STANDARDS & REGULATIONS

Measuring the Link to Goods Trade

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• Challenges of Quantifying Trade Impact

• **Data Source:** WTO TBT Agreement Notifications

• Assumptions

• Findings

• **Robustness test:** UNCTAD NTMs

• **Why does it matter?**
• Costs of differing standards/regulations
• Changing prices
• Changing trade patterns
• Results vary depending on context
WTO TBT Agreement
Notifications

• Notifications are **NOT** necessarily TBTs
• Only cover new measures
• Measures may or may not be in force
• Many contain information on products affected
Assumptions

• WTO notifications
  o underrepresent the stock of regulations with trade impact
  o are a good proxy for the overall global regulatory environment

• **KEY ASSUMPTION:**
  A notification by one economy for a particular product can be linked to all global exports and U.S. exports
Data Source: WTO Member Notifications

- WTO notifications from January 1, 2006 to August 18, 2015
- Harmonized System (HS) 4-digit or 6-digit level
Goods Exports
Covered by WTO Notifications

92.9% of world exports (2014)

91.7% of U.S. exports (2015)

Top Commodities by Number of Notifications

- Fuels
- Misc Chemicals
- Dairy Products
- Plastics
- Misc Prepared Foods
- Cosmetics
- Vehicles & Parts
- Iron & Steel Products
- Rubber
- Medical Instruments
- Prepared Fruit, Veg, & Nuts
- Electrical Machinery
- Machinery

Notifications in Each 4-digit Category

- Textiles and Shoes
- Foods and agricultural products
- Chemical products
Robustness Test: UNCTAD TBT NTMs

- Classified by UNCTAD experts
- Based on official government documents
- Only available for selected economies
  - Focus: European Union
Robustness Test: Goods Exports Covered by UNCTAD TBT NTMs

94.4% of EU imports (6-digit level)

91.8% of EU imports (8-digit level)

Assumptions about WTO Notifications seem reasonable

Recap

• Assumptions

• Findings
  o Size of the link: **92 to 93 percent**

• Robustness test: UNCTAD NTMs
Standards and Technical Regulations are Important!

- Technical regulations are pervasive
- Differing regulations can create challenges for exporters
- Benefits of consensus-based, market driven approach
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August 2017
### Leading Countries

<table>
<thead>
<tr>
<th>Economy</th>
<th>Number of Notifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union*</td>
<td>1,198</td>
</tr>
<tr>
<td>China#</td>
<td>949</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>857</td>
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<tr>
<td>United States</td>
<td>856</td>
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<tr>
<td>Israel</td>
<td>694</td>
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<td>Uganda</td>
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<tr>
<td>South Korea</td>
<td>498</td>
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<tr>
<td>Brazil</td>
<td>445</td>
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<tr>
<td>Kenya</td>
<td>423</td>
</tr>
<tr>
<td>Qatar</td>
<td>390</td>
</tr>
<tr>
<td>All others</td>
<td>6,028</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,840</strong></td>
</tr>
</tbody>
</table>

* includes notifications made by the EU and its member states.
# excludes Hong Kong and Macao, which made a combined 25 notifications.

## Leading Countries

<table>
<thead>
<tr>
<th>Economy</th>
<th>Number of Notifications</th>
<th>...with Product Information</th>
<th>...with “In Force” Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union*</td>
<td>1,198</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>China#</td>
<td>949</td>
<td>77%</td>
<td>9%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>857</td>
<td>57%</td>
<td>2%</td>
</tr>
<tr>
<td>United States</td>
<td>856</td>
<td>93%</td>
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<tr>
<td>Israel</td>
<td>694</td>
<td>94%</td>
<td>7%</td>
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<tr>
<td>Uganda</td>
<td>502</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>South Korea</td>
<td>498</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Brazil</td>
<td>445</td>
<td>57%</td>
<td>14%</td>
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<tr>
<td>Kenya</td>
<td>423</td>
<td>91%</td>
<td>8%</td>
</tr>
<tr>
<td>Qatar</td>
<td>390</td>
<td>68%</td>
<td>1%</td>
</tr>
<tr>
<td>All others</td>
<td>6,028</td>
<td>53%</td>
<td>18%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>12,840</strong></td>
<td><strong>59%</strong></td>
<td><strong>13%</strong></td>
</tr>
</tbody>
</table>

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