

# Technical Barriers to Trade (TBT) WTO

February 24, 2021

**In news :** A new Handbook of WTO shed light on Technical Barriers to Trade (TBT) Agreement

## **A brief note on new Handbook of WTO**

- A new WTO publication, launched on 22 February 2021, provides an overview of the purpose and scope of the WTO Agreement on Technical Barriers to Trade (TBT Agreement), the types of measures it covers and its key principles.
- **Prepared by the WTO Secretariat**, this new edition in the “WTO Agreements” series aims at enhancing understanding of the TBT Agreement.
- The handbook sets out the key principles of the TBT Agreement and discusses how these have been addressed in recent disputes brought under this Agreement.
- The publication looks into requirements on transparency, a cornerstone of the TBT Agreement, and describes the mandate, role and work of the TBT Committee.
- It also considers how TBT-related matters have been tackled in negotiations at the WTO.
- The handbook also contains the full text of the TBT Agreement, as well as a compilation of all decisions and recommendations adopted by the TBT Committee since its creation in 1995.

## **Objectives of TBT agreement**

- Protection of human safety or health
- Protection of animal and plant life or health
- Protection of the environment
- Prevention of deceptive practices

## About Technical Barriers to Trade (TBT) Agreement

- The TBT Agreement entered into force on 1 January 1995. It is one of the various WTO agreements annexed to the WTO Agreement.
- As indicated above, the TBT Agreement belongs to the family of multilateral WTO agreements dealing with trade in goods (the GATT and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) are examples of other “goods” agreements).
- The TBT Agreement was not, however, the first one to discipline technical barriers (standards and regulations) to international trade in goods.
- In fact, the **TBT Agreement was built upon the provisions of a previous GATT agreement that had been in operation for 15 years by the time the WTO was created in 1995: the 1979 Tokyo Round Agreement on Technical Barriers to Trade** (commonly known as the Standards Code).
- As a plurilateral agreement, however, the Standards Code was made up from only a subset (46) of all GATT “contracting parties”
- The TBT Agreement is a WTO Multilateral Trade Agreement. This means that, **unlike the 1979 Standards Code, the TBT Agreement is binding on all, not just some, WTO members.**
- All WTO Multilateral Trade Agreements – including the TBT Agreement – are part of a coherent “single undertaking” administered under the umbrella of the WTO.
- This is why the TBT Agreement and all other multilateral agreements share the same fundamental principles, including non-discrimination, promoting predictability of access to markets, and technical assistance (TA) and special and differential (S&D) treatment for developing members.
- However, the TBT Agreement also includes features

specific to the preparation, adoption and application of regulatory measures that affect trade in goods.

- For instance, the Agreement strongly encourages regulatory harmonization by requiring, when possible, the use of international standards.
- It also requires members to avoid adopting regulations that restrict trade beyond what is necessary to address the stated policy objective (health, environment, etc.).
- This obligation applies regardless of whether the regulation is or is not discriminatory. Moreover, the Agreement contains detailed provisions to clarify and increase transparency throughout the entire process of preparing, adopting and applying TBT measures (the regulatory lifecycle).
- These provisions – together with TBT Committee guidance developed by members in a step-by-step fashion over the years – have enabled the TBT Agreement to become a unique multilateral instrument for addressing trade-related regulatory measures on goods.
- **The TBT Agreement is part of a broader category of WTO agreements dealing with non-tariff measures (NTMs).**
- The term NTMs encompasses all measures that affect (actually or potentially) trade, other than tariffs.
- NTMs – which include technical regulations, standards and conformity assessment procedures (CAPs) (the three types of measures covered by the TBT Agreement) – present the international trading system with several challenges.