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Why is it important to enhance the transparency of non-tariff measures?

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NTM transparency and WTO objectives

- Reducing information asymmetries among governments, and between the state, economic actors, and citizens.
 1. Governments: with transparency, surveillance improves implementation of existing obligations
 2. Analysts: comprehensive picture of effects of policy
 3. Firms: uncertainty about requirements can be crippling

What matters for firms

- Uncertainty huge at extensive margin
- Transparency and certainty on NTMs is as much a factor for firms as is “binding” of tariffs
 - Services regulation; compliance with certification requirements
- Transparency really matters for small firms, and firms without access to private information about foreign markets

What matters for governments

- Verification that national law, policy, and implementation achieve the intended objective
- Knowing extent to which differing national laws are functionally similar, or recognizably similar
- Especially important with domestic policy
 - Behind the border measures hard to observe

Transparency in WTO

- “degree to which trade **policies** and **practices**, **and** the **process** by which they are established, are open and predictable”.
- Includes how:
 - ❑ a rule or a policy is developed domestically
 - ❑ the rule is enforced or a policy is implemented
 - ❑ the rule is published
 - ❑ other Members of the WTO are notified
 - ❑ notification is discussed in Geneva
 - ❑ Geneva results published.

Three generations of transparency

- “Right to know” since GATT 1947
 - Publication, enquiry points, notification
 - sunlight as disinfectant, but not enough, thus:
- Monitoring and surveillance since the Tokyo Round
 - TPRM, “specific trade concerns”
 - Seek clarification; ask about what should have been notified
 - Process only includes Members, thus:
- Reporting and engagement since 2002
 - TBT and SPS Information Management Systems (IMS)
 - new Integrated Trade Intelligence Portal (I-TIP)
 - World Trade Report ...

Data problems

- Formal notifications may not be accurate, or complete
- Real-time monitoring hampered by absent and late notifications
- World Trade Report also uses:
 - Results of surveillance process, and disputes
 - data from other international organizations
 - Business surveys
- TPR process shows how to use “verified” third-party data

Surveillance problems

- “Specific trade concerns” best in SPS, TBT
 - But few active participants; results not always reported
- Agriculture Q&A process improving
- Analogous process under-developed in other committees (e.g. ILP, ASCM)
- Needs an “umbrella” database

The transparency trilemma

1. Surveillance system designed to monitor official obligations
 - ❑ Even the TPRM serves governments first
2. Analysts try to build picture of economic impact not implementation of commitments
3. Firms only served if
 - ❑ Governments publish information at home
 - ❑ All WTO data accessible, in user-friendly form