

The Empirical Landscape of Trade Policy

Chad P. Bown
Peterson Institute & CEPR

Meredith A. Crowley
University of Cambridge

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The Handbook of Commercial Policy. Netherlands: Elsevier.

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- 3 Border Policies Beyond Import Tariffs
- 4 The Historical Evolution of Border Barriers Under the GATT
- 5 Behind-the-Border (BTB) Policies

1. Introduction

Five Questions

- ① Do some countries have more liberal trading regimes than others?
- ② Within countries, which industries receive the most import protection?
- ③ How do trade policies change over time?
- ④ Do countries discriminate across their trading partners when setting trade policy?
- ⑤ How liberalized is world trade?

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2. Import Tariffs

Structure of Section 2:

- ① MFN ad valorem import tariffs under the WTO
 - ① MFN applied tariffs (across countries, within countries across sectors, by end-use, and over time)
 - ② Tariff binding commitments and binding 'overhang'
- ② MFN specific duties under the WTO
- ③ Preferential tariffs under FTAs and unilateral programs (e.g., GSP)
- ④ Other import tariffs beyond MFN and bilateral tariff preferences

Do some countries have more liberal trading regimes than others?

Table 1: MFN Ad Valorem Import Tariffs for Selected Economies, 2013

Country/territory	MFN applied rate, simple average	WTO binding rate, simple average	Binding coverage	Coverage of applied duties > 15 percent	Coverage of binding rates > 15 percent	Maximum MFN applied rate
	(1)	(2)	(3)	(4)	(5)	(6)
G20 High-income						
Australia	2.7	10.0	97.0	0.1	13.4	140.0
Canada	4.2	6.8	99.7	6.8	7.3	484.0
European Union	5.5	5.2	100.0	5.1	4.8	511.0
Japan	4.9	4.7	99.6	3.7	3.7	736.0
Korea	13.3	16.6	94.6	10.4	20.5	887.0
Saudi Arabia	4.8	11.2	100.0	0.2	1.1	298.0
United States	3.4	3.5	100.0	2.7	2.7	350.0

Do some countries have more liberal trading regimes than others?

Table 1: MFN Ad Valorem Import Tariffs for Selected Economies, 2013 (cont.)

Country/territory	MFN applied rate, simple average	WTO binding rate, simple average	Binding coverage	Coverage of applied duties > 15 percent	Coverage of binding rates > 15 percent	Maximum MFN applied rate
	(1)	(2)	(3)	(4)	(5)	(6)
G20 Emerging						
Argentina	13.4	31.9	100.0	36.0	97.8	35.0
Brazil	13.5	31.4	100.0	36.2	96.4	55.0
China	9.9	10.0	100.0	15.6	16.4	65.0
India	13.5	48.6	74.4	19.0	71.5	150.0
Indonesia	6.9	37.1	96.6	1.7	90.7	150.0
Mexico	7.9	36.2	100.0	15.7	98.7	210.0
Russia	9.7	7.7	100.0	10.1	2.1	441.0
South Africa	7.6	19.0	96.1	20.7	39.6	>1000
Turkey	10.8	28.6	50.3	13.6	28.9	225.0

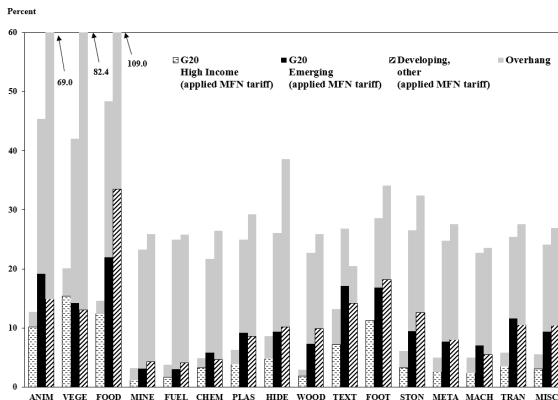
Do some countries have more liberal trading regimes than others?

Table 1: MFN Ad Valorem Import Tariffs for Selected Economies, 2013 (cont.)

Country/territory	MFN applied rate, simple average	WTO binding rate, simple average	Binding coverage	Coverage of applied duties > 15 percent	Coverage of binding rates > 15 percent	Maximum MFN applied rate
	(1)	(2)	(3)	(4)	(5)	(6)
Developing, other*						
Bangladesh	13.9	169.2	15.5	41.2	15.1	25.0
Burma	5.6	84.1	17.8	5.0	14.6	40.0
Colombia	8.8	42.1	100.0	2.1	98.0	98.0
DR of the Congo (2010)	11.0	96.2	100.0	28.5	98.9	20.0
Egypt (2012)	16.8	36.9	99.3	19.2	70.7	>1000
Ethiopia [†] (2012)	17.3	**	**	50.8	**	35.0
Iran [†] (2011)	26.6	**	**	45.7	**	400.0
Kenya	12.7	95.1	14.8	41.4	14.8	100.0
Nigeria	11.7	118.3	19.1	39.0	19.1	35.0
Pakistan	13.5	60.0	98.7	36.0	94.9	100.0
Philippines	6.3	25.7	67.0	3.2	56.0	65.0
Tanzania	12.8	120.0	13.3	41.8	13.3	100.0
Thailand	11.4	27.8	75.0	25.5	66.0	226.0
Ukraine	4.5	5.8	100.0	2.7	3.8	59.0
Vietnam	9.5	11.5	100.0	24.8	27.7	135.0

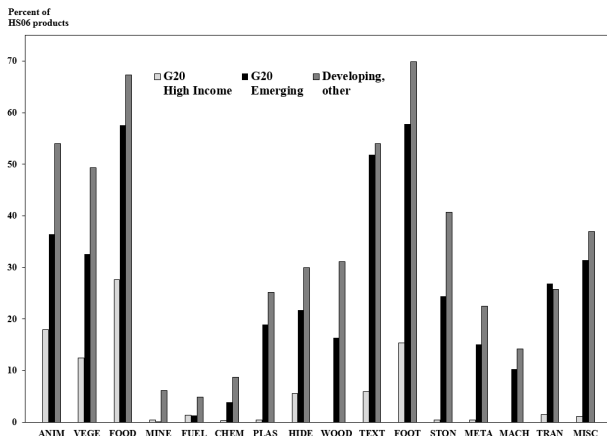
Within countries, which industries receive the most import protection?

Figure 2: Average Applied MFN Tariffs in 2013 and Tariff Bindings, by Industry and Country Group



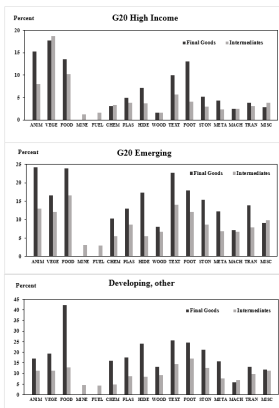
Within countries, which industries receive the most import protection?

Figure 3: Applied MFN Tariff Peaks in 2013, by Industry and Country Group



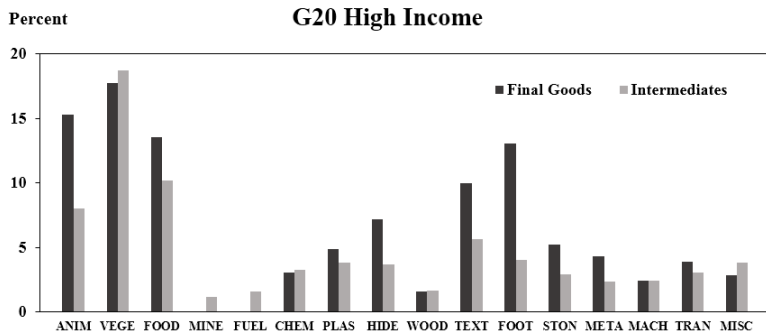
Within countries, which industries receive the most import protection?

Figure 4: Tariff Escalation: Average Applied MFN Tariffs in 2013, by End Use Categories, Industry and Country Group



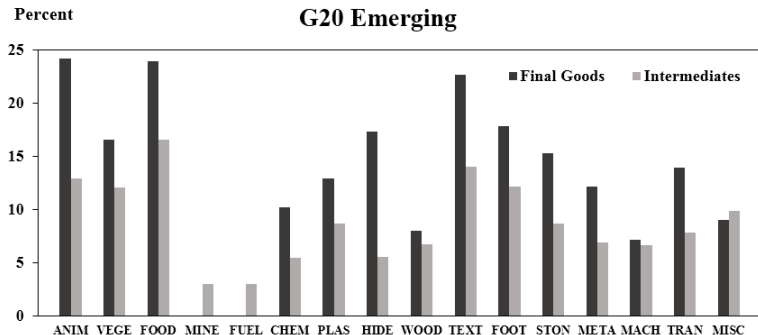
Within countries, which industries receive the most import protection?

Figure 4: Tariff Escalation: Average Applied MFN Tariffs in 2013, by End Use Categories, Industry and Country Group (cont.)



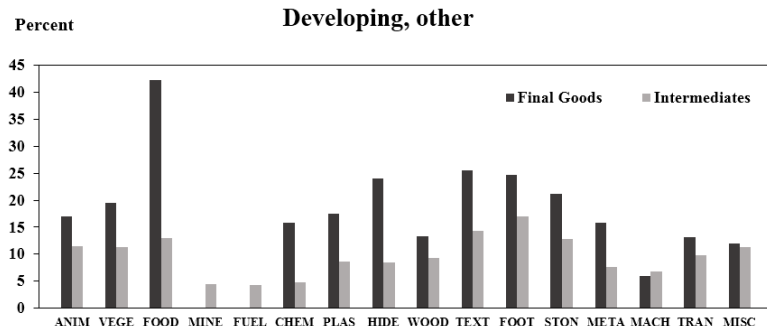
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Within countries, which industries receive the most import protection?

Figure 4: Tariff Escalation: Average Applied MFN Tariffs in 2013, by End Use Categories, Industry and Country Group (cont.)



How do trade policies change over time?

Table 2: Average Applied MFN Ad Valorem Import Tariffs for Selected Economies: 1993, 2003 and 2013

	GATT membership year	WTO membership year	Simple average applied MFN tariff for		
			1993	2003	2013
G20 High-income					
Australia	1948	1995	8.8	4.2	2.7
Canada	1948	1995	9.0	5.1	3.7
European Union	**	1995	7.0	4.4	4.4
Japan	1955	1995	4.4	3.2	3.0
Korea	1967	1995	11.7*	11.6	12.2
Saudi Arabia	NM	2005	12.1*	6.0	4.6
United States	1948	1995	5.6	3.7	3.5

How do trade policies change over time?

Table 2: Average Applied MFN Ad Valorem Import Tariffs for Selected Economies: 1993, 2003 and 2013 (cont.)

	GATT membership year	WTO membership year	Simple average applied MFN tariff for		
			1993	2003	2013
G20 Emerging					
Argentina	1967	1995	11.2	14.2	13.4
Brazil	1948	1995	14.0	13.5	13.5
China	NM	2001	39.1	11.4	9.6*
India	1948	1995	56.3*	26.5	13.3
Indonesia	1950	1995	17.9	6.9	6.7
Mexico	1986	1995	13.7*	18.0	7.7*
Russia	NM	2012	7.8	10.7*	8.9
South Africa	1948	1995	16.0	5.6	7.4
Turkey	1951	1995	9.3	10.0	10.8

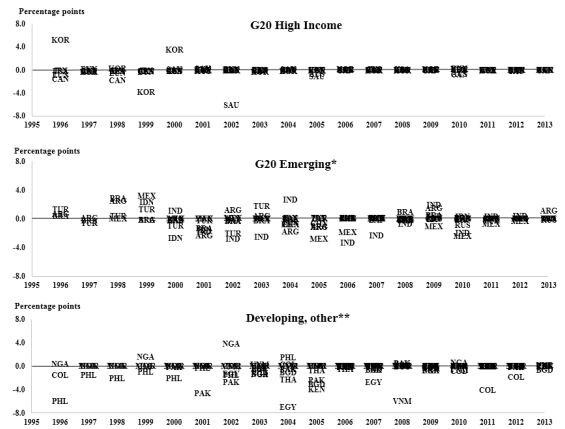
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Table 2: Average Applied MFN Ad Valorem Import Tariffs for Selected Economies: 1993, 2003 and 2013 (cont.)

	GATT membership year	WTO membership year	Simple average applied MFN tariff for		
			1993	2003	2013
Developing, other					
Bangladesh	1972	1995	82.8*	19.5	14.0
Burma	1948	1995	—	5.5	5.6*
Colombia	1981	1995	12.3*	12.3	6.8
DR of the Congo	NM	1997	—	12.0	11.0*
Egypt	1970	1995	34.6*	26.9	16.8*
Ethiopia	NM	NM	28.9*	18.8*	17.3*
Iran	NM	NM	—	27.3	26.6*
Kenya	1964	1995	35.2*	15.2*	12.8
Nigeria	1960	1995	34.4*	28.6	11.7
Pakistan	1948	1995	50.8*	17.1	13.5
Philippines	1979	1995	22.9	4.7	6.3
Tanzania	1961	1995	20.3	13.6	12.8
Thailand	1982	1995	45.7	15.4	10.4
Ukraine	NM	2008	7.0*	7.0*	4.5
Vietnam	NM	2007	14.1*	16.8	9.4

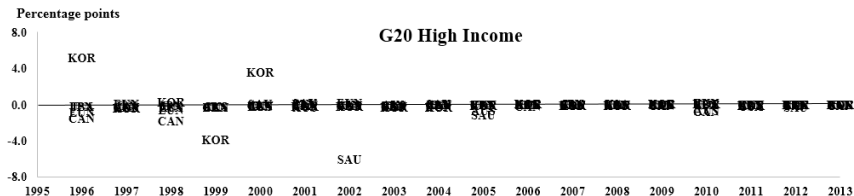
How do trade policies change over time?

Figure 5: Annual Changes in Average Applied MFN Tariffs 1996-2013, by Country Group



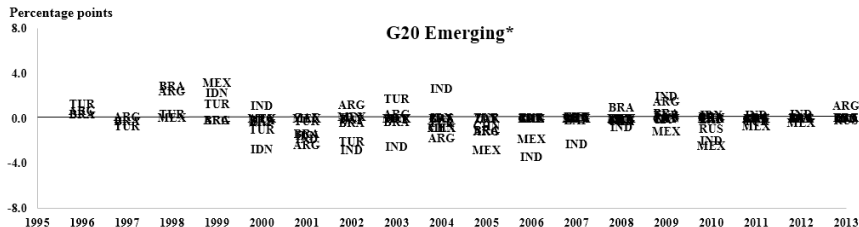
How do trade policies change over time?

Figure 5: Annual Changes in Average Applied MFN Tariffs 1996-2013, by Country Group (cont.)



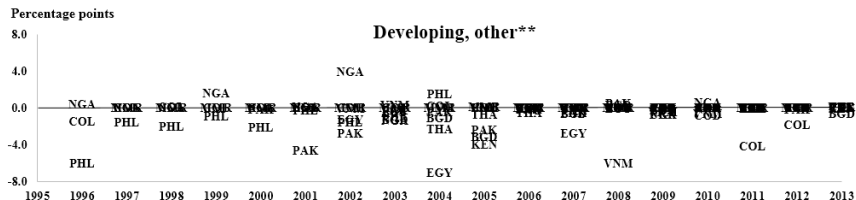
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Figure 5: Annual Changes in Average Applied MFN Tariffs 1996-2013, by Country Group (cont.)



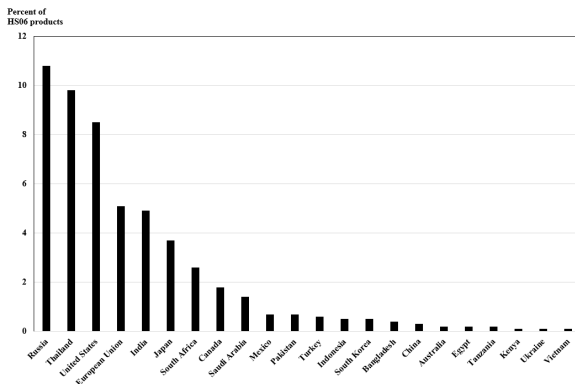
How do trade policies change over time?

Figure 5: Annual Changes in Average Applied MFN Tariffs 1996-2013, by Country Group (cont.)



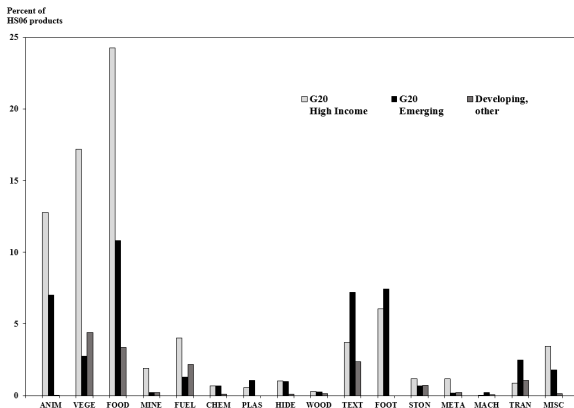
Specific Duties (not all tariffs are applied in ad valorem form!) and their implications

Figure 6: Import Products with MFN Tariffs Applied as Specific Duties in 2013, by Country



Within countries, which industries receive the most import protection?

Figure 7: Import Products with MFN Tariffs Applied as Specific Duties in 2013, by Industry and Country Group



Do countries discriminate across their trading partners when setting trade policy?

Table 3: Major Preferential Trade Arrangements in Force in 2015

Type of Arrangement	Number in force	Major Examples
Free Trade Agreement (FTA)	233	<p>North American Free Trade Agreement (NAFTA)</p> <p>US-Australia, US-Colombia, Korea-US</p> <p>Canada-Colombia, Canada-Korea</p> <p>EU-Colombia and Peru, EU-Egypt, EU-Korea, EU-Mexico, EU-South Africa, EU-Ukraine</p> <p>Association of Southeast Asian Nations (ASEAN) FTA</p> <p>ASEAN-Japan, ASEAN-Australia-New Zealand, ASEAN-China, ASEAN-India, ASEAN-Korea</p> <p>India-Japan</p> <p>Japan - Australia, Japan - Indonesia, Japan - Mexico, Japan - Philippines, Japan - Thailand, Japan - Vietnam</p> <p>Korea-Australia, Korea-India</p> <p>Pakistan-China</p> <p>Thailand-Australia</p> <p>Turkey-Egypt</p> <p>Turkey-Korea</p> <p>Ukraine-Russia</p>

Do countries discriminate across their trading partners when setting trade policy?

Table 3: Major Preferential Trade Arrangements in Force in 2015 (cont.)

Type of Arrangement	Number in force	Major Examples
Customs Union (CU)	19	European Union (EU) EU-Turkey MERCOSUR (Southern Common Market) East African Community Common Market for Eastern and Southern Africa (COMESA)
Partial Scope Agreement (PSA)	14	Asia-Pacific Trade Agreement (APTA) Global System of Trade Preferences (GSTP) Latin American Integration Association (ALADI) MERCOSUR-India
Unilateral Preference Scheme	28	Generalized System of Preferences (GSP) schemes: Australia, Canada, European Union, Japan, Russia, Turkey, United States Duty-free treatment for certain less developed countries (LDCs): China, Korea, India, Thailand Other examples: African Growth and Opportunities Act (AGOA) - US Trade preferences for Pakistan - EU

Do countries discriminate across their trading partners when setting trade policy?

Table 4: Bilateral Import Tariff Characteristics under PTAs for Selected Economies, 2014

Country	All products	Preference possible (PP) products with non-zero applied MFN tariffs						
	MFN applied tariff	PP products (% of all HS06 products)	Products given preferences (% of all PP products)	Products given preferences (% of all products)	MFN applied tariff, all PP products	MFN applied tariff, preference given	Bilateral applied tariff, preference given	Bilateral tariff preference margin, preference given
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
G20 High-income								
Australia	2.7	52.5	39.8	20.9	5.1	5.0	0.6	4.4
Canada	2.2	31.3	58.8	18.4	7.1	6.7	1.5	5.2
European Union	5.6	76.0	78.7	59.8	7.3	6.6	1.8	4.8
Japan	2.8	47.5	64.4	30.6	5.8	5.2	0.8	4.4
Saudi Arabia	4.7	89.7	3.6	3.2	5.3	5.3	0.0	5.3
United States	2.9	58.0	59.7	34.6	5.1	4.2	0.1	4.1

Do countries discriminate across their trading partners when setting trade policy?

Table 4: Bilateral Import Tariff Characteristics under PTAs for Selected Economies, 2014 (cont.)

Country	All products	Preference possible (PP) products with non-zero applied MFN tariffs						
	MFN applied tariff	PP products (% of all HS06 products)	Products given preferences (% of all PP products)	Products given preferences (% of all products)	MFN applied tariff, all PP products	MFN applied tariff, preference given	Bilateral applied tariff, preference given	Bilateral tariff preference margin, preference given
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
G20 Emerging								
Argentina	13.6	96.7	10.0	9.7	14.1	13.5	2.5	11.0
Brazil	13.6	96.8	10.2	9.9	14.0	13.7	3.9	9.8
China	9.6	93.6	52.8	49.4	10.3	9.3	0.7	8.6
India	12.4	97.3	3.6	3.5	12.7	15.0	9.2	5.8
Indonesia	7.2	90.6	23.7	21.5	8.0	7.2	0.6	6.6
Mexico	7.4	57.0	20.3	11.6	12.9	12.6	2.5	10.1
Russia	8.8	89.4	20.2	18.1	9.9	11.1	5.7	5.4
South Africa	7.5	43.7	6.8	3.0	17.3	17.3	2.1	15.2
Turkey	10.8	80.4	67.1	53.9	13.4	5.6	1.9	3.7

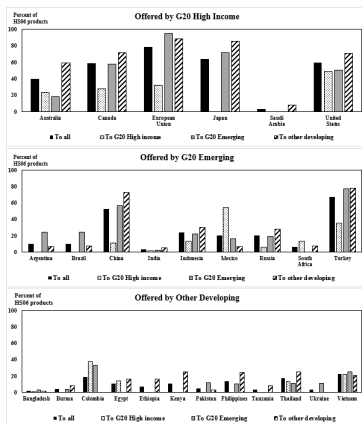
Do countries discriminate across their trading partners when setting trade policy?

Table 4: Bilateral Import Tariff Characteristics under PTAs for Selected Economies, 2014 (cont.)

Country	All products	Preference possible (PP) products with non-zero applied MFN tariffs						
	MFN applied tariff	PP products (% of all HS06 products)	Products given preferences (% of all PP products)	Products given preferences (% of all products)	MFN applied tariff, all PP products	MFN applied tariff, preference given	Bilateral applied tariff, preference given	Bilateral tariff preference margin, preference given
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Developing, other								
Bangladesh	14.6	93.5	2.0	1.9	15.6	22.6	21.2	1.4
Burma	5.6	96.9	4.6	4.5	5.8	13.4	4.9	8.5
Colombia	6.3	54.2	18.7	10.1	11.7	11.9	1.9	10.0
Egypt	16.8	90.6	10.7	9.7	18.6	18.6	5.6	13.0
Ethiopia	17.3	95.7	7.1	6.8	18.1	18.1	16.3	1.8
Kenya	12.8	63.8	10.7	6.8	20.0	20.0	0.7	19.3
Pakistan	13.4	94.3	5.2	4.9	14.2	15.1	13.1	2.0
Philippines	6.3	98.2	13.8	13.6	6.4	6.4	0.6	5.8
Thailand	10.7	78.3	17.6	13.8	13.6	13.5	0.3	13.2
Tanzania	12.8	63.8	3.6	2.3	20.1	20.1	0.0	20.1
Ukraine	4.4	63.8	3.6	2.3	6.9	6.9	0.0	6.9
Vietnam	9.3	64.9	22.5	14.6	14.4	15.3	4.8	10.5

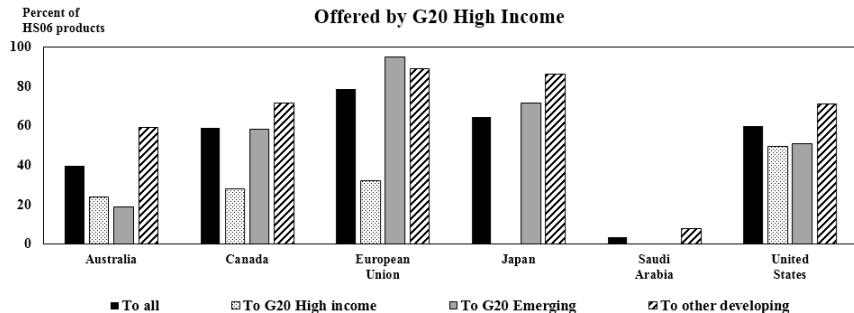
Do countries discriminate across their trading partners when setting trade policy?

Figure 8: Bilateral Tariff Preference Offerings by Policy-Imposing Economy, 2014



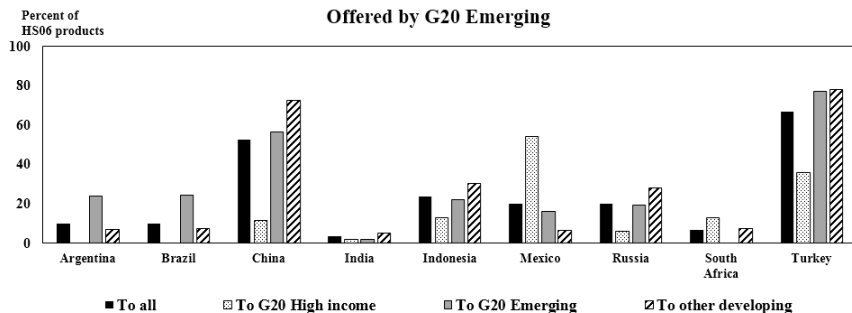
Do countries discriminate across their trading partners when setting trade policy?

Figure 8: Bilateral Tariff Preference Offerings by Policy-Imposing Economy, 2014 (cont.)



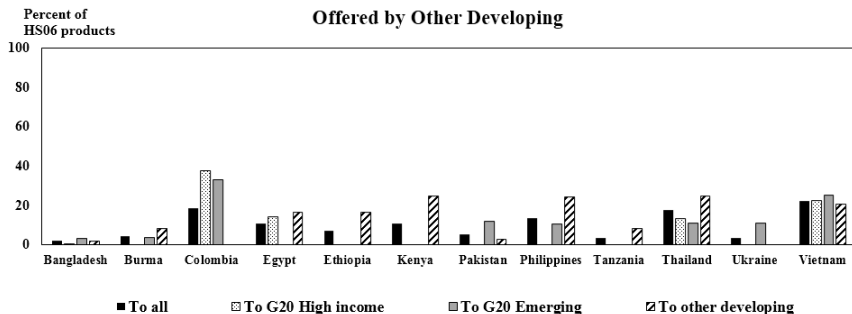
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Figure 8: Bilateral Tariff Preference Offerings by Policy-Imposing Economy, 2014 (cont.)



Do countries discriminate across their trading partners when setting trade policy?

Figure 8: Bilateral Tariff Preference Offerings by Policy-Imposing Economy, 2014 (cont.)



Do countries discriminate across their trading partners when setting trade policy?

Figure 9: United States's Bilateral Tariff Preferences toward Major Economies, 2014

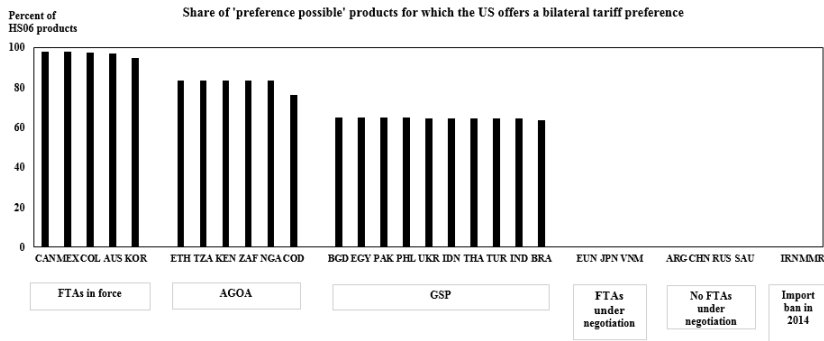


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3. Border Policies Beyond Import Tariffs

Structure of Section 3:

- 1 Temporary trade barriers of antidumping, countervailing duties, and safeguards
- 2 Quantitative restrictions, import quotas, and tariff rate quotas
- 3 Price undertakings and voluntary export restraints
- 4 Import licensing, customs valuation, and trade facilitation

Do some countries have more liberal trading regimes than others?

Table 5: Import Product Coverage by Temporary Trade Barriers over 1995-2013, by Country and Policy

	AD law/ initiation	Cumulative coverage by TTB ever in effect during 1995-2013					Annual coverage by TTB in effect 1995-2013				Annual coverage by new TTB investigation 1995-2013			
		All TTBs	AD only	CVD only	SG only	CSG only	St.				St.			
							Mean	Dev.	Min.	Max.	Mean	Dev.	Min.	Max.
G20 High-income														
Australia	1906/na	2.5	2.5	0.5	0.0	0.0	0.8	0.2	0.4	1.2	0.2	0.1	0.1	0.4
Canada	1904/na	3.4	3.4	1.5	0.0	0.0	1.6	0.3	1.2	2.2	0.3	0.3	0.0	1.1
European Union	1968/1968-69	8.1	6.6	1.4	1.6	0.0	2.8	0.5	2.1	3.6	0.6	0.5	0.1	2.2
Japan	1920/1982	0.3	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.1
Korea	1963/1986	1.6	1.4	0.0	0.1	0.0	0.6	0.2	0.2	0.8	0.1	0.2	0.0	0.6
Saudi Arabia	na/na	na	na	na	na	na	na	na	na	na	na	na	na	na
United States	1916/1922	10.3	9.0	5.1	2.8	0.0	4.9	1.1	3.3	6.8	0.9	0.8	0.1	3.9

Do some countries have more liberal trading regimes than others?

Table 5: Import Product Coverage by Temporary Trade Barriers over 1995-2013, by Country and Policy (cont.)

	AD law/ initiation	Cumulative coverage by TTB ever in effect during 1995-2013					Annual coverage by TTB in effect 1995-2013				Annual coverage by new TTB investigation 1995-2013			
		All	AD	CVD	SG	CSG	St.				St.			
		TTBs	only	only	only	only	Mean	Dev.	Min.	Max.	Mean	Dev.	Min.	Max.
G20 Emerging														
Argentina	1972/na	4.8	4.6	0.1	0.5	0.0	2.2	0.6	1.2	3.2	0.5	0.4	0.0	1.3
Brazil	1987/1988	2.8	2.4	0.2	0.3	0.0	1.2	0.4	0.4	1.9	0.3	0.2	0.0	0.6
China	1997/1997	3.1	2.1	0.2	1.3	0.0	1.1	0.7	0.0	2.0	0.2	0.4	0.0	1.8
India	1985/1992	8.0	7.6	0.0	0.9	0.3	3.4	2.2	0.2	6.6	0.9	0.7	0.1	2.4
Indonesia	1995/1996	2.1	1.1	0.0	1.1	0.0	0.6	0.6	0.0	1.8	0.2	0.3	0.0	1.2
Mexico	1986/1987	22.9	22.8	0.6	0.0	0.0	17.5	10.0	1.0	23.7	0.2	0.1	0.0	0.4
Russia	na/na	na	na	na	na	na	na	na	na	na	na	na	na	na
South Africa	1914/1921	2.1	2.1	0.1	0.0	0.0	1.0	0.4	0.3	1.7	0.1	0.1	0.0	0.6
Turkey	1989/1989	4.2	2.5	0.0	1.6	0.1	2.9	2.0	0.6	5.9	0.4	0.5	0.0	1.8

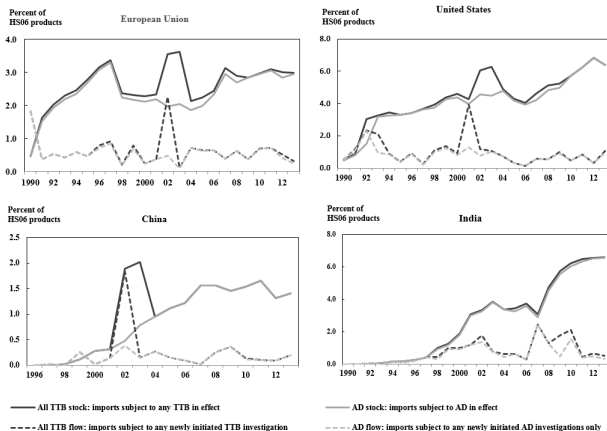
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	AD law/ initiation	Cumulative coverage by TTB ever in effect during 1995-2013					Annual coverage by TTB in effect 1995-2013				Annual coverage by new TTB investigation 1995-2013			
		All TTBs	AD only	CVD only	SG only	CSG only	St.				St.			
							Mean	Dev.	Min.	Max.	Mean	Dev.	Min.	Max.
Developing, other														
Colombia	1990/1991	2.3	1.2	0.0	0.1	1.5	0.6	0.5	0.1	1.9	0.2	0.4	0.0	1.8
Egypt	na/na	na	na	na	3.6	na	na	na	na	na	na	na	na	na
Pakistan	1983/2002	0.4	0.4	0.0	0.0	0.0	0.2	0.1	0.0	0.3	0.1	0.1	0.0	0.3
Philippines	1994/1994	0.5	0.3	0.0	0.2	0.0	0.2	0.1	0.1	0.7	0.1	0.1	0.0	0.4
Thailand	1994/1994	0.6	0.6	0.0	0.1	0.0	0.3	0.2	0.0	0.7	0.4	0.5	0.0	1.0
Ukraine	na/na	na	na	na	0.1	na	na	na	na	na	na	na	na	na

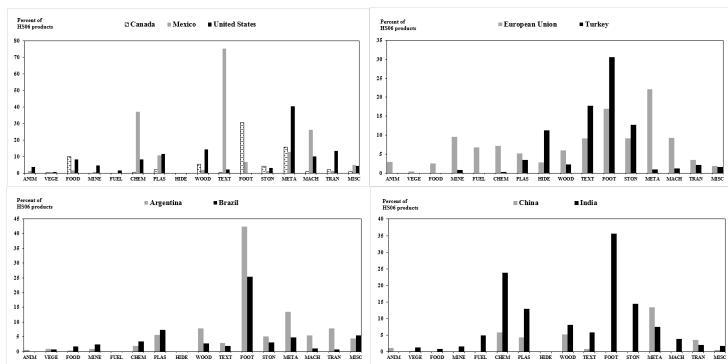
How do trade policies change over time?

Figure 10: Import Products Subject to Newly Initiated TTB Investigations and Imposed Import Restrictions for Selected Economies, 1990-2013



Within countries, which industries receive the most import protection?

Figure 11: Import Products with an Imposed Temporary Trade Barrier in Effect over 1995-2013, by Policy-Imposing Economy and Industry



Do countries discriminate across their trading partners when setting trade policy?

Table 6: Exporting Countries Most Exposed to Foreign-Imposed TTBs, 2013 and 1995

Exporter	TTB-affected share of 2013 exports to G20 (percent)	Exporter	TTB-affected value of 2013 exports to G20 (billions of 2013 dollars)	Exporter	TTB-affected share of 1995 exports to G4 (percent)	Exporter	TTB-affected value of 1995 exports to G4 (billions of 2013 dollars)
1. Latvia	17.7	1. China	100.3	1. Korea	7.6	1. Japan	7.7
2. China	7.1	2. Korea	14.0	2. Venezuela	6.2	2. Korea	4.6
3. Ukraine	5.7	3. United States	12.6	3. Ukraine	5.7	3. China	3.3
4. Kuwait	5.1	4. Japan	4.4	4. Lithuania	4.4	4. United States	1.8
5. Korea	3.9	5. India	3.5	5. China	2.9	5. Thailand	0.9
6. Argentina	3.8	6. Thailand	3.5	6. Thailand	2.8	6. Brazil	0.7
7. Moldova	3.7	7. Indonesia	2.9	7. Japan	2.6	7. Malaysia	0.6
8. Indonesia	3.1	8. Russia	2.5	8. Brazil	2.2	8. Canada	0.6
9. India	2.7	9. Mexico	2.5	9. Turkey	1.9	9. Hong Kong	0.5
10. Russia	2.3	10. Germany	2.5	10. Russia	1.8	10. Germany	0.5
11. Slovenia	2.3	11. Argentina	1.9	11. Egypt	1.6	11. Russia	0.4
12. Thailand	2.3	12. Ukraine	1.7	12. Hong Kong	1.5	12. Turkey	0.4
13. Macedonia	2.1	13. Malaysia	1.6	13. Malaysia	1.4	13. Singapore	0.4
14. Trin. & Tobago	2.1	14. Vietnam	1.3	14. Saudi Arabia	0.9	14. Netherlands	0.2
15. U.A.E.	1.6	15. Brazil	0.8	15. Poland	0.8	15. United Kingdom	0.2
16. Oman	1.6	16. Italy	0.8	16. Singapore	0.8	16. Italy	0.2
17. Poland	1.6	17. Canada	0.6	17. Australia	0.5	17. Venezuela	0.2
18. Kenya	1.5	18. U.A.E.	0.6	18. United States	0.5	18. Poland	0.2
19. Vietnam	1.3	19. France	0.6	19. Argentina	0.5	19. France	0.2
20. United States	1.3	20. Singapore	0.5	20. South Africa	0.5	20. Ukraine	0.2

Do countries discriminate across their trading partners when setting trade policy?

Table 7: European Union Border Barriers Resulting from Imposed Antidumping, 1989-2011

	Export Origin			
	All countries	G20 High income	G20 Emerging	Developing
Tariffs				
Ad valorem duty	65.0	75.3	68.2	56.5
Specific duty	9.6	9.6	12.0	6.2
Price undertakings				
Price undertaking	13.2	6.8	6.6	24.9
Price undertaking/Ad val. duty	4.9	2.7	2.5	9.6
Duty if min. price breached	2.2	4.1	2.5	1.1
Other (outcome unknown)	5.1	1.5	8.2	1.7

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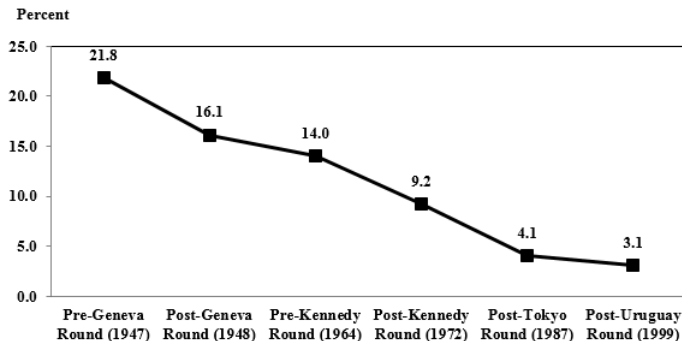
4. The Historical Evolution of Border Barriers Under the GATT

Structure of Section 4:

- ① Pre-GATT 1947 tariff levels, and tariff trends over the GATT period
- ② Changing tariff rates under the GATT
- ③ GATT exceptions and the rise of major carve-outs
 - ① Emergency import restrictions to address balance of payments problems
 - ② Japan's GATT accession and the 'temporary' Article XXXV exception
 - ③ The rise of voluntary export restraints, including the multi-fibre arrangement
 - ④ Agriculture
 - ⑤ Special and differential treatment for developing countries
 - ⑥ Antidumping in historical perspective

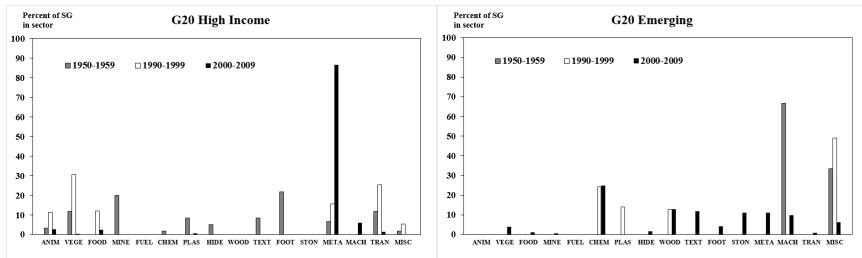
How do trade policies change over time?

Figure 12: Estimates of Average Tariffs for the United States, Western Europe, and Japan, 1947-1999



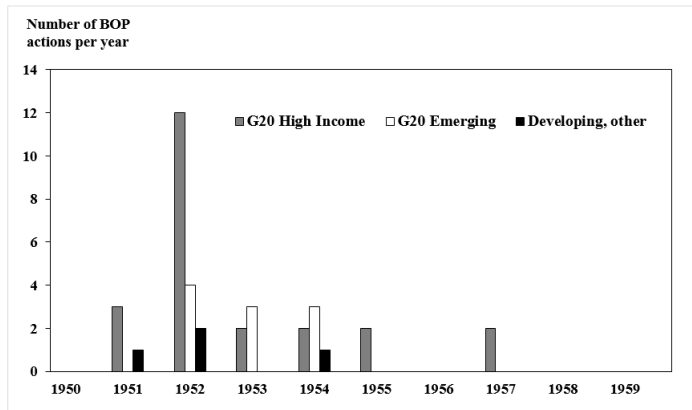
How do trade policies change over time?

Figure 13: Temporary Import Protection Actions under Article XIX and WTO Agreement on Safeguards: share of total investigations by sector by decade



How do trade policies change over time?

Figure 14: Balance of Payment Import Restrictions under Article XII, 1950-1959



How do trade policies change over time?

Figure 15: Article VI and Agreement on Antidumping: share of antidumping investigations by sector by decade

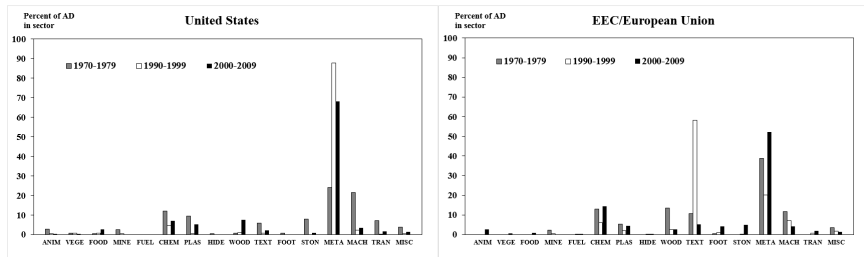


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4. Behind-the-Border Policies

Approach

- Data in this area is notably poor
- Instead, we present a number of 'case studies' of WTO disputes over BTB policies to highlight their relevance
- We also point the interested reader to legal-economic analyses of the WTO dispute settlement decisions in this area from a 15 year old (and ongoing) project between legal scholars and economists (Chad P. Bown, Henrik Horn and Petros C. Mavroidis)
- See <http://globalgovernanceprogramme.eui.eu/wto-case-law-project/>

How liberalized is world trade?

Table 8: Disputed Behind-the-Border Policies Predominantly Affecting Supply, 1995-2015

Behind the Border Policy	WTO Dispute (Complaining Countries)	Legal-Economic Research
Subsidies/Taxes		
US and EU subsidies to Boeing and Airbus for large civil aircraft	<i>US - Large Civil Aircraft (EU)</i> <i>EU - Large Civil Aircraft (US)</i> <i>US - Tax Incentives (EU)</i>	Hahn and Melita (2013); Neven and Sykes (2014)
Brazil and Canada subsidies to Embraer and Bombardier for regional aircraft	<i>Canada - Aircraft (Brazil)</i> <i>Brazil - Aircraft (Canada)</i>	Howse and Neven (2005b)
China's value-added tax exemption for domestically produced aircraft	<i>China - Tax Measures Concerning Certain Domestically Produced Aircraft (US)</i>	
US cotton farming subsidies	<i>US - Upland Cotton (Brazil)</i>	Sapir and Trachtman (2008)
EU subsidy regime for sugar	<i>EU - Export Subsidies on Sugar (Australia, Brazil, Thailand)</i>	Hoekman and Howse (2008)
US tax exemptions for Foreign Sales Corporations (FSC) regarding their export-related foreign trade income	<i>US - FSC (EU)</i>	Howse and Neven (2005a)
Korea subsidies to semiconductor producers targeted by Japanese countervailing measures	<i>Japan - DRAMs (Korea)*</i> <i>EU - Countervailing Measures on DRAM Chips (Korea)*</i> <i>US - Countervailing Duty Investigation on DRAMs (Korea)*</i>	Francois and Palmeter (2008); Prusa (2008); Crowley and Palmeter (2009)
China subsidies to clean energy products targeted by US countervailing measures	<i>US - Countervailing Measures (China)*</i>	Brewster, Brunel and Mayda (2016)

Table 9: Other Disputed Behind-the-Border Policies Predominantly Affecting Supply, 1995-2015

Behind the Border Policy	WTO Dispute (Complaining Countries)	Legal-Economic Research
Services and distribution (competition policy)		
Canadian Wheat Board export regime and regulations on distribution of grain imports	Canada - Wheat Exports and Grain Imports (US)	Hoekman and Trachtman (2008)
China regulations on distribution of imported audio-visual, music, and reading products	China - Publications and Audiovisual Products (US)	Conconi and Patwczyn (2011)
Japan regulations of distributors and retailers affecting the photographic film (Kodak/Fuji) market	Japan - Film (US)	
EU Third Energy Package Directive and Regulations un-bundling vertically-integrated provision (production, supply, and transmission) of natural gas or electricity	EU - Certain Measures Relating to the Energy Sector (Romania)	
Animal health and product standards		
India import measures on US poultry products due to Avian Influenza	India - Agricultural Products (US)	Bown and Hillman (2016)
US import measures on Argentine beef after foot and mouth disease outbreak	US - Animals (Argentina)	
Russia import measures on EU pork products after African Swine Fever outbreak	Russia - Pigs (EU)	
Korea import measures on Canada beef after mad cow disease (BSE) outbreak	Korea - Bovine Meat (Canada)	
Other environmental regulations		
US import measures on shrimp caught without using sea turtle excluder devices	US - Shrimp (India, Malaysia, Pakistan, Philippines, Thailand)	Hoare and Neven (2003)
EU import measures on seals and related products	EU - Seal Products (Canada, Norway)	Levy and Bagan (2015); Conconi and Voon (2016)
Brazil import measures on retreaded tires out of fear of spread of mosquito-transmitted diseases	Brazil - Retreaded Tires (EU)	Bown and Trachtman (2006)
Japan import measures on apples over concerns about the risk of transmission of fire blight bacterium	Japan - Apples (US)	Neven and Weller (2006)
China export quotas on certain rare earths and raw materials allegedly to conserve natural resources	China - Rare Materials (EU, US, Mexico) China - Rare Earths (EU, Japan, US)	Brackner and Munkus (2014); Bown and Trachtman (2016)
US Clean Air Act rule to differentially treat imported and domestic gasoline for air pollution prevention	US - Gasoline (Brazil, Venezuela)	
Russia older motor vehicle recycling for promoting purchase of environmentally friendly autos	Russia - Motor Vehicles (EU, Japan)	
Labor regulations		
Guatemala failure to enforce its own labor laws related to the right of association, the right to organize and bargain collectively, and acceptable conditions of work	Guatemala - Issues Relating to the Obligations Under Article 16.2.1(a) of the CAFTA-DR (US)*	

How liberalized is world trade?

Table 10: Disputed Behind-the-Border Policies Predominantly Affecting Demand, 1995-2015

Behind the Border Policy	WTO Dispute (Complaining Countries)	Legal-Economic Research
Subsidies/Taxes		
Canada, Chile, Japan, Korea, and Philippines each with domestic tax regime discriminating in favor of locally-produced alcohol relative to foreign-produced varieties: <ul style="list-style-type: none"> • Canada (wine and beer) • Chile (pisco) • Japan (sochu) • Korea (soju) • Philippines (distilled spirits) 	<i>Canada - Tax Exemptions and Reductions for Wine and Beer (EC);</i> <i>Chile - Alcoholic Beverages (EC, US);</i> <i>Japan - Alcoholic Beverages II (Canada, EC, US);</i> <i>Korea - Alcoholic Beverages (EC, US);</i> <i>Philippines - Distilled Spirits (EC, US)</i>	Neven and Trachtman (2013)
Foreign investment and local content requirements		
Brazil, Canada, China, India, Indonesia, and Philippines regulations in the auto sector with local content requirements	<i>Brazil - Certain Automotive Investment Measures (EU, Japan, US)</i> <i>Indonesia - Autos (EU, Japan, US)</i> <i>Canada - Autos (Japan)</i> <i>India - Autos (EU, US)</i> <i>Philippines - Motor Vehicles (US)</i> <i>China - Auto Parts (Canada, EU, US)</i>	Bagwell and Sykes (2005b); Wauters and Vandenbussche (2010)
Canada regulations for renewable energy generation and local content requirements	<i>Canada - Renewable Energy (Japan)</i>	Charnovitz and Fischer (2015); Rubini (2015)
EU regulations for renewable energy generation and local content requirements, subsidies for solar energy consumption	<i>EU - Certain Measures Affecting the Renewable Energy Generation Sector (China)</i>	
China Special Fund for Industrialization of Wind Power Equipment and contingencies for local content requirements	<i>China - Measures concerning wind power equipment (US)</i> <i>US - Countervailing Measures (China)*</i>	Brewster, Brunel and Mayda (2016)
India Jawaharlal Nehru National Solar Mission for solar cells and solar modules and local content requirements	<i>India - Solar Cells (US)</i>	

Table 11: Other Disputed Behind-the-Border Policies Predominantly Affecting Demand, 1995-2015

Behind the Border Policy	WTO Dispute (Complaining Countries)	Legal-Economic Research
Public health, consumer safety and product standards		
EU import measures on food and agricultural products containing genetically modified organisms (GMOs)	<i>EU - Approval and Marketing of Biotech Products (US, Argentina, Canada)</i>	Howse and Horn (2009)
US Family Smoking Prevention Tobacco Control Act of 2009 that bans most all flavored cigarettes (like cloves) but not menthol	<i>US - Clove Cigarettes (Indonesia)</i>	Howse and Levy (2013); Broude and Levy (2014)
US regulations and federal laws banning cross-border internet gambling, such as the Wire Act, Travel Act, and the Illegal Gambling Business Act	<i>US - Gambling (Antigua and Barbuda)</i>	Irwin and Weiler (2008)
France import measures on asbestos	<i>EU - Asbestos (Canada)</i>	Horn and Weiler (2003)
US import measures on Mexico's commercial trucking services due to public health and safety concerns	<i>US - Cross-Border Trucking Services (Mexico)*</i>	
EU import measures on hormone-treated beef (precautionary principle)	<i>EU Hormones (Canada, US)</i>	
Korea import measures and additional testing requirements on agricultural products from Japan after Fukushima nuclear event	<i>Korea - Radionuclides (Japan)</i>	
Consumer product labeling & intellectual property rights		
US dolphin-safe tuna labeling	<i>US - Tuna II (Mexico)</i>	Howse and Levy (2013); Crowley and Howse (2014)
US country of origin labeling (COOL) requirement for the tracking of cows and pigs (and beef and pork) intended for the US market along the global supply chain	<i>US - COOL (Canada, Mexico)</i>	Howse and Levy (2013); Mavroidis and Saggi (2014)
EU regulation related to the protection of geographical indications and designations of origin on agricultural products and foodstuffs	<i>EU - Trademarks and Geographical Indications (Australia, US)</i>	
Australia laws and regulations that impose restrictions on trademarks, geographical indications, and other plain packaging requirements on tobacco products	<i>Australia - Tobacco Plain Packaging (Dominican Republic, Honduras, Indonesia, Ukraine)</i>	