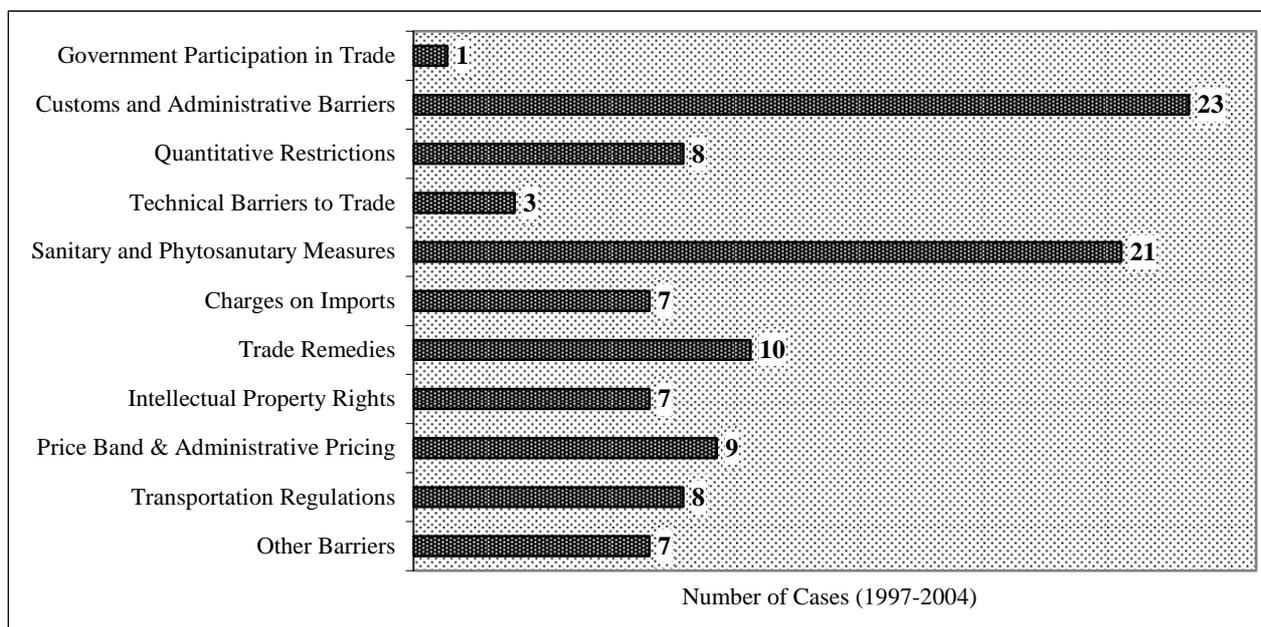
97. During the period 1997-2004, a total of 104 legal cases covering NTBs have been initiated among members of the AC. **Figure 4** shows the incidence of various types of barriers that have been subject to complaints. Although tariffs among AC members were eliminated in 1993, the rise of intra-regional exports has been a modest 0.1%.²⁷ This draws attention to the potentially significant role of NTBs and possibly other factors in inhibiting trade in a tariff-free environment.

98. As shown in **Figure 4**, intra-Andean Community trade appears to be consistently hampered by **customs and administrative procedures**, the most frequent legal complaint among the AC's six member countries. **Import licensing** alone accounts for 48% of these cases, capturing complaints on consistent overuse of licenses and procedural problems in obtaining them, including delays and arbitrary decision-making. Following this sub-category, 27% of the cases reveal problems with proper **certification and determination of origin** of a wide variety of products. Other areas that generate problems is **customs valuation** (17% of cases) and classification (4%), where complaints tend to highlight authorities' lack of technical expertise in complying with requisite customs regulations and procedures.

²⁵ The Andean Community is a customs union formed by Bolivia, Colombia, Ecuador, Peru, and Venezuela. Trade in goods between Bolivia, Colombia, Ecuador and Venezuela is completely free of tariffs for all products; Peru is joining the free trade area gradually through a Liberalisation Program. The Court of Justice was established as a permanent and supranational body in 1979, and thereafter modified in 1996 to broaden its sphere of competences.

²⁶ The *Dictámenes de Incumplimiento* is the Secretariat's judgement on the complaint filed by countries; since the complaints are not readily available, the *Dictámenes de Incumplimiento/Cumplimiento* is the first official published report on members' complaints.

²⁷ ECLAC (Economic Commission of Latin America and the Caribbean), *Statistical Yearbook for Latin America and the Caribbean 2002*.

Figure 4. NTB cases in the Andean Community

Source: OECD, compiled from records of the Andean Community (<http://www.sieca.org.gt/SIECA.htm>), as of 31/10/2004.

99. Many complaints concerning **sanitary and phytosanitary measures** have been lodged, despite the absence of South-South disputes in this area at the multilateral level. The AC's South-South disputes on SPS raise issues of a procedural nature, e.g. arbitrary granting of certificates and permissions. Commonly noted procedural issues include:

- Delays of more than 5 months in granting SPS permissions, while the maximum timeframe to grant a permission is 10 days.
- Granting an SPS permission with a validity limited to 60 days, when the minimum validity period established by AC regulations is 90 days.
- Establishing complementary requirements for granting an SPS permission, not provided for in AC legislation.
- Granting permissions to only a small portion of the products, with other products subject to indefinitely pending approval without any stated objections on SPS grounds.

100. In some instances, the complainant perceives the procedural problem in granting SPS approvals as being intentional or a hidden restriction.

101. Complaints on trade remedies rank third among AC cases, which is high and thus consistent with the increasing trends of trade remedies cases observed for developing countries in the DSU analysis of the AC cases (70%) concern safeguards, particularly involving sugar, and state that countries maintain safeguards without showing proof for or documenting injury of national producers. Concerning anti-dumping measures, the intra-regional cases (30%) differ from those brought before the DSU: AC members charge each other with not applying duties to imports of steel and metal from non-member countries, thereby allowing extra-regional partners to engage in dumping practices to the detriment of the competitiveness of regional production.

102. Similarly, a relatively large number of cases challenge **quantitative restrictions**, mostly quotas on agricultural products. As in the DSU analysis, there are considerable problems involving government use of **surcharges** in AC intra-regional trade. These mainly concern large numbers of customs fees. In contrast, very few cases involve TBTs and only one case involves government assistance. This supports the conclusion drawn from the analysis of the DSU that these measures are issues arising mainly in developing countries' trade with developed countries.

103. Several NTBs that appeared infrequently, if at all, in the review of DSU cases appear to pose significant challenges in South-South trade relations. This is reflected for example in the number of AC cases involving **intellectual property rights**, affecting mostly pharmaceuticals and relating to such issues as the lack of protection granted for essential medicines or unclear provisions for patent registration. There are also many cases involving **administrative price fixing**, particularly for agricultural products, although most are related to the administration of the Andean Price Band. Other cases in this area challenge the practice of fixing minimum import price at a level that exceeds the price of similar domestic products on grounds of violation of national treatment. Finally, serious problems of intra-regional market access are attributed to the existence of **transport barriers**, partly because infrastructure is poor and use costly, and partly because government regulations allow only certain cargo carriers to operate in a market.

C. Other regional dispute settlement bodies

104. There are very few permanent regional trade dispute settlement bodies. Among the regional trade agreements of developing countries, only the Common Market of the South (MERCOSUR) and the Common Market for Eastern and Southern Africa (COMESA) have bodies similar to the one in operation in the Andean Community.

105. In the case of MERCOSUR, a total of nine commercial disputes among State Parties have reached the arbitration stage of the dispute resolution mechanism established under the Protocol of Brasilia. While these are the only arbitral panels that have actually issued rulings to date, there are hundreds of other disputes among members that have entered the system, but cases at early stages of proceedings are not published on the Internet and information about them can only be obtained directly from the Secretariat.

106. As **Table 4** shows, all of the nine cases except one (concerning tariffs) challenge alleged NTBs interfering with the free flow of intra-regional trade. As the sample of cases is small and targets a variety of measures ranging from import licensing and quantitative import restrictions to subsidies and trade remedies, it is not analysed in greater detail. Consistent with the profile of AC and DSU cases, one interesting observation is that there are no cases involving technical barriers to trade.

Table 4. Controversies submitted to arbitration panel of MERCOSUR

Date	Complainant	Respondent	Measure	Products
04/04/03	Argentina	Uruguay	Incentives to exports	Wool products
21/05/02	Paraguay	Uruguay	Specific internal tax ('Ímesi')	Cigars
19/04/02	Argentina	Brazil	Obstacles to imports of phytosanitary products (registration system)	Phytosanitary products
09/01/02	Uruguay	Brazil	Import ban (prohibition on the issuance of import licenses)	Remolded tyres
29/09/01	Uruguay	Argentina	Restrictions: tariffs (involved controversy over certificate of origin)	Bicycles
21/05/01	Brazil	Argentina	Antidumping duties	Chicken
10/03/00	Brazil	Argentina	Safeguards	Textile products
27/09/99	Argentina	Brazil	Subsidies for production and exports	Pork meat
28/04/99	Argentina	Brazil	Automatic and non-automatic import licensing	Lactate products

Source: OECD, compiled from MERCOSUR Secretariat (<http://www.mercosur.org.uy/pagina1esp.htm>) as of 31/10/2004.

107. The review of the cases submitted to the Court of Justice of COMESA showed that they often involve issues other than trade measures. For instance, there are cases of alleged defamation (Ref. No. 1/2003) or compulsory acquisition of land (Ref. No. 3 of 2001), and such cases do not provide insights into the kinds of barriers that might exist within the region. Perhaps the only judgement of the court relevant for an intra-regional analysis of NTBs pertains to the alleged detainment of goods at ports and damages arising from these customs procedures (Ref. No.1/99).

V. Analysis of business surveys

108. Another body of evidence on non-tariff barriers in developing countries consists of **survey data** on barriers faced by DC **exporters of goods** in a range of markets. For the purpose of this analysis, a survey is defined as a study that collects *enterprise-level data* or involves *consultation with enterprises*. This section compiles and examines **private/business sector** concerns in order to balance the more public sector-based analyses of the preceding sections.

109. **Annex VII** lists a selection of surveys that are representative of private-sector responses from all developing regions. Concerns about NTBs involve exporters and regions throughout these regions and pertain to OECD markets and global markets (Annex VII, A and B), as well as intra-regional trade in Asia (Annex VII, C), South America (Annex VII, D), Central America and the Caribbean (Annex VII, E), Africa and the Middle East (Annex VII, F), and south-eastern Europe (Annex VII, G). In total, the selection covers responses from over 6 000 exporters of goods from developing countries.

110. Comparisons of survey data must be made with caution owing to differences in data sets, methodologies and scope of barriers surveyed. Some surveys were open-ended whereas others involved predefined questions focusing on a limited set of barriers. The number and profile of respondents also varies. However, despite this heterogeneity, some patterns in NTBs concerns are evident.

A. Barriers reported by firms: Global markets

111. A common denominator among survey findings, which is consistent with our analyses of NAMA notifications and the intra-regional AC legal cases, is problems with **customs and administrative**

procedures (see the synthesis of surveys in the Annex). Specifically, the business community in developing countries cites concerns regarding bureaucracy, delays and high costs.

112. In 2001, the *Superintendencia Nacional de Aduanas* of Peru conducted a detailed survey of 253 of its users (122 of which were exporters/importers). The survey revealed that 56% of exporters/importers were not well informed about customs rules and procedures.²⁸ About two-thirds (67%) of the polled exporters/importers affirmed that custom procedures were not modern or were inefficient, with insufficient personnel, inadequate capacity, and non-existent or inefficient controls against corruption and/or arbitrariness. In line with these findings, various other surveys covering trade among developing countries reflect concerns about the lack of business ethics among customs officers and limited computerisation.

113. As in the preceding sections, **import licensing** looms as a frequent concern. The surveys also indicate frustration with excessive use of **documentation and formalities**, which further exacerbate the bureaucratic obstacles of customs and administration. In terms of specific customs-related barriers by markets, **rules of origin**, and **pre-shipment inspection** are more frequently reported to cause obstacles for trade among developing countries than for access to the markets of developed countries. Of note, all surveys on intra-regional trade in Africa signal **customs clearance** as a significant hurdle.

114. The surveyed business community corroborates that **TBTs** are a major detriment to exportation. Concerns abound regarding divergent and non-harmonised standards, delays and discrimination in TBT application, non-transparency and lack of general information on TBT regulations. In testing and certification arrangements, surveyed companies often complain about the lack of mutually recognised certification bodies and insufficiency of national certificates.

115. The **World Bank Technical Barriers to Trade Survey**, administered in 2002 to 698 firms in 17 developing countries, indicates the primacy of technical regulations as a hurdle for major OECD export destinations.²⁹ The survey findings show that performance standards, product quality standards and testing and certification are perceived to be the most important TBTs, followed closely by consumer safety, labelling and health and environment measures. Surveyed firms report that TBT compliance requires investment in: additional plant or equipment (38% of firms), one-time product redesign (31%), additional labour for production (30%), product re-design for each export market (26%), additional labour for testing and certification (18%), and workers laid off because of higher costs (11%).

116. A specialised **survey on packaging and labelling** conducted in 2001 by the Costa Rican Export Promotion Agency (PROCOMER) indicates that 34% of the 215 surveyed businesses state that they are unfamiliar with the packaging requirements for their products in markets to which they currently export, and 63% have no knowledge of these requirements for markets identified as potential export destinations.³⁰ As for environment-related rules and requirement regulating packaging/labelling arrangements, 57% indicate lack of information for their current markets, a percentage that increases to 73% in regard for potential markets. Against this background, 89% of firms express their interest in receiving capacity-building and practical assistance with packaging and labelling.³¹

²⁸ *Evaluación de Servicios de Aduanas. Estudio Cuantitativo: Principales Resultados, Apoyo Opinión y Mercadeo* on behalf of *Superintendencia Nacional de Aduanas*, November 2001.

²⁹ The countries surveyed are: Bulgaria, Czech Republic, Poland, Argentina, Chile, Honduras, Panama, Iran, Jordan, India, Pakistan, Kenya, Mozambique, Nigeria, Senegal, South Africa and Uganda. The main sectors surveyed are: raw foods; processed foods, tobacco, drugs and liquor; equipment; and textiles.

³⁰ *Capacidad Exportadora en Costa Rica: Principales Resultados*, PROCOMER, 2001.

³¹ The areas suggested by businesses for capacity-building relating to labelling and packaging, in order of perceived importance: technical and environmental requirements; suppliers and types of packaging/labelling;

117. While **customs and administrative procedures and TBTs** are clearly the most prevalent non-tariff barriers, there is a notable difference in their **relative perceived importance** depending on whether the surveyed companies are exporting to OECD or non-OECD markets. In surveys covering trade between developing and developed countries, TBTs rank higher as a market access obstacle. In the surveys on barriers affecting trade among developing countries, on the other hand, customs and administrative-related barriers invariably rank higher. The findings of the Western Balkans Survey (**Table 5**) is representative of this picture.

Table 5. Ranking of barriers faced by Western Balkan exporters, by market (2004)

Ranking (by importance of barrier)*	EU market (extra-DC trade)	South-eastern European market (intra-DC trade)
1	Technical standards and certification	Customs procedures
2	Quality control and consumer protection	Bureaucratic registration
3	Customs barriers	Technical standards and certification
4	----	Quality control and consumer protection
5	Bureaucratic registration	----

Note: *In descending order by degree of importance. Items in the survey not related to TBTs, customs and administrative procedures are omitted from this table (as indicated by ---).

Source: OECD, based on Western Balkan Survey (2004).

118. The surveys also illustrate certain problems related to **sanitary and phytosanitary measures** for DCs, particularly in exporting to OECD markets. A major problem faced by some firms, especially small and medium-sized enterprises, seems to be access to the resources required to comply with SPS standards, given that they are often not available locally. These include information on SPS standards themselves, scientific and technical expertise, appropriate technology, skilled labour, and general finance, amongst others. In a survey of SPS contact/inquiry points in low and middle-income countries that are members of the WTO and/or Codex Alimentarius, **Table 6** reports problems related to SPS requirements that were judged to be significant or access to the EU market.

costs of packaging/labelling; methods for quality control; effects of packaging/labelling on sales of product; containers; port management, amongst others. The products identified as most important are: machines and equipment, tubes and tube products, furniture, fragile products, fruits, and confectionary.

Table 6. Problems with meeting SPS requirements in the European Union (2000)

Mean Score*	Factor
1.6	Insufficient access to scientific/technical expertise
2.1	Incompatibility of SPS requirements with domestic production/marketing methods
2.6	Poor access to financial resources
3.0	Insufficient time permitted for compliance
3.1	Limitations in own country's administrative arrangements for SPS requirements
3.1	Poor awareness of SPS requirements amongst government officials
3.5	Poor awareness of SPS requirements within agriculture and food industry
3.9	Poor access to information on SPS requirements

Note: *Score ranges from 1= 'very significant' to 5='very insignificant'. Survey is based on 65 fully completed questionnaires applied to a total of 44 low and middle income countries, as classified by the World Bank.

Source: Impact of Sanitary and Phytosanitary Measures to Developing Countries, Survey Conducted by The University of Reading (2000).

B. Barriers reported predominantly for trade among developing countries

119. All of the surveys on **intra-regional trade**, and particularly in Africa and the Caribbean, record concerns regarding an impressive number and variety of **additional charges**, ranging from customs service and harbour and air cargo fees, often deemed to be excessively high, to an array of additional taxes and charges such as foreign exchange tax; stamp duty; environmental tax; statistics, consent and inspection fees; and others. Apart from these border and transit charges, companies also report problems with regards to internal taxes and additional charges such as consumption, value added and excise. **Differences in tax regulations** and their lack of transparency are frequently cited as a problem area across members of regional groupings.

120. An interesting finding across the surveys is that companies attach considerable importance to barriers not generally captured in a traditional listing of NTBs, particularly in the context of a South-South exchange. Among these, respondent firms frequently denounce **transportation regulations and costs**, which also featured prominently in the analysis of trade disputes in the Andean Community. These concerns relate to poor or unfair regulation of goods transport in the importing country, in addition to various problems pertaining to the quality, frequency, and lack of security of road and ship transport. Moreover, surveyed companies indicate that the costs of international air and maritime transport are high and impede access to foreign markets.

121. The surveys also indicate that trade is further hampered by **restrictive finance measures**, including the shortage of foreign exchange within developing regions. Private sector entities underscore the challenges posed by barriers such as banking system weaknesses and restrictive government regulations on exchange requirements, capital controls and finance and payment mechanisms. These seriously affect the export potential of small and medium sized enterprises that lack easy access to external financing sources.

Table 7. Non-tariff barriers cited in business surveys

	Asia and the Pacific						Latin America and the Caribbean						Africa and the Middle East				South East Europe				
	India – OECD Markets (2004)*	India-non-OECD Markets (2004)**	China (2001)*	Thailand (2001)**	Vietnam (1999)**	ASEAN (date unspecified)**	Chile (2000)***	Argentina (1999)*	ALADI (2001)**	MERCOSUR (2000)**	Andean Community (1997)**	Central America (1999)**	Assoc. Caribbean States (2003)**	CARICOM (2002)**	SADC (2004)**	Morocco (2001)**	MENA (2000)**	COMESA (1999)**	Western Balkans (2004)***	European Commission (2005)	Moldova (2004)
Government Participation	√	√		√	√	√		√	√	√			√	√	√					√	
General				•				•							•	•					
Export & other Subsidies	•														•					•	
State-trading & Monopolistic Practices		•			•	•			•				•							•	
Public Procurement										•				•						•	
Customs and Administrative Procedures	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
General		•	•						•	•	•	•			•	•			•	•	
Customs Valuation						•									•					•	
Customs Classification						•														•	
Customs Clearance	•														•	•	•			•	•
Documentation & Formalities		•		•	•	•					•	•			•		•			•	
Import Licensing	•		•		•	•	•	•			•		•		•					•	•
Rules of Origin	•																	•		•	
Pre-shipment Inspection										•					•		•				
Quantitative Restrictions	√		√		√			√	√				√	√				√		√	√
General	•									•										•	•
Prohibitions	•				•								•					•		•	•
Quotas	•		•		•			•					•	•						•	•
Tariff Rate Quotas	•																			•	
Embargoes	•																				
Technical Barriers to Trade	√	√	√	√		√	√	√	√	√			√		√	√	√	√	√	√	
General			•				•														
Technical Reg. & Standards	•					•		•	•	•	•		•				•		•	•	
Testing & certification	•	•							•							•			•	•	
Labelling & packaging	•	•		•					•						•						

	Asia and the Pacific						Latin America and the Caribbean						Africa and the Middle East				South East Europe				
	India – OECD Markets (2004)*	India-non-OECD Markets 2004)**	China (2001)*	Thailand (2001)***	Vietnam (1999)**	ASEAN (date unspecified)**	Chile (2000)***	Argentina (1999)*	ALADI (2001)**	MERCOSUR (2000)**	Andean Community (1997)**	Central America (1999)**	Assoc. Caribbean States (2003)**	CARICOM (2002)**	SADC (2004)**	Morocco (2001)**	MENA (2000)**	COMESA (1999)**	Western Balkans (2004)***	European Commission (2005)	Moldova (2004)
Sanitary and Phytosanitary	√		√					√	√	√			√			√		√		√	
General	•		•					•	•	•			•			•		•		•	
Testing and Certification																				•	
Quarantine Procedures	•																				
Charges and Fees	√	√			√	√	√			√	√			√	√	√	√	√		√	√
Various Charges	•	•			•	•	•			•	•			•	•	•	•	•		•	•
Trade Remedies						√							√								
General							•														
Antidumping Duties	•																				
Countervailing Duties									•					•							
Safeguards																					
Other Barriers	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Import Restrictions	•	•			•	•															
Unilateral Sanctions	•																				
Registration	•	•								•									•	•	
Intellectual Property Rights							•			•											
Environmental Measures								•												•	
Minimum Pricing & Price Control Measures					•					•				•							•
Finance Measures				•	•				•	•	•			•	•	•		•	•	•	
Access to Final Users																			•		
Extraterritorial Application of the Law	•	•																			
Legal Differences	•											•									
Lack of information on foreign markets			•	•	•				•				•						•		
Competition from other countries				•					•			•									
Transportation Costs and/or Regulations									•	•	•	•	•			•	•		•		

	Asia and the Pacific						Latin America and the Caribbean						Africa and the Middle East				South East Europe				
	India – OECD Markets (2004)*	India-non-OECD Markets 2004)**	China (2001)*	Thailand (2001)***	Vietnam (1999)**	ASEAN (date unspecified)**	Chile (2000)***	Argentina (1999)*	ALADI (2001)**	MERCOSUR (2000)**	Andean Community (1997)**	Central America (1999)**	Assoc. Caribbean States (2003)**	CARICOM (2002)**	SADC (2004)**	Morocco (2001)**	MENA (2000)**	COMESA (1999)**	Western Balkans (2004)***	European Commission (2005)	Moldova (2004)
Corruption and Theft			•									•			•		•				
Political, Social, or Economic Instability									•			•			•	•					
Inadequate Infrastructure																		•			
Low Demand in Export Markets												•									
Cultural Differences			•																		
Linguistic Barriers			•	•														•	•		
Unclassified	•	•	•	•			•	•	•			•	•		•		•	•			•

•: Barrier is reported in survey (note: not all surveys include all listed barriers). √: At least one kind of barrier is reported under the NTB category. *: Extra-DC Surveys; **: Intra-DC- Surveys; ***: Global Surveys

Source: OECD, compiled from a selection of business surveys.

122. Most of the surveys also show that enterprises have **limited information on foreign markets** in general and on applicable regulations. In the Western Balkans survey, for instance, 48% of 2166 polled companies affirm that they are not familiar with the EU market, with only 9% fully informed of its relevant laws and regulations.³² With respect to intra-regional market access opportunities, over a third (37%) of respondents note a lack of familiarity with South Eastern European markets. This would appear to be a very high number in light of the numerous bilateral free trade agreements between countries of the region and the current discussions tending towards a common free trade area.

123. Finally, in the context of the dynamics of trade among developing countries, the sample of surveys examined reveals **political, social and economic factors** inherent to the environment of the export market that act as obstacles to trade. Exporters participating in these surveys cite various kinds of problems relating to corruption, theft, social unrest, and economic volatility.

³² The survey reveals that the most important areas of EU legislation in terms of relevance to companies' operations are, in this order: product certification and technical standards; rules of origin; consumer protection and producer liability; labels, trademarks, and patents; environmental protection; and food quality and safety.

VI. Conclusions

A. *Review of sources*

124. This study has sought to identify NTBs of concern to developing countries by drawing on four sources of data which provide a variety of perspectives. Each of these sources contributes to a better understanding of the market access concerns of developing countries by documenting various kinds of NTBs. Together, they represent a rich source of information.

125. The **review of the literature**, while not generating accurate measures of the extent and effects of NTBs, provides an insightful picture of the trends in the use of NTBs over time, particularly in the aftermath of the Uruguay Round. Most research shows that 'core NTBs' (i.e., quantity and price control measures) have decreased significantly. At the same time, other measures that have come to the forefront of DCs' concerns have been identified. Furthermore, among the sources consulted, the literature provides a differentiated picture of market access barriers by developing regions.

126. The **NAMA notifications** represent the most recent and direct reporting exercise undertaken by governments in this field. The set of notifying WTO members is representative of developing countries, given that their aggregate exports account for 57% of total DC exports. It is the only source of data for identifying not only the barriers but also the products affected, and therefore gives commodity-specific information on NTBs. These notifications provide a solid foundation for some limited empirical analysis.

127. The examination of **dispute settlement cases** has provided a limited data set of DC concerns on NTBs. The analysis shows that NTBs are a source of significant and in fact growing friction, both in South-North trade relations and increasingly in South-South trade. In particular, the compilation of cases from regional dispute settlement mechanism provides a good account of market access barriers encountered in intra-regional developing-country trade.

128. Finally, an investigation into **private-sector perceptions** spanning all developing regions offers testimony concerning difficulties that exporters experience. It reveals that market access challenges faced by DC exporters extend beyond traditional NTBs to include other factors obstructing trade (eg. transport costs and regulations) which may warrant more attention. This component also contributes to the identification of barriers affecting developing countries' intra-regional trade.

B. *Findings on barriers of concern to developing countries*

129. While there are variations in the main findings resulting from each data set, certain broadly defined categories of NTBs consistently show up as a source of concern. These are summarised below.

Trade with developed countries

130. In trade with developed countries, **customs and administrative procedures** and **technical barriers to trade** emerge as the main NTBs of concern to developing countries. These two categories record the highest frequency of notified barriers in the NAMA analysis. TBTs also received considerable attention in the literature reviewed. The disputes brought to the WTO include a considerable number of cases involving customs issues. In contrast, a much smaller number of cases pertain to TBTs, reflecting perhaps the greater difficulty of legally challenging these measures.

131. For other barriers, there is less consistency. **SPS measures** follow in importance in the NAMA notifications, and are also cited also frequently in business surveys focusing on access to OECD markets, in particular when developing countries are agricultural exporters. This is identified as one of the main sources of concern in the literature review for Asia and Latin America.

Trade among developing countries

132. In intra-developing country trade, **customs and administrative procedures** also rank very high among reported concerns in the four components of analysis. In fact, these problems appear more pervasive for market access to developing countries than to developed-country markets. Of particular note, the 15 business surveys compiled on barriers to intra-regional trade all report at least one, and normally many, customs and administrative hurdles. These include (often procedural) problems encountered with import licensing. Furthermore, the Andean Community NTB cases reveal that customs and administrative procedures represent the largest number of complaints brought to the dispute settlement mechanism of the Andean Community.

133. The data sets also provide a rich documentation identifying **charges on imports** as the next important barrier in trade among developing countries. The literature reviewed draws attention to the fact that as DCs have reduced their tariffs as a result of multilateral and regional liberalisation, they have resorted to an array of import charges to compensate for the loss of their tariff revenues. In the analysis of disputes brought before the WTO, the second highest number of disputes among developing countries involves these measures. A telling instance in which developing countries removed tariffs intra-regionally, but maintained or even increased their resort to para-tariff measures, is the Central America Common Market (CACM). Half of the complaints brought against other CACM members during 2003-2004 involved various fees and charges. The phenomenon is not confined to Latin America. The literature and business surveys report widely on charges in other regions, particularly Africa, the Middle East, and the Caribbean islands.

134. There is less consistency for other measures. Technical barriers are less often reported for trade among developing countries. The literature review and business surveys suggest that these measures are more prevalent for intra-regional trade in Asia. This may be partially due to the higher value-added content of exports from Asia relative to exports from Africa or Latin America. More generally, concerns related to TBT issues in trade among developing countries evolve more around issues of weak infrastructure and procedural hurdles. In contrast, TBT complaints focusing on developed countries tend to refer more to the high cost of compliance with requirements.

135. This study also sheds light on impediments to access foreign markets that generally fall outside discussions of NTBs. For example, business surveys in particular as well as the disputes brought to the Andean Community underscore the importance of transport costs and regulations. There are also geographic constraints on trade with neighbouring and other countries, for instance in Africa. Finally, other concerns relate to various restrictive finance measures, including shortages of foreign exchange and capital controls.

C. Findings on products of interest to developing countries

136. A further objective of this study has been to identify what types of NTBs affect the products of export interest to developing countries. NAMA notifications represent the most comprehensive data set to identify NTBs by products; these are supported and reinforced by the review of literature, disputes, and business surveys.

137. To the extent that the NAMA notifications are representative of the export profile of developing countries, **live animals and related products** are the commodity category most deserving attention. For this category, the most often reported NTBs relate to **sanitary and phytosanitary measures**, including testing, certification and other requirements of proof of conformity. Customs-related problems, particularly in respect **rules of origin** certification, are also mentioned relatively often.

138. The highest number of notifications submitted to NAMA identified NTBs affecting **fish and crustaceans, molluscs, and other fisheries** (e.g., tuna, trout, octopus, shrimps and prawns). The review of eight DC export strategies and promotion programmes reveals that this would be a sector of current and future competitive export interest. From the review of legal cases filed in the multilateral and the regional forums for settling disputes, sugar and fructose and fresh fruits and vegetables are other sectors where DC exports face considerable market access difficulties.

139. Machinery and electronics, notably **electrical machinery and equipment** (e.g. radios, televisions, cables), are other products very often mentioned in DC notifications to NAMA. The literature on Asia emphasises that electrical appliances and machinery constitute the product most affected by NTBs. **Technical regulations and standards** are reported to be the most significant obstacle facing DC exports in this sector. In fact, most of the TBTs complaints in the notification to NAMA fall into this product category. There is also a high incidence of reported import licensing problems.

140. NAMA notifications also often concern **chemical products** and especially **pharmaceutical products**. The sector also receives attention in the literature. Moreover, pharmaceutical products have been subject to disputes among developing countries, as documented by the legal cases brought to the Andean Community. Among the NAMA notifications for this sector, many complaints focus on **technical regulations**.

141. The importance of textiles for DC trade, documented by a large pool of studies, is reinforced by the number of multilateral and regional dispute cases involving **woven cotton and cotton products or textile and apparel products in general**. Some of the literature on NTBs, mostly in the Asia-Pacific context, point to a situation where DC access to foreign markets in this area is obstructed by multiple NTBs. While the literature describes the Multi-Fibre Agreement as the most important barrier, some work (especially for India) draws attention to labelling requirements, and a very large number of NAMA notifications by developing countries suggests the presence of various **technical barriers to trade**. The NAMA notifications also include many references to **customs valuation**.

142. Although not as important an export sector for developing countries, the literature indicates that **automobiles and auto parts** are the object of many NTBs. Many of the DC notifications to NAMA for this sector are specifically about **technical regulations**. They also express concerns about **rules of origin** issues.

143. The importance of addressing NTBs in the above sectors is underscored by the analysis of developing countries' export strategies, many of which identify the above-mentioned product groups as strategic to their efforts to develop and strengthen their export performance.

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ANNEX I. STATISTICAL OVERVIEW OF DEVELOPING COUNTRIES' EXPORT PERFORMANCE

144. This section analyses export data reported by UN Comtrade for the group of low and middle-income countries, as classified by the World Bank³³. From 1993 through 2003, total merchandise exports originating from this group of countries increased threefold, from USD 569 billion in 1993 to USD 1.8 trillion in 2003. Overall, the share of developing-country exports in world exports increase by 60% over that decade, from 17% of world exports in 1993 to 27% in 2003. The participation of least developed countries (LDCs) in international trade, however, remains marginal. In 2003, their combined global merchandise exports amounted to about 44 billion \$, or 0.67 per cent of world exports.³⁴

145. In terms of the direction of trade is concerned, developing countries as a group export predominantly to high-income countries, which absorb approximately 70% of total DC exports. The share of exports going to other developing countries has remained constant and amounted to 29% of their total exports in 2003. As the regional breakdown in **Figure A.1** illustrates, DC markets are more important export destinations for the Middle East and North Africa (41%) and for Europe and Central Asia (31%) than for Latin America and the Caribbean (24%) and Asia and the Pacific (23%).

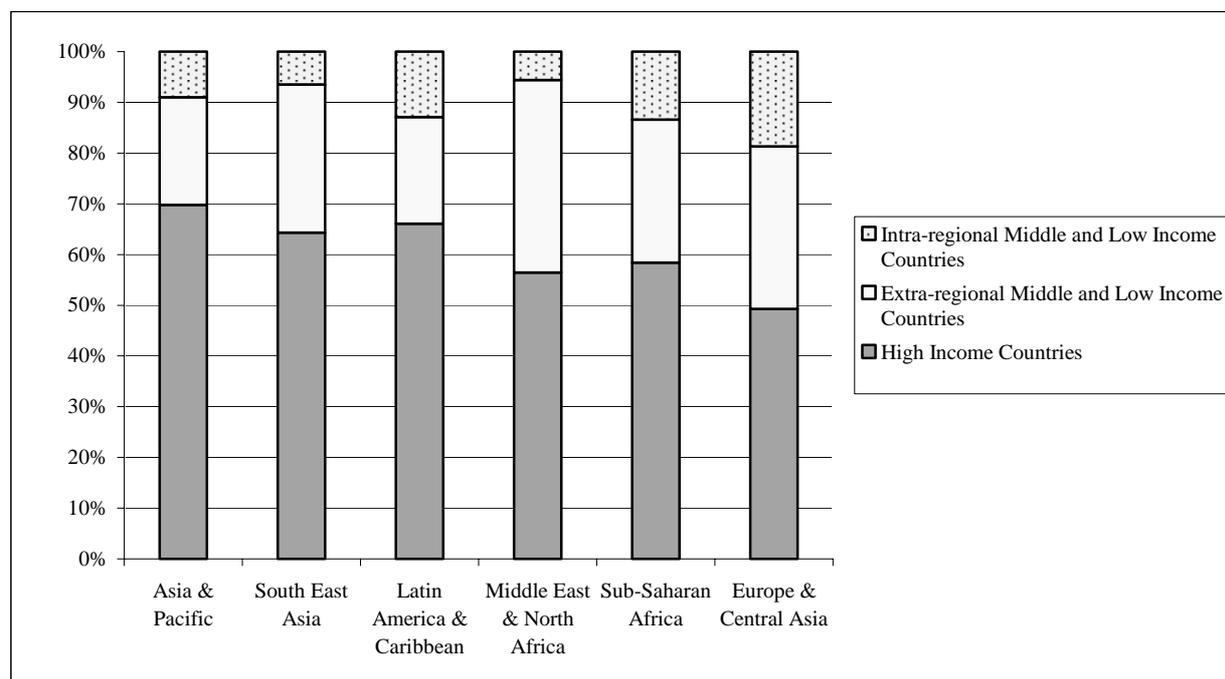
146. The more disaggregated picture of export performance in **Table A.1** shows that some developing regions (especially Sub-Saharan Africa and, to a lesser extent, the countries of the Middle East and North Africa and Latin America and the Caribbean) increased their export dependence on developed-country markets over the period 1993 – 2003.

147. While overall trade among developing countries has not undergone significant changes over the last decade, some regions show an important shift in the relative importance of *intra-regional trade*, which may reflect their effort to engage in regional and bilateral free trade arrangements. For example, **Table A.1** shows that the regional markets in Latin America and the Caribbean and Europe and Central Asia have absorbed the majority of the respective regions' exports to developing countries, whereas for South Asia and the Middle East and North Africa, the regional market has carried less weight but is becoming more important. Meanwhile, the share of intra-regional exports in Sub-Saharan Africa's exports to developing countries rose dramatically, from 22% in 1993 to 48% in 2003.

³³ These low-income and middle-income countries are referred to as developing countries for the purpose of the analysis in this annex. The group of high-income OECD countries included in the World Bank's classification of economies by income are referred to as developed countries.

³⁴ *Market access issues related to products of export interest originating from least-developed countries*. Note by the Secretariat. WTO WT/COMTD/LDC/W/35 TN/MA/S/12, 13 October 2004.

Figure A1. Merchandise exports of developing regions, by destination (2003)

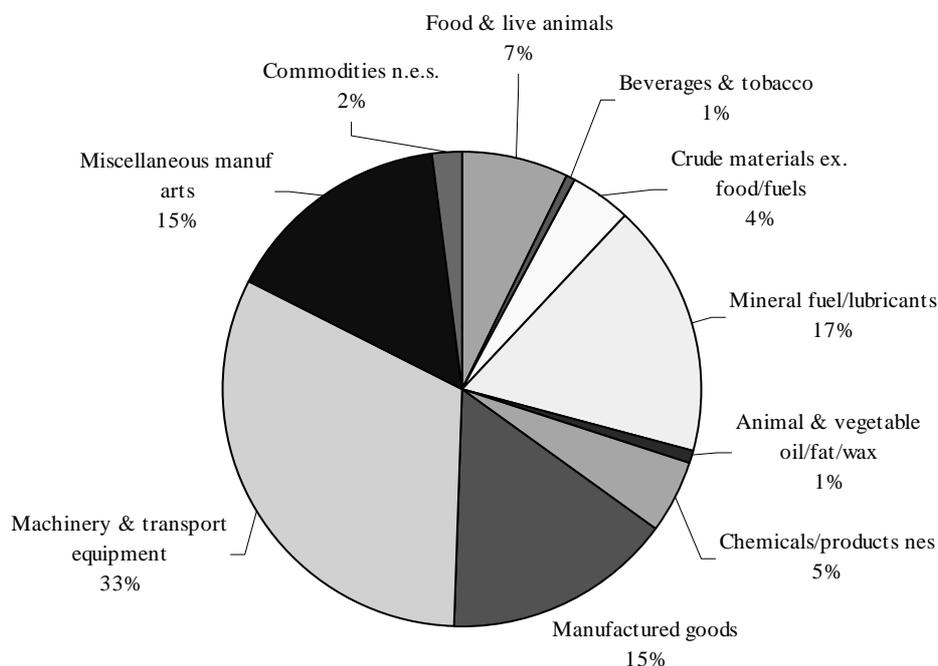


Source: UN Commodity Trade Statistics Database (UN Comtrade). The data are extracted from World Integrated Trade Solution (WITS), 2004.

148. With regard to the sectoral composition of DC exports, the share of manufactured products has steadily grown over the past two decades, whereas the share of primary commodities has declined.³⁵ As **Figure A.2** shows, manufactured products accounted for more than 60% of DC total exports in 2003. Moreover, within manufactures, there has been a shift in the export pattern away from low value-added manufactured goods (such as footwear, travel goods, apparel and other products made of rubber, wood, etc) towards electrical and electronic products, industrial equipment, machinery and other products belonging to the category of 'machinery and transport equipment'. Over the period 1993 – 2003, the share of products falling into the latter category in total DC merchandise exports rose from 20% to 33%, whereas the shares of 'manufactured goods' and 'miscellaneous manufactures' declined, respectively.

³⁵ See for example Thomas W. Hertel and Will Martin, *Would developing countries gain from inclusion of manufactures in the WTO negotiations?* Paper for the WTO/World Bank Conference on Developing Countries in a Millennium Round, held at the WTO, Geneva on 20-21 September 1999.

Figure A2. Composition of developing-country merchandise exports (2003)



Note: **Machinery and transport equipment** includes: power generating equipment, industry special machine, metalworking machinery, industrial equipment, telecoms equipment, office/data processing machinery, electrical equipment, road vehicles, railway/tramway equipment. **Manufactured goods** include: leather articles, rubber products, cork and wood manufactures, paper/paperboard articles, textile/yarn/fabric articles, non-metal mineral manufactures, iron and steel, non-ferrous metals, and metal manufactures. **Miscellaneous manufactures articles** include: building fixtures, furniture and furnishings, travel goods, apparel clothing accessories, footwear, scientific instruments, photographic equipment, and miscellaneous manufactures n.e.s.

Source: UN Commodity Trade Statistics Database (UN Comtrade), using the Standard International Trade Classification (SITC), Rev 3. The data are extracted from World Integrated Trade Solution (WITS), 2004.

There are, however, significant differences across regions. For countries in Africa and the Middle East, manufacturing remains much less important relative to traditional minerals and food exports. In fact, most LDCs have not seen their export structure change much. LDCs rely on a very narrow export base dominated by unprocessed and semi-processed primary commodities and minerals.

Table A1. Developing-country export flows (thousands of USD)

	2003		1993		% Increase
	Value	Share (%)	Value	Share (%)	
LMI East Asia and Pacific	724,275,461		224,436,604		222.7
High income countries	555,380,868	76.7	182,957,244	81.5	203.6
Low and middle income countries	168,894,593	23.3	41,479,360	18.5	307.2
intra-LMI East Asia and Pacific	71,601,828	42.4*	14,217,317	34.3	403.6
LMI Europe and Central Asia	425,850,695		59,987,493		609.9
High income countries	257,845,029	60.5	38,660,265	64.4	567.0
Low and middle income countries	168,005,666	39.5	21,327,228	35.6	687.8
intra-LMI Europe	97,707,170	58.2	11,972,285	56.1	716.1
LMI Latin America and Caribbean	364,127,210		150,518,686		141.9
High income countries	276,358,597	75.9	108,593,515	72.1	154.5
Low and middle income countries	87,768,613	24.1	41,925,171	27.9	109.3
intra-LMI Latin America and Caribbean	53,949,847	61.5	28,840,693	68.8	87.1
LMI Middle East and North Africa	107,762,414		67,096,714		60.6
High income countries	64,452,932	59.8	38,248,743	57.0	68.5
Low and middle income countries	43,309,482	40.2	28,847,971	43.0	50.1
intra-LMI Middle East and North Africa	6,384,158	14.7	2,104,490	7.3	203.4
LMI South Asia	85,729,273		34,199,445		150.7
High income countries	58,947,082	68.8	24,453,098	71.5	141.1
Low and middle income countries	26,782,191	31.2	9,746,347	28.5	174.8
intra-LMI South Asia	5,927,062	22.1	1,336,713	13.7	343.4
LMI Sub-Saharan Africa	76,803,799		33,087,102		132.1
High income countries	51,821,829	67.5	18,374,133	55.5	182.0
Low and middle income countries	24,981,970	32.5	14,712,969	44.5	69.8
intra-LMI Sub-Saharan Africa	11,900,094	47.6	3,302,124	22.4	260.4
LMI Total (All Regions)	1,784,548,852		569,326,044		213.4
High income countries	1,264,806,337	70.9	411,286,998	72.2	207.5
Low and middle income countries	519,742,515	29.1	158,039,046	27.8	228.9

Note: LMI refers to Low and Middle Income countries, as classified by the World Bank. *Percentage of intra-LMI trade

Source: UN Commodity Trade Statistics Database (COMTRADE). The data are extracted from World Integrated Trade Solution (WITS), 2004.

ANNEX II. NON-TARIFF BARRIER CONCERNS BY REGIONS

149. Aggregate trends hide important differences across regions or groups of developing countries. The following synthesis provides a more differentiated picture of barriers affecting developing countries in Asia and the Pacific, Latin America and the Caribbean, Africa and the Middle East, and East and Southeast Europe.

A. Asia and the Pacific

150. Perhaps the most extensive regional literature identifying non-tariff barriers (NTBs) pertains to Asia and the Pacific region. Studies on **APEC** offer a comprehensive analysis of frequency and coverage ratios of NTBs for the periods 1984-1993 (PECC for APEC, 1995), 1993-1996 (Stephenson, 1997), and 2000 (McGuire et al., 2002). Some analyses within APEC are also sectoral, for instance identifying NTMs in forest products (APEC, 2000). Taken as a whole, these analyses, largely based on TRAINS, show a decline in the frequency rate and coverage on NTBs. Since APEC includes both developed and developing countries, the literature would have to be broken down to assess DC concerns.

151. Ongoing work on identifying and eliminating NTBs in **ASEAN**, which is composed entirely of developing countries, indicates that the most widespread NTBs affecting intra-regional trade are **customs surcharges, technical measures, product characteristic requirements, single channel for imports, state trading administration, marketing requirements and technical regulations** (ASEAN Secretariat). The most widely traded products affected by these NTBs are **minerals, electrical appliances, and machinery** (ASEAN Secretariat). The ASEAN Secretariat has played a central role in the efforts to eliminate NTBs, such as removal of surcharges and harmonisation of standards and development of mutual recognition schemes.

152. Another body of literature draws heavily on case studies, the majority of which focus on NTMs in the most important export destinations for Asia-Pacific countries: the United States, the EU and Japan (Bhattacharyya, 2002, 2000; Bhattacharyya and Mukhopadhyaya, 2002). The region's main exports are **labour-intensive products**.³⁶ The NTMs applied most frequently to these products by high-income markets are **import quotas under the Multi-Fibre Agreement (MFA), contingency measures of protection (especially antidumping actions and safeguard measures), technical standards and regulations, including conformity testing requirements, and quarantine and sanitary and phytosanitary (SPS) measures** (Bhattacharyya, 2002; Bhattacharyya and Mukhopadhyaya, 2002; Bhattacharyya, 2002).

153. Anecdotal and other evidence from case studies (Laird, 1999; Michalopoulos, 1999; Stephenson, 1997; McGuire, 2000) appears to challenge the arguments in much of the research-based literature that the use of "core NTBs" has substantially decreased in the post-Uruguay Round trade environment. Case studies in Asia indicate that NTBs remain a significant issue for developing countries. In addition, these studies reflect the high incidence of non-traditional and less transparent but potentially more detrimental

³⁶ Major export products of the Asia-Pacific region include textiles, clothing and footwear, and leather products; a wide range of processed and semi-processed agricultural and fish products; base metals; electrical and non-electrical equipment; and chemicals (ESCAP, 2000).

NTBs that are not captured in TRAINS-based analyses (ESCAP, 2000; Bhattacharyya and Mukhopadhyaya, 2002).

154. A synthesis of the main NTBs faced by exporters in individual Asian countries is displayed in **Table A2**. These findings, resulting from work by the **UN Economics and Social Commission for Asia and the Pacific (ESCAP)**, draw from a variety of data sources, in particular TRAINS, Trade Policy Reviews and other reports of the WTO, and various in-country 'official' databases on foreign barriers to exports.

Table A2. NTBs face by exporters in Asia and the Pacific

Non-Tariff Barriers	Exports	Export Markets
Bangladesh		
MFA quota	Ready made garments	United States, Canada
Child Labour Laws	Ready made garments	United States
Sanitary Regulations	Frozen shrimp	European Union
Technical Barriers to Trade	Many	Many
China		
Antidumping measures	Garlic, honey, bicycles, carbon steel plates, canned mushrooms, others	United States, European Union, Mexico, others
Safeguard quotas	Footwear, porcelain, ceramic tableware, aquatic and textile products, others	European Union, Japan, others
Technical barriers to trade	Food, porcelain products, leather goods, cigarettes, toys, textiles, garments, machinery, electric and aquatic products	United States, European Union, Japan, others
SPS regulations	Poultry, aquatic products, goods in wooden packaging	European Union, United States
Packaging and labelling requirements	Toys, electronic goods and machinery	United States
MFA quota	Textiles	United States
India		
MFA quota	Fabrics, apparel, textile	European Union, United States
Labelling requirements	Fabrics, apparel, textile	Not specified
Technical standards	Leather goods; coffee, tea, cigars; pharmaceuticals; electrical machinery	European Union
Anti-dumping measures	Inorganic and organic chemicals, man-made staple fibres, iron and steel bar and rods	European Union
SPS	Meat, fish, dairy products, vegetables, fruit, fish, tea	United States, Japan
Restricted Imports	Diamonds, jewellery	Japan
Child Labour	Carpets and floor coverings	European Union
Pacific Island Countries		
Labelling requirements	Meat; fish and fish products; cereals and preparations; fruit and vegetables; sugar and sugar preparations; coffee, tea, and spices; vegetable oils and fats	Japan, Australia, Malaysia
Testing, inspection, and quarantine requirements	Meat; coffee, tea, and spices; oils, seeds, nuts and kernels	Japan, Philippines, Malaysia
Licensing	Fish and fish products; coffee, tea,	Australia, Singapore, Malaysia,

Non-Tariff Barriers	Exports	Export Markets
	and spices; hides and skins; fruits and vegetables; wood, lumber and cork; petroleum and products	European Union, China
Prior authorisation	Fish and fish products; hides and skins; oils, seeds, nuts and kernels; wood, lumber and cork	European Union, Japan, Malaysia
Product characteristic requirements	Fish and fish products; sugar and sugar preparations; hides and skins; oils, seeds, nuts and kernels; wood, lumber and cork; vegetable oils and fats; word products	Japan
Technical standards	Cereals and preparations; miscellaneous food preparation; electrical machinery	Australia
Quotas	Fish and fish products; coffee, tea, and spices	Japan, European Union, Malaysia, Singapore
Tariff quota	Sugar and preparations; miscellaneous food preparation	United States, China
Prohibitions	Processed tuna	United States
Import ban	Process tuna	United States
Non-automatic licensing	Fruit and vegetables	European Union
Production and export subsidies	Sugar and preparations	United States, European Union
Anti-dumping duty	Sugar and preparations;	New Zealand,
Administrative pricing	Wood, lumber and cork; petroleum and products	China
Import inspection	Wood, lumber and cork; petroleum and products; sugar and preparations	China
Singapore		
Anti-dumping measures	Ball bearings, refrigerators, compressors, colour TVs	United States, European Union
Orderly market arrangement	Colour TVs	European Union (United Kingdom)
MFA quota	Textiles, clothing	European Union, United States, Canada, Norway, Sweden
Technical barriers to trade	Many (e.g., food)	Japan
Sri Lanka		
Variable charges	Coconut	Chile
Agricultural levy	Coconut	Venezuela
Authorisation	Fisheries products, gems and jewellery, rubber manufactures	Japan, European Union, Malaysia, Mexico
Import license	Natural rubber, coconut, fisheries products, gems and jewellery, textiles and garments, rubber manufactures, non-metallic mineral products, paper products	China, Brazil, El Salvador, Indonesia, Brunei, Hungary, Tunisia, Hungary, Norway, Argentina, Morocco, Mexico, Indonesia, Malaysia
Import suspension	Tea, coconut, fisheries products, non-metallic mineral products, paper products	Algeria
Import authorisation	Natural rubber, textiles and garments, rubber manufactures, non-metallic mineral products	India, Japan
Import monitoring	Textiles and garments	United States
Global Quota	Natural rubber, fisheries products, rubber manufactures, rubber manufactures, non-metallic mineral	China, Brazil, Japan, United States

Non-Tariff Barriers	Exports	Export Markets
	products	
MFA Quota	Textiles and garments	Unites States, Canada
Tariff quota	Textiles and garments	United States
Bilateral quota	Textiles and garments	United States
Prohibitions	Textiles and garments, rubber manufactures	Bangladesh, Oman
MFA Consultation Agreements	Textiles and garments, non-metallic mineral products	Canada, United States
MFA Export Restrictions	Non-metallic mineral products	United States
Non-automatic import licensing	Tea, coconut, gems and jewellery, fisheries products, textiles and garments, rubber manufactures, leather manufactures, non-metallic mineral products, paper products	India, Hungary, India, Peru, El Salvador
Technical regulations	Natural rubber	Brazil
Product characteristic requirements	Natural rubber, coconut, fisheries products, rubber manufactures, non-metallic mineral products	Mexico, Venezuela, Japan, Argentina
Labelling requirements	Fisheries products	Japan
Marking requirements	Textiles and garments	Canada
Sanitary inspection	Fisheries products	Algeria
Anti-dumping measures	Natural rubber, coconut, fisheries products, textiles and garments, rubber manufactures, non-metallic mineral products, paper products	United States, European Union, Canada, Mexico, Australia, Turkey, Argentina
Countervailing measures	Coconut, fisheries products, textiles and garments, rubber manufactures, leather manufactures, non-metallic mineral products, paper products	Brazil, United States, Korea, Canada
Safeguard tariff rate	Leather manufactures	United States
Administrative Pricing	Rubber manufactures	China
Minimum import prices	Textiles and garments, rubber manufactures	Tunisia, Morocco
Reference prices	Fisheries products	European Union
Specified points of entry	Fisheries products	Algeria
MFA Export restraint	Textiles and garments	Canada
Recommendation system	Textiles and garments	Republic of Korea
Special custom formalities	Non-metallic mineral products	Argentina

Source: UN Economics and Social Commission for Asia and the Pacific (UNESCAP), 2000.

B. Latin America and the Caribbean

155. The literature on barriers to trade for Latin America and Caribbean (LAC) exporters widely acknowledges that tariffs do not constitute a serious impediment to market access for LACs (IDB, 2002; Estevadeordal and Robert, 2001). In 2002, 76.9 percent of all LAC exports entered their principal export market, the United States, free of duty (ECLAC, 2003). Similarly, tariffs in South-South relations in LAC have been significantly lowered or eliminated according to a common external tariff (CET) applied in various free trade agreements (FTAs) and customs union agreements. The centrepiece of enhanced market access for LAC clearly lies in elimination of NTBs, as Laird (1992) argued in a paper on the importance of NTBs in hemispheric FTA negotiations.

156. Most authors identifying non-tariff distortions in the region have noted a sweeping eradication of quantitative restrictions and licensing systems over the years (Laird, 1992; Estevadeordal and Robert, 2001). As a result, the incidence of “core NTBs” is quite low overall. In contrast, the literature documents that LACs face more subtle forms of protection which prove difficult to identify. Estevadeordal and Shearer’s (2002; IDB, 2002) analytical work on the incidence of NTBs in the region finds that there is a high incidence of **technical measures** used for protective purposes but reveals that import charges, government participation in trade, and customs have a very low incidence amongst a representative sample of countries examined (Argentina, Brazil, Paraguay, Uruguay, Bolivia, Colombia, Ecuador, Peru, Venezuela).

157. In trade with developed countries, the **UN Economic Commission on Latin America and the Caribbean (ECLAC)** regularly publishes a report on barriers to LAC exports in the US market, the main destination of LAC exports. The reports of the last years highlight three areas of particular relevance to LAC (2003, 2001):

- **Import policies** (e.g. tariffs and other import surcharges, quantitative restrictions, import licensing, customs barriers)
- **Standards, testing, labelling and certification** (e.g. unnecessarily restrictive application of phytosanitary standards)
- **Export subsidies** (e.g. export financing on preferential terms and agricultural export subsidies that displace other foreign exports in third market countries)³⁷

158. The EU is increasingly looked upon as a principal market for LAC exports, particularly in light of the interest in recent and prospective free trade arrangements. Recent work on LAC market access to the EU has been carried out in the framework of the MERCOSUR-EU dialogue, with some analysts expressing concern that the expected gains from tariff-free market access to the EU may be offset by stringent rules, in particular **sanitary and phytosanitary measures** for food exports from MERCOSUR countries (Bureau et al., 2003).

159. Other studies specifically address NTBs in intra-regional trade in various free trade areas and customs unions among LAC countries. They appear to indicate that there are important differences in the barriers that prevail in different groupings. The database of the Technical Committee on Non-Tariff Restrictions and Measures³⁸ of **MERCOSUR**, for instance, identifies **import licensing** as the most prevalent NTB in intra-regional trade (Sanguinetti and Sallustro, 2000; Centurion, 2002).³⁹ The scenario is different for the **Caribbean Community (CARICOM)**, for which an NTBs Inventory shows **customs duties and other charges on imports** to be significant constraints on trade liberalisation (Caribbean Export, 2001).

160. For the **Central American Common Market (CACM)**, SIECA has a notification mechanism in which countries denounce measures that are maintained by their partners against intra-regional trade and act as obstacles to free intra-regional trade. The SIECA Secretariat intermediates between the countries to

³⁷ ECLAC’s classification of trade barriers is based on the *National Trade Estimate Report on Foreign Trade Barriers* published by the U.S. Trade Representative.

³⁸ Comité Técnico No. 8 sobre Restricciones y Medidas no Arancelarias

³⁹ There is scarce analysis on the quantification of the cost of non-tariff barriers to intra-regional trade among developing countries. Berlinski (2001) undertakes some analysis along these lines in a study undertaken as part of a project on intra-regional restrictions developed in the framework of Red-Mercosur. Using a model based on Hufbauer and Elliot (1994), the study offers some estimation of the costs of non-tariff protection for member countries of MERCOSUR.

remove the denounced barriers. As **Table A.3** shows, most of these barriers pertain to **customs procedures, various fees and charges**, and unjustified allegations of health **risks and/or SPS procedural issues** (lack of issuance of certification, etc).

Table A3. Intra-regional NTBs in the Central American Common Market

Complainant	Respondent	Measure Denounced
Costa Rica	Honduras	Customs/transit fees
El Salvador	Honduras	Fees to obtain phytosanitary permission that reach US\$ 9 and US\$ 10
El Salvador	Honduras	Various fees for the following concepts: issuing permits; harbour; entry/exit of vehicles; business visa
Costa Rica	Guatemala	Customs procedures producing delays and additional costs
El Salvador	Honduras	Restrictions to export chicken products on the grounds of the existence of an influenza
Guatemala	El Salvador	Prohibition of live animals, particularly pork products, alleging risk of pest
Costa Rica	Nicaragua	Prohibition on poultry products
Costa Rica	Nicaragua	Transit fee of US\$ 10 to transporters
Costa Rica	Nicaragua	Countervailing duties applied to milk
Guatemala	Honduras	Prohibition of potatoes alleging a health risk without scientific evidence
Nicaragua	Honduras	Difficulties in exporting milk products due to non-issuance of certificates even when companies have been re-inspected
Costa Rica	El Salvador	Customs/transit fees
Costa Rica	Honduras	Fines for not having exit permission from trailer
Costa Rica	Honduras	Various customs/transit fees which are unjustified and not provided for under regional regulations
Costa Rica	Honduras	Rejection of poultry products alleging that companies have not been certified or that permissions have expired
El Salvador	Honduras/Nicaragua	Customs fees for custody
El Salvador	Honduras	Erroneous customs classifications of fruit nectars
El Salvador	Nicaragua	Non-acceptance of customs documentation due to inclusion of logos

Source: OECD, compiled from SIECA Secretariat, *Medidas Contrarias al Libre Comercio Intrarregional*, November 2001 to October 2004.

C. Africa and the Middle East

161. The literature on NTBs affecting African exports is more limited than that for Asia and Latin America. It is revealing, nevertheless, of the importance and seriousness of invisible barriers to trade, particularly those that are not generally considered as part of the “core NTBs.”

162. A World Bank study focusing on **sub-Saharan Africa (SSA)** (Amjadi, Reincke and Yeats, 1996) identifies the types of measures exports encounter most frequently in OECD markets. Based on UN Comtrade records and information from the UNCTAD-World Bank SMART database, findings indicate that **quantitative restrictions** are the most important type of NTB facing African exports (affecting 8 percent of Africa exports), followed by **price-raising restrictions** (covering 4 percent of African trade). Yeats and Arnjadi (1994) maintain, however, that these measures do not have a significant cost-increasing impact. Of greater concern, the authors argue, is the fact that certain products important to countries in the

region, particularly **energy**, are heavily NTB-ridden and were untouched by the Uruguay Round.⁴⁰ Similarly, the fact that **fish products** were not included in the Agreement on Agriculture affects some SSA countries. Overall, however, the research holds that the Uruguay Round has had a positive effect on SSA: the NTB ratio covering SSA exports dropped from 11 percent pre-UR to 2 percent post-UR. Gugerty and Stern (1997) suggest that core restrictions are not a major impediment to African exports.

163. Sandrey (2003) offers an account of NTBs affecting South African and southern African exports to **principal OECD markets**, namely the EU, United States and Japan. The EU, which is the largest importer of African goods, maintains restrictions affecting the sectors of **textiles, agriculture and coal**, which are of key importance to African countries are protected or heavily subsidised. Other barriers affecting market access to the EU are **rules of origin, cumulation, environmental regulations, and SPS issues** (COMESA, 1999). The United States also extends tariff preferences to the region through AGOA, but these are perceived to be eroded by the use of **anti-dumping actions, countervailing and safeguarding measures**, which have been compounded by recently tightened U.S. borders resulting from **national security and foreign policy measures**.

164. Of the products of export interest to South Africa and southern Africa, precious metals and diamonds, as well as copper and aluminium exports, appear to enjoy relatively free market access; forestry products, another important export for the region, are subject to few NTBs outside North Asia. The most heavily NTB-ridden products are **automobiles and auto parts**, the region's main manufacturing sector. The NTBs that particularly affect trade in this sector are **local content rules, import charges, additional charges** (such as sales taxes, luxury taxes, statistical fees, purchase and registration fees), **investment restrictions** and **joint venture requirements**, and others (Sandrey, 2003).

165. Studies on NTBs in **intra-regional trade in Africa** underscore the importance of other kinds of barriers. Burmann (2004) finds four prominent NTBs that emerge as significant in the literature and analyses available on intra-regional trade in Africa. These are, in order of importance: **poor infrastructure**, including telecommunications; difficulties in **customs procedures; political instability**; and **insufficient product diversification**, including dependency on raw materials. As regards infrastructure and notably **transportation, analytical** work indicates that freight costs are a much more restrictive barrier to African exports than tariffs (Amjadi, Reincke and Yeats, 1996).

166. The cataloguing of NTBs by African Development and Economic Consultants (2000) points to the following factors as obstructing intra-DC trade: **lengthy and cumbersome bureaucratic clearance procedures, roadblocks erected by security officials, monopoly power granted to government-owned entities for imports or exports, SPS regulations, and quality standards set artificially high to restrict movements of goods**. Clearance time through customs is particularly slow, averaging 14 days (Uganda, Kenya) and even up to 18 days (Nigeria) (Wilson and Abiola, n.d.).

167. An inventory of non-tariff import and export barriers in the Cross Border Initiative (CBI) is of particular importance, given that seven of the 16 CBI members are LDCs. Yet the inventory is limited and records only the categories of **import quotas/bans, import licenses**, state monopolies, and others, with the first two dominating countries' concerns (CBI, 1998).

D. East and south-east Europe

168. While research on NTBs in East and south-east Europe is limited, work has recently been undertaken in the context of the enlargement of the EU and the implementation of the network of bilateral

⁴⁰ The authors show that the NTB coverage ratios applied to OECD energy imports is 7 percentage points higher than for all non-fuel products imported from Africa (Arnjadi and Yeats, 1994).

Free Trade Agreements (FTAs). There are widespread calls to eliminate NTBs that may undermine the implementation of 28 bilateral FTAs signed between countries of the region and the pursuit of a single liberalised market in south-eastern Europe.

169. For post-Communist eastern European nations, Bodenstern et. al. (2003) note an inverse relation between NTBs and capital controls, which they describe as “the two faces of economic transition.” The study reports that since 1993, most of the transitional countries have lowered trade barriers while increasing capital flow controls. Financial measures are therefore identified as a restrictive practice hampering traders in the region.

170. The Working Group of the Trade Liberalisation and Facilitation under the Stability Pact commissioned a study that identifies NTBs maintained south-eastern European countries, both in regional and global trade relations, the latter focusing on the EU as the principal export market and aspiration for future accession (Tschani and Wiedmer, 2001). The five countries investigated, including through on-site visits, are Albania, Bosnia and Herzegovina, Croatia, and the Federal Republic of Yugoslavia. All are in transition to market economies but are at different stages in the process.

171. Across the five countries examined, the study reveals that NTBs are a source of concern in the areas of **import licensing, customs valuation, functioning of customs, and TBT/SPS measures**. Underlying these problems are inadequacies in national laws and provisions, lack of infrastructure and poor training of officials, among others. The study further identifies as less pervasive but important obstacles **charges other than duties** that have a direct effect on exports/imports by reducing their quantities, making them more expensive and discriminating from domestically produced goods.

172. The authors also note that the **political and constitutional situation** present additional challenges in some of the countries in the region. Specifically, they refer to problems in the distribution of power in trade matters (between central/federal authority and other entities) that cause confusion for exporters. There also appears to be a **lack of information on trade rules** between the public administration and the private sector, which accounts in part for the lack of implementation of trade rules (especially in customs controls and in TBT and SPS controls). An **inadequate banking system** also appears as a major concern that hampers exporters in the region.

173. While recognising that NTBs deter trade in the region, this study and others agree that NTBs are not systematically used among countries of the region as a tool of trade policy (Tschani and Wiedmer, 2001; World Bank, 2003; European Commission and HTSPE, 2004). Only import licensing and export and import prohibitions are widely used to control trade, particularly for hazardous products (arms, drugs, dangerous wastes) (European Commission and HTSPE, 2004). Other problems derive mainly from the lack of technical capacity and resources to enforce TBT and SPS standards, and from difficulties in customs procedures and administration which result in long delays and corruption (Tschani and Wiedmer, 2001; World Bank, 2003; European Commission and HTSPE, 2004). **Table A.4** summarises the main **resource and infrastructure problems** affecting trade in the region, which ought to be addressed in the context of eliminating NTBs.

Table A4. Problems affecting trade in South-eastern Europe

Customs and Administrative Procedures
<ul style="list-style-type: none"> ▪ Inconsistent and non-transparent customs classification; ▪ Inadequate customs staffing, training, and IT equipment (including lack of IT links between different national customs administrations and lack of software for data processing); ▪ Limited legal competences of customs offices, essentially limited to issues of origin; ▪ Overlapping responsibilities of different agencies at national borders; ▪ Excessive documentation requirements for the purpose of customs clearance.
Technical Barriers to Trade
<ul style="list-style-type: none"> ▪ Severe shortage of accredited laboratories and of competent testing and certification institutes; ▪ Inability to participate in mutual recognition agreements and international agreements on metrology and conformity assessment; ▪ Small number of firms which have achieved internationally recognised certification; ▪ Failure to adapt successfully to international standards, especially EU standards; ▪ Unnecessary repetition of market inspections – no provision for issue or standard type approvals.
Sanitary and Phytosanitary Measures
<ul style="list-style-type: none"> ▪ Insufficient phytosanitary and veterinary inspectors at national borders, and lack of inspection equipment; ▪ Inadequacy, or in some cases complete lack, of accredited state-level inspection institutions; ▪ Failure to adapt to EU phytosanitary and veterinary standards due to lack of resources; ▪ Lack of clarity over standards to be applied and degree to which other countries' standards are acceptable; ▪ Need to update applicable national laws on food safety and mainstream health and quality control procedures, which are sometimes split between several ministries.
Other Problems that Affect Exports
<ul style="list-style-type: none"> ▪ Financial and economic problems, such as the inadequacy of national banking systems, lack of adequate facilities and credit insurance schemes, high interest rates, degraded production facilities due to wartime destruction, and inadequacies of tax administration; ▪ Transport and infrastructure problems, such as inadequate road systems, lack of competition in road transport, lack of professional freight forwarding agents, inability to issue required certification, degraded inland waterway systems, and inefficient rail systems; ▪ Corruption, increasing transaction costs at national borders, delaying clearance of goods, undermining quality and safety standards, deterring trade by the prospect of delays or pressure to make corrupt payments.

Source: "Helping to Tackle Non-Tariff Barriers in the Western Balkans" (2005), The European Union's Cards Programme for Western Balkans, EC, Brussels (2005).

ANNEX III. CATEGORIES OF NON-TARIFF BARRIERS

174. The following is a listing of the NAMA Inventory of Non-tariff Measures (28 November 2003, TN/MA/S/5/Rev.1) and the adjustments made in the inventory categorisation for the purpose of the analysis of NTB notifications presented in Section IV.

NAMA Inventory of Non-tariff Measures		Adjustment made to NAMA Categorisation	
I. Government Participation in Trade and Restrictive Practices Tolerated by Government		I. Government Participation in Trade	
	A. Government aids, including subsidies and tax benefits		A. Government assistance, including subsidies and tax benefits
	B. Countervailing duties		--
	C. Government procurement		B. Government procurement
	D. Restrictive practices tolerated by governments		C. Restrictive practices tolerated by governments
	E. State trading, government monopoly practices, etc		D. State trading and monopolistic practices
II. Customs and Administrative Entry Procedures		II. Customs and Administrative Procedures	
	A. Anti-dumping duties		--
	B. Customs valuation		A. Customs valuation
	C. Customs classification		B. Customs classification
	D. Consular formalities and documentation		C. Consular formalities and documentation
	E. Samples		D. Samples
	F. Rules of origin		E. Rules of origin
	G. Customs formalities		F. Customs formalities
	H. Import licensing		G. Import licensing
	I. Pre-shipment inspection		H. Pre-shipment inspection
III. Technical Barriers to Trade		III. Technical Barriers to Trade	
	A. General		A. General
	B. Technical regulations and standards		B. Technical regulations and standards
	C. Testing and certification arrangements		C. Testing and certification arrangements
			D. Requirements concerning marking, labelling and packaging
IV. Sanitary and Phytosanitary Measures		IV. Sanitary and Phytosanitary Measures	
	A. General		A. General
	B. SPS measures including chemical residue limits, disease freedom, specified product treatment, etc.		B. SPS measures including chemical residue limits, disease freedom, specified product treatment, etc.
	C. Testing, certification and other conformity assessment		C. Testing, certification and other conformity assessment
IV. Specific Limitations		IV. Quantitative Restrictions and Similar Specific Limitations*	
	A. Quantitative restrictions		A. Quantitative restrictions
	B. Embargoes and other restrictions of similar effect		B. Embargoes and other restrictions of similar effect
	C. Screen-time quotas and other mixing regulations		C. Screen-time quotas and other mixing regulations
	D. Exchange controls		D. Tariff quotas
	E. Discrimination resulting from bilateral agreements		E. Voluntary export restraints
	F. Discriminatory sourcing		F. Exchange controls

NAMA Inventory of Non-tariff Measures		Adjustment made to NAMA Categorisation	
	G. Export restraints		G. Export restraints
	H. Measures to regulate domestic prices		H. Discrimination resulting from existing bilateral agreements
	I. Tariff quotas		V. Trade Remedies
	J. Export taxes		A. Antidumping duties
	K. Requirements concerning marking, labelling and packaging		B. Countervailing duties
	L. Others		C. Safeguard measures
	V. Charges on Imports		VI. Charges on Imports
	A. Prior import deposits		A. Prior import deposits
	B. Surcharges, port taxes, statistical taxes, etc		B. Surcharges, port taxes, statistical taxes, etc
	C. Discriminatory film taxes, use taxes, etc.		C. Discriminatory film taxes, use taxes, etc.
	D. Discriminatory credit restrictions		--
	E. Border tax adjustments		D. Border tax adjustments
			E. Other non-tariff charges
	VI. Other		VII. Other
	A. Intellectual property issues		A. Intellectual property issues
	B. Safeguard measures, emergency actions		--
	C. Distribution constraints		B. Distribution constraints
	D. Business practices or restrictions in the market		C. Business practices or restrictions in the market
	E. Other		--
			D. Administrative price fixing
			E. Discriminatory sourcing
			F. Export taxes
			G. Not classified

*Based on typology of non-tariff barriers by Deardorff and Stern (1997).

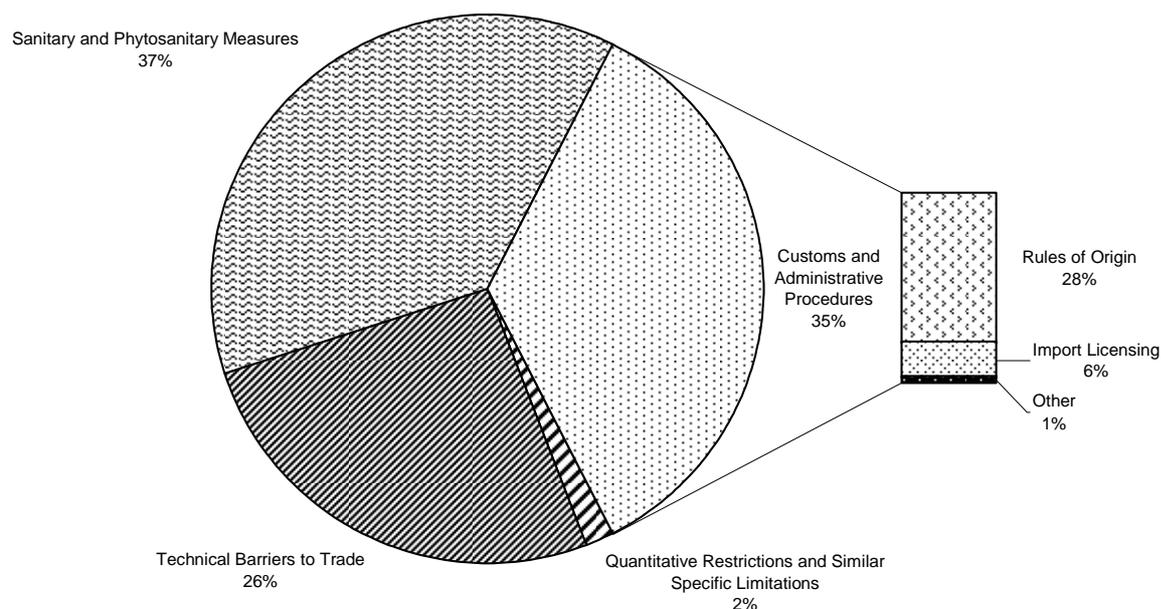
Format for WTO NTB Notifications

175. Pursuant to the format and instructions circulated in the Negotiating Group on Market Access (NAMA), Members were invited to submit information on the following seven items:

- **Maintaining participant**
- **Products affected by the barrier**
- **Nature of the barrier**
- **Trade effects of the barrier**
- **Inventory category**
- **Relevant WTO provisions**
- **Treatment of the barrier**

ANNEX IV. ANALYSIS OF NON-TARIFF BARRIERS NOTIFIED BY DEVELOPING COUNTRIES, BY PRODUCT GROUP

A. Live Animals and Related Products⁴¹



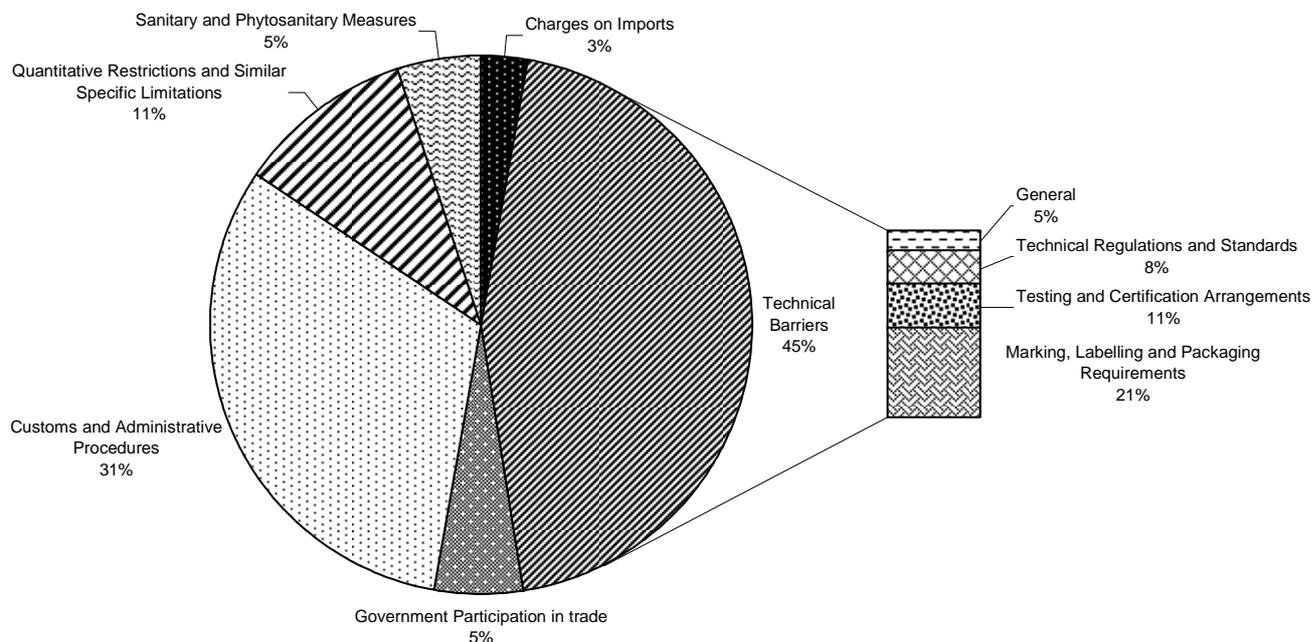
Data Set:

- **Number of notifications under this product group: 309 NTBs**
- **Developing countries represented by the notifications: Bulgaria, China, Egypt, Hong-Kong, Kenya, Malaysia, Pakistan, Philippines, Thailand, Senegal, Venezuela.**

Breakdown of Product Group	
Fish and crustaceans, molluscs, and other aquatic invertebrates	98% of notifications for product group
Dairy products	1% of notifications for product group
Poultry products	1% of notifications for product group

⁴¹ In every chart, one of the NTB categories shown is broken down further into sub-categories of measures. The category selected for breakdown does not necessarily correspond to the largest NTB category but is meant to draw attention to the high incidence of one or several measures that stand out within that NTB category.

B. Prepared Foodstuffs and Beverages

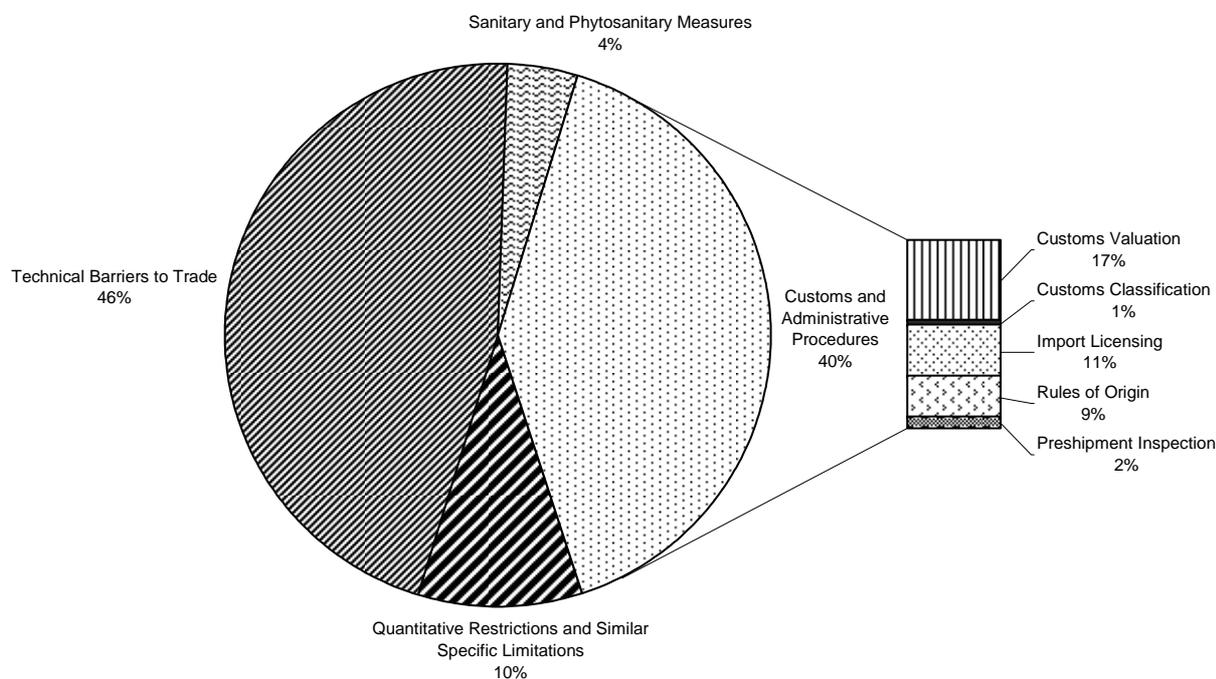


Data Set:

- **Number of notifications under this product group: 38 NTBs**
- **Developing countries represented by the notifications: Bangladesh, China, Chinese Taipei, Malaysia, Philippines, Thailand, Trinidad and Tobago, Uruguay, Venezuela.**

Breakdown of Product Group	
Preparations of meat, of fish, or of crustaceans, molluscs, or other aquatic invertebrates	55% of notifications for product group
Preparations of cereals, flour, starch, or pastry products	14% of notifications for product group
Beverages and spirits	14% of notifications for product group
Other	17% of notifications for product group

C. Textiles and Textile Products

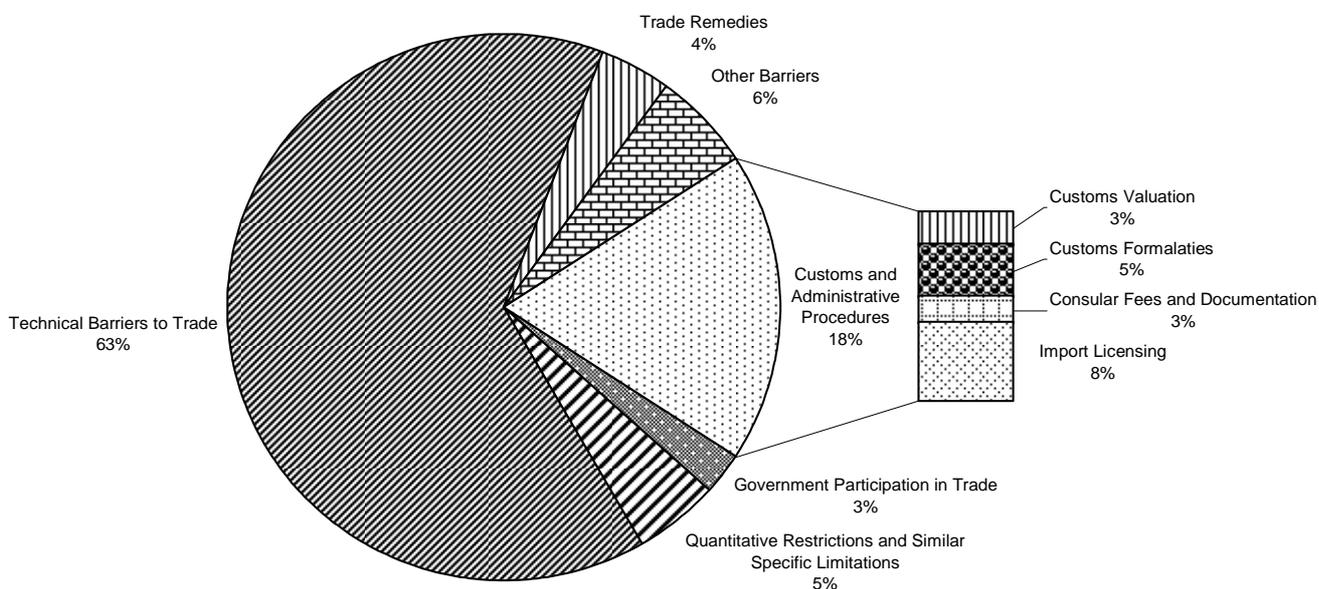


Data Set:

- **Number of notifications under this product group: 93 NTBs**
- **Developing countries represented by the notifications: Argentina, China, Bangladesh, China, Egypt, Hong-Kong, India, Macao, Pakistan, Philippines, Uruguay.**

Breakdown of Product Group	
Apparel and clothing accessories	29% of notifications for product group
Generic and miscellaneous	23% of notifications for product group
Other made-up textiles	13% of notifications for product group
Other vegetable and textile fabrics	11% of notifications for product group
Silk, wool, and cotton	8% of notifications for product group
Woven fabrics	6% of notifications for product group
Man-made filaments	6% of notifications for product group
Carpets	4% of notifications for product group

D. Chemicals, Alloys and Related Products

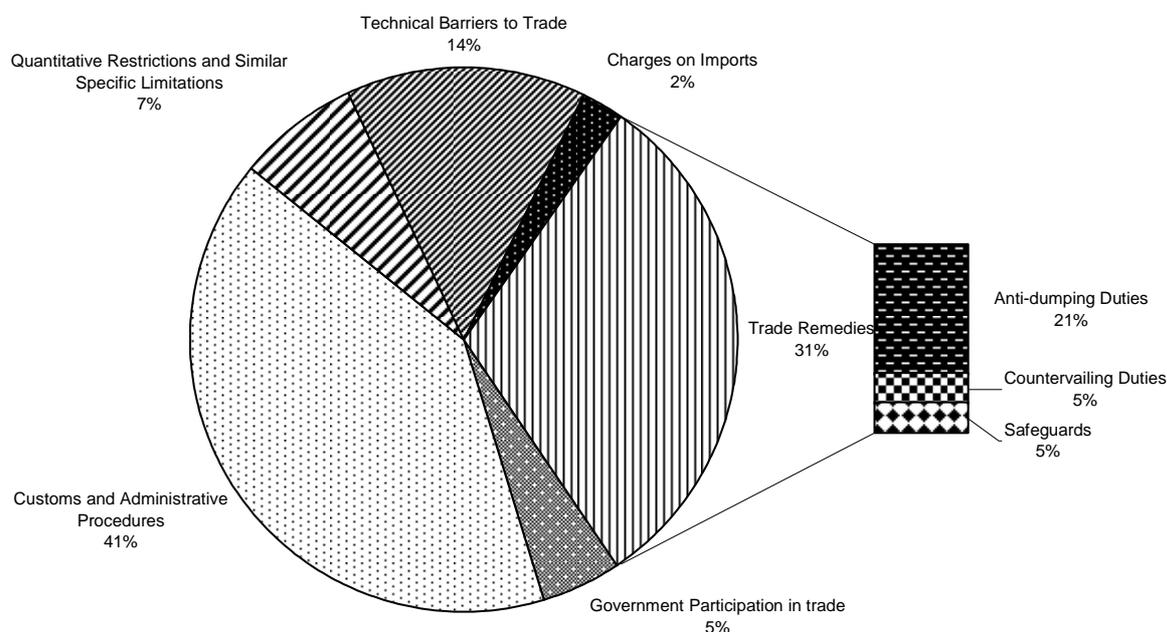


Data Set:

- **Number of notifications under this product group: 124 NTBs**
- **Developing countries represented under category notifications: Argentina, Bangladesh, Bulgaria, China, Chinese Taipei, Croatia, Jordan, Malaysia, Pakistan, Philippines, Singapore, Uruguay.**

Breakdown of Product Group	
Pharmaceutical products	23% of notifications for product group
Miscellaneous chemical products	23% of notifications for product group
Perfumery, cosmetics, and toilet preparations	20% of notifications for product group
Fertilisers	11% of notifications for product group
Soap and washing preparations	7% of notifications for product group
Explosives, matches, and fireworks	6% of notifications for product group
Paints and colouring matter	1% of notifications for product group

E. Metals and Metal Products

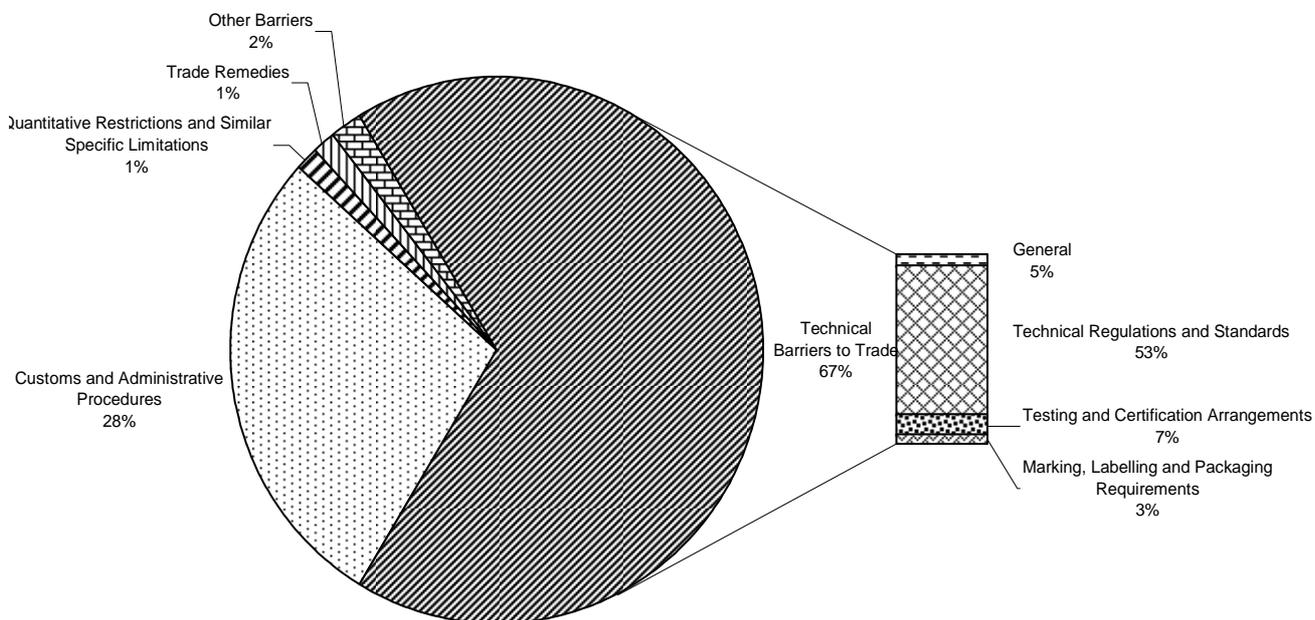


Data Set:

- **Number of notifications under this product group: 42 NTBs**
- **Developing countries represented by the notifications: Argentina, China, Chinese Taipei, Croatia, Jordan, Malaysia, Philippines, Venezuela.**

Breakdown of Product Group	
Iron and steel	70% of notifications for product group
Miscellaneous articles of base metals	22% of notifications for product group
Articles of steel and iron	4% of notifications for product group
Aluminium and articles of aluminium	4% of notifications for product group

F. Machinery and Electronics

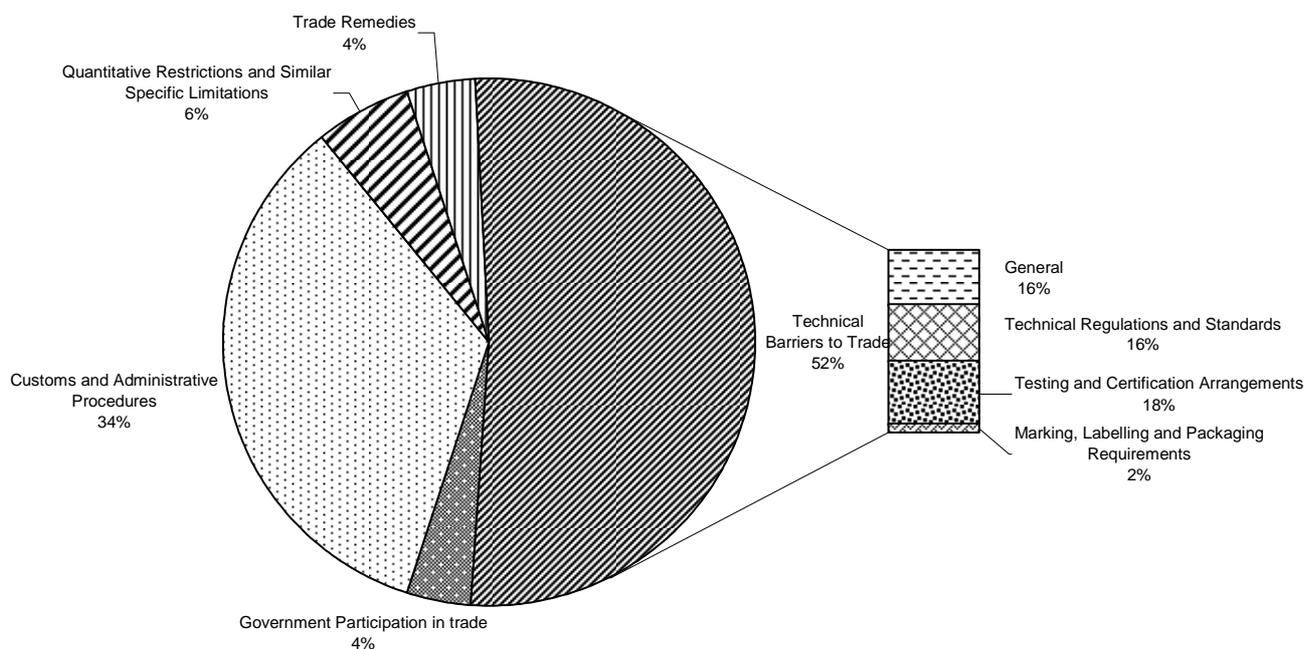


Data Set:

- **Number of notifications under this product group: 215 NTBs**
- **Developing countries represented by the notifications: China, Chinese Taipei, Croatia, Egypt, Kenya, Malaysia, Pakistan, Philippines, Singapore, Thailand, Trinidad & Tobago.**

Breakdown of Product Group	
Electrical machinery and equipment and parts thereof; television image and sound reproducers, and parts and accessories of such articles	68% of notifications for product group
Nuclear reactors, boilers, machinery and mechanical appliances, and parts thereof	32% of notifications for product group

G. Vehicles, Aircraft and Vessels

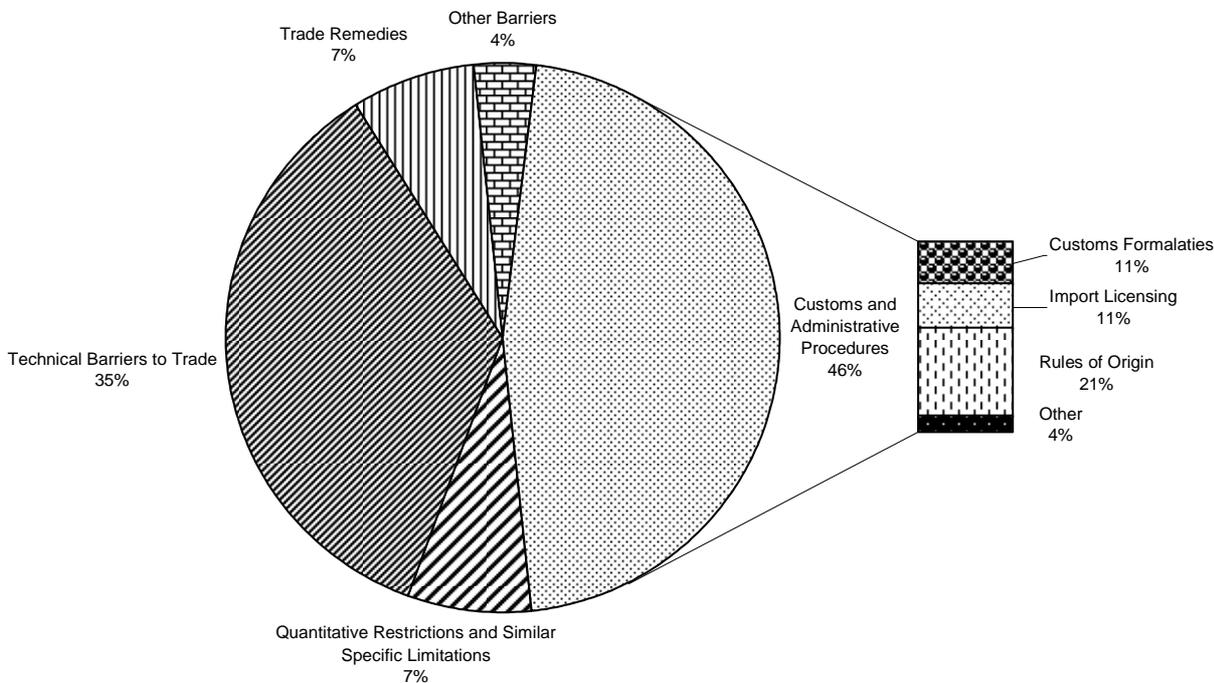


Data Set:

- **Number of notifications under this product group: 50 NTBs**
- **Developing countries represented by the notifications: Argentina, China, Chinese Taipei, Philippines, Venezuela.**

Breakdown of Product Group	
Vehicles and parts of vehicles	96% of notifications for product group
Ships and boats	4% of notifications for product group

H. Plastics

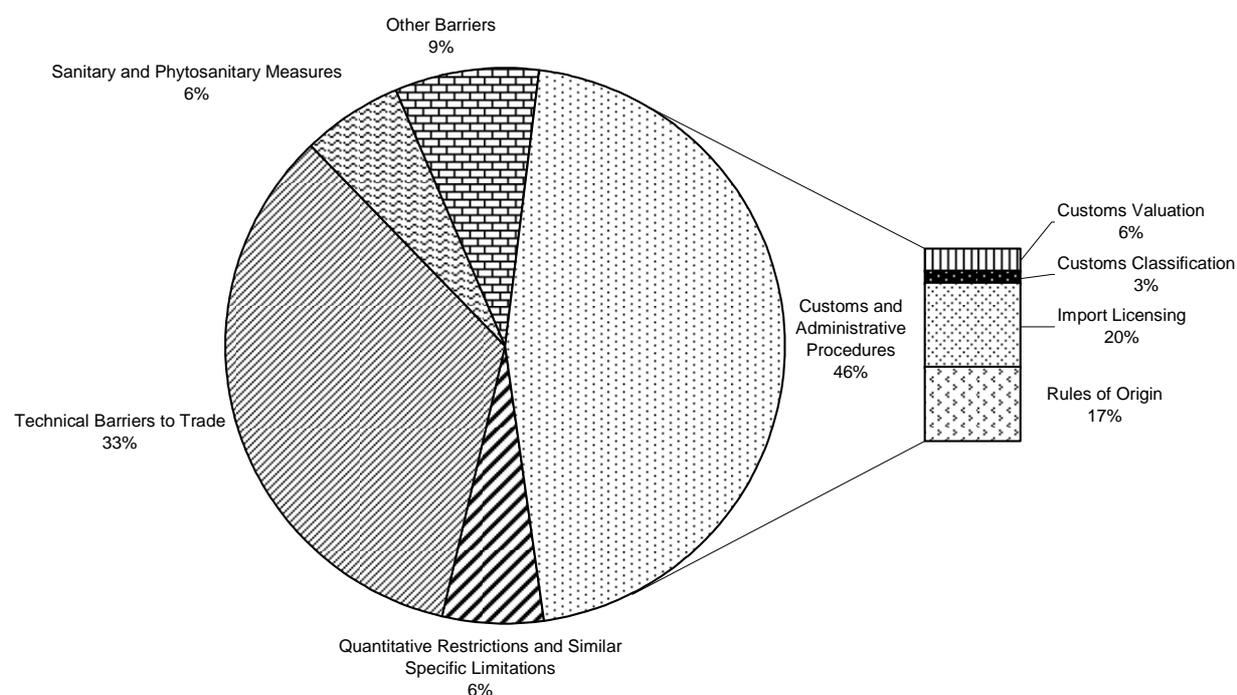


Data Set:

- **Number of notifications under this product group: 30 NTBs**
- **Developing countries represented by the notifications: Argentina, China, Malaysia, Philippines, Singapore, Thailand.**

Breakdown of Product Group	
Plastic and plastic articles	73% of notifications for product group
Rubber and rubber articles	27% of notifications for product group

I. Miscellaneous Manufactures



Data Set:

- **Number of notifications under this product group: 37 NTBs**
- **Developing countries represented by the notifications: Argentina, China, Chinese Taipei, Egypt, Malaysia, Philippines.**

Breakdown of Product Group	
Multi-product submissions	39% of notifications for product group
Furniture and parts of furniture	29% of notifications for product group
Miscellaneous	15% of notifications for product group
Works of art	10% of notifications for product group
Toys	7% of notifications for product group

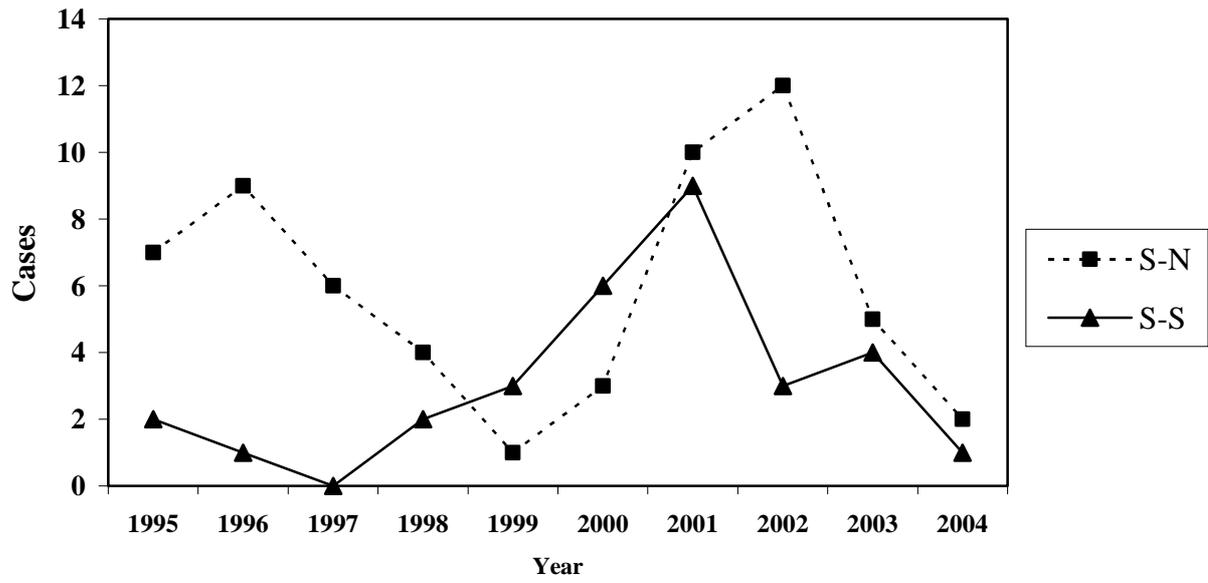
ANNEX V. STRATEGIC PRODUCTS AND SECTORS OF INTEREST TO DEVELOPING COUNTRIES

Country(ies)	Export market(s)	Products/sectors
<i>Middle East and North Africa</i>		
Jordan ¹	USA, Algeria, Dubai and selected European, African and other markets	cosmetics; apparel and garments; pharmaceuticals; food and beverages; information technology; tourism; health services
Saudi Arabia ²	developed-country markets and emerging markets in Asia and Latin America	all sectors other than petroleum sector.
<i>Sub-Saharan Africa</i>		
Namibia ³	not specified	fish processing (horse mackerel, tuna, tooth fish etc); mineral processing (dimension stone, white fillers, other industrial minerals); horticulture (fresh fruits and vegetables incl. table grapes, dates, melons, oranges, sub-tropical fruit, asparagus); hides and skins and leather (processed hides and skins, leather garments and products); crafts (wood, textile and metal items, hand woven carpets, gemstone jewellery); cash crops (cotton and oriental tobacco growing)
Economic Community of West African States (ECOWAS) ⁴	intra-regional (ECOWAS)	aluminum oxide; frozen fish; woven fabrics of cotton; polymers; wood; footwear
14 African countries and 6 Asian countries ⁵	Africa-Asia inter-regional trade	aluminum; coal; nuts; frozen fish; diamonds; iron ores and ferro-alloys
Southern African Development Community (SADC) ⁶	Southern African Customs Union (SACU)	coke or semi-coke of coal; fabrics and apparel; frozen, prepared, preserved fish and crustacean
Southern African Customs Union (SACU) ⁷	India	parts and accessories of automatic data processing machinery; refined sugar, in solid form; transmission apparatus for radiotelephony; medicaments; paper (fine, wood-free, in rolls and sheet)
Southern African Customs Union (SACU) ⁸	Mercado común del Sur (MERCOSUR)	aircraft parts; motor vehicle parts, components, tires and wheels; fertilisers; filtering machinery; flat rolled products of iron/non-alloyed steel; medicaments; structures and parts for structures; transmission apparatus for radiotelephony; wooden furniture

<i>Latin America and the Caribbean</i>		
Grenada ⁹	not specified	eco-tourism
	EU	fish
Jamaica ¹⁰	not specified	services, especially entertainment services (music); telecom and information technology; tourism
Peru ¹¹	not specified	agricultural products (such as vegetables; textiles and apparel; fishery and aquaculture; wood products; jewellery; crafts
Antigua and Barbuda ¹²	not specified	tourism and other services
<i>Asia</i>		
India ¹³	global	engineering (incl. instruments and items of repair); textiles, gems and jewellery; chemicals and allied; agriculture and allied; leather and footwear items; electronics, electrical and engineering goods
	Latin America (43 countries)	textiles (incl. ready-made garments, carpets and handicraft); chemical products (incl. drugs/pharmaceuticals)
	USA, EU, Japan	electronic and electrical products; automobiles and auto components; other engineering items (incl. pumps, electrical machine parts, heating appliances, sports equipment); textiles
	Japan	marine products (such as frozen and fresh fish, crustaceans, molluscs)
Pakistan ¹⁴	not specified	with a view to export diversification: fisheries; fruit, vegetables and wheat; marble and granite; engineering goods; healthcare services; poultry; IT software and services; gems and jewellery; chemicals; general services
Philippines ¹⁵	not specified	13 other sectors, including garments, computer software, construction services, professional services
	Europe	handicrafts (furniture, ceramics, gifts and house wares)
Cambodia ¹⁶	not specified	agriculture (rice etc) ; fisheries; handicrafts; tourism; garments;
ASEAN, selected SAARC countries and China ¹⁷	intra-regional trade	digital monolithic integrated circuits; hybrid integrated circuits; fuel oils; rice; parts of electronic integrated circuits; storage units; palm oil; digital processing units
<i>Europe and Central Asia</i>		
Albania ¹⁸	markets in the region, in Eastern Europe and the EU	In the agricultural and agro-industrial sectors: medicinal plants and herbs; early and late season fruits and vegetables; preserved products such as olives, olive oil, canned tomatoes; tobacco and cigarettes; fresh and processed fish; cheese; meat and meat products; wine; alcoholic beverages, honey and leather. Further sectors: garments and footwear; wood products; tourism and sectors such as chromium, gas production, telecommunication, power distribution.
Kyrgyz Republic ¹⁹	WTO countries, CIS countries, ECO countries	tourism; processing industry; hydropower; information technology; services
5 Central Asian members of the CIS (<i>Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan</i>) ²⁰	CIS intra-regional trade	textiles and clothing (apparel and clothing accessories of fur skin); heavy machinery (parts of lifting, handling, loading machinery; liquid dialect transformers; parts of harvesting, and other agricultural and mowing machinery; air or gas compressors, hoods; chemicals (Portland cement); natural gas; iron and steel products (flat rolled rod etc.); petroleum oils and oils obtained from bituminous minerals; vehicles (wheeled tractors n.e.s.)

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- ¹ *The essential elements of a successful national export strategy. A country paper contributed by the Jordanian Strategy Team.* ITC Executive Forum: Competitiveness through Public-Private Partnership: Successes and Lessons Learned, Montreux, September 2004
- ² Arving Gupta, *Kingdom of Saudi Arabia: A vision for export promotion.* February 27, 2001 (draft)
- ³ *Namibia – National export strategy: Scope, focus and process.* ITC Executive Forum: Small States in Transition – From Vulnerability to Competitiveness, Port of Spain, Trinidad & Tobago, January, 2004.
- ⁴ ITC, *Economic Community of West African States (ECOWAS): Statistical indicators for subregional trade potential.* Working document, May 2000.
- ⁵ ITC, Africa-Asia Business Forum II. *Statistical indicators for inter-regional trade and investment potential.* Working document, July 2000.
- ⁶ ITC, *Market opportunities in South Africa as a result of the SADC Trade Protocol.* Subregional trade expansion in Southern Africa. Working document, Projects No. RAF/61/71 and INT/W2/04, January 2001.
- ⁷ ITC, *Southern African Customs Union-India: Identifying export potential and study of the automotive assembly and components industry.* Working document, Project SAF/47/70, 30 November 2001.
- ⁸ ITC, *Statistical indicators for identifying export potential between SACU and MERCOSUR.* Working document. Project SAF/47/70 – INT/W2/04, 31 July 2001.
- ⁹ *Most gracious speech to both Houses of Parliament by His Excellency the Governor-General on Friday, the ninth of January, 2004.*
- ¹⁰ *Jamaica's approach to the development of non-tourism services exports.* ITC, Executive Forum: Small States in Transition – From Vulnerability to Competitiveness, Port of Spain, Trinidad & Tobago, January 2004.
- ¹¹ *The National strategic export plan. A country paper contributed by the Peruvian Strategy Team.* ITC Executive Forum: Competitiveness through Public-Private Partnership: Successes and Lessons Learned, Montreux, September 2004.
- ¹² Tripartite Committee (ECLAC, IDB, OAS), *National strategy to strengthen trade-related capacity. Antigua and Barbuda.* Free Trade Area of the Americas. Hemispheric Cooperation Programme, October 8, 2003 (FTAA.sme/inf/158/Rev.1, May 27, 2004)
- ¹³ *Medium term export strategy 2002-2007.* Ministry of Commerce and Industry, Government of India, New Delhi, January 2002 (http://commerce.nic.in/medium_term/cover.htm)
- ¹⁴ *Pakistan Export Strategy,* Export Promotion Bureau (EPB) Pakistan, Karachi, Pakistan, (http://www.epb.gov.pk/epb/jsp/export_vision.jsp)
- ¹⁵ Rodolfo P. Ang & Jesse C. Teo, *Philippine export promotion policies and their responsiveness to European market conditions. A case study of Philippine handicraft exports to Belgium and Germany.* ASEAN Business Case Studies No. 3, Centre for ASEAN Studies and Centre for International Management and Development Antwerp, September 1995
- ¹⁶ *A Trade perspective. A country paper contributed by the Cambodian Strategy Team.* ITC, Executive Forum: Competitiveness through Public-Private Partnership: Successes and Lessons Learned, Montreux, September 2004.
- ¹⁷ ITC, *Statistical indicators for identifying trade potential in ASEAN, selected SAARC countries and China.* Working Document Project INT/W2/04, South-South Trade Promotion Programme, March 2001.
- ¹⁸ Margret Will & Dr. Antila Tanku, *Promoting exports from Albania.* Recommendation for an Albanian export promotion strategy. GTZ Office Tirana, 2002.
- ¹⁹ *The essential elements of a successful national export strategy. A country paper contributed by the Kyrgyz Strategy Team.* ITC Executive Forum: Competitiveness through Public-Private Partnership: Successes and Lessons Learned, Montreux, September 2004
- ²⁰ ITC, *Identifying export potential among selected Central Asian CIS member countries.* Working Document Project No. INT/W2/04, South-South Trade Promotion Unit. Division of Technical Cooperation Coordination, May 2002.

ANNEX VI. TRENDS IN NTB CASES FILED BY DEVELOPING COUNTRIES



S-N: South North dispute settlement cases; S-S: South-South dispute settlement cases

Source: OECD, compiled from records of WTO Dispute Settlement Understanding, as of 31/10/2004.

ANNEX VII. PRIVATE SECTOR PERCEPTIONS ON NON-TARIFF BARRIERS FACED BY DEVELOPING COUNTRIES

A. Highlights from Existing Business Surveys: Concerns about NTBs in Principal OECD and Global Markets

Survey Export Market	India (2004 and 2001 combined)				India (2004)
	USA	EU	Japan	Australia	
Data Set	Unspecified number of Indian firms exporting a wide range of products				
Tariff quotas	Non-harmonisation of standards	Authorisation requirements	Holding up of samples for SPS	Certification	Company and product registration
Customs clearance	Labelling rules and regulations	Import quotas	Quarantine and inspection process	Strict customs laws	Product registration only
Excessive fees for customs & harbour	Stringent SPS measures	Quarantine procedures	Pesticide residues	Customs fees	WHO-GMP certification
Import prohibitions	Pesticide residues measures	Administrative procedures	Prohibitions	Rules of origin	Packaging and labelling
Embargo	Health and hygiene conditions	Standards and specifications	SPS standards	Standards/technical requirements	Import bans
Strict certification	Testing and certification	Labelling	Import restrictions	Testing procedures	Anti-dumping duties
Labelling requirements	Restrictions on market access	Strict certification	Health inspection		Discriminatory bilateral agreements
Strict SPS requirements	Bans on certain imports	Food sanitation law	Non refund of VAT		Pre-shipment inspection
Differences in State rules & regulations	Subsidies	Large Scale Retail Store Law			Environmental issues
Extraterritorial application of law		Standards			

B. Highlights from Existing Business Surveys: Concerns about NTBs in Principal OECD and Global Markets

Survey	Balkans (2004)	China (2001)	Chile (2000)	Argentina (1999)
Export Market	EU	Japan	EU, US, Asia, Latin America	NAFTA EU
Data Set	2,166 Western Balkan companies	115 Chinese firms (of 2500 approached)	220 firms (goods & services)	224 Argentine firms (out of 2391 approached)
	Technical standards and certification	Lack of information (3.47)	Import policies (34% of firms)	SPS measures
	Quality control and consumer protection	Protectionism (3.38)	Technical measures (30%)	Import policies
	Customs procedures	Absence of policy (3.17)	Restrictions on services (8%)	Technical measures
	Access to final end-users	Language differences (3.08)	Subsidies (6%)	Environmental measures
	Bureaucratic company registration	Complex customs & administration (3.05)	Trade remedies (6%)	Discriminatory public policies
		SPS measures (3.05)	Additional charges (4%)	
		Complex government structure (3.03)	Intellectual property rights (4%)	
		Restrictions and quotas (3.03)		
		Technical barriers to trade (3.03)		
		Slow administrative measures (2.97)		
		Differences in business custom (2.89)		
		Exclusive culture (2.88)		
		Cultural difference (2.82)		

C. Highlights from Business Surveys: Concerns about NTBs in Trade among Developing Countries in Asia and the Pacific

Survey	India (2004)	Vietnam (1999)	Thailand (2001)	ASEAN (unspecified date)
Export Market	Africa, Asia, Latin America, Baltic countries	ASEAN countries	Asia and Pacific	ASEAN countries
Data Set	Unspecified number of firms	31 Vietnamese enterprises	Unspecified number of SMEs	331 companies (of 2000 approached)
	Legalisation of documents	Customs surcharges ('stronger' since 1996)	Increased competition from other APEC nations (9.3)	Monopolistic practices
	Registration of imports	Special consumption tax, internal taxes (stronger)	Lack of advanced technological production processes (9.0)	Trade documentation and customs procedures
	Government monopoly	Restrictive foreign exchange (stronger)	Lack of investment (8.0)	Other levies and charges
	Packaging and labelling requirements	Foreign exchange surrender requirement (stronger)	International trade regulations (7.7)	Import restrictions
	Certification and testing (delays, discrimination)	Quotas and prohibitions (stronger)	Little knowledge of foreign market characteristics (7.5)	Import licensing/permits
	Customs delays and fees	Special customs formalities (stronger)	Difficulty of obtaining government support (6.6)	Standards and other technical requirements
	Inspection	Minimum price lists ('much the same' since 1996)	Lack of financial resources to market products overseas (6.5)	Customs classification and valuation
	Import restrictions	Trade licensing ('weaker' since 1996)	Language barrier (5.6)	
	Heavy fines	Monopolistic measures (weaker)	Ineffective/unclear government export promotion policy (6.3)	
	Health rules	Lack of clarity and frequent changes of trade policy	Complicated export and shipping documentation (5.4)	
	Regional Trading Agreements		Improper packaging (5.2)	

D. Highlights from Existing Business Surveys: Concerns about NTBs in Trade among Developing Countries in South America

Survey	MERCOSUR (2001-2000)		ALADI (2001)		Argentina (2002)	
	MERCOSUR countries	MERCOSUR countries	MERCOSUR countries	ALADI countries	Brazil	
Export Market	82 Argentine firms (of 174 firms approached)	412 Brazilian firms (of 4683 firms approached)	33 Uruguayan firms (of 52 firms approached)	30 SMEs (of 220 approached)	1 firm exporting rice/milk products	
	Quantity control measures	Freight and insurance cost (49% of firms)	Transportation costs (esp. rail transportation)	Product standards: lack of information (17 notifications)	Import licenses	
	Differences in internal taxes	Customs clearance fees and charges (48%)	Customs fees	Customs and bureaucratic procedures (12)	Product requirements	
	Product registration problems	Labelling requirements (48%)	Pre-shipment inspection	Finance and payment mechanisms (11)	Labelling requirements	
	SPS requirements not commonly applied	Excessive customs procedures (35%)	Labelling requirements	Non-tariff barriers – not specified (9)	Pre-shipment inspection	
	Collection of payments/cashing problems	Pre-shipment inspection (32%)	Import licensing	Competition in costs and production (9)	Customs procedures	
	Price control measures	Inspection and testing requirements (31%)	Customs procedures	Transportation: costs, frequency, insecurity (9)	Public procurement	
	Financing restrictions	Import licensing (23%)	Product and company registration	Lack of information-regulations and regional agreements (7)	Administrative barriers	
	Customs delays	Product registration (21%)	Rules of origin	SPS and heterogeneous technical measures (5)	Technical regulations	
	Labelling requirements	Technical certification (19%)	Internal taxes	Asymmetrical physical and technological infrastructure (5)	Rules of origin	
	Monopolistic measures	Indirect taxes (17%)		Political and economic instability (1)	Anti-dumping investigations	
	Inspection	Exporters' registration requirements 916%		Product standards: lack of information (17 notifications)		
	Rules of origin	Transportation regulations (15%)		Customs and bureaucratic procedures (12)		

E. Highlights from Business Surveys: Concerns about NTBs in Trade among Developing Countries in Central America and the Caribbean

Survey	Central America (1999)	Andean Community (2000)	Association of Caribbean States (2003)	CARICOM (2002)
Export Market Respondent	Countries of the Central American Common Market 45 Guatemalan industrial firms	6 Member States of the Andean Community (AC) 118 AC firms	70% to CACM, ACS, CACM, G-3 (excluding Mexico) 22 ACS firms (of 518 firms approached)	Caribbean Community countries Broad consultation of private sector and other actors
	Customs problems	Not specified (29% of respondents)	Limited knowledge of market (59% rated as poor/very poor)	Para-tariff measures (customs charges, internal taxes, others)
	Theft	Administrative barriers (18%)	Quality and cost of local transportation (45%)	Price control measures (administrative price fixing)
	Legal differences and other requirements	Technical regulations (16%)	Cost of international maritime transport (41%)	Finance measures
	Limitations to licenses	Customs procedures (11%)	Damage to goods during removal from storage (36%)	Import licensing measures (automatic and non-automatic)
	Local problems in other countries (such as strikes)	Application of AC's regulations (7%)	Frequency of vessels (32%)	Quantity control measures (quotas and prohibitions)
	Conditions of the road	Differences in tax systems (5%)	Cost of international air transport (32%)	Monopolistic measures (single channel for imports)
	Requirement for special bills of import by some countries	Control on market of capitals (5%)	Brokerage costs (32%)	Technical measures
	Unexpected changes in customer demand – low demand	Regulations of transport of goods (5%)	Documentation requirements (28%)	Countervailing duties
	Lack of professionalism by transport companies	Government restrictions for public procurement (5%)	Cost of international land transport (28%)	
	Excessive formalities		Mobilisation of international land transport (28%)	
	Competition from other countries		Sanitary requirements (23%)	

F. Highlights from Business Surveys: Concerns about NTBs in Trade among Developing Countries in Africa and the Middle East

Survey	SADC (2003)	COMESA (1999)	Morocco (2001)	MENA (2000)
Export Market	SADC countries	COMESA countries	Members of the Organization on the Islamic Conference	9 markets in the Middle East and North Africa (MENA)
Respondent	238 South African firms (of 2040 firms approached)	Studies conducted involving consultation with private sector	3 associations and 29 firms	250 firms (manufacturing and services)
	Credit risk (average percentage 75%)	Difficulties in issuing passport or visa	Administrative regulations (12 countries)	Customs duties (average score = 3.0)
	Corruption (74%)	Cumbersome and bureaucratic customs clearance, i.e. centralised clearing process for licenses	Customs valuation (10)	Domestic taxes (6.0)
	Bureaucracy (70%)	Non-standardisation of customs documentation	Customs clearance procedures (9)	Customs clearance (2.5)
	Labour - training & productivity (65% and 64%, respectively)	Pre-shipment inspection	Pre-shipment inspection (5)	Public sector corruption (2.4)
	Financing – administration and cost (64 and 62%. respectively)	Insecurity of transit traffic and high charges related to transit and air cargo	Subsidies and government assistance (4)	Inspection, conformity certification (2.2)
	Interest rate (63%)	Inadequate physical and communication infrastructure	Additional charges for registration of products (4)	Trans-shipment regulatory measures (2.1)
	Customs and excise (61%)	Unjustified import bans	Exchange rate problems (4)	Entry visa restrictions for business (1.8)
	Exchange rate- volatility and control (61%)	Unharmonised axle load limitations	Import licensing and prior import declaration (3)	
	Border regulations & border taxes, import quotas (60% each)	Inconsistent application of standards	SPS measures (3)	
	State intervention & socio-political instability (57% each)	Non-acceptance of certificates of origin	Conformity assessment procedures (3)	
	Export incentives (44%)	Inconsistent application of SPS requirements	Country risk (3)	
	Government procurement –domestic content requirements (44%)	Foreign exchange restrictions	Requirements for additional documentation (3)	
	Health and safety regulations (36%)	Linguistic barriers	Problems with customs procedures (3)	

G. Highlights from Business Surveys: Concerns about NTBs in Trade among Developing Countries in South-East Europe

Survey	European Commission Survey in South East Europe (2004)					
	Western Balkan countries	Western Balkan countries	Western Balkan countries	Western Balkan countries	Western Balkan countries	Western Balkan countries
Export Market	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Macedonia	Republic of Serbia and Montenegro
Respondent						UNMIK/Kosovo
	Quotas	Customs classification	Transport requirements	Import licensing	Customs procedures	Customs procedures and formalities
	Conformity assessment	Testing procedures (unclear, long)	Tariff rate quotas	Customs valuation and classification	State protection of domestic production	Public procurement
	Import licensing	SPS requirements	Environmental tax	Customs clearance formalities	Import licensing procedures	Certificate of origin
	Standards (labelling)	Rules of origin	Verifying origin of goods	Lack of coordination customs authorities	Health examination of products	Regime for transport
		Transit charges & licenses	Testing procedures and laboratories	SPS certification	Public procurement	Transit taxes and other import charges
		Import licensing	Surcharges on imports	Non-application of EU standards	Arbitrary allocation of import quotas	SPS inspections
		Charges levied for sanitary inspection	Non-recognition of certification	Registration	Parking taxes and transit taxes	Import licensing
		Discriminatory excise tax rates	State monopoly	Rules of origin		Export duties
		Transport licenses		Import bans		High fees for financial transactions
		Fraudulent certification		Road tolls		Transport costs
		Discriminatory toll rates		Restrictions on transport routes		Domestic content requirements
				Conformity testing of trucks		State trade monopoly
						Import prohibitions

Note: The information collected above derives from questionnaires completed by firms in addition to broad consultation with general trade stakeholders. The table above is a synthesis of measures cited in these sources.