

Trade Facilitation and Developing Country Export Performance:

The World Bank Technical Barriers to Trade (TBT) Database¹

June 2004

Trade facilitation measures are at the forefront of policy discussion. In particular, there has been a rising use of standards and technical regulations as instruments of commercial policy in unilateral, regional, and global trade contexts as tariff and other non-tariff barriers continue to decline. Standards and technical regulations are principally used to mitigate against food, animal and plant safety risks. They also provide common norms for product characteristics, such as quality. These technical requirements, however, may also constitute barriers to trade by imposing unnecessary costly and time consuming tests or by laying out unjustified different requirements in different markets. These technical requirements are of particular concern to developing countries that are seeking to penetrate industrialized country markets.

The World Bank Technical Barriers to Trade Survey was the first attempt to investigate the impacts of technical requirements on trade on a set of developing countries across regions. The intent of the survey was to solicit information from agricultural, manufacturing, and trade firms in developing countries regarding technical barriers encountered in major export markets, which impact trade facilitation and costs associated with meeting standards and regulatory requirements.

The data collected covers firms in various industries in 17 developing countries. Information on technical regulations specific to five major export markets also enables comparisons of the stringency and importance of standards and technical regulations by export markets such as the European Union, United States, Japan, Canada, and Australia. The database also includes information regarding the importance of standards and regulation to trade facilitation – between developing countries.

Research work which draws on this database can investigate the importance of product standards in raising firm-level production and compliance costs, and in determining firms' export success reflected in total export share and market diversification. The data are also relevant to investigations of the role of the Mutual Recognition Agreements (MRAs) to promote trade, for example.

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Country Selection

The countries included cover a range of economic development and export experience yet have sufficiently deep agricultural and industrial structures to permit sectoral comparisons. The following countries were selected for study:

East Europe: Bulgaria, Czech Republic, Poland

Latin America and Caribbean: Argentina, Chile, Honduras, Panama

Middle East: Iran, Jordan

South Asia: India, Pakistan

Sub-Saharan Africa: Kenya, Mozambique, Nigeria, Senegal, South Africa, Uganda

Selection of Firms Interviewed

The interviewed firms were selected according to the following criteria:

1. Export Orientation:

The database includes results from firms that wish to export but that are not able due to various impediments, as well as firms that are currently exporting some of their products. The majority of firms in the world supply goods and services only for the domestic market. They are either not interested in exports or they are willing to export but do not have the ability to overcome tariffs, foreign technical regulations, transportation costs, and other business impediments. It is important to investigate the reasons for firms not exporting.

2. Technical regulations

We give special attention to standards and regulations in the EU, the United States, Canada, Japan, and Australia as the export markets for the 17 developing countries. The firms surveyed are ones subject to mandatory technical regulations in export markets in which they are active.

3. Firm Size:

The survey primarily covers small and medium enterprises, but also concerns large enterprises, which make the comparison of firm's characteristics and behavior feasible.

4. Industry Composition:

The industrial sectors chosen for examination are those of actual and potential comparative advantage for developing countries, as well as those in which technical regulations are important to trade facilitation goals.

Category	Industries
Raw food	Raw agricultural product Meat and fish product
Processed food, tobacco, drug and liquor	Processed food and tobacco Drug and liquor
Equipment	Electrical and electrical equipment Industrial machinery and equipment Telecommunications and terminal equipment Transportation equipment and automotive parts, and dealers
Textile and material	Fabricated metal Primary metal and metallic ores Petroleum and other nonmetallic minerals Rubber and plastic products Material Leather and leather products Lumber, wood and furniture Industrial or agricultural chemical Textiles and apparel Miscellaneous manufactured commodities Instruments and photographic and optical goods, watches and clocks Paper and allied products Printing and publishing products
Other	Other