



Ministerial Round Table:

"Lowering hurdles for trade: Trade Costs, Regulatory Convergence and Regional Integration"

Tuesday, 19 July, 11.30 a.m. - 1.00 p.m.

Kenyatta International Conference Centre, Nairobi

DESCRIPTION

Domestic regulations that contribute to sustainable development by ensuring the safety of products and production processes often present hurdles for international trade. These Non-Tariff Measures (NTMs) disproportionately affect firms from developing countries, thereby hampering their integration into regional and global trade and their role in fostering sustainable economic and social development as a source of employment and innovation.

This roundtable will explore what can be done to decrease the trade cost impact of domestic regulation. Trade policy can be aligned with sustainable development objectives by actions including simplifying and enhancing the transparency of regulatory and procedural requirements - especially within regional integration initiatives-, helping compliance and extending the productive capacity of firms, and coordinating the regulation design process such as to achieve regulatory coherence. Lowering these hurdles for international trade can help firms from developing countries be winners from trade and catalysts for sustainable development.

KEY ISSUES

The new frontier for trade policy has therefore shifted towards Non-Tariff Measures (NTMs, see Box) and in particular technical regulations (sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBTs)). While these policy instruments are not new, work of UNCTAD has been pioneering in mapping them systematically and quantifying their incidence globally. Technical regulations have become core determinants of market access opportunities especially for firms in developing countries. UNCTAD research has shown that low-income countries exports of agricultural goods to EU markets are disproportionately negatively affected by SPS measures. The result is consistent with the hypothesis that since market access is increasingly determined by capability to comply with the regulatory framework countries at a lower level of development find themselves outcompeted by exporters who operate in countries where the costs of compliance with product standards are lower. Another recent UNCTAD



research on Peruvian export firms has shown that technical regulations tend to push small firms away from world markets and leave the largest shares of exports to large multinational firms, further strengthening their global influence.

Technical regulations and standards have primarily non-trade objectives, such as public health and safety, and protecting the environment. While NTMs may impede trade, they are important instruments to achieve sustainable development. Thus, they cannot, like tariffs, be reduced or eliminated in negotiations. However, a coordinated and coherent implementation of technical regulations at the regional and international level is desirable. Transparency and international cooperation are necessary to reduce the hurdles NTMs represent for small, developing-country exporters.

PARTICIPANTS

Opening

- **Mr. Mukhisa Kituyi, Secretary-General, UNCTAD**

Moderator

- **Mr. Kevin McKinley, Secretary General, ISO**

Panelists

- **Hon. Ms. Rita Teotia, Secretary of Commerce, Ministry of Commerce and Industry, India**
- **Hon. Ms. Tatyana Valovaya, Minister of Integration and Macroeconomic Policy, Eurasian Economic Commission**
- **Mr. Kurt Tong, Principal Deputy Assistant Secretary for the Bureau of Economic and Business Affairs, Department of State, USA**
- **Mr. Palu Dhanani, Managing Director, Universal Corporation Ltd**
- **Mr. Edward Njoroge, Chairman, Telkom Kenya**
- **Mr. Roberto Acle, former President of Uruguay Chamber of Commerce**
- **Mr. Yonov Frederick Agah, Deputy Director-General, WTO**

Closing

- **Mr. Guillermo Valles, Director, Trade Division, UNCTAD**

CONTACTS

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