

# World trade organization and non tariff measures economics essay

[Economics](#)



As the term suggests, NTMs may include any policy measures other than tariffs that can impact trade flows. At a broad level NTMs can usefully be divided into three categories. A first category of NTMs are those imposed on imports. This category includes import quotas, import prohibitions, import licensing, and customs procedures and administration fees. A second category of NTMs are those imposed on exports. These include export taxes, export subsidies, export quotas, export prohibitions, and voluntary export restraints. These first two categories encompass NTMs that are applied at the border, either to imports or to exports. A third and final category of NTMs are those imposed internally in the domestic economy. Such measures include domestic legislation covering health/technical/product/labour/environmental standards, internal taxes or charges, and domestic subsidies. It is difficult to obtain a comprehensive picture of the catalogue of possible NTMs, but an impressive collection of studies compiled by the OECD (OECD, 2005) provides a view of the range, complexity and diversity of NTMs in practice.

## **World Trade Organization and Non-Tariff Measures (NTMs)**

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business. As such, its main function is to ensure that trade flows as smoothly, predictably and freely as possible. Non-Tariff Measures (NTMs)

appearing in many guises and serving many different purposes, have been a core topic of the GATT/WTO's work since the birth of the multilateral trading system. Much has been written on NTMs, reflecting not just their ubiquity and complexity, but also the fact that they are important determinants of international trade and investment.

### **Increase in the use of NTMs**

In a recent report of the WTO, undertaken jointly with the OECD and UNCTAD, documents the increasing use of trade restrictions recently, after a period in the immediate aftermath of the great recession that began in 2007-2008. The main measures that are used, mostly as a short-term reaction to current economic hardships, are traditional trade policy measures such as tariffs and non-tariff contingency measures, including anti-dumping and countervailing duty measures and safeguards. They also tracked a range of other NTMs, such as subsidies. The report recognized that there was a need to avoid restricting trade, thereby reducing growth and recovery opportunities. Containing protectionism is a vital component of a successful exit from the present difficulties afflicting the world economy. The recourse to NTMs thus necessitates short-term vigilance. But there is a longer-term reason for focusing on NTMs. The universe in which they operate has changed and will continue to change, raising new challenges for the multilateral trading system. Increases in non-tariff measures (NTMs) have become a major impediment to world trade despite the signing of various trade agreements between countries. In its trade and development report for 2006, the United Nations Conference on Trade and Development (Unctad) said in spite of the reduction in tariff barriers in recent years, countries are

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now enforcing regulations that impact on trade. Tariff barriers have for years been cited as a major obstacle to increased trade. NTMs were in the form of technical regulations and standards that were either mandatory or voluntary and mostly aimed at health and environmental protection as well as human safety. " Problems arise when the purpose of these technical measures goes beyond the legitimate protection policy objectives. Some countries may strategically abuse them as an instrument of trade policy, so that it can in effect become a disguised form of protectionism by unfairly restricting imports, thereby discriminating against foreign producers in favour of domestic ones," Unctad said. Quantification of the NTMs, however, remained difficult, as they were not easy to define and detect, it said. A recent conference held by Zimbabwe's trade and promotion body, Zimtrade, revealed that the majority of exporters in the country were facing the same problems.

### **Impact of Non-Tariff Measures**

Non-tariff measures affect many food and agricultural products, and have a great impact on export revenues. In 1996, the USDA estimated that NTM's decreased the value of United States exports by nearly US\$5 billion. As a percentage of national GDP, the effects of NTM's on developing countries' economies could be even higher. Canada had continued to preserve WTO-consistent non-tariff measures so as to protect health, safety, security, or environment, in addition with compliance with their obligations under international agreements. Import limitations and import licensing requirements in Canada are consistent with Canada's obligations under the WTO and support action taken under relevant domestic legislation. Following

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the Uruguay Round agreements, Canada has also eliminated its quantitative import restrictions in the agricultural and food sectors. Canada is dedicated to the procedures and timing for dismantling restrictions on textile and clothing imports by the end of 2004, as agreed in the WTO Agreement on Textiles and Clothing. The United States and European Union are very liberal towards each other on investments and trade, and this is explained by the relative lack of transatlantic tariff barriers. However, there are non-tariff measures which continue to deter the emergence of a truly free transatlantic market and aggregate to important impediments to greater trade and investment flows between these two forces. Trade and investments that are freed from these measures would potentially benefit both the EU and the US. Contrary to tariffs, regulations are more difficult to be removed. However, regulatory differences between countries and the trade and investment costs that they create can be reduced. Part of the regulatory differences is driven by geography, language, preferences, culture or history. In an ambitious scenario ECORYS has assessed that roughly 50% of non-tariff measures and regulatory divergence can be eliminated. In a more limited scenario, a 25% alignment of non-tariff measures and regulatory convergence is assumed to be realistic. Evolution of Non-Tariff Measures Non-Tariff Measures (NTMs) are becoming more and more popular nowadays; almost all countries are considering NTMs as an important tool for trade either for local or international trade and the NTMs has continue to change since its implantation, new measures have been adding to the old one. Since the early 1980s, The United Nations Conference on Trade and Development (UNCTAD) has been energetically involved in research and programmatic

activities on issues related to NTMs. In 1994, UNCTAD started to collect and classify NTMs according to a customized Coding System of Trade Control Measures (TCMCS). This coding system classified tariffs, Para-tariffs and non-tariff measures (NTMs) into more than 100 subcategories. The old UNCTAD NTMs classification had six core categories according to the nature of the measure: (a) price control measures; (b) finance measures; (c) automatic licensing measures; (d) quantity control measures; (e) monopolistic measure; and (f) technical measures. These were further subcategorized in accordance with the types of measures under consideration. Only "sensitive product categories" and "technical regulations" were further subcategorized according to the objectives of the measure (for example, protection of safety, human health, animal health and life, plant health, environment and wildlife). WTO NEWS: speech by DG PASCAL LAMY (16 July 2012) A trend is emerging where NTMs are less about protecting producers from import competition, where non-tariff measures can often simply be characterized as non-tariff barriers. Instead, the focus is increasingly on the achievement of a broad range of public policy objectives. You could say we are moving from protection to precaution. Traditional NTMs, such as quotas or contingent protection measures, were typically determined by competitiveness concerns. The new NTMs, typically Sanitary And Phytosanitary (SPS) and Technical Barriers To Trade measures (TBT), but also domestic regulation in services, address concerns over health, safety, environmental quality and other social considerations. And this trend is not going to decline. These concerns clearly take a more central role in policy as economies develop and become more co-dependents, and as income increases. Today, they are

more powerful in the richer countries but the trend is still present in almost every economy. Furthermore, with the expansion of global production sharing, product and process standards are becoming increasingly important in connecting various stages of global value chains. These developments clearly show that the importance of NTMs will not reduce. Technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures has been on the rise. First, since the mid-1990s the number of notified regulatory barriers has been increasing (see Figure 1). Second, during the same period, the number of specific trade concerns increased by members of the WTO in the TBT Committee has also been trending upwards. There is clear evidence of the majority of regulatory measures over other NTMs. This is reflected both in new data collected from official sources by the UN Conference on Trade and Development and also in the evidence from business surveys conducted by the International Trade Centre. According to this latter source, about half of the non-tariff measures considered to be oppressive by firms in the 11 developing and developed countries where surveys have been done, are TBT/SPS measures. Business surveys also show that, for exporters, more than 70% of burdensome NTMs raise a technical obstacle. Evidence from business surveys reveals the same conclusion that TBT/SPS are a major concern for EU exporters, representing 52% of all problems they report. The corresponding share for US exporters is much lower, at 22%, although the two figures cannot be compared due to different methodologies.

## **WTO I-TIP database**

After lowering of tariffs, the principle of protectionism demands the introduction of new NTBs such as technical barriers to trade (TBT). According

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to statements made at United Nations Conference on Trade and Development (UNCTAD, 2005), the use of NTBs, based on the amount and control of price levels has decreased significantly from 45% to 15% in 1994 and 2004 respectively, while use of other NTBs increased from 55% in 1994 to 85% in 2004. Increasing consumer demand for safe and environment friendly products also have had their impact on increasing popularity of TBT. Many NTBs are now govern by World Trade Organization (WTO) agreements, which originated in the Uruguay Round (the TBT Agreement, SPS Measures Agreement, the Agreement on Textiles and Clothing), as well as GATT articles. NTBs in the field of services have become as more important as in the field of usual trade. Benefits & Costs

## **Benefits**

### **The Reduction in Quantity of Imports.**

For governments, the advantage of non-tariff barriers (NTBs) is that their effects are more certain than for tariffs. Now that tariff barriers have been substantially reduced, there has been increasing interest in the ways that non-tariff barriers (NTBs) may distort and restrict international trade. NTBs are most often imposed with the intent of reducing the quantity of imports. This can be done through Import licenses and Domestic Content Requirements. Domestic content regulations typically specify the percentage of a product's total value that must be produced domestically in order for the product to be sold in the domestic market. Whereas under an import licensing scheme, importers of a commodity are required to obtain a license for each shipment they bring into the country. Without explicitly utilizing a



quota mechanism, a country can simply restrict imports on any basis it chooses through its allocation of import licenses.

### **The Increase in Price of Imports**

NTBs succeed in reducing the quantity of imports only to the extent that they raise the actual or shadow price of imports to demanders. This price increase has further implications for economic performance in other sectors of the economy, especially if the import is an intermediate input, and it is thus an important measure of the size of an NTB in its own right. In addition, the price effect of an NTB is more readily compared with a tariff than is the quantity reduction and, given the long experience with tariffs, therefore is more easily understood.

### **The Change in the Elasticity of Demand for Imports.**

As already noted, NTBs often alter the slope of the demand curve for imports, and thus they change the responsiveness of imports in a particular sector to price changes. Most often NTBs such as quotas reduce this elasticity, though it is also possible for some particular kinds of NTB to increase it. Even if a quota does not significantly reduce imports at initial prices, for example, the constraint it puts on changes in quantities may become important later if other conditions of supply or demand change for any reason. A reduced elasticity may also have a counterpart in the elasticity of demand facing competing domestic firms, and this is important for the competitive structure of the domestic industry. Finally, the elasticity effect of an NTB is also important in assessing, in a general equilibrium context, the role of NTBs in influencing the outcome of other events such as a change in

tariffs. An increase in a tariff on a final good, for example, will have its protective effect reduced if there is an elasticity-reducing NTB in place on an important intermediate input.

### **The Variability of NTBs.**

Another important feature of NTBs is the extent to which their effects vary over time. Unlike tariffs, NTBs often are defined relative to a benchmark quantity or price independently of market conditions. If this benchmark is held fixed when underlying conditions of supply and demand, exchange rates, and other market conditions change, as they inevitably do, then the effectiveness of the NTB will vary. Even if the benchmark is revised occasionally, it may over- or underreacts to the market, and the revisions themselves may even increase the variability of the effects of the NTB. Such variability may constitute a neglected cost that the NTB imposes on society and thus is very important to measure along with its more obvious average price and/or quantity effects

### **Correct market failure**

Non-tariff measures are often the first-best instruments to achieve public policy objectives. They can be used to correct market failures arising from information asymmetries or imperfect competition, and to pursue non-economic objectives, such as the protection of public health. At the same time, however, non-tariff measures can also be used by political incumbents to protect domestic producers.

## **Trade and welfare**

The trade and welfare effects of non-tariff measures do not necessarily carry the same sign. Non-tariff measures may reduce trade and yet increase welfare in the country that applies the measure. The effects depend on the nature of the market failure that the measure addresses, the type of non-tariff measure used and other market-specific circumstances. The trade and welfare effects of quality measures such as technical barriers to trade depend on whether they address genuine market failures. If a measure is applied only to protect domestic producers, both trade and welfare in the importing country decrease. If, however, the measure corrects a market failure, welfare is likely to increase with ambiguous effects on trade.

## **COSTS**

### **Competition**

One of the more common and harmful barriers is a non-tariff barrier, a barrier behind border that is a policy that can unfairly inhibit competition. It became more difficult for international goods and services to compete freely and fairly with those produced domestic domestically. Nontariff barriers can also change the prices and quantities of goods and services traded internationally, restrict international investment, and reduce economic welfare in exporting and importing countries.

### **Resource Costs of NTBs.**

There are also certain costs that are associated with the manner in which the NTB is managed. First are the direct administrative costs, that is, the resources used directly in enforcing whatever rules an NTB imposes.

Especially when the barriers themselves are not very restrictive, the assumption is that these costs, where they occur, are considerably larger than the traditional deadweight losses from unfair behaviour. It is essential that more careful measurements of them be attempted. Second, and perhaps of much greater importance, are the resources lost to rent seeking and related phenomena. These are the time and other resources that are wasted by individuals and firms in their efforts to secure the profit opportunities and other benefits that are created by an NTB.

### **Administrative Procedures and Government Regulations and Policies**

In some cases procedures that are normally employed to manage policies and regulations can lead to difficulty in trade. For example discretionary licensing could be used in implementing import quotas and export restraints. Customs procedures may involve costly administrative methods in order to favour domestic producers for example antidumping.

### **Market Structure**

Industry market structures may change from perfectly competitive to monopoly firm. Such differences are often perceived as creating barriers to trade. It is important to understand what the determinants of market structure are in given circumstances. For example, nations may differ in the extent to which they rely on public ownership, monopolization, and the regulation of economic activity. Categories, Classification of NTMs According to Laird and Vossenaar (1991), NTMs can be classified according to their impacts. Five such categories have been identified. They are: Measures to control the volume of import This deals with both restrictions on imports and <https://assignbuster.com/world-trade-organization-and-non-tariff-measures-economics-essay/>

Export Restraint Agreements (ERAs). Measures to control the price of imported goods. Reference or trigger price mechanisms, variable levels, antidumping and countervailing measures are used to control the price of imported goods. Tariff, quotas are used to raise the price of imports. Voluntary export price restraints can also be used. Measures to monitor Examples include price and volume investigations and surveillance. But such practices especially dumping are often alleged of unfair trading practices. At times, licenses are used as a way of monitoring. Production and export measures Subsidies may be applied directly to output or value added or even applied indirectly to inputs. They may arise from either payments or non-payment of taxes. Taxes and other prohibitions may also be imposed to restrict production or exports. Technical barriers These are barriers imposed at the frontier and are used where standards for health and safety of imported goods are concerned. They ensure that imported goods conformed to domestic laws. However in an article " Non-Tariff Measures: The Bigger Picture for South and Southern Africa" by Ron Sandrey, only 3 categories of NTMs were identified. The first one relates to measures protecting health, safety and environment. There includes import and export bans, SPS requirements and standards and conformance requirements. The second one involves a wide range of trade policy regulations like export taxes, export assistance, import licenses, import quotas, production subsidies, trade remedies practices including anti dumping safeguards, amongst others. The third category is not regulations per se, but instead a vast grouping of administrative disincentives to export- customs clearance delays, lack of transparency, too much bureaucracy and services that are not user friendly.

## **Classification**

NTMs are classified into the following:

### **Laws, Regulations, standards and Measures aiming at protecting human, animal or plant health (SPS) from risks**

Risk includes pests, diseases or dangerous substances in foods. Imports of certain products from countries are prohibited because of infectious/contagious disease. An example is imports of poultry affected by avian flu. Where there is no evidence that imports comply with health and safety conditions, they are prohibited. Importers should have the necessary license, approval, registration and authorization of the relevant government. An import authorization from the Minister of Health is important. Measures to ensure proper labeling, marking and packaging of goods for safety have also been adopted. Safety of foods is guaranteed by controlling the product design, process and by applying good hygienic practices all throughout. Plant or animal or organisms causing diseases are eliminated in the final product. Insects or any harmful presence in food are killed by using irradiated energy. It also ensured that plant and animal are grown and reared properly. Foods, plants and animals should be properly stored.

### **Technical specifications aiming at producing high standard or high quality products (TBT)**

Certain products are restricted for TBT reasons; environment and security and also for non-economic, non-SPS reasons. Imports of dangerous substance are also prohibited. An importer should have the required authorization, permit, registration, approval from a relevant government agency. Certain substances cannot be used or the amount that can be used

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is restricted to a maximum amount because of the risks that will arise from their use. Products must be labeled, marked, packed, stored and transported properly. They must be tested, inspected and comply with regulations in the importing country. Necessary information relating to source of materials, production stages and product distribution must be disclosed.

### **Other quality control measures on imports**

Quality, quantity and price control of goods is carried out before shipment. Goods must be shipped directly from the exporting country, without stopping to third country and they must necessarily pass through specified port of customs. The value and volume of import might be monitored.

### **Measures to increase price of imports (e. g. anti-dumping measures)**

When the prices of imports are lower than that of domestic goods, there are measures to control the prices of those imported goods to protect local employment. Price of imported goods are also controlled when there is price fluctuation in either domestic or foreign market and to counteract the effects of "unfair" foreign trade practices. For certain products like rice, a minimum price is imposed. Sometimes the importing country initiates a Voluntary Export Price Restraints (VEPRs) as an import measure whereby the exporter agrees to keep the price of his goods above a certain level. Taxes or levies can be imposed on imports to bring it to the same level as domestic goods. A tax or levy includes a fixed and variable rate. The variable part is applied on primary products. A counter measure is taken against dumping.

## **Measures to limit the quantity of imports (e. g. quota, tariff rate quota)**

Quality control measures including licenses and quotas are used to limit the quantity of imports. There are different types of licences. Some of them are: Non-automatic licence which is not granted automatically, Licence with no specific ex-ante criteria which is issued only at the discretion of the issuing authority, Licence for specific use of products, Licence for imports linked with local production, Licence for non-economic reasons, Licence for religious, moral or cultural reasons, amongst others. With a quota, a maximum quantity or value of imports will be set. Quotas may be available in the form of global quotas, unallocated quotas, bilateral quotas, tariff rate quotas, seasonal quotas, quotas for religious, moral, cultural or political reasons and so on. Some goods are prohibited for non-SPS or non-TBT reasons. They might be for seasonal, Non-economic, religious, moral, cultural or political reasons. License, quota and prohibition are quantitative measures initiated by the government of the country importing goods. But Export restraint arrangement is an arrangement whereby an exporter wishes to limit exports in order to avoid import controls imposed by the importing country.

## **Taxes other than customs tariff**

There are non-tariff measures, known as para-tariff measures that can be used to increase the cost of imports. They work in the same way as a tariff that is by fixed percentage. Customs surcharges and service charges are all examples of para-tariff measures. Some additional charges include: stamp tax, import license fee, consular invoice fee and statistical tax. Internal taxes like general sales tax and excise taxes can also be imposed on imports.



## **G. Measures restricting the payment of imports**

Advance payments based on the value of imported goods may be required. They can consist of advance import deposit, cash margin requirement, advance payment of custom duties, refundable deposits for sensitive product categories and advance payment requirements. Exchange rates on import vary depending on product category. Official rates are applied for necessary products while commercial rates apply to other goods. No official foreign exchange should be used to pay for imports else license will not be granted. Authority for special import must be obtained from the Central Bank. There are regulations relating to payment of imports and the availability of credit to finance imports.

## **Monopolistic measures**

Measures have been adopted to give exclusive preferences to one or several operators through the restrictive import channel where imports have to be channelled through state owned or state-controlled enterprises. State trading administration where imports have to be channelled through specific state owned or state-controlled enterprises. Sole importing agency involving all imports to be channelled through a specific state importing agency.

## **Measures controlling quality/quantity of exports**

Some products cannot be exported. Quotas are imposed to limit the value or volume of exports. A license or registration is required by the government of the exporting country to be able to export. Some or all exports might be channelled through specific enterprises. Measures are implemented to control prices of exports. Specific or ad valorem taxes are collected from

exports by the exporting country. The quality and other features are inspected. The exporting country needs to give a sanitary or other certificates as may be required.

### **Measures restricting investments in importing countries**

Imports must necessarily be insured by a national insurance company and carried by a national shipping company. There is also an obligation to use a minimum amount of locally made component.

### **Measures restricting distribution of products in importing Countries**

The importing country may restrict the distribution of goods. Additional license or certificates may be required. Restriction may be of two types: Geographical restriction- restrict the sales of goods only to certain areas within the importing country. Restriction on sellers- limit the sales of imported goods to designated retailers only.

### **Restriction to receive services on imported products from the country of origin**

It includes measures to prevent producers of exported goods from providing post-sales service in the importing country.

### **Subsidies given to producers/exporters**

A government or government body can contribute financially to a production structure.

## **Measures restricting foreign bidders in government procurement**

It refers to measures adopted to control the purchase of goods by government agencies, generally by preferring national providers.

## **Measures related to infringements of patents, copyrights or trademarks**

There are measures relating to intellectual property rights in trade, some of which are intellectual property legislation covering patents, industrial designs, lay-out designs of integrated circuits, copyright, geographical indications and trade secrets.

## **Regulations determining the country of origin of imported products**

Export-related measures are applied by the government to determine the origin. Export license, quota, prohibition and other quantitative restriction are imposed on the quantity of goods exported to a particular country because of a shortage of the goods, price fluctuations in domestic markets, dumping that should be avoided, or political reasons. Removal of Non-Tariff Measures According to the East African Community Secretariat findings businesses will continue to incur huge costs arising from the NTBs such as poor infrastructure, unnecessary delays at border posts, and lack of harmonised import and export standards and procedures. Thus NTBs are affecting severely and mainly the exports in developing countries, and hence East African Community (EAC) countries are focusing on the removal of non-tariff barriers in order to promote trade and growth. Various attempts are being made by these developing countries to remove NTMs and they are

described as follows: EAC in its endeavours to further the liberalization of intra-regional trade in goods and eliminate NTMs developed Customs Union (CU) Protocol which was signed in March 2004 (and came into implementation by January, 2005) by the member states. Under Article 13 of the CU Protocol, the EAC Partner States have agreed to remove all the existing non-tariff barriers to the importation of goods into their respective territories that is originated from the other Partner States and also not impose any new non-tariff barriers. Moreover, Partner States agreed to found an instrument so as to identify and monitor the removal of non-tariff barriers. The reason why the EAC included a discussion of NTB issues in nearly all EAC Council's meetings; conducting studies which involves establishing the EAC NTBs Mechanism for the monitoring the elimination of non tariff barriers and launching it in all Partner States developing a time bound NTBs programme which is constantly being updated developing an NTBs online reporting mechanism In the effort to eliminate NTBs in East Africa, the EAC Secretariat requested the East African Business Council (EABC) to help in launching an NTB Monitoring Mechanism (NTBMM) for East Africa. Therefore, the EABC was to monitor and identify the NTBs within the region and report the progress through an Annual Business Climate Survey. Hence the problems reported due to NTBs are solved by EAC secretariat and some are handled by the National Monitoring Mechanism. Moreover, other cases are brought to the Regional Monitoring Committees (RMCs). Additionally, an online monitoring system was set up so that any stakeholders are able to report on the problem they experience from the NTBs directly to the EAC Secretariat. This online monitoring system has been adopted by the SADC and COMESA

and this internet based tool is used by stakeholders in the Partner States to report and monitor the processes of NTBs' elimination. Apart from the African Countries, other countries are also expressing frustration with the non-tariff barriers. The steps that have been taken to eliminate non-tariff are described below; The World Trade Organisation has as main aim to eliminate non-tariff barriers, and these had been undertaken in the WTO Doha Round of multilateral trade negotiations which begun in November 2001. The negotiations have been characterized by persistent differences among the United States, the European Union, and developing countries on major issues such as agriculture and non-tariff barriers. Hence, partly as a result of being labeled a development round to entice developing countries to participate in the first place, developing countries (including emerging economic powerhouses such as China, Brazil, and India) have sought the reduction of agriculture tariffs and subsidies among developed countries, non-reciprocal market access for manufacturing sectors, and protection for their services industries. Moreover, The United States, the European Union, and other developed countries have sought increased access to developing countries' industrial and services sectors while attempting to retain some measure of protection for their agricultural sectors. Also in the Doha NAMA (Non-Agricultural Market Access) Negotiations, in order to remove non-tariff barriers, a July 2004 Framework Agreement had been adopted so as to use a non-linear tariff reduction formula which is applied on a line-by-line basis, (that is the one that can work towards harmonizing tariff levels), and the also ministry in Hong Kong agreed to use a Swiss formula. The July 2004 Framework Agreement also agreed that tariff reductions would be calculated

from bound instead of the applied, tariff rates. In Canada, the Canadian government has announced an action that would see imports from the 48 least-developed countries except the supply-managed goods such as dairy products, eggs and poultry — enter Canada duty- and quota-free. In South Asia, in order to remove all kinds of non-tariff barriers, the Chamber of Commerce in this country has taken an initiative to increase the number of SAARC (South Asian Association for Regional Cooperation) stickers from 100 per month to 500 per month for businessmen in each country for providing visa exemption facilities to them. Moreover SAARC member nations are also aiming to adopt a regional motor vehicular agreement to speed up the passage of goods vehicles across borders, and streamlining procedures at land customs stations. At a bilateral level, the European Union (EU) also aimed to eliminate non-tariff barriers to trade which result from product regulations and standards, a key market access issue, both in the EU market and in its trading partners. Thus in order to do so, the EU has concluded mutual recognition agreements on the results of conformity assessment with Australia, Canada, New Zealand, Switzerland, and the United States, and it is negotiating one with Japan. Moreover to eliminate non-tariff barriers, they are also emphasizing on multilateral and bilateral trade negotiations, bilateral high level contacts and international regulatory cooperation, formal instruments to tackle specific barriers (such as WTO notification procedures for Technical Barriers to Trade and the Agreement and for Sanitary and Phytosanitary barriers ) and Market Access Partnership. Mauritius being part of the SADC are collaboration with the COMESA and EAC to eliminate non-tariff barriers by participating in the tripartite non-tariff barriers (NTBs) Focal

Points. Hence the Tripartite framework of collaboration also involves the three Regional Economic Communities (RECs) and an agreement has been made concerning the establishment of a Tripartite Free Trade Area (FTA). Now the Tripartite Member States are considering NTBs as a road map for achieving the Tripartite FTA. Hence though various steps are being taken to remove non-tariff barriers, some negotiations procedures, however well designed, do not guarantee great success as mostly governments need to summon the politics' will to reduce NTBs. But some of countries had been able to eliminate NTBs and thus more initiatives should be taken by other countries to eliminate NTBs as it is believe to be the greatest single threat to a liberal world trading system. Conclusion In the light of the above facts, it can be seen that despite common perceptions about a rising trend in NTMs, evidence is inconclusive. NTMs appear to have risen in the mid-1990s, but between 2000 and 2008 activity remained relatively flat before picking up again following the financial crisis. It is very true that at times NTMs tend to hamper trade but one cannot neglect the fact that they do come along with a wide range of benefits and contributions. One important criterion that has to be remembered about NTMs is the fact that they vary across countries and products, and often change quickly and without little notice. This can cause significant impediments to exporters seeking access to foreign markets and their importer counterparts. The business sector in developing countries often lacks the information, capabilities, and facilities to meet the complex requirements and demonstrate compliance with NTMs at reasonable costs. National policy makers often lack a clear picture of what their business sector currently perceives as predominant obstacles to trade,

and this makes it difficult to develop appropriate trade-related policies.

Consequently these businesses and countries need to comply with a wide range of requirements, including technical regulations, product standards and customs procedures