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DEPARTAMENTI I TREGTISË / DEPARTAMENT TRGOVINE / DEPARTMENT OF TRADE

NON-TARIFF MEASURES AND BARRIERS

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NON-TARIFF MEASURES AND BARRIERS

International trade has grown every year and trade exchanges between different countries are expected to continue their growth trend in the future as well.

Despite many trade agreements that are applicable primarily for the liberalization of trade (reduction of customs tariffs) between different countries and various international agreements aimed at regulating free trade issues, exporters, importers but also companies that transit goods across countries continue to face difficulties and barriers during these transactions. A large part of these barriers are those that do not involve the application of additional customs duties (so-called non-tariff barriers), but that with their application they create additional costs to businesses.

“Non-tariff measures refer to policy measures, other than common customs tariffs, that potentially can have an economic effect on international trade in goods, with particular emphasis on trade diversion, prices or both.”

What are these measures?

A non-tariff measure is considered any action restricting free trade by applying other actions that are not tariffs. This implies that the application of these barriers is not made by imposing any new tax on imports, but by applying other actions that make it more difficult or more expensive to import those products.

“Non-tariff measures refer to policy measures, other than common customs tariffs, that potentially can have an economic effect on international trade in goods, with particular emphasis on trade diversion, prices or both” (UNCTAD, 2010)

The United Nations Conference on Trade and Development (UNCTAD) has made a detailed and comprehensive classification of these measures and divided them into what are called:

- Technical measures
- Non-technical measures.

According to UNCTAD in the group of technical measures applied to imports there are a number of measures for which a brief description is provided as follows:

- Sanitary and Phyto-sanitary Measures: Means such as restrictions on substances, hygienic requirements, or other measures for preventing the dissemination of diseases. These measures also include all conformity assessment measures related to food safety, such as certification, testing and inspection, and quarantine.
- Technical Barriers to Trade imply such measures as labelling and other measures for environmental protection. This subgroup also includes conformity assessments related to technical requirements such as certification, testing and inspection.
- Pre-shipment Inspection and Other Formalities means pre-shipment inspection measures and other formalities performed in the exporting country prior to shipment.

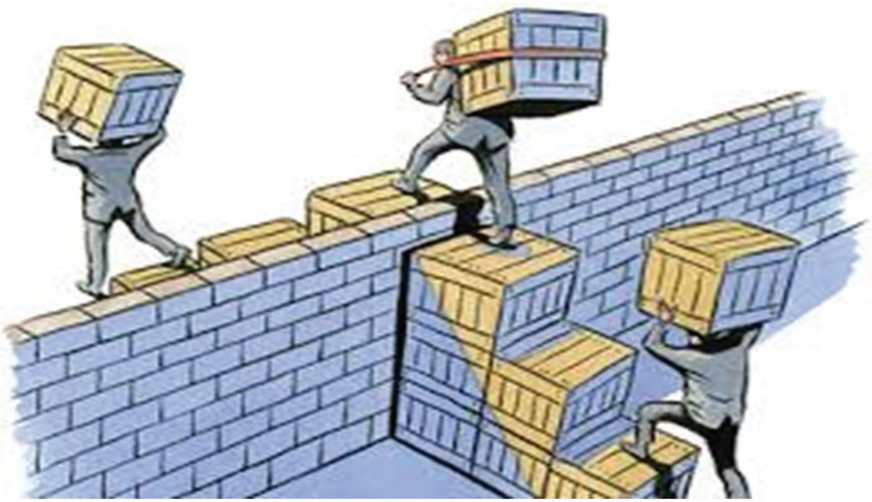
Whereas according to UNCTAD in the group of non-technical measures applied to imports there are also another number of measures for which a short description is presented below:

- Contingent trade protection measures imply measures that are taken to counteract the specific negative effects of imported goods on the importing country market, including measures aimed at combating unfair foreign trade practices. They include antidumping, countervailing and safeguard measures in import.
- Non-automatic licensing, quotas, prohibitions and quantitative control measures include measures that include licensing, quotas, and other measures aimed at limiting the amount of traded goods. This subgroup also includes those import licenses and bans which are not related to sanitary and phytosanitary measures or technical barriers to trade.

- Price control measures, including taxes and additional charges, imply price control measures that are applied to control or influence the prices of imported goods so as to, inter alia, to support the prices of certain domestic products when prices of the imported goods are lower; determine domestic prices of some products due to price fluctuations in domestic markets or price instability in a foreign market; or to raise or maintain tax revenues. This category also includes other measures besides tariffs, which increase the cost of imports similarly (pre-tariff measures).
- Financial measures mean measures restricting the payments of import, for example when the access to foreign currencies and foreign exchange cost is regulated by specific procedures. It also includes measures that impose restrictions on payment terms.
- Competitiveness measures imply measures that affect competition. These measures give exclusive or special privileges to one or more limited groups of economic operators. They refer mainly to monopolistic measures, such as state trading, or through single importing agencies, or compulsory use of national services or transport.
- Measures related to trade-related investments mean measures related to trade investment, measures restricting investment by requiring local involvement, or requiring investment to be linked to exports in order to balance imports.
- Distribution restrictions imply distribution restrictions, referring to restrictive measures related to the internal distribution of imported products.
- Restrictions on post-sale services imply restrictions on after-sales services, for example, limitations in the provision of accessory services.

- Subsidies (excluding export subsidies) means measures relating to trade-related subsidies.
- Government Procurement Restrictions imply restrictive government procurement measures, refers to the restrictions that foreign bidders can find when attempting to sell their products to the local government.
- Intellectual property means measures relating to intellectual property and intellectual property rights.
- Rules of Origin imply measures on rules of origin, grouping the measures that restrict the origin of products or their inputs.

"Financial measures mean measures restricting the payments of import, for example when the access to foreign currencies and foreign exchange cost is regulated by specific procedures."



Also, according to UNCTAD, export-related measures are meant export measures, grouping of measures that a country applies for its exports. This includes export taxes, export quotas, or export bans.

Non-Tariff Measures tabulated:

Imports	Technical Measures	Sanitary and Phytosanitary Measures
		Technical Barriers to Trade
		Pre-shipment inspections and other formalities
	Non-Technical Measures	Contingent trade-protective measures
		Non-automatic licensing, quotas, prohibitions and quantity-control measures
		Price-control measures, including additional taxes and charges
		Finance measures
		Measures affecting competition
		Trade-related investment measures
		Distribution restrictions
		Restrictions on post-sales services
		Subsidies (excluding export subsidies)
		Government procurement restrictions
		Intellectuall property
		Rules of origin
Exports		Export-related measures

WHAT'S THE DIFFERENCE BETWEEN NON-TARIFF MEASURES AND NON-TARIFF BARRIERS?

In practice, people often do not know how to distinguish between non-tariff measures and non-tariff barriers.

Non-tariff measures are legal actions established through any particular legal act, can be legitimate and may not always have a negative effect on trade. In most cases, the application of these measures is not contested as a legitimate right of a country and as actions by which a country seeks to achieve legitimate objectives, such as, for example, protection of the health of humans, animals and plants or the protection of the environment. Although it is certain that in most cases these measures increase the cost of importing the products

to which they apply, the application of these measures can not automatically be considered barriers to trade.

Unlike non-tariff measures (NTMs), non-tariff barriers (NTBs) are considered all actions aimed at protecting domestic production or discriminating products on import. Non-tariff barriers may be considered any excessive actions in the implementation of non-tariff measures, in all cases where it is evident that the mode of action of a country's authorities on imported products exceeds what is necessary to implement a non-tariff measure imposed through a certain legal act. In addition, non-tariff barriers consist of all possible trade barriers which are not tariffs.

In international trade, certain countries use non-tariff barriers as a measure to restrict import from a given country. Some of the actions of the authorities that can be classified in the non-tariff barrier group are:

- Frequent and expensive controls on imported goods
- Application of embargoes or sanctions on imports
- Non-consistent legislation or inadequate application of the Legislation
- Non-Transparency
- Customs valuation rules
- Prolonged bureaucratic procedures in import, etc.

Have you been subject to such obstacles while exporting your products?

If so, do not hesitate to report these barriers to Kosovo authorities or organizations representing the business community in Kosovo, and seek their help in avoiding these barriers.

HOW YOU CAN CONTACT US?

The Trade Department is located at the premises of the Ministry of Trade and Industry.

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