

PECC Trade Forum  
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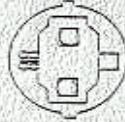









# **Standards in Trade Facilitation**

**-Linking the Lessons of the WTO, OECD and APEC -**

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# 1. Costs for Different Standards Still Exist

**The standard models of electronic plugs, by country**

<b>CEE 7-7 Schuko Model</b> Germany, Austria, Netherlands, Belgium, France, Norway, Sweden, Finland		<b>Israeli Model</b>	
<b>Europlug Model</b> Switzerland, Italy, Spain, Portugal, Greece, Denmark, EU countries		<b>Italian Model</b>	
<b>Australian Model (C 112)</b> Australia, New Zealand		<b>South Asian Model</b> : India	
<b>UK Model (BS 1363)</b> : UK, Malaysia, Hong-kong, Singapore		<b>Swiss Model (SEV 1011)</b>	
<b>Denmark Model</b>		<b>North American Model (NEMA 5-15)</b> : the U.S., Canada	

## 2. Standard Costs Remain at the Center of Concern

- About 3,500 complaints related to standards are filed at the WTO (1995-2000).
- About 80% of world trade is related, directly or indirectly, to standards (OECD, 1999).
- About 28% (78 out of 282 directives) of the EC's efforts for implementing the 1992 *Single Market Act* are related to standards.
- About 5-6% of cost savings by the MRA in information and telecommunication trade of TABD (between EU and US)

- Standards were the 2nd biggest obstacle to the formation of the EC's single market.

### **Ranks of factors disturbing EC's single market**

<b>Difference</b>	<b>England</b>	<b>Germany</b>	<b>France</b>	<b>Italy</b>	<b>EC (12 nations)</b>
<b>Standards or Technical Regulation</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>
<b>Government Procurement</b>	<b>4</b>	<b>8</b>	<b>7(8)</b>	<b>2</b>	<b>8</b>
<b>Administrative Regulation</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Customs Procedures</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Tax Systems</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>7</b>	<b>6(7)</b>
<b>Trans-border Cargo Regulations</b>	<b>5</b>	<b>4(5)</b>	<b>5</b>	<b>5</b>	<b>6(7)</b>
<b>Regulations in Capital Market</b>	<b>7</b>	<b>6</b>	<b>7(8)</b>	<b>4</b>	<b>5</b>
<b>Community Act</b>	<b>6</b>	<b>4(5)</b>	<b>6</b>	<b>6</b>	<b>4</b>

### **3. All trade organizations deal with Standards**

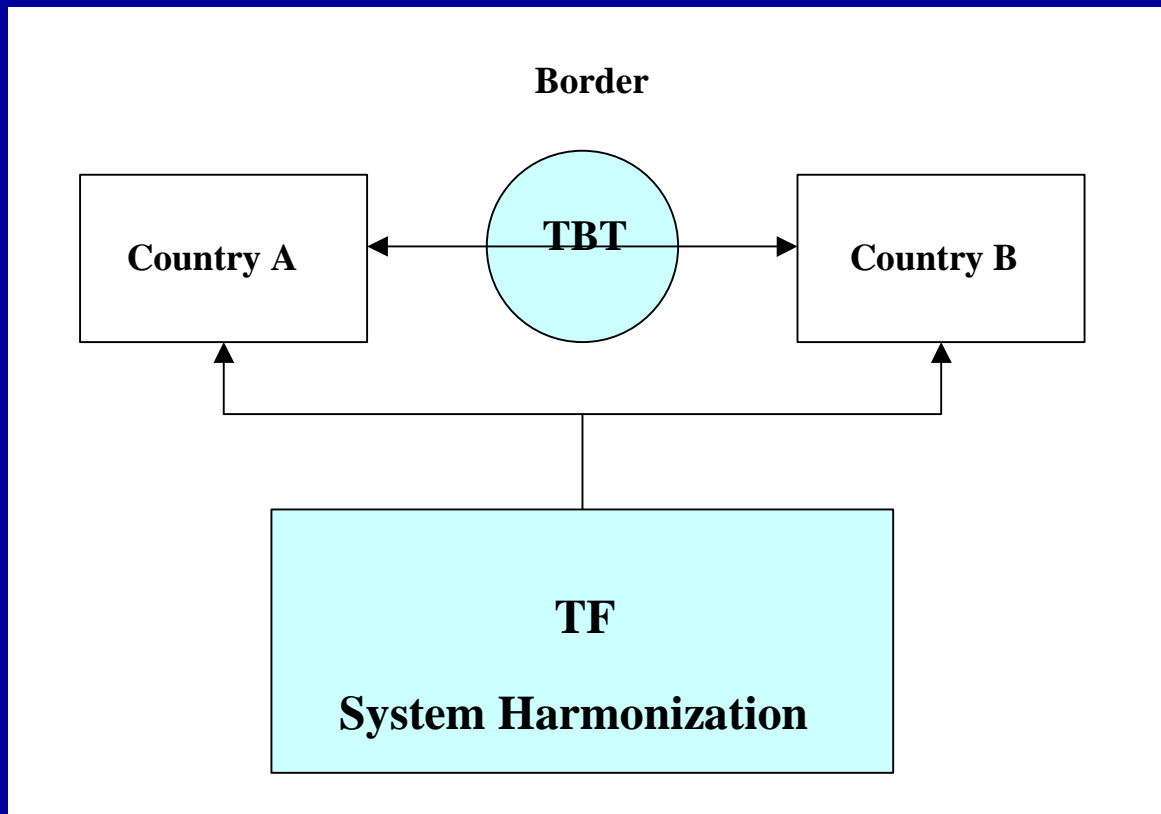
- WTO
- OECD
- APEC

# Standards in the WTO

- **WTO deals with standards as Technical Barrier to Trade (TBT).**
  - Avoid standards that become unnecessary obstacles to trade.
  - Prevent exclusively trade-restrictive standards-related measures
  - For public interest areas, such as safety, environmental protection, health and safety of humans, animals, and plants. WTO allows flexibility in adopting technical regulations.

# Standards in the WTO

- Recently, WTO sees standards as a **Trade Facilitation Measure**



# Standards in the WTO

	Trade Liberalization	Trade Facilitation
Nature	TBT	Regulation
Application	Border Measures	System Harmonization
Function	Passive Trade Expansion	Active Trade Expansion
Implementation	WTO Agreement	WTO Agreement "Plus"



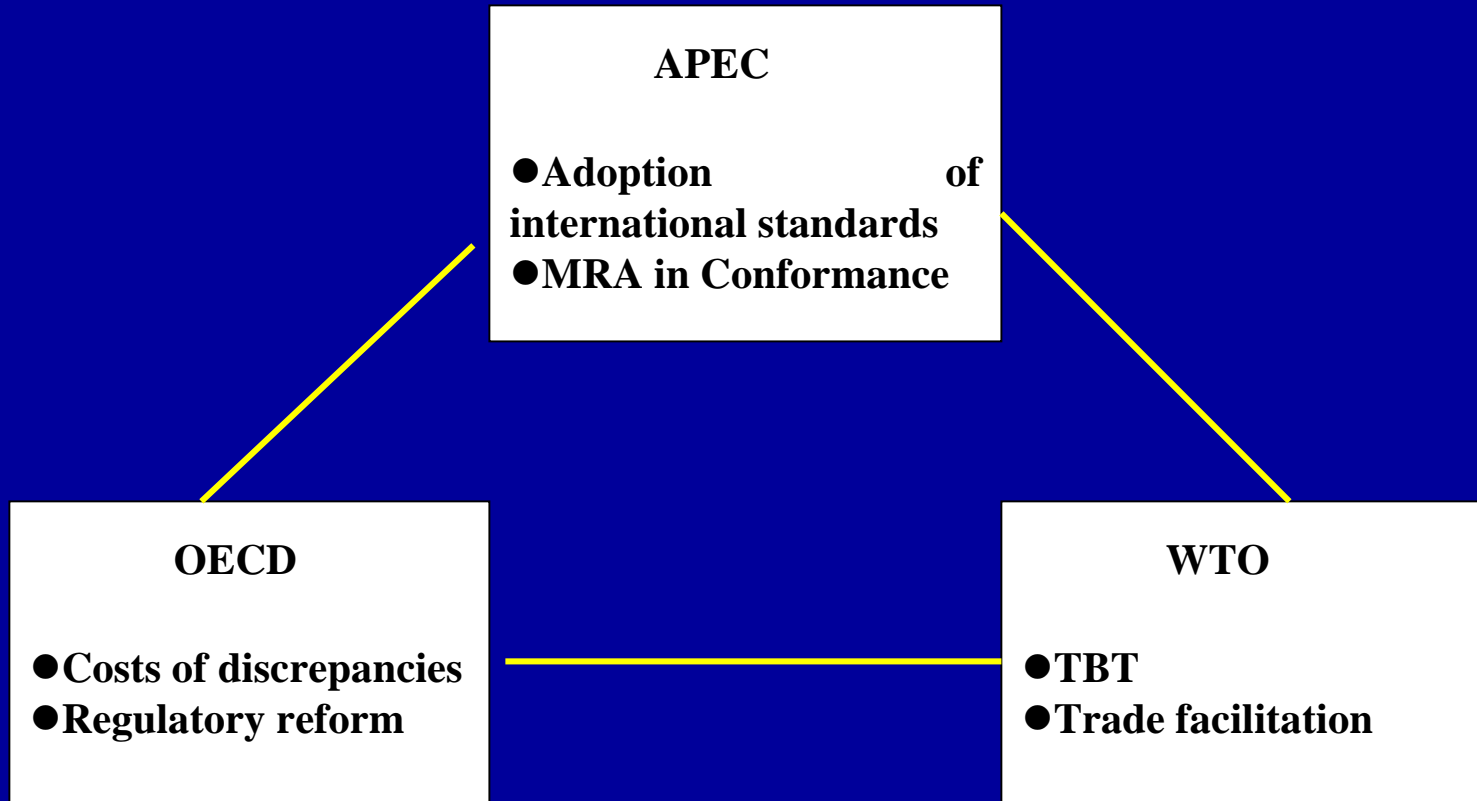
# Standards in the OECD

- **Trade aspects of the divergence and duplications in standards-related measures (trade directorate).**
  - Opportunity costs to trade and investment
  - Open and transparent standards system  
to promote trade, investment and industrial advancement
- **Standards as a subject of regulatory reform**
  - Regulatory reforms in compulsory standards and conformance
  - Avoid excessive regulation
    - RIA regulatory impact analysis
    - Proportionality principle

# Standards in APEC

- Alignment with international standards
- Mutual recognition agreement (MRA) in regulatory and voluntary sectors
- Building-up technical infrastructures
- Enlargement of transparency
- Promoting good regulatory practices
  - Achieving the public interest objectives in the least trade-restrictive way.
  - Shares much equivalence with the OECD regulatory reform.

- **Approaches in standards by APEC, OECD, and the WTO are all different, but dialogue among them are accelerating.**

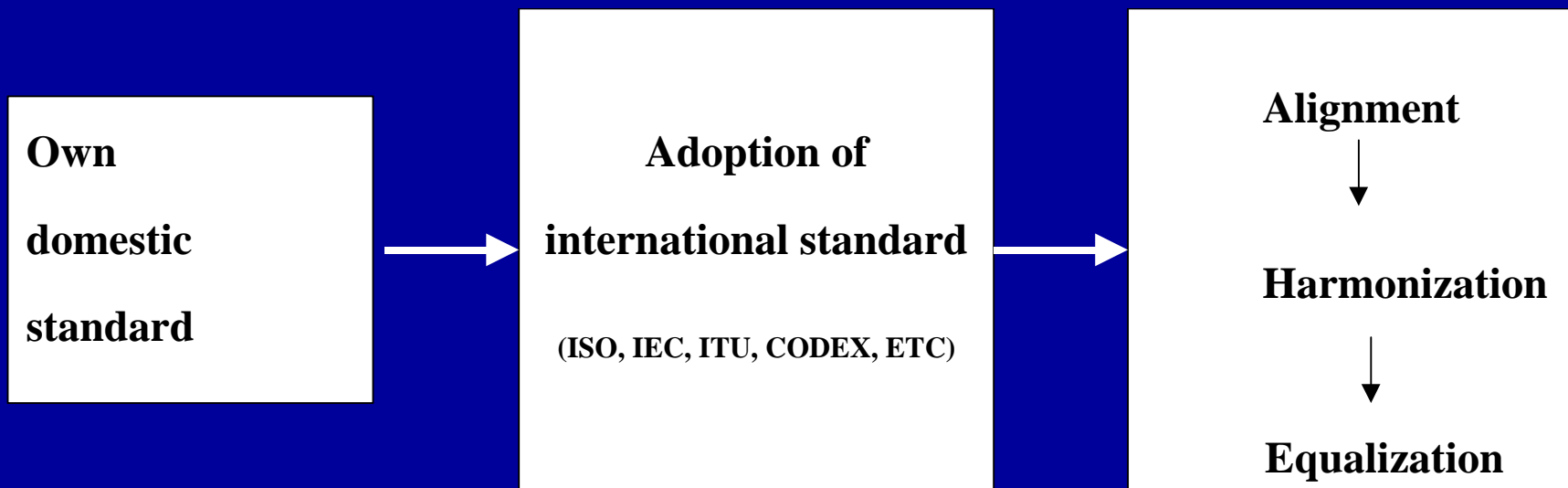


## 4. Every country has its own standards system

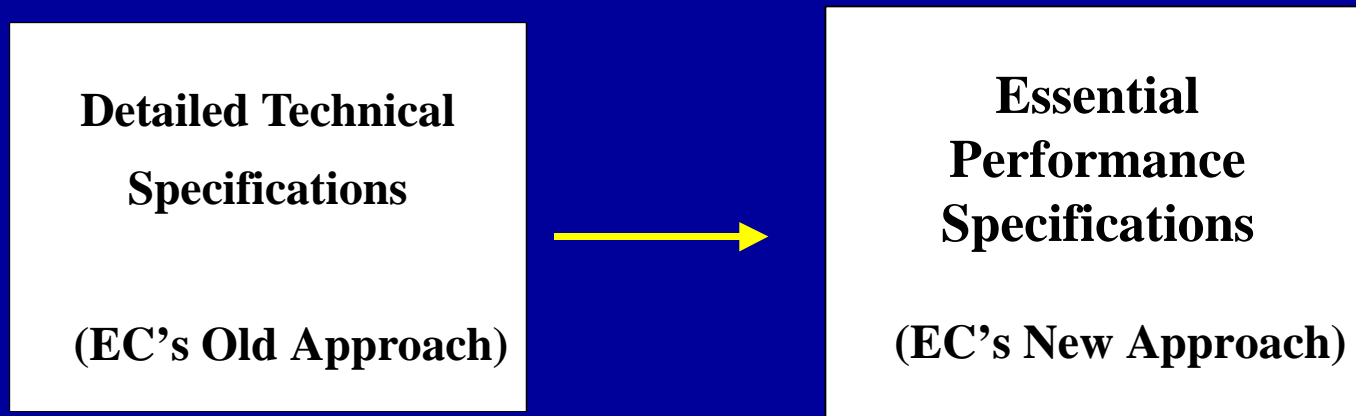
	Type		
	Standard	Technical Regulation	Conformity Assessment Procedure
<b>Objective</b>	Compatibility Interoperability Quality Assessment	Quality Assurance Public Interest Protection	Confirmation and Certification
<b>Enforcement</b>	Voluntary	Mandatory	Voluntary/Mandatory
<b>Type of Execution</b>	Technical Specification (size, weight, figure, etc)	Regulatory Means (Border measures, Laws, Rules, Regulations, etc)	Testing and inspections (e.g., Laboratory testing, Quality of Laboratory)

## 5. Directions for Advancement

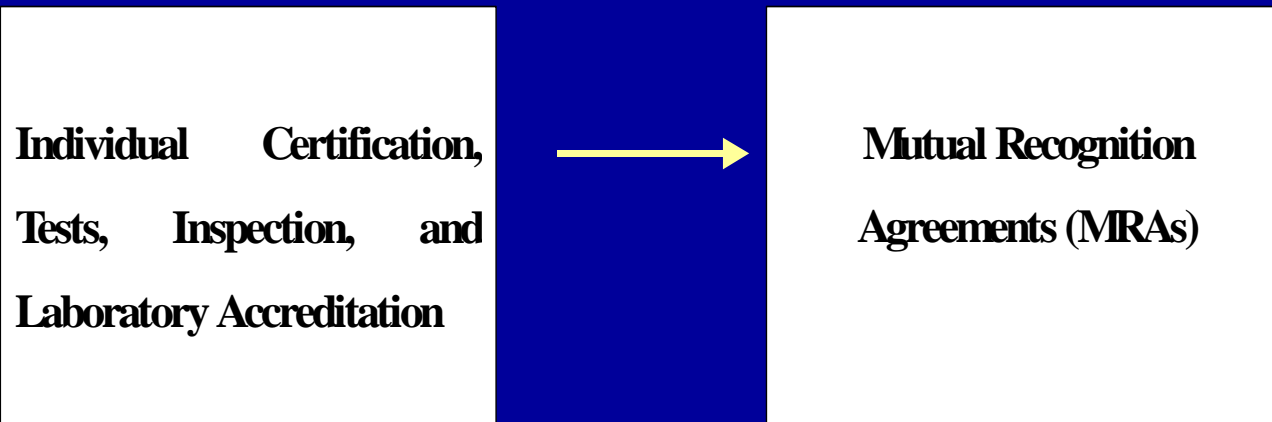
### Standards



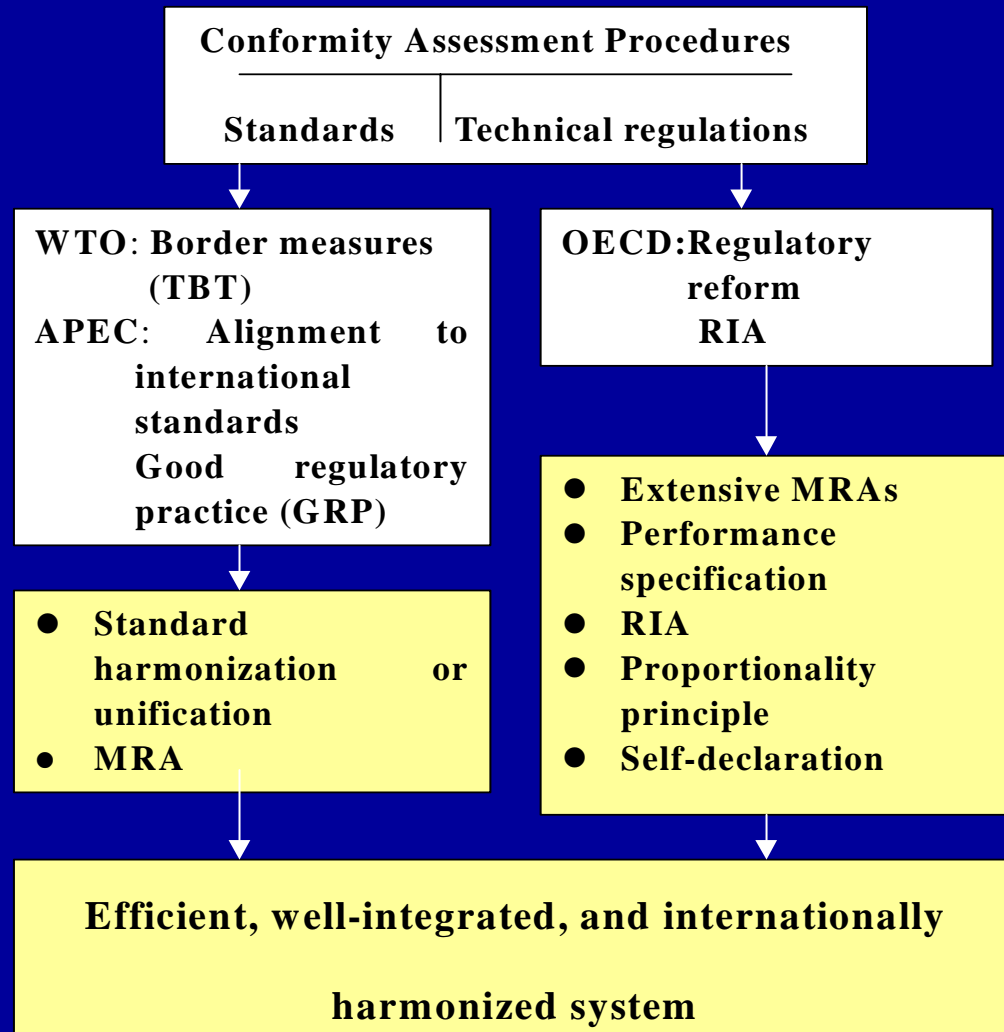
# Technical Regulations



# Conformity Assessment Procedures



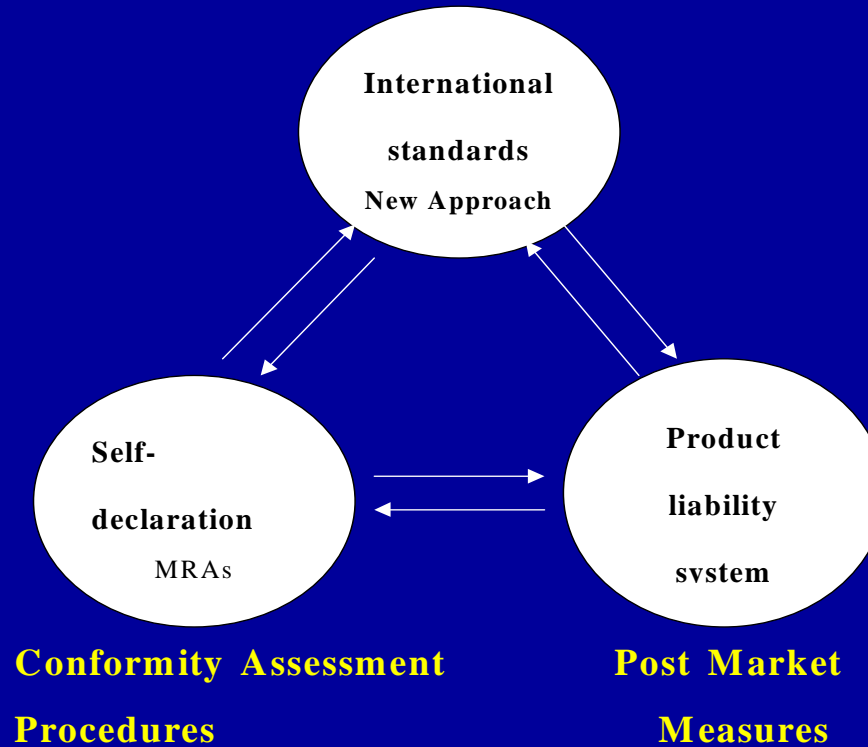
## 6. Future Direction: International





# Future Direction: Domestic

## Standard and Technical Regulation



THANK YOU!