Overview of the WTO TBT Agreement

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Agenda

- Overview of the WTO
- Overview of the TBT Agreement
- Benefits for the Private Sector
Standards Alliance

- U.S. facility to support developing countries implement commitments under the WTO TBT Agreement
- Partnership between the American National Standards Institute (ANSI) and the U.S. Agency for International Development (USAID)
- Public-private model, leveraging access to expertise in the U.S. private sector and government agencies
- Demand-based and results-oriented, focusing on strategic multi-year engagement
- 2013-2018

Overview of the WTO - Background

Efforts to adopt rules to govern international trade resulted in the adoption of the General Agreement on Tariffs and Trade (GATT) in 1948

World Trade Organization (WTO) came into existence on January 1, 1995 as a result of the GATT Uruguay Round of Trade Negotiations (1986 to 1994)
Overview of the WTO - Background

• Responsible for overseeing the multilateral trading system
• The only international organization dealing with the global rules of trade between nations
• Accounts for about 95% of world trade
• Based in Geneva, Switzerland
• Permanent staff of about 640

Overview of the WTO - Purpose

The main purpose of the WTO is to ensure that trade flows as smoothly, predictably, and freely as possible.
Overview of the WTO - Functions

- Administer WTO trade agreements
- Provide a forum for trade negotiations to liberalize trade in goods and services
- Settle trade disputes
- Monitor national trade policies of Members
- Provide technical assistance and training for developing countries
- Cooperate with other international organizations

Overview of the WTO - Members

WTO Members as of July 29, 2016 = 164

Over 2/3 of WTO Members are developing countries and countries in transition to market economies
WTO Trade Topics

**Goals**
- agriculture and agriculture negotiations
- tariff and trade negotiations
- balance of payments
- customs valuation
- GATT and the Goods Council
- import licensing
- information technology products
- market access for goods and related regulations
- intellectual property
- services

**Areas**
- agriculture
- textiles and clothing
- services
- technical barriers to trade
- trade facilitation
- intellectual property
- other topics

**TBT Committee**

- TBT-related work in the WTO takes place in the Committee on Technical Barriers to Trade (TBT Committee)
  - open to all members of the WTO
  - other governments with observer status
    - observers must start accession negotiations within 5 years of becoming observers
  - specific international intergovernmental organizations have been granted observer status, e.g.
    - International Electrotechnical Commission (IEC)
    - International Organization for Standardization (ISO)
    - Southern African Development Community (SADC)

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Overview of the Agreement on Technical Barriers to Trade (TBT Agreement)

The basic aim of the TBT Agreement is to ensure that these do not create unnecessary obstacles to trade.
**Technical Regulation**

“Document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which **compliance is mandatory**. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

- WTO definition from TBT Agreement Annex 1

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**Standard**

“Document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which **compliance is not mandatory**. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

- WTO definition from TBT Agreement Annex 1
Conformity Assessment Procedure

“Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled”

- WTO definition from TBT Agreement Annex 1

Global Trade

More than 80% of global product trade is affected by standards and technical regulations that incorporate standards

Source: Organization for Economic Cooperation and Development (OECD), Regulatory Reform and International Standardization, TD/TC/WP (98) 36, January 1999
To be able to sell their products in foreign markets, exporters must have:

**Up-to-date and complete information** about the technical requirements their products must meet, including:

- **Standards**
  - e.g. quality, compatibility, processes, performance, test methods

- **Technical regulations**
  - e.g. safety, health, environmental protection, packaging and labeling

- **Testing**
- **Inspection**
- **Certification**
  - e.g. products, systems

A lack of information can itself be a **barrier to trade**
### The Problem

Often it is difficult for companies to obtain up-to-date and complete information about the technical requirements their products must meet.

### The Solution

Recognizing this problem, the TBT Agreement requires the establishment and operation of an **Enquiry Point**.

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**WTO TBT Enquiry Point**

- Enquiry Point is the central contact point for handling requests for information.
- Enquiry Point is responsible for obtaining the answers from the relevant national bodies and replying to the WTO Member making the enquiry.

The obligation for each WTO Member to have an Enquiry Point allows Members to easily obtain information about technical requirements without having to identify and directly contact the agency responsible in another country.
TBT Enquiry Point Responsibilities

- Respond to enquiries relating to standards, technical regulations and conformity assessment procedures
- Provide documents referenced in notifications
- Provide information about membership in international and regional standards and conformity assessment bodies
- Provide information about bilateral and multilateral agreements

TBT Enquiry Point in Zambia

TBT Enquiry Point is located at the Zambia Bureau of Standards

infozabs@zabs.org.zm
Responsibilities of the Notification Authority

- Monitor proposed and adopted technical regulations and conformity assessment requirements
- Determine if significant effect on trade
- Notify, identifying
  - products covered
  - objective
  - rationale
  - etc.
- Provide copies on request to other WTO members
What is a Notification?

- 1 to 2 page summary
- Provides WTO members with an opportunity to review and comment
  - sample TBT notification
  - sample TBT notification
  - full text

Zambia TBT Notification Authority

- Notification Authority for Zambia is located at the Ministry of Commerce, Trade and Industry (MCTI)
Benefits for the Private Sector - Enquiry Points

- Network of Enquiry Points around the world provides information about (and access to) technical requirements for exporters
  - increases the competitiveness of products from Zambia in overseas markets
- Provides information to companies selling in Zambia (domestic & foreign)
- Consumers benefit from increased availability of products
Benefits for the Private Sector – Notification System

- Notification process provides early notice of proposed changes to technical requirements
  - benefits exporters
  - benefits companies selling in Zambia
  - benefits consumers in Zambia

Questions?