

NTMs and Standards

Technical non-tariff measures (NTMs) are sometimes confounded with standards. However, while technical NTMs are often based on standards, standards themselves do not constitute NTMs. As such, to support the subsequent discussion, it is necessary to briefly explain the relationship between standards and NTMs.

A standard is a “document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context” (ISO, 2004). In the context of trade, standards can be developed by individual companies, industry groups, national standards setting bodies (or offices of metrology), or international standards setting bodies (see table 1). The key difference between NTMs and standards is that by definition, all NTMs are mandatory government regulations, whereas standards are voluntary. Only once a standard is referenced in government regulation does it become mandatory and constitutes an NTM.

Many technical NTMs are based on international, private or national standards. Basing NTMs on international standards is considered good practice as it promotes regulatory harmonization and can thus facilitate international trade (see chapter 3). One way for governments to ensure that standards meet their regulatory needs (so that they can be referenced in regulations and become NTMs) is by getting directly involved in standards development through their national standards body, national food safety authorities, veterinary or plant health services. For the private sector, the distinction between NTMs and standards is often moot. Companies must comply with NTMs because this is the law, but they must equally comply with any standards (whether company, national or international) required by their trading partners, even though these are voluntary, in order to ensure their part in the supply chain of these partners.

Table 1. Standards vis-à-vis NTMs

Term	Explanation	Example
<i>Company standards</i>	Set by companies to ensure their suppliers meet certain criteria	McDonald’s supplier code of conduct, which requires that all suppliers and their facilities meet the standards and promote the principles outlined in the Code, intended to advance McDonald’s commitment to all aspects of sustainability - ethical, environmental, and economic (McDonald’s, 2012).
<i>Industry/Association standards</i>	Set by a collection of companies or organizations (nationally or internationally) to address product quality or production processes	The Fairtrade Standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade (Fairtrade, 2019).
<i>Voluntary national standards</i>	Set by national standards bodies (private or government organizations) that are applied within a country.	In order to develop the quality and safety of soft-shell mud crab for consumer acceptance and competitiveness in the global market, the Agricultural Standards Committee [of Thailand] established a [voluntary] standard for soft shell mud crab (Ministry of Agriculture and Cooperatives, 2010).
<i>International standards</i>	Set by international standards organizations (e.g. ISO, IEC, ITU, Codex Alimentarius Commission), with participation from national standards bodies, national food safety authorities, veterinary or plant health services,	The ISO 9000 family of standards is designed to help organizations implement quality management systems. The standards provide guidance and tools for companies and organizations who want to ensure that their products and services consistently meet customer’s requirements, and that quality is consistently improved (ISO, 2019).

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	while applying the principles for the development of international standards agreed by the relevant WTO committees	
<i>Private standards</i>	These standards are developed by private standard setting organizations (e.g. Underwriters Laboratories) and can be purchased/adopted by international and/or national standards setting bodies, as well as private companies and industry associations.	UL 10A, Standard for Tin-Clad Fire Doors (UL, 2009)
<i>Technical regulations (a subset of NTMs)</i>	National (or supranational, as in the cases of European Union and the Eurasian Economic Union) regulations that specify the characteristics of a product or production process. These regulations may be developed by government on an ad-hoc basis, or they may be based on voluntary standards (which then become mandatory due to their reference in regulation).	The New Zealand Government's (2017) Smoke-free Environments Regulations stipulate that tobacco products sold in New Zealand are subject to annual testing requirements for tar, nicotine and carbon monoxide following methods published by the International Organization for Standardization (ISO 4387:1991(E), ISO 10315:1991(E), and ISO 8454:1995(E).

References

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