



WORLD TRADE  
ORGANIZATION



WTO | 20 YEARS

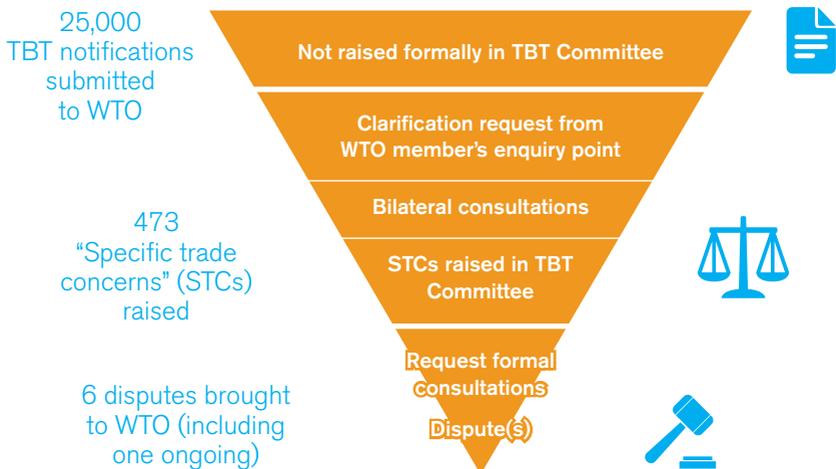
Reducing trade friction from  
standards and regulations

# TECHNICAL BARRIERS TO TRADE

# Did you know?

WTO members have notified over 25,000 draft regulatory measures to the Technical Barriers to Trade (TBT) Committee over the past 20 years, covering imports ranging from food to medical devices. Over 470 of these measures have undergone detailed scrutiny by WTO members in the TBT Committee. But only a handful of these issues have resulted in formal disputes, proving the effectiveness of the committee process.

Figure 1: Inverted pyramid of TBT concerns (Oct '15)



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## Introduction

Standards and regulations are useful tools for the protection of health, safety and the environment. But they can be burdensome, technical and complex. And they tend to proliferate. So transparency is important. If a regulator deems it necessary to ban the use of a chemical in an imported toy (on health grounds), or require energy efficiency labels on imported appliances (on environmental grounds), the regulations must be clear, based on relevant international standards, and not discriminate – to name a few requirements.

### Technical Barriers to Trade Committee

The Technical Barriers to Trade (TBT) Committee, consisting of all WTO members, is a unique multilateral forum for the discussion of standards and regulations affecting trade. Over the past 20 years, it has developed a **three-pronged approach** to its work:

- 1) notifications
- 2) trade concerns
- 3) trade cooperation.

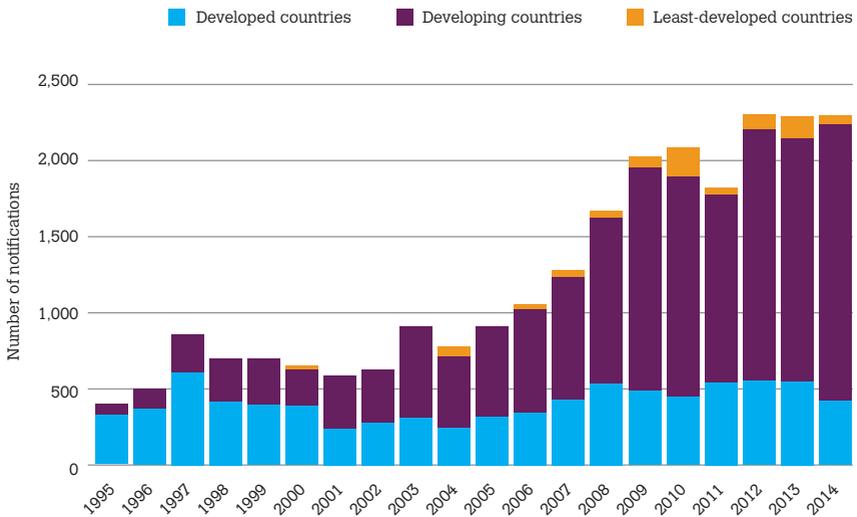


## Notifications

The TBT Committee depends on “notifications” from WTO members – a one-page document containing the essential information about a regulation in the pipeline – to conduct its work. In 1995 – the year the WTO was established – WTO members notified around 400 trade measures to the TBT Committee (with 20 per cent of these notified by developing countries) while in 2014 over 2,200 measures were notified (80 per cent from developing countries).

A notification leads to a public consultation process normally lasting 60 days. This is an opportunity for trading partners to provide input which needs to be taken into account by the member establishing the regulation. Figure 2 shows the rising tide of notifications over the past 20 years, in particular from developing countries.

Figure 2: TBT notifications, 1995-2014



# 2,237

WTO members notified  
2,237 trade measures to the  
TBT Committee in 2014.

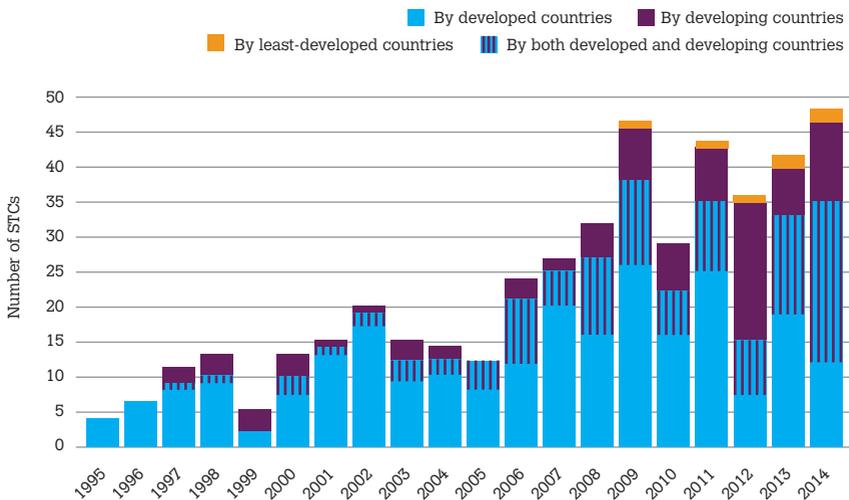
## Specific trade concerns

Once a notification has been made, it may be raised for discussion in the TBT Committee (although most are not). These measures are referred to as “specific trade concerns” (STCs).

The discussion within the Committee consists of a technical debate among experts. The WTO member raising the issue explains how the proposed measure may have an adverse impact on trade. This may trigger further discussions between the members concerned and the potential resolution of the issue. For example, a member may question why insufficient time has been provided to allow producers to adapt to the new requirements before they enter into force. At the following meeting, the challenged member may indicate that it has delayed enforcement of the measure to provide the recommended six-month transition period.

Since 1995, over 470 STCs have been brought to the Committee by both developed and developing countries (see Figure 3).

Figure 3: STCs brought to the TBT Committee, 1995–2014



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## Good practice

There is no single approach to implementing the TBT Agreement. However, twenty years of discussion within the TBT Committee has resulted in the development of guidance that aims to help WTO members find ways of improving how they use the TBT Agreement.

Over the past two decades, the Committee has adopted a wide range of recommendations, with many of these relating to transparency. The development of these recommendations has facilitated an exchange of information between regulators, trade officials and other stakeholders (such as standardizing bodies) within the TBT Committee. One outcome of this work has been the development of principles (the “Six Principles”) for the development of international standards (see Box 1).

In recent years, the TBT Committee has focused on identifying “good regulatory practices”, with the aim of guiding members when they are introducing or reviewing regulations. The objective is to show how to cut unnecessary costs, how to ensure openness, transparency and accountability, and how to make appropriate risk and evidence-based decisions - from the preparation of a measure to its adoption and application. Emphasis is placed on the importance of domestic coordination among all parties concerned.

### Box 1: Six Principles

In 2000, the TBT Committee drew up a set of principles aimed at providing guidance on the development of international standards. They cover:

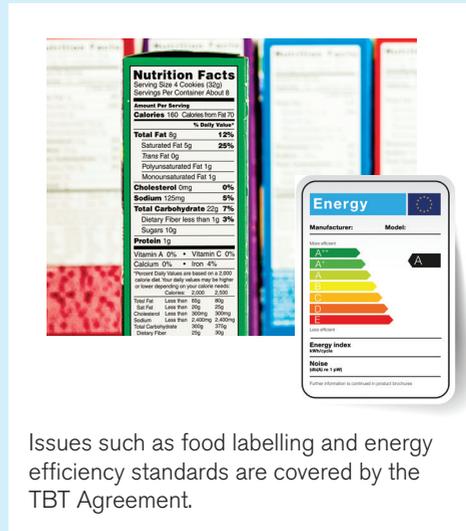
- 1) transparency
- 2) openness
- 3) impartiality and consensus
- 4) effectiveness and relevance
- 5) coherence
- 6) development dimension

*“Decision on Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the TBT Agreement.”*

## Domestic coordination

It is vital for the WTO member introducing a standard or regulation to have a thorough domestic consultative process. This is important because regulations and standards cover a wide range of technical issues, and any of these issues could be raised by another member in a meeting of the TBT Committee. Efficient consultation at the domestic level – involving all relevant stakeholders – provides the Committee representative at the WTO with the information needed to defend his/her government's position or to challenge the regulations of other members more effectively.

Without proper consultative mechanisms, it would be difficult for the Committee representative to know enough about the diverse topics being discussed, ranging from the dangers of transporting lithium batteries by plane to the necessary safety requirements for lawnmowers (just two examples of trade concerns raised in the TBT Committee).



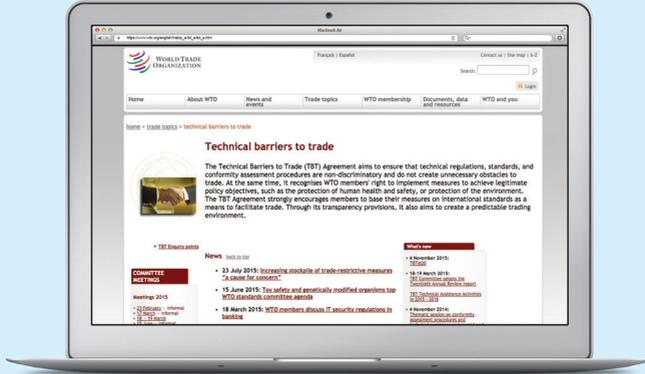
Issues such as food labelling and energy efficiency standards are covered by the TBT Agreement.

Over the past 20 years, many WTO members have created “national TBT committees” that meet regularly to coordinate work ahead of meetings of the TBT Committee at the WTO. This is an example of “good practice” that has evolved over time without being a requirement of the TBT Agreement.



## Further information

Further information about TBT issues is available on the WTO website at [www.wto.org/tbt](http://www.wto.org/tbt).



## Publications



### The WTO Agreements Series: Technical Barriers to Trade

This publication provides an overview of the WTO's TBT Agreement, the full legal text of the Agreement, and the decisions and recommendations adopted by the TBT Committee since 1 January 1995. It is part of the WTO Agreements Series, which aims to assist understanding of specific WTO agreements.

WTO publications can be purchased from the WTO Online Bookshop and from a worldwide network of distributors. <http://onlinebookshop.wto.org>

They can also be downloaded from the WTO website.