

Imposition of trade measures and trade barriers economics essay

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Chapter 1

Introduction

According to Absolute and comparative trade theories, international trade is expected to be beneficial to everyone. However, theories have later shown that free trade is not a win-win situation for everyone and hence some measures ultimately seek to provide protection. NTMs have become eye-catching in the policy agendas of governments who are looking to further incorporate their trade into the global economy. Since the level of tariff protection has been restricted globally through multilateral, regional, and individual tariff reductions, NTMs is nowadays one of the new frontiers of trade policy. Non-tariff measures can be taking over as protectionist devices or even as arms in trade conflicts.

1. 1 What are Non Tariff Measures?

The MAST (Multi support agency team) which was established by the UNCTAD defines NTMS as:" Non-tariff measures (NTMs) are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both". (UNCTAD, 2010)NTMS have today become more important in furthering trade liberalizations. Indeed with the huge number of WTO rounds, the popularity of tariffs has decreased. More and more countries are using NTMs as barriers to entry for different products and services. Surprising it is not shocking that the developed states with relatively lower tariffs are the

more prolific users of NTMs especially to deny entry of emerging country exports.

1. 2 Imposition of trade measures and trade barriers

Trade measures and trade barriers have been in existence for quite a long time. The primary reasons for the imposition of these measures are as follows: to promote the local market restrictions due to government control on certain commodities to prevent dependence on import market preference of government policies Promote domestic production Reducing pollution Helping to protect infant industries and strategic industries

1. 3 Non tariff measures V/s non tariff barriers

In view of defining NTMs, economists have drawn a distinction between non tariff measures (NTMs) and non tariffs barriers (NTBs). They described NTBs as an evil form of NTMs, where trade restrictiveness, whether deliberately or not surpass the need for trade objectives (Cadot et al. 2012). Conceptually, the different types of NTMs can be classified as NTMs or NTBs. Many NTBs are administered by WTO arrangements which are introduced in the Uruguay Round as well as GATT articles. The importance of NTBs in the field of services has become as imperative as in the field of usual trade. Non-Tariff Barriers are perceived to denote any measures other than a tariff or a tax that inhibit universal trade. They have been appreciated as a sub-category of non-tariff measures, also used more habitually in GATT and UNCTAD parlance. Although NTB's have certain exclusions that are a breach of GATT at presents WTO rules yet at large their general usage has been on rise since the Tokyo Round of multilateral trade negotiations.

1. 4 Classification of Non tariff measures

Source: (UNCTAD, 2012)

The above figure shows the updated classification of NTMS as at 2012 by UNCTAD. The classification covers three categories of measures : sanitary and phytosanitary (SPS) measures , non technical measures and new NTM categories, including export measures, (figure1), (UNCTAD , 2012). They are additionally differentiated in hard measures for example price and quantity control measures; threat measures such as anti-dumping and safeguards; and other measures like trade-related finance and investment measures. Appendix A provides more detail to each chapter. The three chapters are broadly explained below (UNCTAD, 2012):

1. 4. 1. Technical measures

This category includes technical measures covers sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT) and pre shipment inspection with other formalities. It uses instruments of commercial policy, e. g. quotas, price control, exports restrictions, or contingent trade protective measures, and also other behind-the border measures, such as competition, trade related investment measures, government procurement, or distribution restrictions (UNTACD , 2012).

1. 4. 2. Non Technical measures

Non technical measures comprises of chapter D to chapter O. Non technical measures have different purposes and scope. However, it is easier to quantify and more effective on trade. They include price control measures

which easier to measure such as anti dumping, Quantity control instruments such as quotas as well as Para-tariff measures.

1. 4. 3. Exports Measures

It includes export taxes, export quotas or export prohibitions. (UNCTAD, 2012)

Chapter 2

Costs and benefits of Non tariffs measures

NTMS can not only be a protectionism measure but a weapon in trade wars.

Recently china ban the importation of soya oil worth US\$2 billion, stating that Argentine oil failed to meet China's quality standards but it also accepted that it was a retaliation for Argentine anti-dumping measures in textile and other sectors (Financial Times, April 5, 2010).

2. 1 The benefits of NTMs

The fostering of financial crisis, climate change issues and the increased concern about food safety have encouraged the use of NTMs. NTMS are one of the policies or measures in addressing market failures.

2. 1. 1 Protecting consumers' choice and local producers

One of the NTMs is labeling. For instance, consider a home country specializing in high-quality products and a foreign country specializing in low quality of the same products. Normally one of market failures is due to information asymmetry which is relevant to international trade. Suppose now that customers do not have the same preference when it comes to quality, with some which will have a great preference for high-quality products and

vice versa. However what matter here is that customers are not aware how to make difference between these two types of quality since these goods are not differentiated by origin. According to Bond (1984), he said that if a country with high quality products trades with the country of low quality ones, the country with high quality products will eventually lose since the price of these high quality products will reflect the average quality of these goods. The NTM of labeling will aid in facilitating the task of customers by helping them to difference between the high and low quality of goods. As a result, the expected welfare of all consumers in the home country will not be affected. What actually happens without the use of labeling (NTM) is that producers in the exporting country suffers to a great extent as they encounter a higher cost of production when making high quality products and this cost is not covered due to information asymmetry which makes customers who wants high quality products but unable to choose them and gets the low quality products since it is not to the expectation of the customers they won't make repeated purchases. Sometimes high-quality firms are benefited by an export subsidy, which means that they can still makes a profit even though they sell the goods at the average price, but when introducing the non tariff measure, consumers will get what they wanted which consequently will make repeated purchases as they now believe that the price they are paying reflects the quality of the goods. Therefore, at a later stage, the producers will then receive a price that can cover their cost of production and the government will be then in a better position to remove the export subsidies. As for the consumers of low quality

goods preference, they will be satisfied as well since they will be able to identify their type of goods and pay a lower price for them.

2. 1. 2 Infant industry protection

Another imminent factor for not causing market failures is by protecting infant industry. By infant industry it means that the industry is new and which is in its early stages of development and require protection from competition usually from foreign predators through especially non tariff barriers until it is settled. So, competing with foreign goods will be quite difficult and which can lead to home industry breakdown. In order to protect them, NTM is used which according to Melitz (2005) proposed to use a quota " noting that it will allow the level of infant-industry protection to adjust automatically as the industry's costs decline. Over time, the quota will become less distortive as the domestic industry's competitiveness improves."[1]

2. 1. 3 Pollution and environment

Negative externalities like pollution for example can lead to market failure. One of the benefits of Non-Tariff measure is to bring down pollution and protect the environment. Due to increase awareness campaign of climate change, consumers are now more willing to pay for a premium for a product which is environment friendly. NTM such as an outright ban of imports from countries that are the source of the environmental externality are used. There are evident examples where the international community has banned trade of products for environmental reasons including endangered species. The logic behind such NTM is that it will normally boost up consumer

confidence as they know they are buying goods which are not harmful. As a consequence, demand for such products will likely increase which will lead to greater consumer surplus. However, even though more and more consumers are keener to environment friendly products, there are still those who are indifferent to this type of products and are unwilling to pay higher for such products, therefore the ban will eventually affect them. A best solution would be effective labeling instead of a ban where it would be possible for the environment unfriendly customers to still purchase their preferred goods.

2. 1. 4 Monopoly Power

Imperfect competition is another cause for market failure. In this case, NTMs used to try to reduce the price charged by the monopolist. This simply means that the foreign monopolist will be only able to sell in the home country at a ceiling price established by the importing country. NTMs normally used involve import subsidies and minimum import volume requirements. Implementing NTMs to reduce monopoly power will benefit in the sense that there will be less cartels, less mergers and acquisition between firms to take advantage of monopoly power. This will encourage more trade as well and will not impede the growth of new industry.

2. 2 Cost of NTMs

According to the world trade report 2012, upon averaging across countries, it was found that NTMs often vary across countries and sectors and they are almost twice as trade restrictive as tariffs.

2. 2. 1 Trade restrictiveness effect of NTMs

Kee et al. (2009), in a recent report, UNCTAD (2012), it has been demonstrated that upon averaging across countries, NTMs almost has increased trade restrictions more than the level imposed by tariffs. It was found that the contribution of NTMs to the overall level of trade restrictiveness is much higher than the contribution of tariffs, with NTMs contributing more than twice as much as tariffs to overall market access trade restrictiveness. Based on the tariff trade restrictiveness index and the overall trade restrictiveness index (OTRI), Hoekman and Nicita (2011) confirms that NTMs have a huge impact on trade restrictiveness even more than tariffs in many countries.

2. 2. 2 Different Sectors affected by NTMs

The Agricultural sector

Trade literature confirms that the agricultural sector is widely affected by NTMs through trade restrictiveness (more than 55%). Kee et al. finds NTMs affect the sector more than the level of tariffs.

The apparel sector

The world trade report 2012 further puts forward that their study showed that in the presence of NTMs, the apparel sector, prices in the United States, the European Union and Canada experienced a 15 per cent, 66 per cent and 25 per cent higher value than normal. Due to NTMs, Paper products were 67 per cent, 119 per cent and 199 per cent more pricey respectively in South-East Asia, South Asia and Japan, while NTMs on leather shoes raised their prices in Japan by 39 per cent and in Mexico/Central America by 80 per cent.

2. 2. 3 Trade Flows

Henn and Mcdonald (2011) demonstrated that NTMs such as anti dumping duties had a relatively larger impact on trade flows than tariffs and other trade policies. They used the product-level analysis and find that trade reduced by 5% via border measures and 7% reduction was due to behind the border measures, that is, non tariff measures.

2. 2. 4 Increase cost of trade

Surveys undertaken by firms on the impact of NTMs such as those steered by the International Trade Centre have constantly revealed that even with no protectionist intent, NTMs can increase the costs of trade, turn away the attention of managerial devotion and reprimand the minority exporters and those situated in low-revenue states where it is difficult to access legal and regulatory information.

2. 2. 5 Lack of transparency

However NTMs has not successfully been able to keep pace with their changing reality for several causes. Primarily for many years investigation on NTMs has experienced a deficiency of transparency.

Chapter 3

How Do We Measure Non-tariff Measures?

There are different types of NTMs. The most common one are SPS and labour standards. We measure these through production monitoring (know as cahier des charges in French). Sanitary and phytosanitary measures are measures to protect humans, animals, and plants from diseases, pests, or contaminants. It applies to all sanitary (relating to animals) and
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phytosanitary (relating to plants) (SPS) measures that may have a direct or indirect impact on international trade. The SPS agreement includes a series of understandings (trade disciplines) on how SPS measures will be established and used by countries when they establish, revise, or apply their domestic laws and regulations. Countries agree to base their SPS standards on science, and as guidance for their actions, the agreement encourages countries to use standards set by international standard setting organizations. The SPS agreement seeks to ensure that SPS measures will not unjustifiably discriminate against trade of certain other members nor be used to disguise trade restrictions. With regards to their design and scope, NTMs are further classified into: technical measures and Nontechnical measures. There are different types of method to measure the sizes of NTMs. Studies have identified three approaches to measure the NTMs: Frequency-type measures are based on counts of observed NTMs that apply to particular countries, sectors, or types of goods trade, Price-comparison measures are computed as tariff equivalents, and Quantity-impact measures are based on econometric estimates of goods trade flows. Additionally, there are different methodologies for identifying the importance of trade measures. The inventory approach and the modelling approaches provide an analytical framework for analysis of welfare, price, and production and trade effects. Four measures of price effects are: tariff equivalents, subsidy equivalent, Trade Restrictiveness Index and Effective protection.

3. 1 The inventory approach

The inventory approach provides estimates of trade covered by NTMs in specific sectors or individual countries or groups of countries. This is founded

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on the UNCTA database on trade control measures. The source of information on the NTMs database for domestic countries are collected through GATT notifications and government publications, such as customs tariffs, laws and regulations. The database can be used as an inventory of import measures used by importing countries and the computation of the Trade Restrictiveness Index. The percentage of trade subject to NTMs for an exporting country j at a desired level of product aggregation is given by the trade coverage ratio: When an NTM is imposed to the tariff line i , which is the dummy variable. D_i becomes one and zero if there is no NTM. V_i represents the import's value, t shows the year of measurement of the NTM and T is the year of the imports weights. The main problem of this measure is endogeneity of the imports value weights. If an NTM is very restrictive that it prevents all imports of items l from country j , the weight V will become zero and the trade coverage ratio will be downward biased. Another method which avoids the problem of endogeneity of weights is the frequency or transaction index. This measure considers only the presence or absence of NTM including the value of imports covered. Thus it is not affected by the restrictive effect of NTMs. This procedure shows the percentage of import transactions executed by selected categories of NTMs for an exporting country. It is measured as: D_i represents the imposition of an NTM on the tariff line, M_i shows if there are imports from the exporting country j of good l which also the dummy variable and t is the year of measurement of the NTM. The frequency index does not indicate the value of the products being affected and hence cannot show the importance of the NTMs to an exporter

among export items. However they can still within some limits between zero and 100 percent coverage provides an indication about trade restrictiveness.

3. 2 Modeling approaches

The use of cross-country or cross-commodity regression techniques may be used to explain trade more specifically to capture the quantity effects of trade measures. This includes the Heckscher-Ohlin comparative advantage framework which can be adopted with some variation. Tinbergen (1962) applied trade resistance variables in gravity model. However, it is more important to include NTMs in such models rather than neglecting it as unexplained errors. The studies of Laird and Yeats (1990), Feenstra (1988a), Hufbauer and Schott (1992) and USITC (1989, 1990 and 1992a) include different models examine NTMs. Such trade models are essential source of information on price wedges which can be used in both partial and general equilibrium simulation models. They attempt to explain the effects of the changes in trade measures using price wedge information. However modeling requires other information such as price elasticity and assumptions about governments' behaviors.

3. 3 The tariff equivalent or price wedge

The price wedge or tariff equivalent of an NTM is an important input for simulation modeling. It is the main difference between the free world price of a product and the domestic price which is protected by an NTM. If the world prices are free, they can be directly obtained from commodity market and then compared with the wholesale prices of identical products to obtain the price wedge. The observation of price wedge becomes easy when imported

goods and local goods are perfect substitutes. The idea is to match the items as closely as possible and econometrics techniques are of great use to normalize such differences in the products, that is, the characteristics and qualities. An important element to consider is the variability of prices, especially commodity prices in the international markets. The domestic price of the imports remains constant notwithstanding the change in levies and reference prices in the world. Thus, in markets where such devices are used, the price wedge varies constantly.

3.4 Subsidy equivalents

The concept of subsidy equivalent (PSE) is a concise way for computing the transfers, as a result of government policies, to producers. It can be measured: by tracing the direct and indirect government expenditures to producers; or by calculating the difference between actual domestic prices and what they would have been in the absence of trade interventions. Its advantage over nominal protection is that it grasps both the transfers from government expenditures and the transfers from price distortions. There are many ways to express PSEs. The total PSE is simply the value of transfers to producers: Where: Q = quantity produced P_d = the producer price in domestic currency units P_w = world price in world currency units X = exchange conversion factor D = direct government payments, net of any levies on production I = indirect transfers through policies such as input subsidies, marketing assistance or exchange rate distortions. The unit PSE is the total PSE per tonne or unit of production: $\text{Unit PSE} = \text{PSE} \div Q$ There are various ways of expressing the PSE. The percentage PSE is the total PSE expressed as a percentage of the total value of production, valued at

domestic prices, and adjusted for direct payments and levies: Another way of expressing the PSE is the nominal assistance coefficient (NAC). The NAC for production is the ratio of the border price plus the unit PSE to the border price. In essence, it is the price wedge on the production side created by the agricultural policies in use. It is worth noting that even when government policies remain unchanged, changes in world prices, exchange rates or domestic production can change the PSE. Also, since indirect transfers appear only in the numerator, the PSE can be altered by shifting transfers from indirect programmes to price support programmes or direct payments. A negative PSE implies that the producer is being taxed as a result of the combination of policies, while a positive PSE implies the producer is being supported by the intervention. It is important to note these numbers can vary considerably from year to year for the reasons given.

3.5 The trade restrictiveness index

The Trade Restrictiveness Index (TRI), developed by Anderson and Neary (1991), is defined as the "uniform tariff equivalent of the consumption and production distortions". It is a grouping of the "consistent PSE" and "consistent CSE", which can be defined as the uniform subsidy rates that are similar in trade restrictiveness (welfare loss) to the actual differentiated subsidy or tax structure. It is mainly used to measure change in the restrictiveness of trade policy over time for that economy, that is, comparing two distorted situations rather than against the free trade benchmark. In general, the TRI is more appropriate to small variations, for example "short" time periods or in respect of "small" changes in quotas. Anderson and Neary (1994a) noted that their alternative, hybrid index, covering goods that are

both tariff constrained and quota-constrained, is difficult to deduce if one wishes to make comparisons across countries or time periods in which the mix of goods that matter to tariffs and quotas differs. This can be avoided by using the tariff equivalents of quota-constrained goods, in which case the resulting index is " a uniform tariff and a tariff-equivalent surcharge factor".

3. 6 Effective Protection

Since Tariff equivalents and subsidy equivalents do not give an infinite view of the trade and production effects, it is necessary to look at the combined effect of tariffs (and any other restrictions or forms of assistance) as well as the effect of such protection on the materials used. The combined effect of protection on inputs and outputs can be summarised in the concept of the effective rate of protection (ERP, normally referring to tariffs only) or the effective rate of assistance (ERA, which embrace all NTMs). The concept of the ERP was developed by Balassa (1965) and Corden (1966) to measure the increase in value added in an industry under protection relative to what value added would be under free trade. In other words, effective rates measure assistance to value added in an industry. One of the many ways in which the effective rate can be expressed is: Where: g = effective rate of protection
 d_f = nominal rate on finished good (output of a production process)
 d_m = nominal rate on inputs into a production process
 x = free trade materials/output ratio. As can be seen from the formula, the exact level of effective protection depends on the rate of protection on the output of a process, the average rate of protection on the inputs of materials, and the extent of value added in the industry at individual prices. Protection may be defined to cover all forms of government intervention, including tariffs, other

protection against imports and domestic subsidies. We can conclude that: If protection on the finished good is equal to the average protection on the inputs, the effective rate will be the same as that level of protection.

However, if protection is higher on the finished good than on the inputs, the effective rate will be higher than the protection of the finished good, and value added will also be higher than when the rates were identical. On the other hand, if protection is lower on the finished good than on the inputs, the effective rate will be lower than that on the finished goods, and value added will also be lower. Effective rates can also be negative. If the effective rate for a sector is lower than average it means that sector is probably being taxed to support sectors with higher than average effective rates, and vice versa. This is because highly protected sectors are able to bid up wages, land and other inputs, thus affecting the costs of other sectors. This does not necessarily mean higher profits for the protected sector, since normally higher protection becomes factored into costs such as land and buildings or lost through economic inefficiency. Nor is it a prescription for increasing lower rates to the average, because a non-zero average still implies the implicit taxation of the non-traded sector. Despite their limitations, effective rates have become a standard tool of analysis since the late 1960s.

However, like many statistical tools, the effective rate has a number of shortcomings: It is a limited equilibrium measure. It assumes that there is no change in technology in shifting between actual and world prices. It assumes that there is perfect substitutability between domestic and foreign goods, whereas most modern trade models assume imperfect substitutability- the Armington assumption. In the end, effective rates do not solve the question

of measurement of NTMs, but they take more factors into account in assessing their effects. The difference between the percentage PSE and the ERP/ERA relates to the forms of intervention and the denominator in the computations. First, since PSE estimation has been focused on agriculture, PSEs do not comprehensively include the taxation or subsidy effect of intervention, whereas effective rates of assistance can be computed to take all forms of intervention into account. Second, PSEs relate assistance to the gross value of output whereas effective rates are based on free trade levels of value added. Thus, the effective rate is a more comprehensive summary measure. The relationship between effective rates and the results of CGE models is not self evident. Effective rates measure the value added under protection, while a CGE model can be used to compute changes in value added under a simulation of free trade that is, in principle, they can do the same thing.

Chapter summary

There is several numbers of complications and limitations with the measurement of NTM data. However efficiency costs of NTMs are actually lesser than the welfare losses associated with tariffs measures. Hence the existing data on NTMs should undoubtedly be improved.

Chapter 4

Measures to reduce Non Tariffs Measures

How do you ensure that your country's consumers are being supplied with food that is safe to eat—" safe" by the standards you consider appropriate?

And at the same time, how can you ensure that strict health and safety

regulations are not being used as an excuse for protecting domestic producers? (WTO 2012) NTMS are lawful measures available to achieve policy objectives, consumers' safety and health and environment purposes. However, if they are poorly designed, they can reduce competitiveness and increase cost of living. In order to increase their competitiveness in trade, governments around the world are trying to remove NTMS. This can be done firstly by an assessment of the costs and benefits of the existing NTMS in the country and the capacity of the government. Hence a comprehensive analysis is required before the elimination of NTMS. Moreover, the elimination or reduction of NTMs will depend upon the policies adopted by respective governments (Cadot et al. 2012). The following are the measures that can be taken to reduce if not eliminate NTMs (Law Teacher, 2013).

4. 1 Imposing tariffs rather than NTMs

This has been the case in the Uruguay Round of the WTO, where tariffs were imposed on agricultural goods.

4. 2 Regional Trade Agreements (RTAs)

RTAs such as EFTA (Iceland, Norway, Switzerland, and Liechtenstein) should show more concerns about NTMs. It has been seen that only the EU stress more about the impacts of NTMs while other regional groupings pay little or no attention to the latter.

4. 3 Substantive Cooperation

There should be more substantive collaboration between states in various fields with more technical assistance to ensure that policies are moving towards free trade.

4. 4 Prevent new NTMs to crop in

Steps should be taken to prevent new NTMs such as import bans, quotas, licensing and permits to come into existence and this can be achieved by agreements between countries to open their markets to each others.

4. 5 Reduction of streamlining border management procedures

Streamlining border management process should be reduced and instead more emphasis should be taken on trade facilitation measures and government revenue.

4. 6 THE CEFTA (Central European Free Trade Agreement)

One of the aims of the CEFTA (Central European Free Trade Agreement) is to remove barriers to trade. Hence removing NTMs became one of their priorities. This was achieved by the Multilateral monitoring framework (MMF) developed by OECD (Organization for Economic Co-operation and Development). Also, the CEFTA structures focused on strengthening collaboration in the area of NTMs, improving transparency and information exchange within the parties.

4. 6. 1 Transparency Mechanism

Lack of regulatory transparency is a major and recurring non-tariff-related complaint of businesses seeking to trade internationally. A proper transparency mechanism is a good initiative to help business trade internationally. Transparency mechanisms applied at different stages of the design, finalization and implementation of domestic regulation have enabled

countries to reduce administrative burdens and maintain confidence conducive to a smoother enforcement of related policies. The result is that potential reduction in business costs can attract foreign trading partners (Möisé, 2011). The transparency of the regulatory process will help to address and identify unintended obstacles to trade which can also serve as a check against subtle forms of protectionism.

4. 6. 2 Transparency-related provisions of existing RTAs

RTAs are gradually increasing and expanding more sophisticated transparency provisions in recent RTAs. These provisions can be classified in the following 3 categories: 1) general transparency provisions that call for the transparent administration of laws and regulations as regards all matters covered by the agreement 2) specific transparency provisions on goods-related requirements, mainly TBT-type requirements, but also SPS-type requirements in some agreements, and 3) specific transparency provisions as regards domestic regulation affecting services trade. (CEFTA, 2012)

4. 6. 3 Trade Facilitation and Electronic Business

After its recommendation on single windows for import and export clearance, UN/CEFACT issued three new recommendations (UN/CEFACT, 2010):

Recommendation 35 - Establishing a legal framework for international trade

Single Window; Recommendation 34 - Data Simplification and

Standardization for International Trade; and Recommendation 37 - Signed

Digital Evidence Interoperability Other recommendations were updated,

including: No. 20 - Codes for units of measure used in international trade;

No. 21- Codes for passengers, types of cargo, packages and packaging

materials; No. 23- Freight Cost Code - FCC Harmonization of the Description of Freight Costs and Other Charges; and No. 28- Codes for types of means of transport.

4. 7 Regulatory cooperation and standardization policies

The UN/CEFACT created a group of experts on risk management in regulatory systems. The main activities of the group will involve conformity assessment bodies, market surveillance authorities, standards development organizations and business operators in order to study risk management through (UN/CEFACT, 2010) :

4. 7. 1 Market surveillance and conformity assessment: to ensure that dangerous, low quality and noncompliant goods are removed from the market.

4. 7. 2 Agricultural quality standards: Promotional, capacity building and training workshops were organized in various regions of the world with cooperation of governments in view to train growers, traders and inspectors and to set up the legal and technical infrastructure needed for the practical application of UNECE agricultural quality standards.

Chapter 5

Conclusion

Despite the fact that it is a hard to identify concealed measures and other NTMs, it is of utmost importance if emerging countries are to join in the process of refining the rules, guidelines and disciplines in the SPS and TBT Agreements as also in further dealing forums that negotiate with other forms non-tariff barriers (NTBs), such as those included in WTO's Doha Round of Negotiations. Pertaining to this point, there is an urgent need to develop a

much comprehensive understanding of NTMs and their effects on the economy in rising countries. It was against this background that UNCTAD propelled the new edge to extent a common understanding of the comparative importance of the different types of NTMs and their impact on trading proceedings exclusively for evolving states.