

# Non-tariff barriers

Non-tariff barriers refer to restrictions and regulations imposed by governments on international trade that are not in the form of tariffs or quotas. These barriers exist in various forms and can hinder the flow of goods and services across borders. In this tutorial, we will explore the concept of non-tariff barriers and their importance in international trade policies and agreements.

## 1. Sanitary and Phytosanitary Measures (SPS):

SPS measures are regulations concerning the safety and quality of food, animal and plant health. They aim to protect human, animal, and plant life or health from risks associated with the import of certain products. Examples of SPS measures include product labeling requirements, maximum residue limits for pesticides, and regulations on the handling of food and agricultural products.

## 2. Technical Barriers to Trade (TBT):

TBTs involve technical regulations, standards, and conformity assessment procedures that apply to products and processes. These measures are intended to protect consumer safety, the environment, and national security. Examples of TBTs include product certification requirements, packaging and labeling regulations, and technical specifications for industrial products.

## 3. Import Licenses:

Import licenses are permits granted by the importing country's government to regulate the entry of specific goods into their market. These licenses can be used to limit the quantity of imports, control the quality of products, or monitor compliance with certain regulations. Import licenses can add administrative burden and create barriers to entry for foreign businesses.

## 4. Customs and Administrative Procedures:

Customs and administrative procedures refer to the formalities and requirements that must be fulfilled when importing or exporting goods. These procedures include documentation, inspections, customs valuation, and customs clearance. Non-transparent, complex, or lengthy procedures can impede the smooth flow of trade and increase transaction costs.

## 5. Government Procurement Barriers:

Government procurement barriers arise when governments give preferential treatment to domestic suppliers in public procurement contracts. These barriers can limit competition and access to foreign businesses, leading to a lack of market opportunities and unfair competition practices.

## 6. Quotas and Voluntary Export Restraints:

Although tariffs and quotas have been excluded from this tutorial, it is worth mentioning voluntary export restraints in this section. Voluntary export restraints are agreements between exporting and importing countries whereby the exporting country agrees to limit the quantity of certain products it exports. These restraints can distort trade patterns and have adverse effects on industries.

#### 7. Intellectual Property Rights (IPR):

IPR protection is essential for fostering innovation and creativity. However, inadequate or ineffective protection of intellectual property rights can deter foreign investment and technology transfer. Violations of IPR may include patent infringement, copyright piracy, or trademark counterfeiting, which affect industries in many countries.

#### 8. Currency Manipulation:

Currency manipulation is when a country deliberately undervalues its currency to gain trade advantages. This practice can make a country's exports more competitive and imports more expensive, thus distorting international trade patterns.

#### 9. Subsidies and State Aid:

Governments may provide subsidies, financial aid, or other forms of assistance to domestic industries or businesses. While subsidies can promote economic growth, they can also create an uneven playing field in international trade by distorting prices and influencing market outcomes.

Understanding and addressing non-tariff barriers is crucial to promoting international trade and economic growth. These barriers can restrict market access, limit competition, and increase business costs. Through international trade policies and agreements, countries work together to identify and reduce these barriers, ensuring a level playing field and improved economic opportunities for all participating nations.